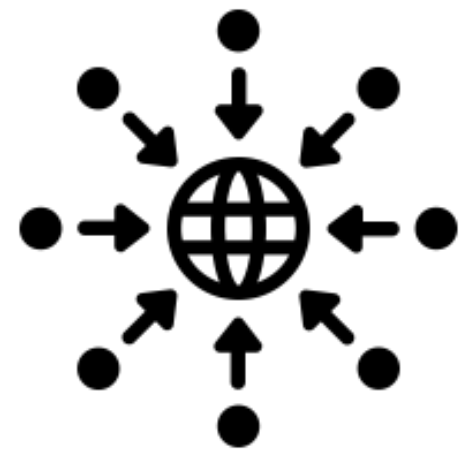# Challenges for Social Services

Highly Centralised

Risk to organizations when donors are unable to continue support

Lacks Accountability

Once a grant is approved, outcomes arising from interventions are not tracked over extended periods of time

High Risk

Funding social services carries a lot of counter-party risk, including misuse of funds, fraud, ineffective use of resources etc.

What are Impact bonds?

Impact bonds are outcomes-based contracts. They use private funding from investors to cover the upfront capital required for a provider to set up and deliver a service.

The two common type of Impact Bonds

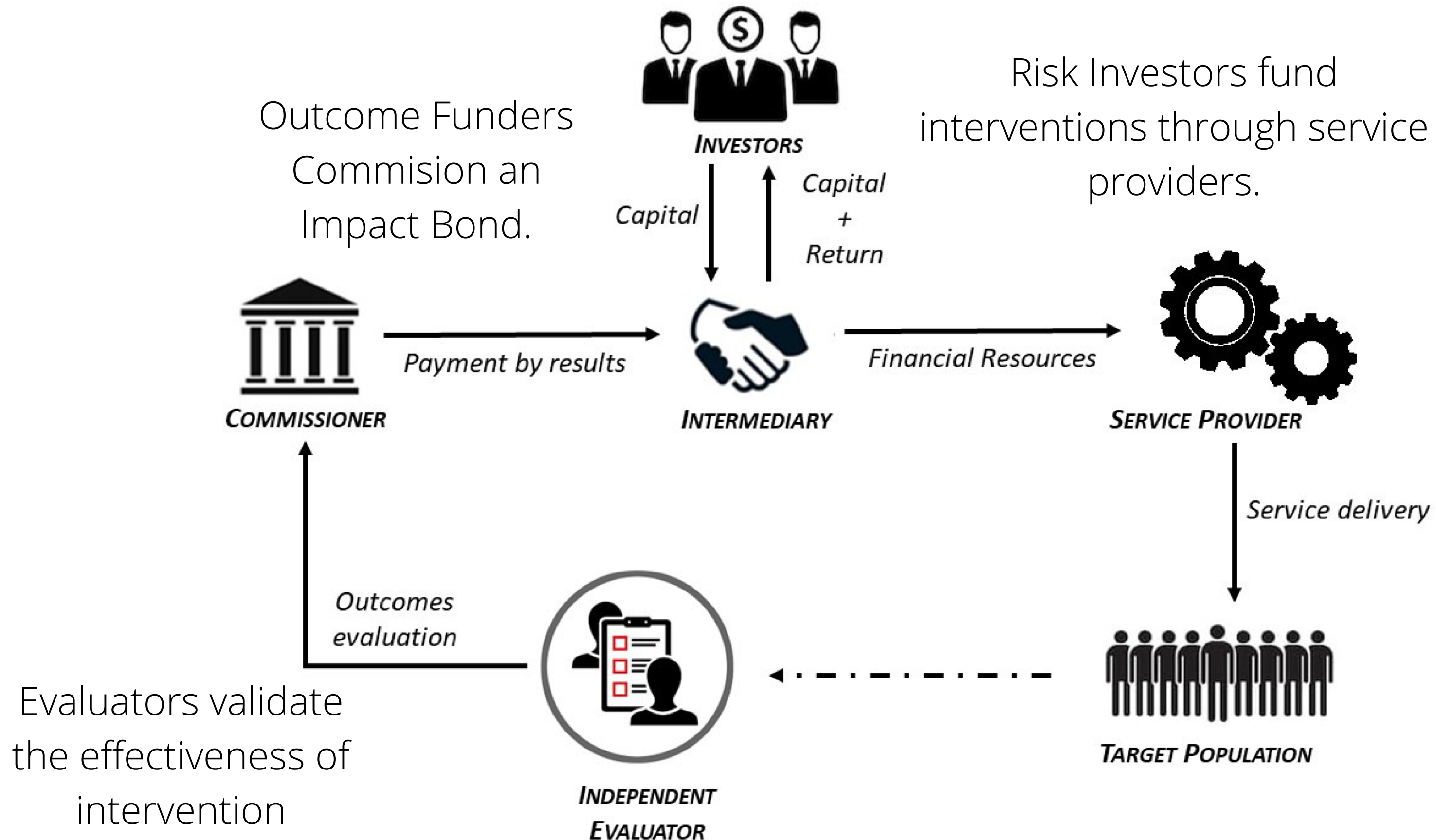A social impact bond (SIB) is a pay for success contract with a bond guarantor, whereby it pays for better social outcomes in certain areas and passes on savings achieved to investors

