

An Innovative, Blended Finance Model for Higher Social Returns

The 360 ONE Foundation (“Foundation”, formerly known as IIFLW CSR Foundation) is established to design and execute CSR programmes, on behalf of 360 ONE. The Foundation implements sustainable and holistic solutions that address critical developmental challenges, deliver exponential social impact and inspire wider change.

91,744 beneficiaries

since FY22

28,557 beneficiaries in FY23

We endeavour to multiply these figures in the upcoming years.

At 360 ONE, we believe in inclusive growth and equitable development, empowering underserved communities and reducing inequality. As leaders in wealth and asset management, we leverage our expertise beyond providing mere funds. We’re committed to maximising both financial and social returns. We re-imagined traditional grant-giving and evolved a more catalytic approach with CSR funds deployed to generate a higher social return by unlocking additional capital, recycling funds, co-funding, with a strong focus on outcomes. We vet and co-curate interventions that use blended finance approaches to deliver exponential impact and enable a multiplier effect to every contribution made. Our goal is to improve outcomes and amplify impact for underserved communities through increased leverage of CSR funds.

IMPROVING LIVELIHOODS THROUGH FINANCIAL INCLUSION AND ACCESS TO CAPITAL



Our Foundation focuses on bridging the gap between the informal sector and formal sources of credit, enabling nano and micro-entrepreneurs and the informal workforce to participate and progress. We aim to achieve this by providing affordable capital to underserved communities, building a credit history for the unbanked, ensuring formal income for daily wage earners, enhancing financial literacy, encouraging savings, and reducing debt traps of informal lending.

We believe in long-term, holistic solutions. Besides financial literacy, inclusion and access, our interventions strive to develop skills and capacities, and establish market and government linkages. We recognise that financial inclusion plays a crucial role in reducing poverty and enables to achieve the UN's Sustainable Development Goals (SDGs).

RE-IMAGINING TRADITIONAL GRANT-GIVING THROUGH BLENDED FINANCE AND OUTCOME-BASED FUNDING

India continues to face widening inequalities exacerbated by the COVID-19 pandemic. India's \$565 Bn Sustainable Development Goals (SDGs) annual financing gap has only further widened post the pandemic. As complexities in the development sector continue to grow, it is critical to look beyond traditional models of socio-economic development and embrace innovative financing solutions that amplify our philanthropic contributions further. Today, in the social sector, one often writes a cheque and hopes that outcomes are achieved. We rose to the challenge and re-imagined traditional grant-giving to adopt a more strategic, impactful, and outcome-focused model that generates higher social returns. While conventionally, CSR has been a grant-based model, there is immense potential for CSR to be elevated to play a more catalytic role in the development ecosystem. Grants provide a key source of capital that is missing in the sector – a unique pool of capital which is risk-tolerant, patient and seeks no return. We recognised the potential for grants to provide concessionality and bring in commercial capital.

Blended Finance is an innovative way to combine private, public, and philanthropic capital. It enables us to increase the quantum of capital available for development financing and allocate this capital towards achieving development outcomes. It drives the much-needed rigour in the sector and enables better leverage for donors through collaboration - helping graduate from legacy cheque writing or the charity mindset.

Blended Finance is not a one-size-fits-all solution. There are specific instances when it's a powerful tool for scale. The key is to identify the problem to be solved, and the nature of capital required. This will help advise different forms of capital as well as different recipients in a more structured format. Blended Finance structures can catalyse the flow of capital into the social sector and support the development agenda of non-profits and foundations by:

1. Scaling-up development programmes through expanded funding sources
2. Promoting accountability through performance and impact management

The social impact generated through CSR can be made more efficient and catalytic through outcome-based funding and blended finance.

Outcome-based funding refers to the structuring of effective solutions with a higher focus on results and outcomes. **Blended finance** leverages philanthropic and public funds to unlock commercial capital for the project which enables solutions to be more mainstream and sustainable in the longer run. The goal is to deliver better outcomes and amplify impact for underserved communities through increased leverage of funds deployed for CSR programmes.

