SF4D

Sports & Finance for Development

Transforming young people's lives through sport, physical activity and active play

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SF4D in the age of a global pandemic

The entirety of this White Paper was developed before the COVID-19 impacted our communities. Today, the world of sport and the world of development assistance operate in crisis mode, between the re-scheduling of major competitions, contract renegotiations and the looming threat of a funding drought and tight cash-flows. But the reality for millions of kids remains the same and is even more dire than ever: the lack of opportunities to practice sport, to be active and to flourish continues. A real risk for the world of Sports for Development is to face a significant backlash with usual funding bodies (governmental aid programmes, foundations, sponsors, etc.) now reviewing their priorities and considering sport and physical activity as a third-tier priority far below food and shelter. In reality, today more than ever, playing sport and being physically active must be seen as a critical low-cost, high impact approach to regenerating and reconnecting our communities worldwide. This is indeed no time to shy away from our shared responsibility. We need to stand together to provide more opportunities for a growing population of vulnerable youth to enjoy the numerous benefits of being physically active and enjoying the joy and virtues of sport as a school of life.

Beyond its 17 Sustainable Development Goals, the UN 2030 Agenda adopted a motto: leaving no one behind. It is time today to ensure the sports community, the international development community, and the finance community join forces to ensure that sport is a universal force for good and also leaves no one behind.

Navigating the white paper

Excelerate Towards 2030

This White Paper is about **accelerating** our journey towards the United Nations (UN) 2030 Agenda for Sustainable Development. It is a call for sports organizations and practitioners, donors as well as the finance community to join forces and apply innovative, outcome-based finance to transform young people's lives through sport, physical activity and active play. It is a plea to marry the **excellence** of two fields - Sports for Development and Innovative Finance for Development - to mobilize more sustainable sources of capital from private and public actors to finance impactful sports-based interventions targeting youth education, well-being, gender equality, empowerment and other SDG-related objectives.

In-Depth Study

Furthermore, professionals and curious readers looking for a deeper understanding of the sports for development sector and/or innovative finance mechanisms can dive into the in-depth study consisting of case studies and examples.

• Sports for development

The first part of the in-depth study provides an overview of the development of S4D in the last 20 years, including the main international reference frameworks, evidence of how sport-related interventions can contribute to the SDGs, the main barriers for scaling up, and some key actors and best practices in the field.

• Innovative Finance

The second part of the in-depth study introduces promising and novel financial mechanisms that help mobilize capital for social or environmental outcomes. Furthermore, this part discusses whether and how these financial frameworks and tools can be applied in the context of sport-based interventions for development.

Annex - Survey Results

Main findings from our global survey, including profiling of 44 responding NGOs, highlighting their domains of interventions in S4D, main connections with SDGs, funding sources, challenges and expectations towards new forms of program financing.

Excelerate Towards 2030

Key takeaways

• Sport, physical activity and active play have a unique integrative role to transform young people's lives, to empower their communities and to contribute to several of the Sustainable Development Goals (SDGs).

• The financial industry is increasingly moving towards more responsible, meaningful investment solutions that deliver impact as well as financial returns. Innovative finance and unconventional funding mechanisms are explored as means to support S4D organizations becoming more financially sustainable and scaling up their impact.

• There are a number of excellent, sophisticated players in S4D, but they remain essentially within the philanthropic space, which is a relatively small, shrinking and unsustainable space in comparison to the needs.

• Mobilizing capital for S4D implies creating and building partnerships between different actors, including the public sector, the private sector, charities and implementers of sports-based development programs. This often represents a challenge and can only happen once there is mutual trust and understanding as well as shared goals.

• Considering innovative finance models here should focus on valuing and remunerating realized outputs and outcomes – we highlight both a "bottom-up" approach to identify suitable mechanisms as well as a "top-down" proposal.

SPORT IS AN IMPORTANT ENABLER FOR THE SDGs

All too often, contextual barriers deny children their fundamental right to practice sport, be physically active and engage in active play. Such barriers include lack of (safe) access to playgrounds, sports facilities or public streets; lack of economic resources and equipment; lack of qualified coaching or sufficient guidelines; and prevailing cultural norms and social prescriptions.

