

Social Impact Partnerships: *The Singapore Experience*

March 2023

Tri-Sector is a social impact consultancy that is helping to adapt new collaboration models to Asia

TRI-SECTOR MEMBERS



Kevin Tan

Ex-Third Sector Capital Partners



Danny Yong

Founder and CIO, Dymon Asia Capital



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Abidin, Chairman**

CEO, Quantedge Capital



**Pierre Lorinet,
Director**

Ex-CFO, Trafigura

ORGANIZATION OVERVIEW



Local Credibility:

Established as both a social enterprise and a registered charity in Singapore



Global Experience: Knowledge sharing with Third Sector Capital Partners, leading US non-profit advisor on catalytic funding models

Notes:

Members are equivalent to shareholders in a non-profit Company Limited by Guarantee. Tri-Sector Associates Limited is a Social Enterprise Company Limited by Guarantee. Tri-Sector Charity Consultants is a registered Charity Company Limited by Guarantee

We have a multi-disciplinary team from across the sectors, driving towards social impact

Tri-Sector Team



Kevin Tan
Founder

Former Third Sector
Capital Partners
Harvard Kennedy, MPP



Sikai Chen
COO

Former Dalberg
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Nadia Ahmad Samdin
Counsel, Sr. Project Leader

Member of Parliament
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Principal

Former Director, Child
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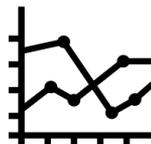
Akshar Saxena
Program Evaluator

Assistant Professor, NTU
Harvard University, PhD

We support the people, public, and private sectors with our experience in:



Innovative
Philanthropy
& Blended
Finance



Impact
Measurement



Social
Impact
Advisory

Our team launched some of the first projects in Asia and supports the growth of an outcomes-based ecosystem

Projects Launched



Recyclable venture philanthropy fund



Social Impact Bond for education in Hong Kong



World's first Social Impact Guarantee for at-risk youth



Outcomes-Based Loan for employment of Persons With Disabilities (PWD)



Outcomes Amplifier Model for income stability

Social Impact Ecosystems



Singapore



China



Japan



Hong Kong



Indonesia



Thailand

We have often seen several questions arise in structuring traditional Social Impact Bonds

OUTCOMES FUNDERS



Rationale

“Why should I borrow when I already have the money today or can borrow on the public markets for cheaper?”



Mechanics

“My budget cycle is annual; how do I handle multi-year contingent payments?”

“How do I amend my contracts to incorporate PFS principles?”

PRIVATE INVESTORS



Return

“How can I justify investing in this when the return barely covers cost of capital, let alone risk?”



Collaboration

“How can public, people and private sector interest align?”

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Philanthropy & Funding

Social Impact Guarantees: The Next Evolution in Outcomes-Based Funding

A new take on collaborative funding in Singapore could help outcomes-based funding go more mainstream.

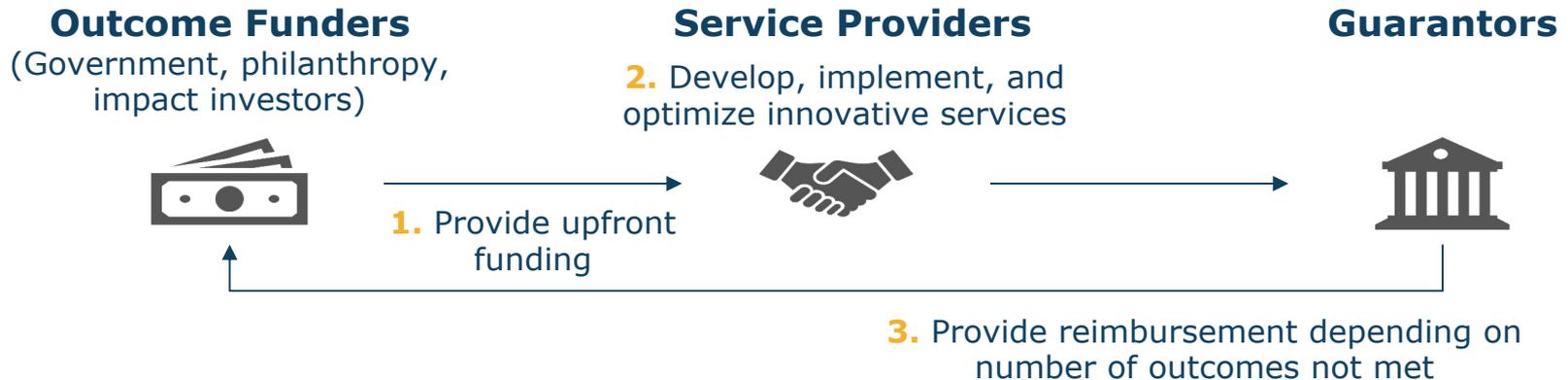
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By [Kevin Tan](#), [Nadia A. Samdin](#) & [Pierre Lorinet](#) | Aug. 30, 2021

We have launched a new variation of PFS called the Social Impact Guarantee (SIG)

In a SIG, Outcomes Funders can ensure that their **donation is only spent if it achieves measurable social impact**, or else a third-party guarantor absorbs the risk.