We vet and co-curate interventions that use outcome-based funding and blended finance approaches to deliver exponential impact and higher social return and enable a multiplier effect on every contribution made. These increase social impact by unlocking private, commercial, or government capital that supplements CSR funds in areas that are typically underserved or underfunded, resulting in a higher inflow of capital to aid social development projects.

Pay-for-outcomes (results-based financing)

Donor pays only if pre-agreed outcomes are met. Focus on achievement of outcomes instead of focus on inputs and outputs ensures higher accountability.

Returnable or Revolving Grants

Grant is given as zero interest loan, with only a moral obligation to repay. It is then recycled to aid other beneficiaries.

Risk Guarantees

A grant through an intermediary NGO acts as a risk guarantor to the beneficiary.

Interest Subvention

Donor provides an incentive to reduce the interest burden on the borrower when there is timely repayment; encourages borrowers to pay on time, and builds credit history.

Social Success Note

This pay-for-success instrument helps social enterprises access affordable debt to scale operations by reducing borrowing costs if pre-defined impact indicators are met. Donor incentivises risk investor and/or social enterprises based on achieved outcomes.

Social Impact Bonds (SIB)/Development Impact Bonds (DIB)

A partnership between risk investors, implementers/service providers, and outcome funders (donors), whereby investors provide the upfront capital and donors agree to repay the risk investors based on pre-agreed outcomes.

We Innovate to Optimise Giving and Invite Like-Minded Philanthropists and CSRs to Collaborate With Us and Deliver Collective Impact.

360 ONE FOUNDATION:

SNAPSHOTS OF SELECT FY23 PROGRAMMES ACROSS INDIA

1. Rural entrepreneurship among low-income migrant households

In partnership with Rajasthan Shram Sarathi Association, this project is aimed at supporting rural entrepreneurs in Rajasthan with zero-interest returnable grants. With a moral obligation to repay, and when returned, the funds are recycled to grant and aid other beneficiaries. The project aims to reach a total of 230 families over multiple cycles with returnable grants ranging from ₹20,000 to ₹50,000, repaid in monthly instalments based on individual repayment capacities. The project provides training and counselling sessions on business assessment, vendor connections, record-keeping, cash-flow management and financial literacy before disbursing loans to ensure successful enterprise operation.



Key Project Components

- ▶ **Instrument:** Returnable Grants
- ▶ **Project Location:** Rajasthan
- ▶ **Total No. of Beneficiaries:** 230 Families
- ▶ **Training:** Digital, Business and Financial Literacy
- ▶ **Average Loan Size:** ₹20,000 to ₹50,000
- ▶ **Total Additional Capital Unlocked:** ~₹40,00,000
- ▶ **Total No. of Cycles:** 3
- ▶ **Types of Enterprises Supported:** Grocery stores, bike repair shops, goat-rearing businesses, marble polishers etc.

2. Livelihood generation through skill development for high-demand healthcare roles

IIT Delhi (SAMRIDH Hosting entity) deployed an innovative financing solution to enable skilling and placement for in-demand job roles in the healthcare sector and generate livelihood.

Phase 1 (Training)

The project leverages 360 ONE Foundation's grant to unlock ~3x additional working capital loan from NSDC at an affordable rate of 6% p.a. through a 30% partial risk guarantee. The borrower (skilling entity) trains and places 2420 beneficiaries. The guarantee is renewable for two years. If the risk guarantee is not invoked or is partially invoked, it will be utilised to further enable a working capital loan, thereby training additional beneficiaries.

Phase 2 (Placement and Retention)

On achievement of an additional milestone i.e. if beneficiaries are retained in the job after 3 months post placement, a component of 360 ONE Foundation's grant will be used in the form of a Social Success Note linked to placement and retention of beneficiaries thus leading to further reduction in cost of borrowing for the implementing entity and incentivizing the risk investor (NSDC) for better performance outcomes.