Acknowledging that other (and arguably more vital) fundamental rights for children are being denied, why should children's right to sport be prioritized?

Essentially, the universality, cross-sectoral reach as well as the natural physicality and emotionality of sport makes it a powerful tool for actors in the development space. Sport can be a catalyst for unleashing the productive, intellectual and social power of target populations. Consequently, international organizations increasingly promote sport as a key contributor to at least 7, and up to 13, Sustainable Development Goals[1].

Through a global survey, we examine the current status, opportunities and challenges of the S4D community (understood here as organizations working with sport-based interventions). This comprehensive survey engaged 44 organizations, including (to name only a few) renowned organizations such as GAME, Right to Play, the Swiss Academy of Development and Women Win. Our research has shown that among a highly sophisticated group of S4D actors, 60% have more than 10 years of experience in the field and many use solid monitoring and evaluation tools and reporting methodologies, most often measuring outcomes against a number of SDGs and using independent auditing. In terms of the different actors' needs, it was found that a majority of the 44 survey respondents in the field require more access to capital and alternative funding sources to scale up their intervention models and activities.

The development outcomes and SDGs that the S4D actors surveyed primarily contribute to include health and well-being, quality education and gender equality. As an example, almost three in four of the respondents measure the impact of their activities against SDG 4: Quality Education. Sport, physical activity and active play can be an effective tool to target out-of-school children, increase attendance and improve learning outcomes (including attention, memory and engagement)[2]. Moreover, the many social and moral requirements associated with participating in sports parallel those of participating in a law-abiding society. They contribute to the advancement of crucial and transferable life-skills, thereby increasing the chances of employment, raising the level of income and making participants more likely to volunteer in the community.

With each S4D player focusing on one specific or several domains in which sport can contribute, we found that we essentially lacked an overview of the many aspects sport can reach and the many benefits young people can draw from moving more and adopting more active and healthy lifestyles. We have therefore decided to combine all benefits in one single model that shows the wide range of individual and collective contributions sport, physical activity and active play can bring to the well-being of young people. Promoting active living, active playing and active learning for every child and adolescent can deliver considerable social, health and economic benefits to build stronger, more thriving, peaceful, resilient and inclusive communities. Evidence is mounting everywhere, but the journey to leverage sport's multiplier effect more systematically to accelerate the journey towards the UN 2030 Agenda is still long and challenging.

[1] To mention a few examples: UNESCO lists 9 SDGs (3, 4, 5, 8, 10, 11, 12, 13, 16) in the Kazan Action Plan from 2017. The Commonwealth lists 7 SDGs (3, 4, 5, 8, 11, 16, 17) in their Sports for development and Peace and the 2030 Agenda for Sustainable Development analysis from 2015. The World Health Organization lists 13 SDGs (2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 15, 16, 17) in the Global Action Plan on Physical Activity from 2018. In their strategy paper from 2017, the International Olympics Committee lists 12 SDGs (3, 4, 5, 8, 9, 11, 12, 13, 14, 15, 16, 17) that they aim to contribute to.

[2] https://liikkuvakoulu.fi/sites/default/files/liikkuvakoulu_activebody_activemind.pdf

The S4D Compass

While the concepts of sport, physical activity and active play for development – or simply 'moving for good' – has positive effects across geographies, ages, and economical backgrounds, this white paper deliberately focuses on its usage, potential, and financial opportunities in the context of developing and emerging countries with a focus on youth as a target group. Moreover, for the flow and readability of the paper, we use the term 'sport' as an umbrella for all its aspect, including physical activity and active play (in contrast to the general view of sport as entertainment and business), unless otherwise explicitly stated. Even with this narrowed scope, the sports for development field and community is so vast and dynamic that we cannot cover every aspect or actor.

