



A Social Impact Bonds (SIBs) are a form of contract where social investment is used to finance the delivery costs of early interventions against the achievement of outcomes that are set and paid for by public sector bodies.

The SIB itself is a vehicle through which initial funding to deliver services flows. Investors pay for the delivery of a set of interventions to improve a social issue that is of social and / or financial interest to public sector commissioners. The SIB

- Allows the commissioners and or providers access to funding to provide the delivery of early interventions.
- Minimises the risk to providers, the risk sits with the social investors with the return based on level of success in achieving the results.

Social investors do expect (similarly to any investors) to get their money back with interest on top. However social investors are usually looking for a social return on their investment as well and are often prepared to wait longer for that return.