

PAY FOR IMPACT: VOCATIONAL SKILLS DEVELOPMENT (VSD)

Roots of Impact and its partners Ashoka, the Swiss Agency for Development Cooperation, New Ventures and IDB Lab are looking for **organisations in Latin America and the Caribbean focused on vocational skills development** preparing to raise investment to support them with premium payments for positive outcomes (Social Impact Incentives - SIINC) as part of the next financing round. The call is part of the SIINC LAC programme that the partners are implementing in the region since 2016 (more about SIINC on the next page).

SECTORAL FOCUS

Vocational Skills Development (VSD) include all organised learning processes for development of technical, social, professional or/and personal skills and qualifications that contribute to sustainable long- term integration of trained people in the world of work or workforce.

KEY CRITERIA

- *Suitability:* The organisations must be at least three years old and operate in the LAC region. They must be seeking (repayable) investment in the range of US\$200k to USD\$2m.
- *Business model:* Although there are no specific constraints regarding the legal form, the organisations need to have a business model and generate revenues out of their activities (e.g. students repayment of training, fee for service, or government revenues/subsidies).
- *Financial sustainability:* The objective of the SIINC LAC programme is to support organisations which will continue to generate positive impact long after the SIINC payments have ended. Thus, the organisations must have either already achieved financial sustainability, or must have a clear plan for achieving breakeven in the short to medium term.
- *Impact track-record:* The support provided to the organisations in this program takes the form of outcomes-based premiums, paid to incentivise positive social impact. In order to design a realistic payment schedule, it is necessary to have baseline data related to the impact generated by the organisation. There should be a track-record of systematically tracked and reported indicators which can act as a basis for planning the SIINC payments.
- *Impact focus:* Organisations that address vulnerable populations will be particularly considered. Ventures that don't have a specific impact focus are also eligible, if they prove to be willing and able to deliver positive social outcomes.

TIMING AND CONTACT

The call for application is open and you can apply via this online application form:

<http://bit.ly/SIINC-LAC-2020>

The deadline to apply is March 1st, 2020 at 2.00pm CST (Central Standard Time).

ABOUT SIINC

Social Impact Incentives (SIINC) is a funding instrument that rewards high-impact organisations with premium payments for achieving social impact. The additional revenues enable them to improve profitability and attract investment to scale. Thus, SIINC can effectively leverage public or philanthropic funds to catalyze private investment in underserved markets with high potential for social impact.

Important: to qualify for SIINC, enterprises need to raise an investment round in parallel.

Link to SIINC video (Spanish): <https://www.youtube.com/watch?v=Pdf5JOPBsc4>

WHY SIINC IS RELEVANT

... FOR IMPACT ENTERPRISES AND INCLUSIVE BUSINESSES:

The SIINC model makes it possible to scale without compromising on generating strong positive impact. SIINC can act as an additional revenue stream that directly improves the P&L. With SIINC-related premium payments, the enterprise enjoys full flexibility about the type and source of investment to bring in.

... FOR INVESTORS:

SIINC improves the risk/return profile of high-impact enterprises by rewarding them for their impact. The organisation will be able to continue or even accelerate its efforts to generate deep impact while offering sufficient returns.

... FOR PUBLIC FUNDERS AND DONORS:

SIINC offers great value since an outcome-funder only provides rewards for impact that is actually generated. The outcome funder works with the organisation to decide on the desired outcomes and on the terms for incentivizing these. If SIINC is used properly, the organisation will continue to generate positive impact long after the SIINC agreement is finished.

More about SIINC here: <https://www.roots-of-impact.org/siinc/>