Guarantor Reimbursement Model:



SIGs help Outcomes Funders use mechanisms that already exist in today's procurement workflow

How an Outcomes Funder can execute a SIG

1. Adding a Clawback



2. Buy Insurance



SIGs also provides guarantor with two sources of leverage vs a SIB, enhancing impact and return

Benefits for guarantors for a SIG



Time Value of Money

Funding dollars do not have to be deployed until SIG is activated, allowing guarantors to grow their wealth in the meantime



Risk Pooling

Guarantors can use the same funding to guarantee multiple SIGs at the same time, allowing each guarantee dollar to leverage many pools

We have worked with YMCA to launch the first SIG in Youth Employment



The Problem

- Youths in Singapore are **not in Employment, Education or Training** (NEET) (5.2% unemployment rate in 2018)
- YMCA wanted to **innovate** on their existing program for NEET youths to **improve program success rate**

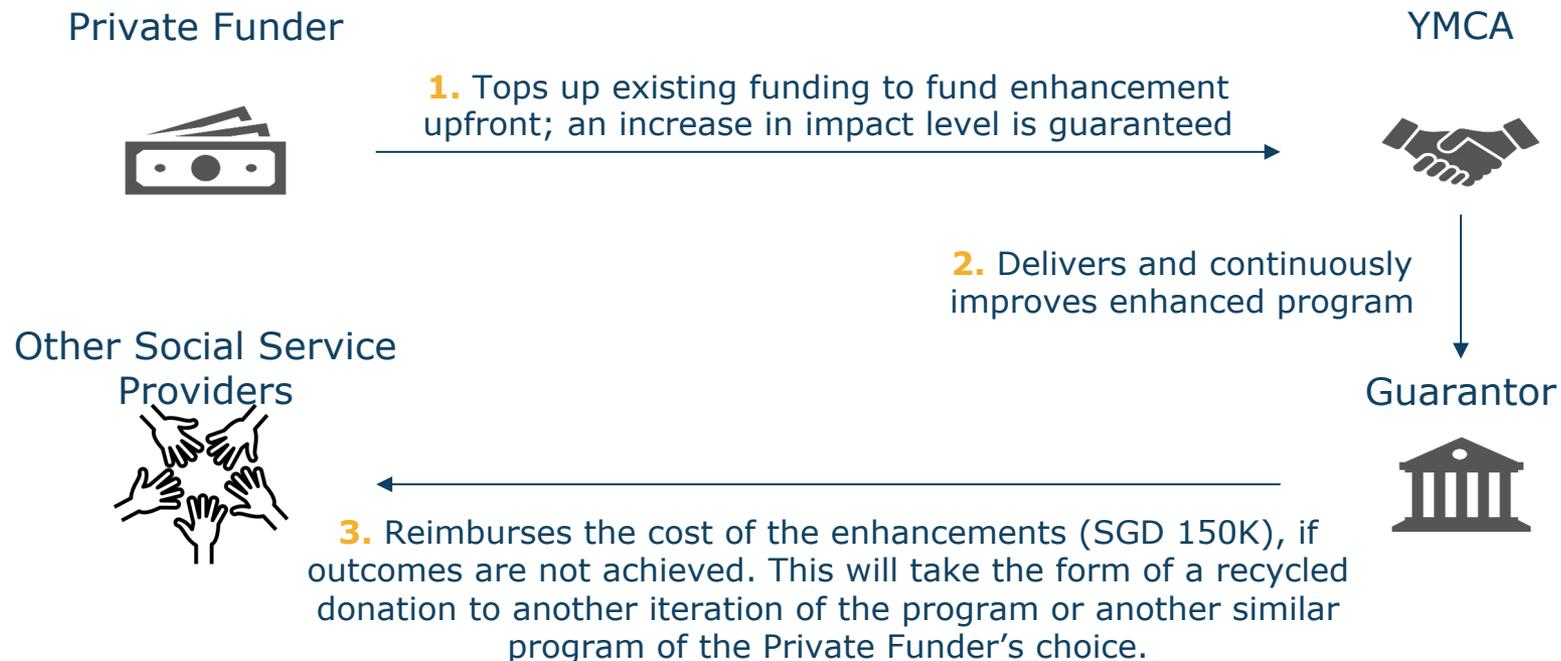


The Solution

- Tri-Sector helped design a **SIG to add 3 enhancements** to YMCA's program including an enhanced learning program, longer period of social support and an internship stipend (adapted)
- A **10% increase** in the rate of youth placements in education or employment was targeted

This project launched in July 2021 with the SIG model being successfully implemented

Overview of YMCA SIG Project



Our research also shows that the core value proposition of OBF instruments can be better refined

OUTCOMES FUNDERS



Rationale

“If your funders are quasi-philanthropic, then why should I pay them back if they would have likely donated anyway?”

