

The first social finance wholesale fund in Korea

Korea Social Value and Solidarity Foundation

The Korea Social Value and Solidarity Foundation was established as part of the Korean government's 'Social finance promotion strategy (8 Feb 2018)'. The foundation is the first wholesale fund established in Korea based on the public-private partnership. The foundation aims to contribute to the development of the social finance ecosystem and the social economy as a whole.

Management principles



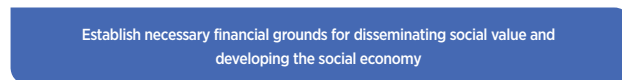
Main projects

Provide patient capital	Support social impact project	Foster social finance intermediaries
Differentiated social value pricing and provision of patient capital through subordinate and secondary financing	Social Impact Bonds (SIB), social housing and community ownership, creation of social values through combining local government funds and civil society capitals for the implementation of specialised projects by regions and industries	Meet increasing social finance demands resulted from the expansion of the social economy through fostering locally based intermediaries (retail)

Role



Goal



Feb 2018

Organization of the 'Social Value and Solidarity Fund Implementation Council' which gathered partner social economy councils, social finance organizations and experts to discuss major issues of establishing the fund such as legal status, coverage of the fund and governance.

Jun 2018

Establishment of the 'Planning and Preparatory Committee'

27 Dec 2018

Approval for the establishment of foundation (by the Ministry of Strategy and Finance of Korea)

23 Jan 2019

Official inauguration of the Korea Social Value and Solidarity Foundation (President: Rev. Kyong Yong Song)

SVIS
Korea Social Value and
Solidarity Foundation

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Social finance hub
We add social value to finance

KOREA SOCIAL VALUE AND SOLIDARITY FOUNDATION



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Solidarity Foundation

Korean government's strategy for promoting the social economy

Announcement for the 'Social economy promotion strategy' (18 Oct 17, Korean government inter-agencies)

The first social economy strategy established at the government level

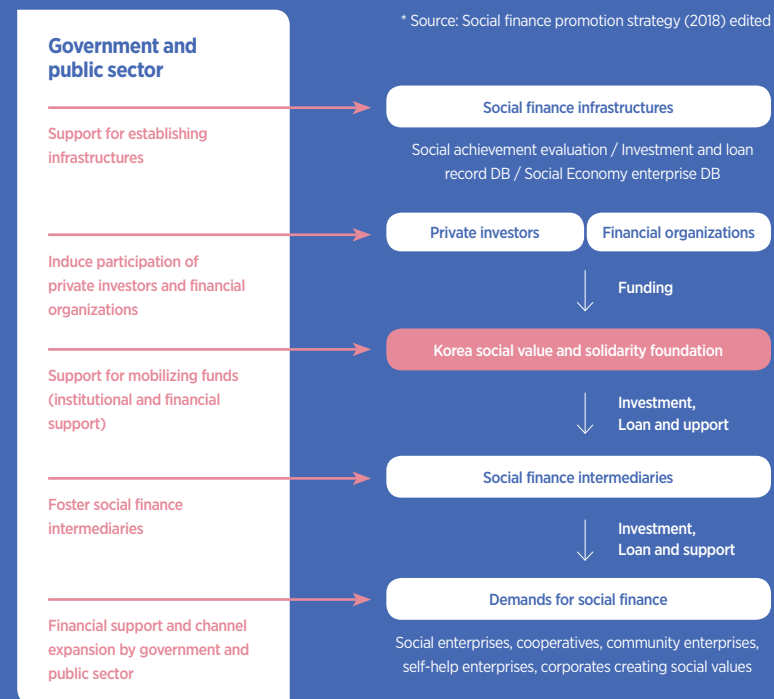
Core implementation strategy _____strengthen financial infrastructures for social economy enterprise such as social startups to start and expand their business / enhance tailored support according to the development stages of social economy enterprise and support for expanding scale / leading other public agencies' participation in market access support such as socially responsible public procurement / support social economy enterprises to enter major sectors such as renewable energy

Announcement for the 'Social finance promotion strategy' (8 Feb 18, Korean government inter-agencies)

Implementation strategy for establishing a financial ecosystem that backs sustainable growth of the social economy

Core implementation strategy _____(support social finance market establishment) Social value fund mobilization support, nurture social finance intermediaries and increase private investors -financial organizations' participation / (expansion of social finance provisions from government and public sector) increase support scale and channels for social economy enterprises through government and public resources / (expansion of social finance infrastructures) establish financial support information DB, utilize social finance intermediaries and capacity building by government and public sector, establish social achievement evaluation system