SURVEY HIGHLIGHTS - S4D ORGANIZATIONS STRUGGLE TO SCALE EFFECTIVELY

Through a global survey engaging 44 S4D organizations, we took the temperature on the current status, opportunities and challenges of the S4D community. The survey investigates organizational backgrounds, target groups, main domains of intervention, financial models and the community's interest in and challenges related to scaling its activities and impact.

The respondents are experienced and robust

They represent a diverse group of the sport community

Respondents target youth and primarily focus on health, education and gender equality

Their main challenges are funding and adequately communicating realized impact

Respondents are ready and eager to scale up

>10 years
60% of the responding organizations were founded more than 10 years ago

26 countries
Much diversity in home bases of surveyed organizations

Youth
93% target youth (school-aged children, adolescents and/or young adults)

Fundraising
is a main barrier to scaling up or increasing programs for 5 out of 6 organizations

41%
report scaling up as a key challenge

>1M USD
is the annual budget of 47% of the respondents

60%
are implementing projects in multiple countries in one or more continents

Girls & Women
60% target females specifically

37%
are (or are occasionally) generating revenues

89%
are interested in exploring innovative financing models

Foundations
are one of the main sources of income for almost 3 in 4

93%
work with local partners

Quality Education
is the focus of more than half

91%
have external financial audit

16%
have worked with impact investors

19%
respondents rely on paying customers as their main source of income

66%
are not exclusively implementing sports projects

63%
publish their results at least once a year

46%
believe that better reporting of social impact would help increase funding

Scaling up existing activities
is what more than half would do with extra funding received