Development Impact Bonds (DIBs) are a performance-based investment instrument intended to finance development programmes in low resource countries.
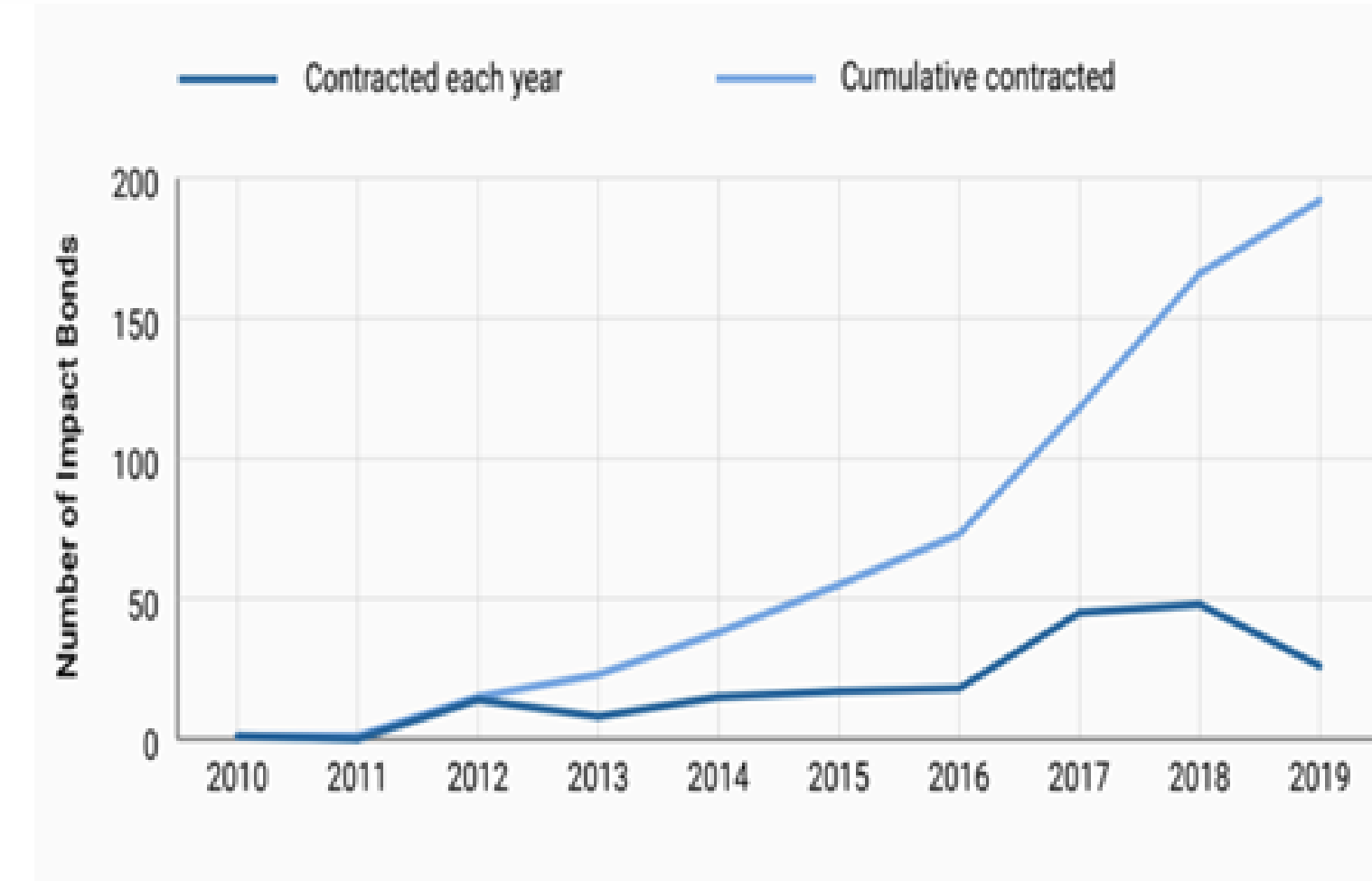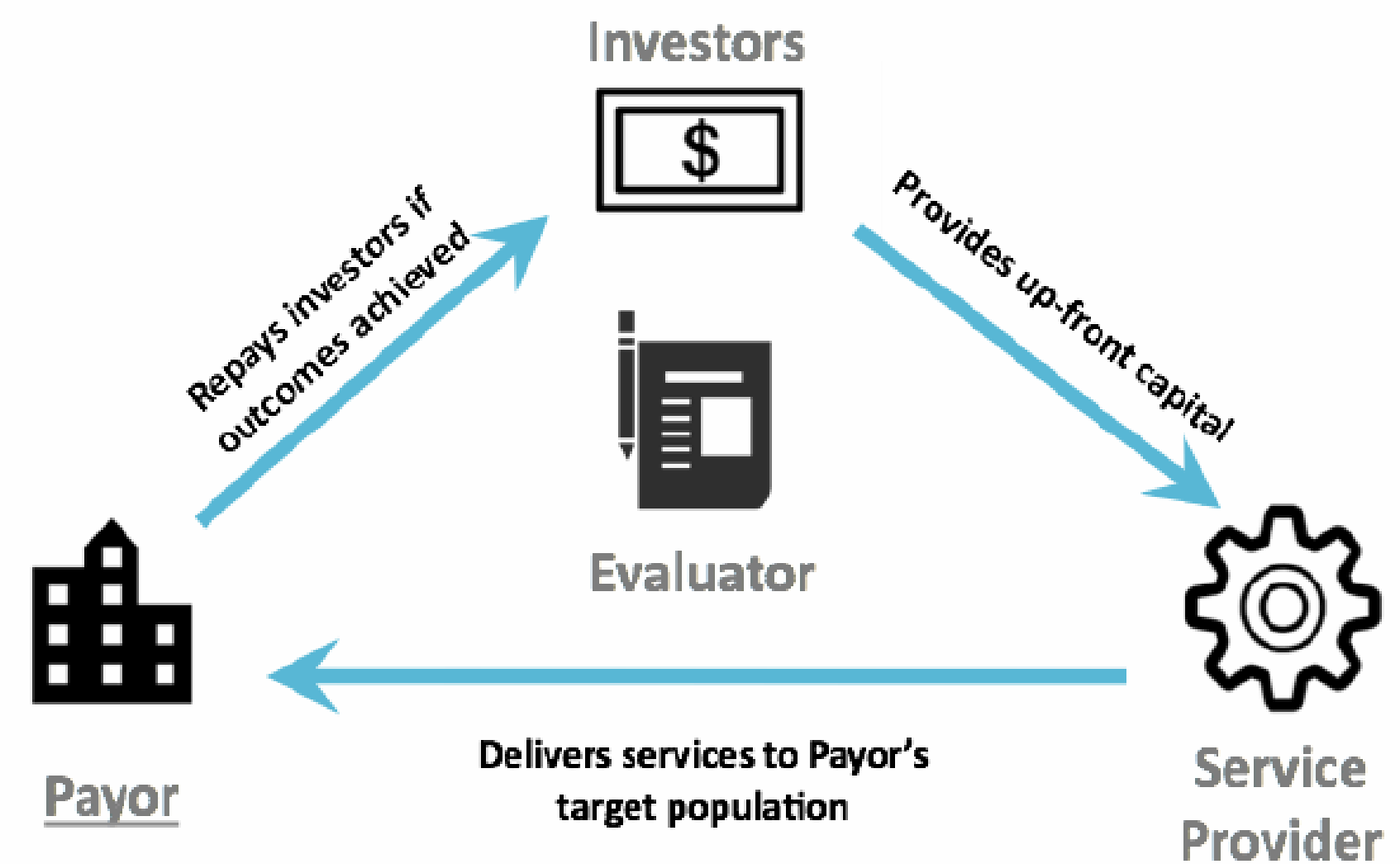
Source: Brookings Institution Global Impact Bond Database, July 2020