Strategy for establishing the social finance ecosystem

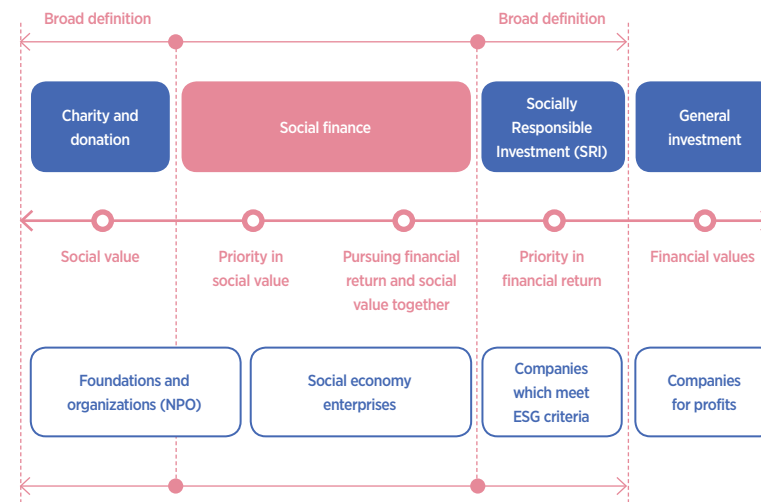


We need social finance for the sustainable growth of social economy enterprises

Social finance is a form of finance which pursues the realization of social value together with financial return.

Narrowly _____it means provision of finance through investments, loans and guarantees for social economy enterprises to create social values.

Broadly _____it includes not only investments, loans and guarantees but also grants and philanthropies as well as Social Responsible Investments (SRI) which focus on companies meet ESG (Environment, Social and Governance) criteria by broadly interpreting social values.

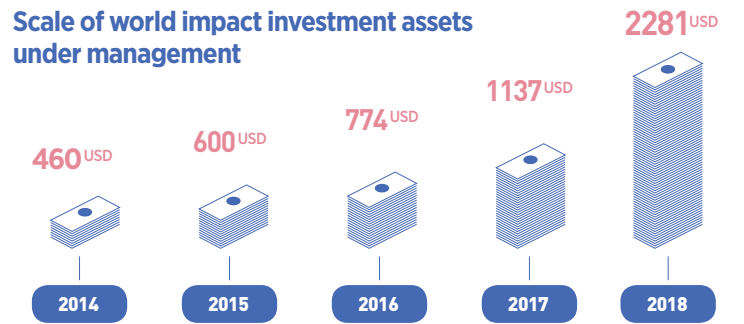


* Source: Social finance promotion strategy (2018) edited

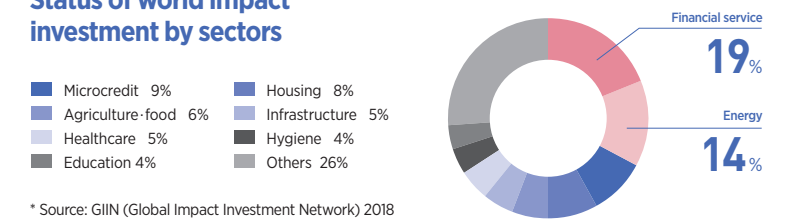
Global social finance market which solves social problems and making profits is rapidly expanding

UK, USA and Japan established a social finance ecosystem based on government and public resources (from dormant accounts) and Europe which has a strong tradition of cooperatives, spontaneously developed a civil society led social finance supporting system.

Scale of world impact investment assets under management



Status of world impact investment by sectors



* Source: GIIN (Global Impact Investment Network) 2018

Global social finance

Government and public funding base	UK: Big Society Capital, Australia: Impact Capital Australia, USA: CDFI (Community Development Financial Institution)
Public-civil society partnership	Canada: Fiducie, RISQ
Civil society base	Cooperative finance (Spain: Laboral Kutxa, Canada: Desjardins Group, Italy: Legacoop Coopfond) Social bank (Netherlands: Triodos Bank, Germany: GLS – Gemeinschaftsbank für Leihen und Schenken, Italy: Banca Popolare Ethica)
Others	USA: KIVA, UK: Social Stock Exchange

ACUMEN FUND

'We are all connected'

A girl from the United States donated her favorite blue sweater shirt and after 20 years at the other side of the world, on the street of Rwanda Kigali City, she ran into a boy who was wearing the blue sweater shirt she donated.



Patient capital which changed 1 hundred 15 million lives

After the experience of blue sweater shirt, Jacqueline Novogratz who worked as an international financier at the Chase Manhattan Bank established the world's first NPO venture capital 'Acumen fund' in 2001 in an attempt to fundamentally solve social problems and lead sustainable changes. Acumen Fund invests in social enterprises that provide affordable healthcare services for millions of people in poverty, clean water, mosquito net and housing. Contrary to the preconception that generating profits by investing in poor people is impossible, Acumen fund's annual rate of return is more than 7%.