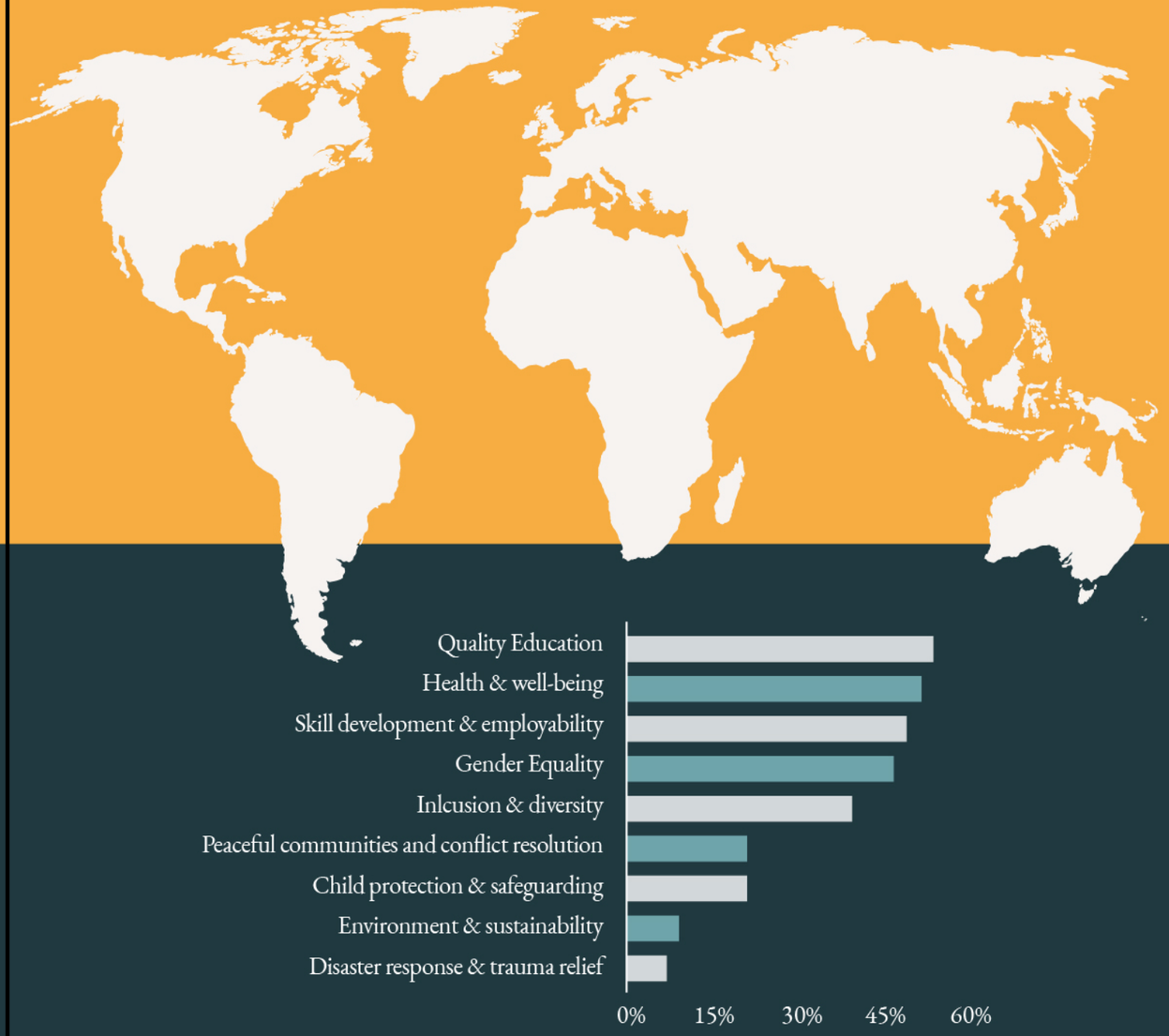


Figure: Main domains of intervention, % (n=44, multiple answers)

The aim of the survey was threefold: to assess the level of maturity of S4D organizations, understand their funding models and sources, and investigate the potential of applying innovative financial models to increase outreach and depth of impact of some of these organizations. In order to achieve a representative assessment of the potential, a broad range of actors working with or through sports were identified, categorized and prioritized prior to the distribution of the survey. During the mapping process, more than 85 large sports-related non-profit organizations were identified, including organizations in Asia, Africa, South and North America, Australasia and Europe. These organizations were mapped and tagged in a comprehensive and growing database of relevant organizations working in sports for development. The database now consists of 100+ relevant actors, among which over 40% responded to the survey. Above is a brief snapshot of the survey findings, while the complete results are published in annex on page 170.

CALLING FOR A PARADIGM SHIFT

Only limited funding today is allocated to sport-based interventions and whenever sport and active play are considered in development projects, the implementing agencies rely almost entirely on donations, leaving the sector of Sports for Development (S4D) [3] stuck in the land of philanthropy – a grants-led approach with limited horizons and unsustainable projections.

Only 16 responding organizations from the survey generate (or occasionally generate) revenues from products or services purchased by customers, and this rarely represents the main revenue source. Among the examples mentioned by those few organizations are: consultancy fees charged to other NGOs seeking advice and training, team registration fees to participate in events/tournaments, rental fees for access to sporting facilities, merchandising and sales of sporting goods manufactured by the organization and its network or various forms of crowdfunding. While these few exceptions point to a marginal opportunity to grow the "social business" model of a number of S4D organizations, it tends to confirm that one of the main funding challenges in S4D is to determine the equivalent financial value of social outcomes as measured for example by better health, enhanced education, confidence, inclusion or equality. This also reminds everyone that the "business" of S4D is about human beings first and their related skills, capabilities and emotions. **Putting a price tag on the social capital generated by sport, active play and physical activity remains the central challenge of this industry.** While not impossible, this will require a set of solid metrics and evaluation methodologies, with more longitudinal studies and randomized controlled trials, to assess the true financial impact of well-designed S4D interventions.

A paradigm shift is needed, not only in the minds of big donors, international aid agencies and local governments, but also in the funding mechanisms currently in place. The USD 2.5 trillion per year funding gap for meeting the SDGs cannot be funded through philanthropic capital and government aid alone, both of which are worth about USD 200 billion a year [4]. Development partners are increasingly looking at new modalities that can increase both the efficiency and the effectiveness of limited aid budgets, including by leveraging private capital in support of social and environmental outcomes. Recent developments in innovative finance and examples of successful models applied in other development sectors call for a shift from S4D to Sports and Finance for Development (SF4D) – one where the generation of social capital through sport, movement for all, and active play is properly valued and rewarded, in order to help scale up the most effective and impactful models and players in the field.