How Impact Bonds Work

INVESTORS

Outcome Funders Commision an Impact Bond.

Risk Investors fund interventions through service providers.

Capital

Capital + Return

COMMISSIONER

Payment by results

INTERMEDIARY

Financial Resources

SERVICE PROVIDER

Service delivery

Outcomes evaluation

Evaluators validate the effectiveness of intervention

INDEPENDENT EVALUATOR

TARGET POPULATION

Example of an Impact Bond

These common goals brought together the five main partners in the Educate Girls DIB

4 Pay for Success →

INVESTOR
UPS Optimus Foundation
A grant-making organization that aims to achieve measurable long-term benefits for the world's most vulnerable children.

1 Working Capital

DONOR
Children's Investment Fund Foundation
A foundation seeking solutions to seemingly intractable problems facing youth in developing countries.

PROJECT MANAGER
Instiglio
Specialists in results-based financing aimed at solving the world's most pressing issues.

SERVICE PROVIDER
Educate Girls
An education nonprofit working to increase enrollment and improve learning outcomes in rural areas of Rajasthan and Madhya Pradesh

Impact Measurement

EVALUATOR
IDinsight
A nonprofit evaluation firm that partners with social sector clients to generate and use rigorous evidence to improve social impact.

Educational Outcomes

3

2

Challenges with Impact Bonds

1 High Barrier to Entry

2 Complex Legal Structures

3 High Monitoring and Evaluation costs

4 Illiquid Asset Class

5 Time Consuming

Opportunities with TIBs

1 Reduce Donor Influence

2 Reduce Monitoring and Evaluation costs

3 Liquid and tradeable impact bonds

4 Reduce reliance on trust

TIBs Token Model

Lootbox NFT (Risk Investors)

Organisations issue lootboxes to raise funds for their mission and create NFTs (TIRs/TORs) auditing their use of funds

Lootboxes are used to create a distributed pool of Intervention funders.

Lootbox holders obtain a collection of NFTs for interventions made by social enterprises and the outcomes derived from it.

Tokenized Intervention Reports (NFT)

TIR is dropped to lootbox holders when a social intervention has started from funding raised through lootboxes.

Tokenized Outcome Reports TOR (NFT)

TIR converts to a TOR when the intervention results in an outcome. At this point, outcome funders can buy out risk investors along with predetermined returns.

TOR can be deposited in treasury to redeem Governace Tokens

Impact Backed Tokens (Outcome Funder)

The utility token of the ecosystem, IBT is burnt to leverage services of the DAO.

IBT is a measure of impact, as it is minted in a 1:1 ratio to the dollar value invested.

IBT is minted when an intervention (TIR) results in a meaningful and measurable outcome (TOR) and is bought out by outcome funders using automated matching tools.

Governance Tokens

A Reserve Currency backed by NFTs of impactful social outcomes.

Governance tokens are used to mint lootboxes and a percentage of total donations need to be burnt to unlock funds.