Key Project Components

- ▶ **Instruments:** Partial Risk Guarantee and Social Success Note
- ▶ **Project Locations:** Maharashtra, Karnataka and New Delhi
- ▶ **Total No. of Beneficiaries:** 5000+ (projected)
- ▶ **Training:** 2-3 months Healthcare Domain Training for Specific Job Roles
- ▶ **Total Additional Capital Unlocked:** ₹4,00,00,000
- ▶ **Total No. of Cycles:** 3

3. Livelihood generation for paddy and poultry women farmers

The project with Access Livelihoods Foundation aims to improve the livelihoods and incomes of 2000+ marginalised women farmers – over 5-6 cycles in rural and tribal areas of Odisha and Maharashtra. 360 ONE Foundation supports three women-led producer companies (PCs) through a revolving grant (RG). The grant helps strengthen the PCs by offering input, procurement, working capital, training and market assistance.

The funds used as an RG at a PC-level provide discounted incentives to farmers for inputs and also provide farmers with partial upfront payment for their produce at the procurement stage and timely payments after the sale of their produce to ensure the working capital cycle is smooth and the farmers stay in business. The farmers are also trained in skill-based techniques such as better production methods, governance, and business management in the PCs. These trainings go on for ~5 months alongside other project activities.

The RG ensures ongoing support to the PC's economic cycles – wherein the PC can generate revenues and support its members with required inputs and working capital on time, establishing a regular repayment habit. This approach addresses the financial needs and improves the livelihoods of the target women beneficiaries.



Key Project Components

- ▶ **Instrument:** Returnable Grants
- ▶ **Project Locations:** Maharashtra and Odisha
- ▶ **Total No. of Beneficiaries:** 2000+
- ▶ **Training:** ~5 months of Skill-based Farming/ Production Techniques, Governance and Business Management
- ▶ **Total Additional Capital Unlocked:** ~₹2,80,00,000
- ▶ **No. of Cycles:** 5-6

4. Government social security entitlements to marginalised citizens

In partnership with Haqdarshak, this project provides social security to low-paid and informal workers in India through a pay-for-success model. Beneficiaries receive a Yojna Card and assistance in accessing welfare schemes. The target beneficiaries include women, marginalised citizens, low-income households, and elderly citizens across six states in India. The 360 ONE Foundation grant is disbursed upon screening and delivery of the cards.

Haqdarshak develops and conducts a training program for its agents (Haqdarshaks) which teaches them how to screen beneficiaries, provide yojna cards to them, and enroll them to schemes. The training is followed by an assessment and post assessment refresher modules.



Key Project Components:

- ▶ **Instrument:** Pay for Outcomes
- ▶ **Project Locations:** Gujarat, Uttarakhand, Punjab, Jharkhand and Maharashtra
- ▶ **Total No. of Beneficiaries:** 9150
- ▶ **Training to Haqdarshak Agents:** Beneficiary Screening and Enrollment Process Training

5. Income enhancement of underprivileged youth via training and employment in blue-collared trades

In partnership with PanIIT Alumni Reach for India Foundation (PARFI), this project trains underprivileged youth in blue-collared trades basis market demand. The 45-60-day residential programme covers construction, manufacturing, MEP, apparel, and logistics. PARFI certifies all candidates after internal assessment, and they are placed nationwide. The 360 ONE Foundation funds 40% of training and placement costs, unlocking additional funding from the Govt. of Jharkhand (40%) and candidates (20%) through co-payment. The grant is disbursed upon successful placements, and retention is monitored for six months.

The program is designed as a pay-for-success model, where 360 ONE Foundation will disburse the entire grant amount on achievement of placement proofs, once placements are complete and student details with salary proof is received. The retention is tracked and reported for 6 months post-placement.



