



SITRA - Impact Investing

FINLAND

FINANCING

Finland has a strong public social services network, across different fields and targeting also various vulnerable groups. Despite the public support, not all societal issues are being effectively and efficiently solved. Finland faces some complex and long rooted issues (e.g. High rates of domestic violence against women), as well as new ones that have just emerged (e.g. Integration of massive inflows of migrants).

Despite of struggle finding adequate means and support to grow, social enterprises are playing an increasingly important role in finding innovative solutions to social challenges. Impact investing focus area at SITRA has been promoting innovative mechanism that can be used by social enterprises, too.

Presentation

SITRA was created as a gift from the Finnish Parliament to its citizens in 1967, on the country's 50th anniversary. It is a fund for the future Finnish society; SITRA's mandate is to promote equitable and sustainable development, economic growth and international competitiveness of Finland. Although supervised by the government, it is managed in an independent manner. SITRA is organized by thematic areas, each of them seeking solutions for different future challenges.

One of these themes is a new working life and sustainable economy including impact investing, which aims at finding a sustainable way to address social issues, by testing the impact investment principles in Finland. This focus area is committed to build the necessary ecosystem for impact investment practices to flourish, fostering collaboration between different kind service providers including social enterprises, private investors and public entities. Impact investing has 2 flagship projects:

1 - ACCELERATOR PROGRAM

An acceleration program targeting for-profits that want to grow their business and impact. The fourth edition ended in May 2017. Since 2015, SITRA has supported more than 40 for-profits.

Goal: To strengthen participants' capacity to develop more effective services, and become investment-ready.

Beneficiaries: Impact actors (for and not for profit) that pursue social missions related with the following issues:

1. the well-being of children and their families;
2. senior people care;
3. marginalisation of young people;
4. integration of immigrants.

Structure: 2-month Intensive training and mentoring program, with the following streams:

1. **Kick-off day** to meet the group and mentors and to draw individual training plans and to meet mentors;
2. **6-day training** focused on refining theory of change, performance measurement system, business model and on developing a financial plan;
3. **Ongoing mentoring support** to assist in the development of above mentioned models;
4. **Pitch day** to meet investors and share investment deck.

2 - SIBS DEVELOPMENT

SITRA has contributed to the launch of the first Social Impact Bond in the Nordic countries. Finland has now three SIBs in place and three more on the pipeline.

2nd SIB launch

Issue: Fast employment and integration of refugees

Target population: From 2500 to 3700 refugees (and immigrants)

Intervention's duration: 3 years, starting from January 2017

Intervention: Participants are providers with assistance to find a job that matches their skills and ambitions. They receive on-the-job training tailored to the requirements of the job, in order to build skills and maximise chances of job sustainment.

Investors: European Investment Fund, SITRA and 5 more entities.

Max outcome payment: 50 % of savings in terms of decreased labour market benefits and increased income taxes

Outcomes funder: The Ministry of Economic Affairs and Unemployment in Finland

Intermediary: SITRA

Implications

SITRA is about addressing social problems. Sitra does not sit on tools, methods and frameworks. Instead, it is focused on finding the most efficient and effective solutions to address a given societal problem. So far, this has led them to support impact actors including social enterprises in accessing the most adequate finance and to develop a capacity building and investment readiness program.

SITRA is about bridging different worlds. It seeks effective and sustainable approaches, often found in promoting cross sector collaboration and interests' alignment. This requires combining different skill sets, resources and experiences of stakeholders that have always worked far apart.

SITRA is about having an active leadership. Created to test an innovative approach to support impact oriented organisations, SITRA's impact investing team has managed to put Finland on the global map. Finland has been recently invited to be part of Global Impact Investment Steering Group, a network of 16 National Advisory Boards committed with building a well functioning ecosystem. This achievement comes from the active leadership and stakeholders' coordination of SITRA in the country.

Despite SITRA's contribution to the sector, there is plenty to be done so that Finland has a well-functioning social impact investment market, where stakeholders collaborate to drive impact. This implies testing new financial instruments, attracting more private capital and further supporting social enterprises becoming investment ready. SITRA believes that it needs to be closer to global partners to share different sustainable development perspectives.

More information

- For more information about the Finnish ecosystem for social enterprise:
[Social enterprises and their eco-systems: A European mapping report: Finland](#)
- For more information about SITRA [visit the website](#) or:
[SITRA Social Impact Investing and Existent Possibilities](#)
- For more information on Social Impact Bonds visit the Impact Bond [Database](#):

Contact

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