

SOCIAL IMPACT INCENTIVES (SIINC) FOR SKILLS, EMPLOYMENT AND INCOME

Roots of Impact and its partners the Swiss Agency for Development Cooperation, IDB Lab, New Ventures and Ashoka are looking for **impact enterprises in Latin America and the Caribbean focused on skills, employment and income**. In order to be eligible for receiving Social Impact Incentives (SIINC) – time-limited payments rewarding social impact – enterprises should be in the midst of, or preparing for, raising an investment round.

While SIINC generally focuses on incentivizing enterprises to create additional impact, given the exceptional situation and disruptions linked to the global COVID-19 pandemic, the current iteration of the program includes the possibility of providing Emergency SIINC. This means that in this iteration, financial incentives can also be aimed at supporting struggling enterprises to maintain the impact they generally generate. For instance, SIINC could incentivize enterprises to continue delivering their products and/or services to vulnerable customers, which may currently otherwise be difficult due to the many challenges this pandemic brings along.

SECTORAL FOCUS

The sectoral focus of this call can broadly be divided into three subcategories:

- 1) **skills**, i.e. enterprises focusing on developing technical, social, professional and/or personal competences and qualifications that facilitate people's transition into the labour market
- 2) **employment**, i.e. enterprises dedicated to formally integrating (or maintaining) people in the labour market
- 3) **income**, i.e. enterprises that allow people to have access to an (additional) source of income, whether via part-time or occasional / gig job opportunities

Ideally, impact enterprises should always have a “(up-)skilling” component, whereby clients are provided some sort of training to enhance their professional (and personal) competences and profile. Throughout all three categories the focus is on supporting and empowering the most vulnerable parts of society, e.g. unemployed, low-income, women or ethnic minorities.

KEY CRITERIA

- *Track record*: The enterprises must have a track record of at least three years of operation and be active in Latin America or the Caribbean (excluding Brazil). They must be seeking repayable investment in the range of USD 150K-2M.
- *Business model*: There are no specific constraints regarding the legal form, the enterprises need to have a proven revenue model (e.g. fee-for-service, subscription, donations etc.).
- *Financial sustainability*: The objective of the program is to support enterprises which will continue to generate positive impact long after the SIINC payments have ended. The enterprises must have either already achieved financial sustainability or have a clear plan for achieving breakeven in the short to medium term.
- *Impact track-record*: In order to design a realistic payment schedule, it is necessary to have

baseline data related to the impact generated by the enterprise. There should be a track-record of systematically tracked and reported indicators which can act as a basis for the planning the SIINC payments.

- *Impact focus:* Enterprises that address vulnerable populations are of particular interest. 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

This is an open call for expression of interest, and as such, there is no definite deadline. Interested impact enterprises that meet the eligibility criteria for this program are encouraged to apply via the following link: http://bit.ly/SIINC_LAC_2020. For more information, please contact Patrizia Baffioni at pbaffioni@roots-of-impact.org.

ABOUT SIINC

Social Impact Incentives (SIINC) is a funding instrument that rewards impact enterprises with time-limited, non-repayable payments rewarding the social impact they create. The additional revenues enable impact enterprises to improve their profitability and attract investment to scale. Thus, SIINC aims to effectively leverage public or philanthropic funds to catalyze private investment in underserved markets with high potential for social impact. More about SIINC can be found here: <https://www.roots-of-impact.org/siinc/>

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

An explanatory SIINC video with Spanish subtitles can be found [here](#).

SIINC EXAMPLE

P.V. is an impact enterprise that was selected for receiving SIINC in the first iteration of the program. The company equips unemployed or underemployed youth with future-proof skills and identifies employment opportunities for them. SIINC provides the enterprise with financial incentives for finding employment to the most disadvantaged students and for maintaining high job retention rates. In the framework of COVID-19, P.V. stopped charging the companies where upskilled people were placed, to incentivize them to continue employing despite the difficult times. To compensate P.V. for the lost revenues, an emergency SIINC component was added, providing P.V. with additional financial rewards for every additional upskilled person placed.