

# Palladium

Lessons Learnt from Developing a DIB market



Palladium is a global leader in the development and delivery of **Positive Impact** - the point where commercial and social goals are inextricably linked and social and financial impacts are equally considered.

We work with governments, corporations and non-profit organisations to deliver solutions that transform lives. Through this work with businesses, communities, societies and economies we help to create enduring value.



# Financing for Development

Palladium is leading the way in innovating to mobilise new sources of financing for development, aligning private interests with the public good through three offerings.

## Impact Investing



- Opportunity identification
- Due diligence
- Structuring and testing
- Scaling and replication
- Financial advisory
- Intermediary support
- Capital mobilisation
- Asset management

## Private Sector Engagement



- Donor investment platform design  
eg DFID GBP500m DevCap  
Agribusiness Investment Platform  
Scoping and Design
- Public sector investment advisory
- Shared value programmes
- Innovation
- Initiative realization
- Business partnerships
- Risk & Governance

## Development/Social Impact Bonds



- Feasibility assessment
- Design
- Deal structuring
- Performance management
- Results verification
- Marketplace development

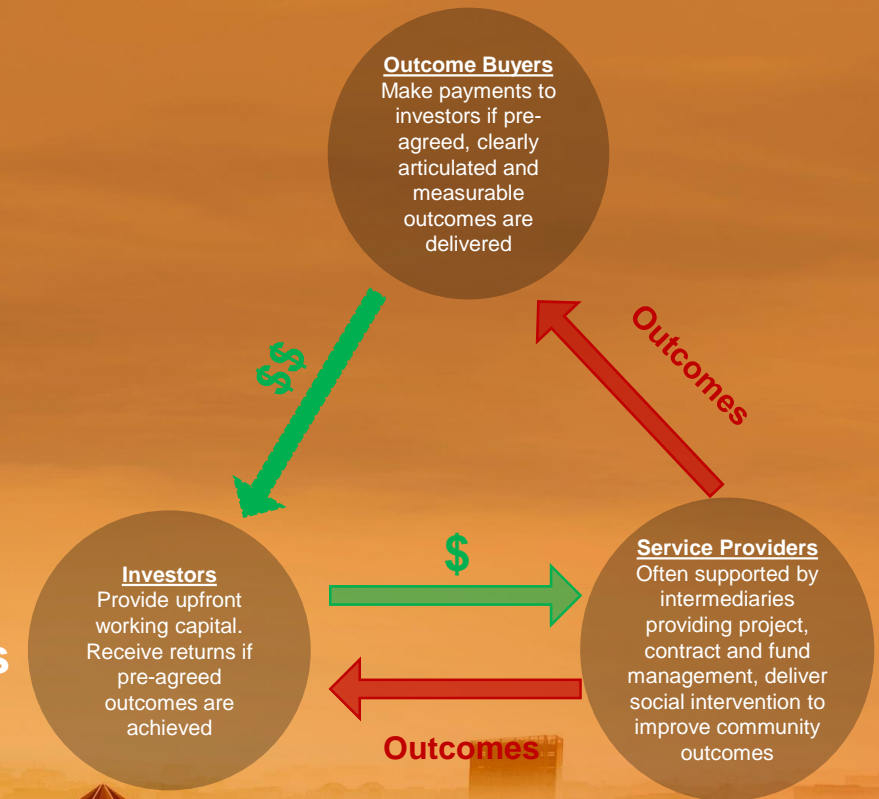
# Development Impact Bonds

Aligning private interest with the public good through structured financial instruments

# CREATE CHANGE



















Palladium has been developing a pipeline of **payment-by-results financing mechanisms** since early 2014.

Impact Bonds represent the convergence between Impact Investment and Payment-by-Results, with the potential to drive greater efficiency, results and participation of private and institutional investors in the delivery of development projects.





# Palladium's Impact Bond pipeline

	India 	Vietnam 	Nigeria 	UAE 
<b>Interested Outcome Funders</b>	  	Government of Vietnam Corporate CSR Funds		Oil & Gas Corporations
<b>Potential Investors</b>	   		Idea Nest Investments Heirs Holdings TEF	
<b>Advisors/ Intermediaries</b>				
<b>Social Impact</b>	Health – reproductive, maternal and child. Expected impact – <ul style="list-style-type: none"> <li>• 4,000 infant deaths averted</li> <li>• 500 maternal deaths averted</li> <li>• 6 million additional CYPs</li> </ul>	Health – road safety Decrease mortality and morbidity due to road accidents	Controlling Newcastle Disease (Poultry Flu), improving food security and nutrition which impacts millions of Africans annually	Youth engagement around graduate degrees in primarily Engineering fields
<b>Fund Size Duration</b>	GBP25mil 5 Years	US\$9.5mil 5 Years	GBP12mil 5+5 years	USD20mil 8 Years
<b>Palladium Role</b>	Design completed, currently structuring investment deal and will shortly be raising capital.	Finalised feasibility study in mid-2015. Currently serving as Advisor	Conducted feasibility study in September 2015	Scoping completed Requesting funding for design phase