[3] We chose in this paper the term Sports for Development to underline the intentionality behind leveraging sports for social good. It is worth noting other terms used in the S4D community: sport and development, sport for social change, Sports for development and Peace (SDP) etc.\

[4] UNCTAD, 2014: World Investment Report 2014, Investing in the SDGs: An Action Plan. As stated per the UN Secretary-General's Strategy for Financing the 2030 Agenda.

When it comes to impact investment and results-based financing, our survey showed that 70% of the respondents have heard about impact investment but have never worked with it, while 53% have heard about payment for results financing but have also never worked with it. However, when asked about their willingness to explore new, alternative and innovative financing models to scale up their interventions, 88% of the responding NGOs said yes, thus indicating an appetite and expectation to be accompanied and guided into this largely unknown space of innovative finance.

Therefore, simply put, the aim of this contribution is to awaken and inspire both the sports and the finance communities to pursue new partnerships and financing models to increase their intended impact. It is a call to action for all sport and active play NGOs, development agencies, international sports organizations, charitable foundations and private and institutional investors to invest in more active, healthy, happy, productive and inclusive communities. Bringing more physical activity, movement and active play to young people worldwide will have an unparalleled role in changing their prospects in life and building more resilient, prosperous communities and economies.

Join this exciting journey towards 2030!

THE SF4D MIND FRAME

ENABLE

young people, through sport, to develop improved physical literacy, motoric and cognitive skills, expand on their learning capabilities and improve their school attendance and academic achievement. Through these positive sport experiences, work towards gender equality, employability, confidence, conflict resolution skills.

ENGAGE

with leading sports governing bodies and S4D players, innovative and respondible investors, international aid funds and foundations, professional clubs and players to build an alliance for sport for development.

EMPOWER

best and most forward-thinking NGOs in S4D as well as young social entrepreneurs in sport with additional capital and supporting network to scale up, become more sustainable and boost their impact.

INNOVATIVE FINANCE MECHANISMS CAN MOBILIZE PRIVATE CAPITAL TOWARDS SOCIAL OUTCOMES

Given the sharp 2030 deadline and the massive need for additional resources, there is an increased interest within the development community in engaging with the private sector to mobilize some of its expertise, capabilities and financial resources, in line with the guiding framework of the Addis Ababa Action Agenda (AAAA). Such an "unusual partnership" requires building mutual understanding about the respective motivations, goals and prevailing governance and decision-making structures. **Measurement of results, efficiency and accountability become even more important.**

In general, the private sector is constrained from investing in developing countries because perceived risks are too high, they lack the expertise and capabilities, or returns are insufficient. So-called "innovative financing instruments" aim to mobilize additional resources for development, mainly from the private sector, by addressing specific market failures and institutional barriers to complement traditional international resource flows—such as aid, foreign direct investment, and remittances. Additional resources may come from institutional investors including pension funds, insurance companies, and banks, as well as asset owners like family offices and charitable foundations who are increasingly looking for investments that generate not only financial returns but also social impact [5] – as illustrated by the USD 500 billion size of the impact investment market.[6]

While there is no single agreed definition, for the purpose of this publication we follow previous work done by iGravity and the International Labour Organization to define innovative finance for development as **'a set of financial solutions and mechanisms that create scalable and effective ways of channeling both private money from the global financial markets and public resources towards solving pressing global problems'.** [7]

[5] Impact investors include entities managing money on behalf of third parties (for example pension funds, insurance companies, wealth managers, and banks), as well as direct investors (such as philanthropic foundations, wealthy individuals, and family offices). Impact investors (as opposed to donors) can only be considered as funders when there is a source for the repayment of the capital.