PHILANTHROPIC FUNDERS



Uptake

“I don’t really want my money back; what’s more important is that government or aid agencies adopt it for the longer-term.”

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Keeping the Social Impact Going When a Pilot Project Ends

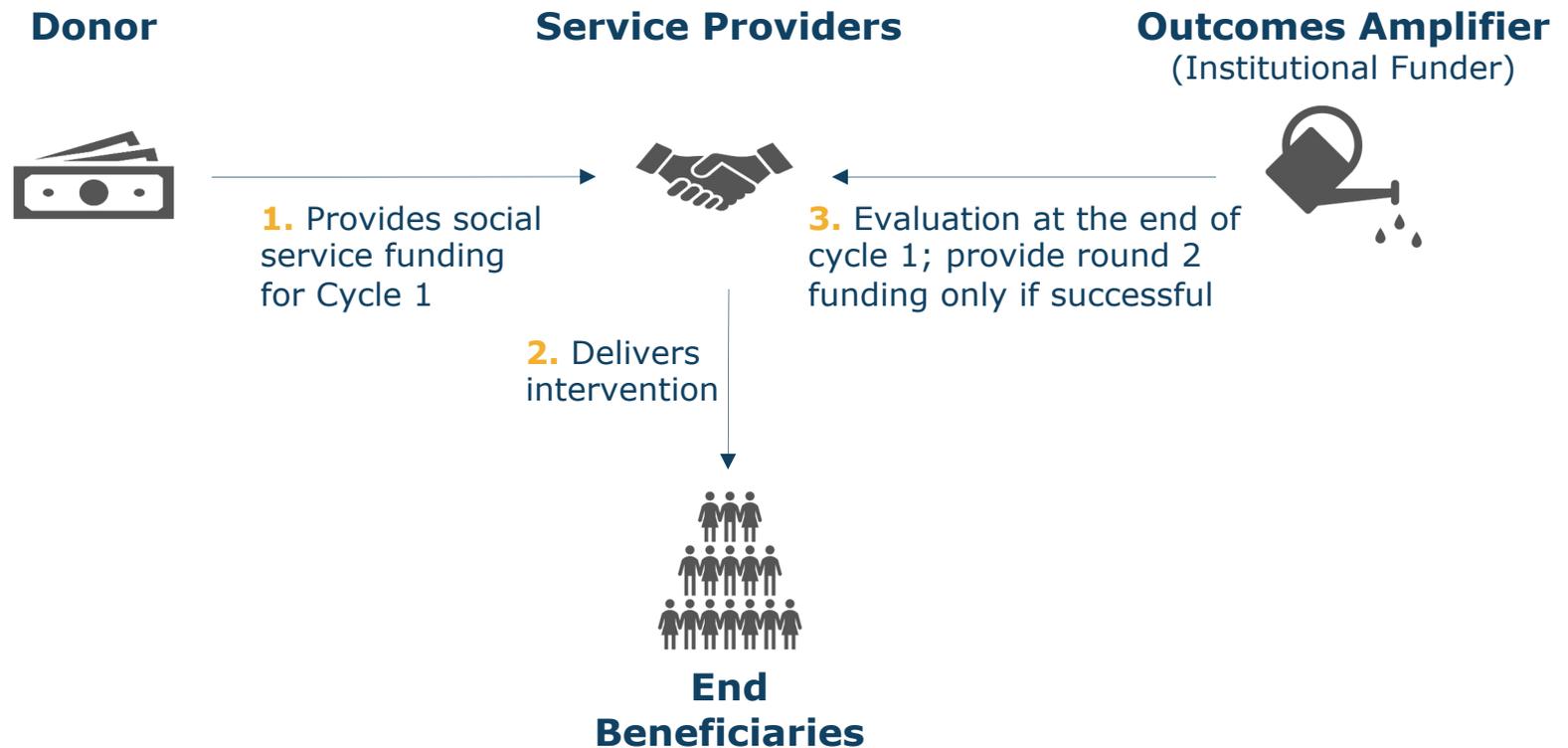
A new type of pay-for-success collaboration model in Singapore addresses the perennial issue of an exit strategy after philanthropic pilots.