Key Project Components

- ▶ **Instrument:** Pay for Outcomes
- ▶ **Project Location:** Jharkhand; Employment
- ▶ **Region:** Pan-India
- ▶ **Total No. of Beneficiaries:** 500
- ▶ **Training:** 45-60 days Residential Training in Blue-Collared Trades
- ▶ **Total Additional Capital Unlocked (via Co-Funding Model):** ₹1,50,00,000
- ▶ **Minimum CTC per Month:** ₹10,000
- ▶ **Job Sectors:** Construction, Manufacturing, Apparel, Automotive, Electronics etc.

6. Employability and income enhancement for bamboo farmers and artisans

Part of the Regenerative Agriculture and Livelihoods Fund (REAL Fund), this project aims to create an environmentally and financially sustainable, scalable model of bamboo production, value addition and sale (both institutional and open market). This is done via collectives of farmers and women artisans in rural India who will together own and manage the end-to-end value chain of bamboo products (from purchase of saplings for cultivation of bamboo to production and sale of value-added products).

In partnership with KOIS and Industree Crafts Foundation, 360 ONE Foundation's grant was utilized to purchase 26,000 saplings and onboard and initiate training of 500 farmers on sustainable cultivation and harvest of bamboo.



Key Project Components

- ▶ **Instrument:** Pay for Outcomes
- ▶ **Project Location:** Maharashtra
- ▶ **Total No. of Beneficiaries:** 500 Farmers
- ▶ **No. of Bamboo Saplings Purchased and Planted:** 26,000
- ▶ **Expected Carbon Sequestration in 5 Years:** 1105 tonnes

We vet and co-curate catalytic interventions such as outcome-based funding and blended finance to maximise impact and enable a multiplier effect on every contribution.

SUSTAINED IMPACT FROM PREVIOUS YEAR'S PROGRAMMES

1. Financial capital to underserved women artisans in the banana bark value chain

The Industree/REVIVE programme empowers underserved women artisans in Tamil Nadu through skill training and working capital support. Implemented as a zero-interest returnable grant, with only a moral obligation to repay, the funds are available for future cohorts through a revolving fund mechanism. The programme has impacted 1250 women artisans, improving their skills and providing a stable livelihood. Their banana bark products are sold to IKEA, ensuring sustainability and productivity.

Key Program Components

- ▶ **Instrument:** Returnable Grants
- ▶ **Project Location:** Tamil Nadu
- ▶ **Total No. of Beneficiaries:** 1250
- ▶ **Training:** Sustainable Farming Techniques, Production Skills, Efficiency
- ▶ **Average Loan Size:** ~₹8,000 to ₹9,000
- ▶ **Total Additional Capital Unlocked:** ~₹45,00,000
- ▶ **Total No. of Cycles:** 3

Project Impact

160%

% Improvement in income levels of women artisans (pre v/s post)

80%

Overall programme repayment rate as on February 2023

33%

% Improvement in productivity of women artisans (pre v/s post)

2. Inclusive lending to the Bharat Segment via a Tech-Business Incubator

CIIE.CO (the Innovation Continuum built at IIM-A) partnered with 360 ONE Foundation to address the lack of accessible credit for the Bharat Segment, which comprises Indian households living on less than \$10 a day. With the support from 360 ONE Foundation, CIIE.CO was able to provide three inclusive lending start-ups with catalytic funding support to be utilised as a First Loss Default Guarantee (FLDG) capital and one start-up with funding support for business case validation. This support enabled them to unlock significant additional capital, extending financial inclusion to the Bharat Segment. CIIE.CO also provided technical assistance and business support to the start-ups over eight months.

Key Project Components:

- ▶ **Instrument:** First Loss Default Guarantee (FLDG)
- ▶ **Project Location:** Pan-India (Start-ups housed at IIM-Ahmedabad)
- ▶ **Total No. of Start-ups:** 4
- ▶ **Total No. of Unique Incremental Borrowers Impacted from the Bharat Segment:** 5,750+
- ▶ **Additional Funds Unlocked:** ~₹14,15,00,000
- ▶ **Training/Support to Start-ups:** Diagnostic Panels, Mentoring Clinics, Portfolio Engagement Hours