[6] https://thegiin.org/research/publication/impinv-market-size

[7] https://www.ilo.org/empent/areas/social-finance/WCMS_654677/lang--en/index.htm

The concept of innovative finance for development incorporates four facets

I

Mobilize additional resources that would not otherwise be available for development – it does not displace or replace existing resources;

II

Make the resources available more effective and efficient by redistributing or reducing risk and linking financial flows to the success of development activities;

III

May combine public and private sector resources;

IV

May include many mechanisms that are not necessarily new in the finance world - the innovation lies in applying it to international development, including the ways in which resources are mobilized and spent.

While there are a wide variety of innovative finance instruments pursuing different objectives, the over-arching features of these mechanisms are the results-oriented approach and the intention of mobilizing additional private sector financing to realize social outcomes.

There are many examples of innovative financing mechanisms that successfully combine public and private resources for development outcomes.

An **Impact investment fund** is a vehicle that allows a number of separate and unrelated investors, a group of individuals or companies, to make investments together in enterprises that deliver positive social or environmental returns. An investment manager is mandated to build the investment pipeline, assess and diligence potential investment as well as ensure the monitoring and reporting. Impact investment funds play a critical role in allowing private and institutional investors to access the space and overcome some of the main barriers including deal sourcing, due diligence, impact management, and diversification. For example, IGNIA is a Mexican impact investing venture capital fund, that supports the founding and expansion of Small and Medium Sized Enterprises (SMEs) that serve the base of the socio-economic pyramid in Latin America, both as consumers as well as active participants in productive value chains.

Development Impact Bonds (DIBs) and Social Impact Bonds (SIBs) are result-based financing mechanisms designed to achieve development and social outcomes by bringing together private investors, implementers, governments and donors, as for example the Educate Girls Development Impact Bond (DIB) focused on improving girls' enrolment and educational outcomes. Private investors provide loan capital upfront to social enterprises and non-profits for implementation. These organizations use the loans to implement business lines or programs that achieve desired social outcomes. Outcome funders (most often governments or traditional philanthropic donors) pay back the private investors' loans, with interest, if the borrower achieves pre-determined targets.

Hybrid instruments that combine features of a financial instruments and result-based financing are for example SIINC and SSN. Social Impact Incentives (SIINC) is a funding instrument that rewards social enterprises with payments for achieving pre-agreed outcomes, such as for example reaching more vulnerable populations with products and services The revenues from the SIINC payments enable social enterprises to improve profitability and attract investments to scale. Co-created by the Swiss Agency for Development and Cooperation (SDC) and Roots of Impact, SIINC can effectively leverage public or philanthropic funds to catalyse private investments in underserved markets with high potential for social impact.

With the **Social Success Note (SSN)** as pioneered by Yunus Social Business, the Rockefeller Foundation, UBS Optimus Foundation and Impact Water in Uganda, a private investor provides upfront loan capital to a service provider, who agrees to pay back the principal plus a below-market return. If the pre-agreed social outcomes are met, the outcome payer will then make an additional payment to the private investor that corresponds to a market-rate return.

Crowdfunding is a way to finance projects by reaching out to the community, fans, family or friends. Various forms of crowdfunding exist, from more "charitable" crowdfunding financed by individual donations to equity or debt crowdfunding. In sport, it usually offers something in return for contributions: from a personal thank you to individual training sessions or tickets to games, depending on the amount donated. On most platforms, the "project owner" must reach the goal they have set out within an agreed deadline before any money can be collected from donors. sportfunder.com, rallyme.com, ibelieveinyou.ch and makeachamp.com are among the leaders in the market.

Social Entrepreneurship is more of an approach than an instrument and yet another original way of generating social transformation through sport, by selecting, mentoring and seed-funding young talents who design and deliver sport-based programs in their own communities. Such young leaders and change-makers are trained to engineer ways to generate revenue and ensure the sustainability of their venture. While grants per se are usually not considered an innovative finance mechanism, this modality is mentioned here because the grants are combined with the rigor and sustainability of an entrepreneurial/venture capital approach. The end purpose is to support (social) entrepreneurial initiatives that in the future will at least be partially self-sustaining and no longer depend 100% on grants.