Used for effective Reputation Management by weighted quadratic voting for audits and outcome evaluation
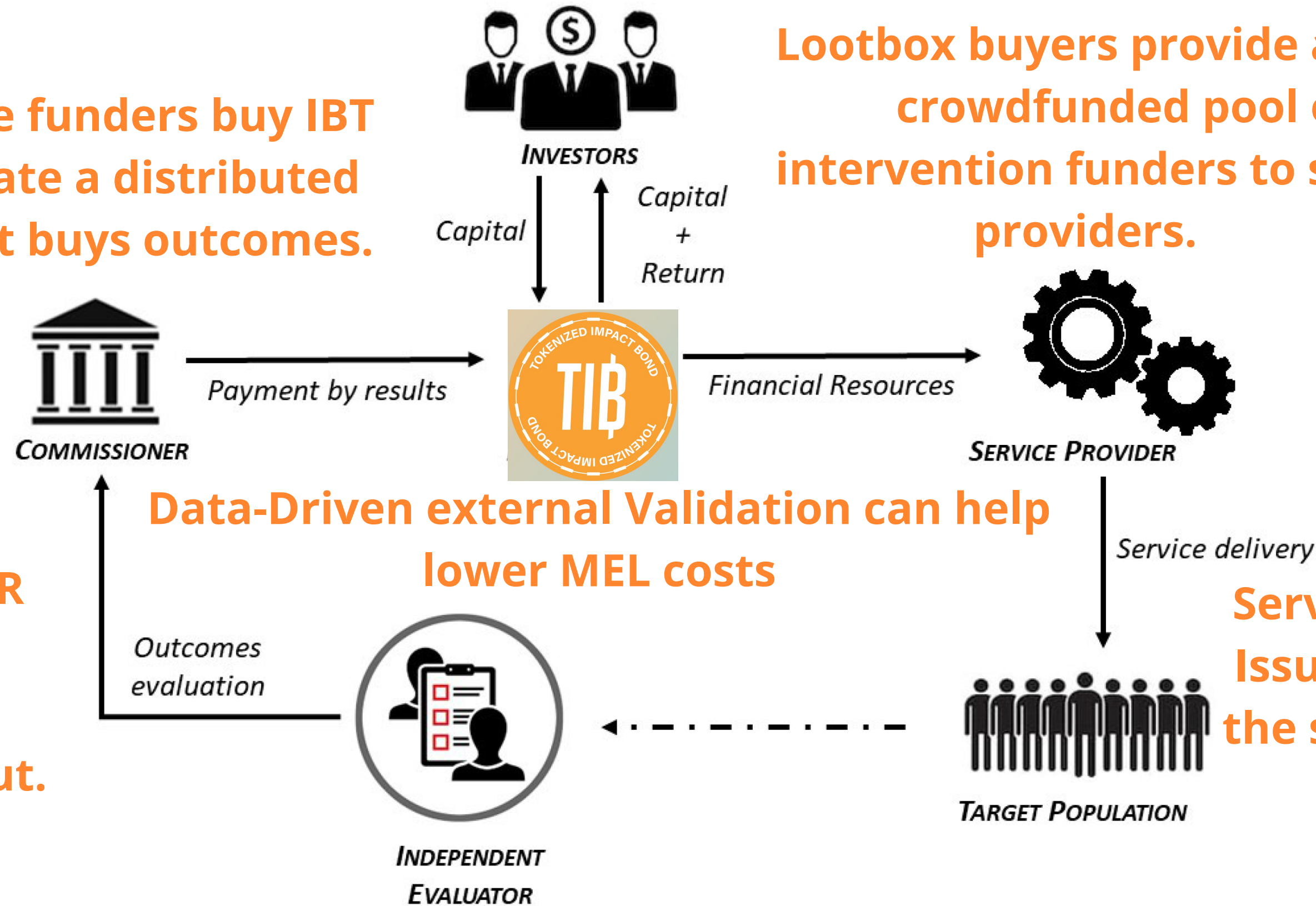
Creating Bounties to resolve issues with the help of other stakeholders of the DAO ecosystem.

How TIBs is disrupting Current Impact Bonds Model

Outcome funders buy IBT and create a distributed pool that buys outcomes.

Lootbox buyers provide a crowdfunded pool of intervention funders to service providers.

INVESTORS

Capital

Capital + Return

Capital

COMMISSIONER

Payment by results

TOKENIZED IMPACT BOND
TIB
TOKENIZED IMPACT BOND

Financial Resources

SERVICE PROVIDER

Data-Driven external Validation can help lower MEL costs

TIR converts to TOR when outcome is evaluated. Risk capital is bought out.

Outcomes evaluation

INDEPENDENT EVALUATOR

Service delivery

Service providers Issue NFTs (TIR) for the service delivery.