**Also in Pipeline**

**Ethiopia**



**Papua New Guinea**



## Rajasthan Reproductive, Maternal, Newborn, Child and Adolescent Health Impact Bond

Through 5 years of activities at maximum scale this Impact Bond is projected to:

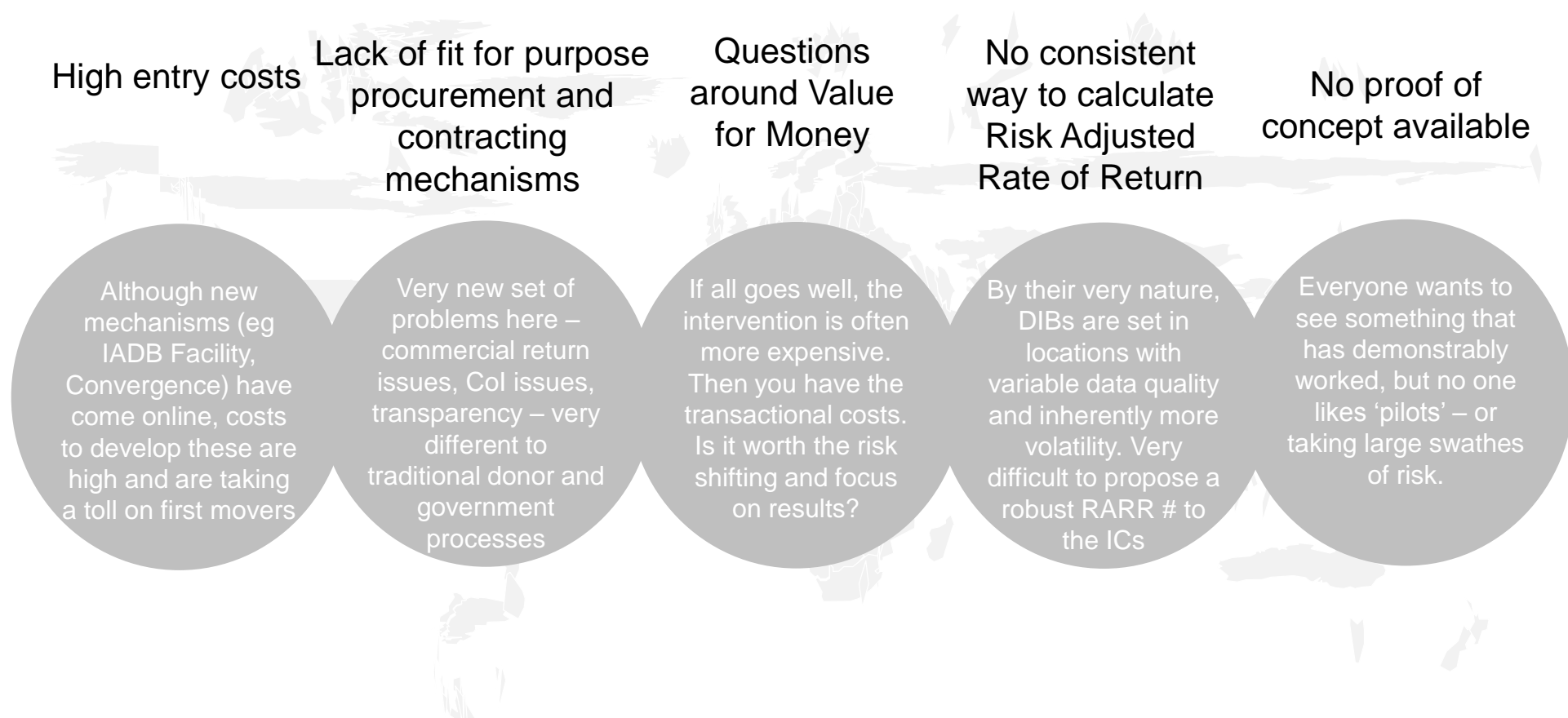
- Mobilise private capital to take on the risk of achieving significant gains in RMNCH+A
- Contribute additional 13% decrease in MMR by 2021 from 2015 baseline ^
- Contribute additional 20% decrease in IMR by 2021 from 2015 baseline ^
- Increase modern CPR by 10 percentage points (double m-CPR by providing options) ^
- Generate additional 6 million CYPs\*
- Produce direct healthcare cost savings of more than INR1000 crore (USD170mm) (lifespan impact); INR170 crore (USD28mm) direct cost saving in 5 years\*
- Achieve all this with the equivalent of 2.5% of the state NHM annual budget

^ Based on modelled projections of private sector contributions

\* MSI Impact calculator

# Impact Bonds in Developing Countries

## Palladium's experience



THANK YOU