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By [Kevin Tan & Nadia Ahmad Samdin](#) | [Jan. 5, 2023](#)

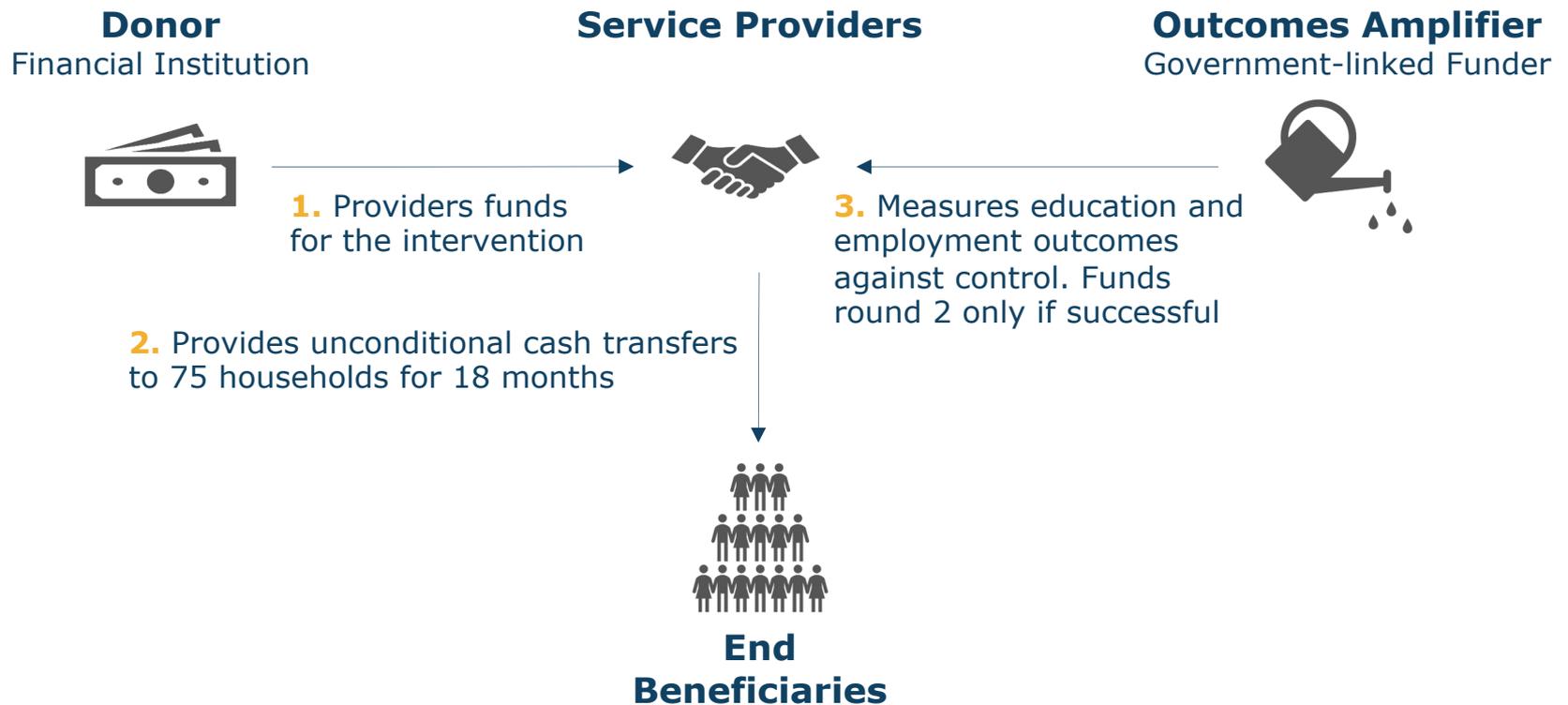
For pure philanthropic upfront funders, an “outcomes amplifier” model might make sense

Outcomes Amplifier Model



We launched the first Outcomes Amplifier for income stability, towards education, skills and employment

Outcomes Amplifier Model



In many settings, match funding and Advanced Market Commitments are already accepted ideas

MATCH FUNDING



WORLD BANK GROUP

- Over 106 match grants in 2 decades for private sector development interventions, particularly in Africa
- Over 75% were successful



- Support dollar-for-dollar matching for grounds-up initiatives in Singapore
- The Singapore government is a partner that provides additional match funding

ADVANCED MARKET COMMITMENTS (AMC)



- As of 2020, AMC enabled 1.75B doses of vaccines through 2029 with USD 1.5B funds
- Over 215M children were immunized through AMC vaccines between the program start in 2009 and 2020



- Agreed to buy an initial USD 925M of permanent carbon removal between 2022-2030
- Funded by Stripe, Alphabet, Shopify, Meta, McKinsey, etc.

We hope to create more Amplifiers in a variety of complex issues over the next 3 years



Healthcare



Mental health



Climate change



Education



Disadvantaged youths

Thank you! Do stay in touch.

Please contact nadia.samdin@trisector.org with any questions

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