TARGET POPULATION

Incentives can be programmed to leverage community, volunteers and beneficiaries to act as evaluators when feasible.
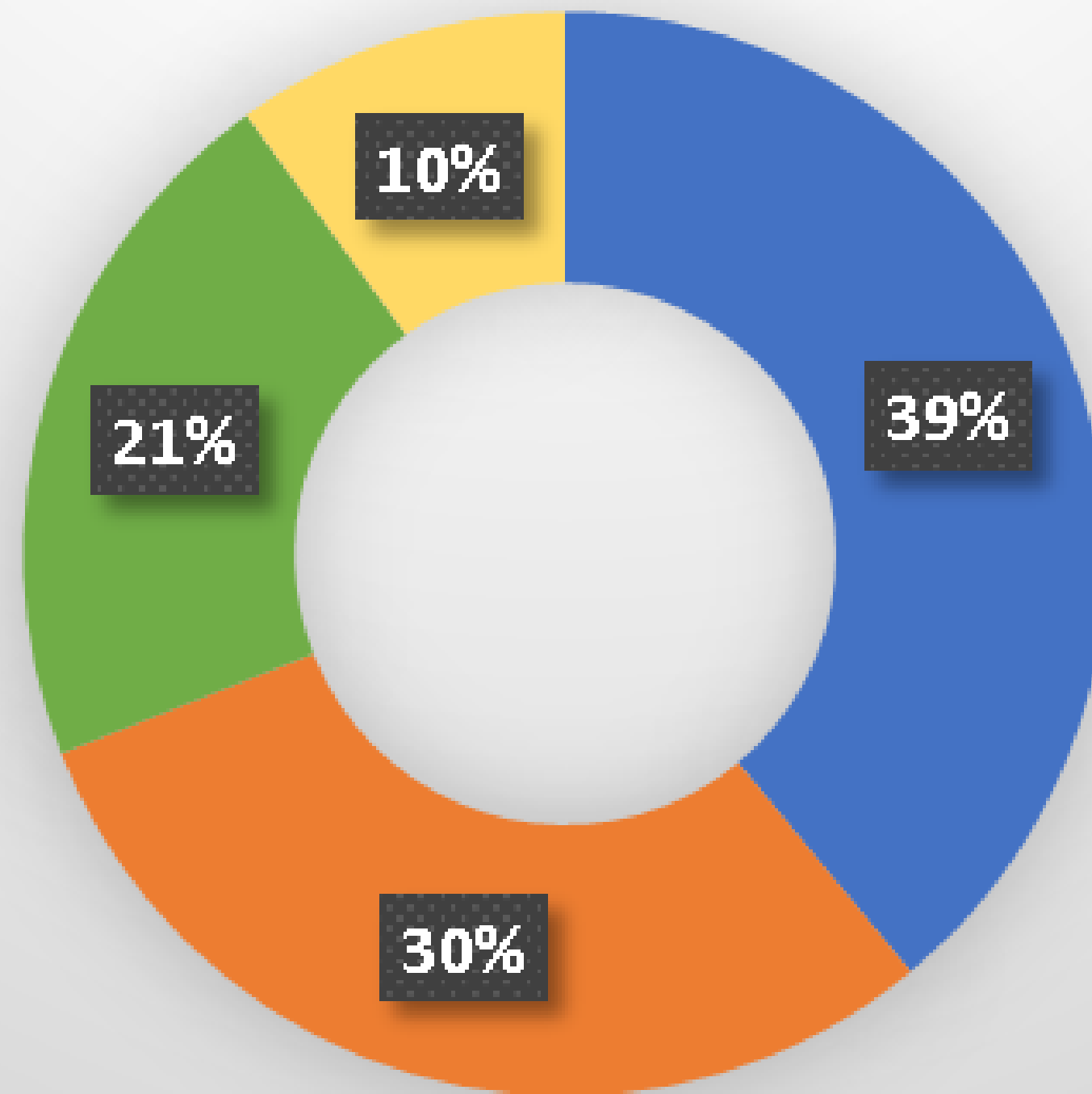
Value Proposation