MOBILIZING CAPITAL AND BUILDING PARTNERSHIPS FOR S4D

With S4D funding essentially focused on grants and donations, hence not very sustainable and scalable for some of the high-performing models and actors in the field, there is a need to shift the current paradigm. The recent development of a Humanitarian Impact Bond [8] by the International Committee of the Red Cross with the support of the private bank Lombard Odier, as well as a number of efforts by development actors and UN agencies including the SDG Lab, show an the increased focus on mobilizing private capital for social good.

Mobilizing capital for S4D implies creating and building partnerships between different actors, including the public sector, the private sector, charitable organizations and implementers of sports-based development programs. Such partnerships can only succeed when the parties share similar objectives and have a joint vision about what they want to achieve and how. An innovative financing mechanism will simply be a tool to implement such a shared vision.

Each party obviously looks at innovative finance from a different perspective and comes with its own questions, as illustrated in the table below.

[8] https://www.icrc.org/en/document/worlds-first-humanitarian-impact-bond-launched-transform-financing-aid-conflict-hit

ACTOR	Traditional S4D donor	Impact investor	Fans and Individual funders
GOALS	• Realize/maximize social impact • Visibility • Reputation • Minimize risks	• Financial return • Social impact • Sense of "making a difference" • Not losing money • Portfolio diversification	• Join their favorite club or athlete in supporting good causes • Donate or invest small savings into sport for a better world
QUESTIONS	• How can I increase my impact (per dollar spent)? • How can I mobilize more funding for my cause? • How can I partner with other funders? • How can I increase transparency in what we fund?	• How can I find worthy causes where I can generate both a financial and a social return? • Who can I trust, and will the promised impact really be achieved? • Will I get my money back? • How can I diversify my portfolio?	• How can my gesture be recognized or valued? • Can my capital be preserved and re-used for the same project or other similar projects? • Do I get any tax advantages?

ACTOR	Sports-based program implementer (e.g. NGO, private enterprise, service provider)	Social Sports Entrepreneur	Target children and youth
GOALS	• More funding for the cause • More funding for the organization • More business for the company • Predictable/ multi-year/ recurring funding	• Contribute to solving local challenges • Learn and become a self-employed entrepreneur	• Partake in sport and active play activities • Develop physical, mental and interpersonal capabilities and improve quality of life (in short and long-term) • Become an active, productive and valuable citizen of the word
QUESTIONS	• Can I generate more funding for my program? • Do I need to bring in my own money too? • What risks am I taking? • How can I access longer-term funding?	• How can I secure initial funding to start my social business? • How can I design a revenue stream to become fully independent? • How can I scale up my local program and share my story?	• How can I take part in sport-based programs? • How much do I need to pay/invest? (hidden fees) • How can I get the most out of partaking in the sport-based programs? • How can I give back to the sport-based programs that empowered me when I was young?

Table: Perspectives on innovative finance. Own table

The selection of a suited financial structure is normally driven by a variety of considerations but always starts with the respective impact objectives, the target population or beneficiaries as well as the economic model of the underlying projects to finance. Obviously, each mechanism brings different ideal applications, strengths, and risks that need to be considered and makes them useful only for specific cases.

Most of the S4D interventions produce social outcomes but no monetary cash flows (with a few exceptions). In general, there are two options: either the investee generates cash flows from its activities and can directly pay back the initial investors, or a third-party steps in and makes (re) payments conditional on realized social outcomes (see case studies in the annex). As such, most investment instruments for S4D would likely focus on valuing and remunerating realized outputs and outcomes (i.e. results-based payments) such as better fitness and health (which in turn enables better learning and skills development that ultimately allows for improved employability), which implicates an investor base (including those that provide traditional grants and those that provide impact investments) that are interested in payment-for-results mechanisms. Still, there are some interventions in S4D that have underlying projects or organizations that need finance to expand and grow operations generating monetary cash flows over time that can be used to repay initial investors. For these cases that usually build around a social entrepreneurship approach, more "traditional" finance structures (i.e. loans, equity, etc.) can be applied to potentially be financed by impact investors.