1 Building a robust community of altruists.

2 Databases of effective social interventions.

3 Self-Sovereign autonomy.

4 Creating a Web3 Native ESG ecosystem.

5 Creating a Digital asset from social services.
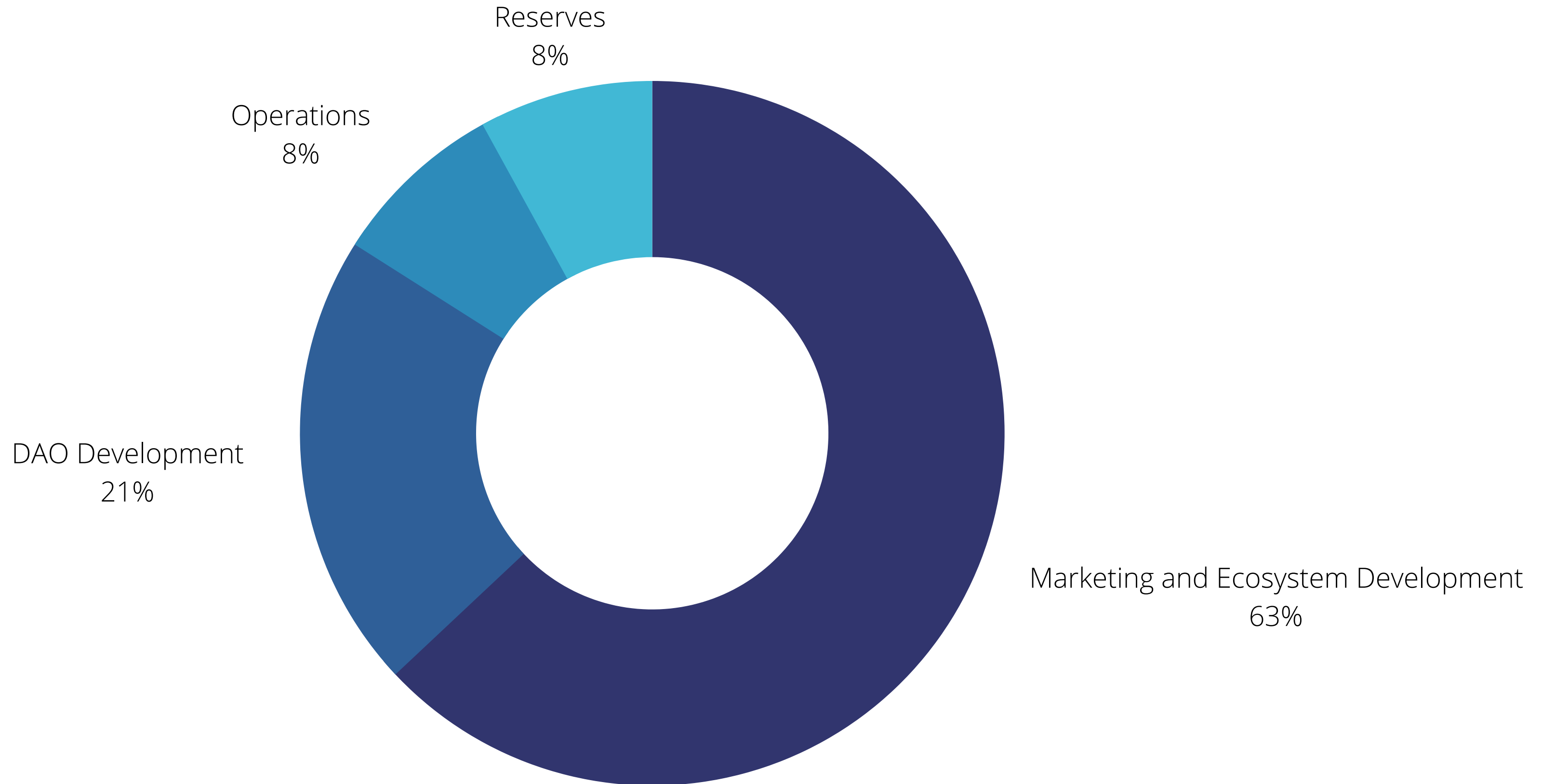
TIBs Roadmap and Milestones

TEAMS	1ST MILESTONE 3-6 MONTHS	2ND MILESTONE 6-9 MONTHS	3RD MILESTONE 9-12 MONTHS	4TH MILESTONE 12-18 MONTHS
SOFTWARE DEVELOPMENT	Website to grow community and Build whitelist for lootbox auctions	Deploy Tesnet for development	Deploy Mainnet DAO Ecosystem	Build Meta Verse
PLATFORM DESIGN	Develop UI/UX for Mainnet Implmentation (WIP)	Create UX for illiterate beneficiaries (WIP)	Design, create and curate collections for TIR & TOR NFTs (WIP)	Design MetaVerse Implementation (WIP)
MARKETING	Finalize Materials (WIP)	Build & Grow Community Launch Campaigns	Drop TIRs and TORs to loot box holders.	
OPERATIONS	Setup Foundation and Corporate Entities.	Onboard Service Providers exclusively onto our DAO.	Launch Loot box auction and Create Metaverse map.	

Allocation of Governance Tokens

Use of Funds

Reserves
8%

Operations
8%

DAO Development
21%

Marketing and Ecosystem Development
63%

TOKEN MODEL OVERVIEW