Recognizing the complexity and taking the above considerations as a basis, the following framework provides a structure to illustrate when the different types of financial mechanisms may be applied.

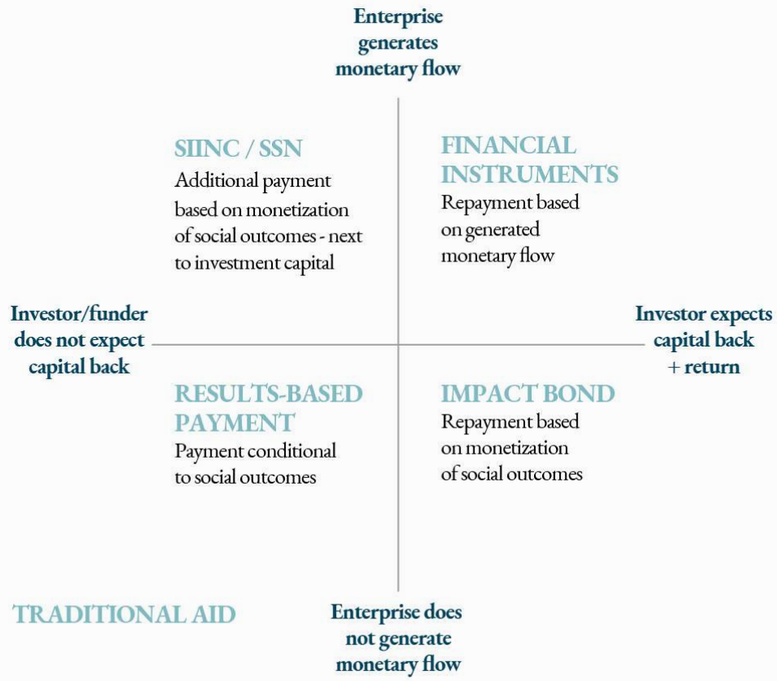
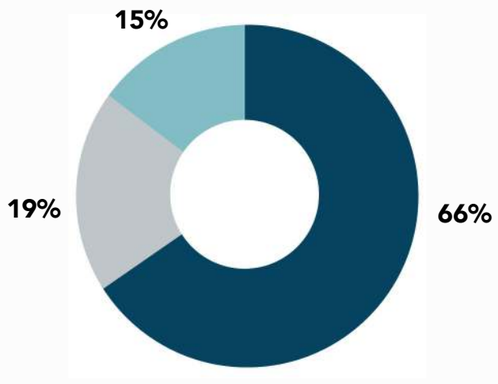


Figure: Identifying suitable innovative finance mechanisms

Impact investors target financial returns along a continuum ranging from capital preservation to competitive market rate. According to the GIIN Annual Impact Investor Survey, most respondents principally target risk-adjusted, market-rate returns (66%; Figure 6). A further 19% primarily seek below- market returns that are closer to market rate, and the remaining 15% target returns closer to capital preservation. Over 70% of foundations and not-for-profit fund managers pursue below-market returns.



Source: GIIN 2019 Annual Impact Investor Survey

Given the implied payment-for-results framework, the ultimate sources of capital will be determined by whether the upfront funder is providing a grant or expecting the capital back with a possible financial return.

For the former, the most likely "investors" would be philanthropic foundations and donor agencies, which would be remunerated with social outcomes instead of capital (this is the "business as usual" scenario).

For the latter, this would qualify as an impact investment (as opposed to a grant). In the case of payment-for-results framework, the source of repayment of the capital will be the outcome payers.

However, not all potential "investees" (in this case, sports-based program implementers) are a good fit for results-based payment mechanisms because these financial mechanisms require a rigid measurement culture and quantifiable evidence. Key questions that any sports-based program implementer should ask themselves when considering contacting donors and investors with this approach include:

- Is there a clear willingness and interest within the organization to move away from the traditional input-based/upfront funding model?
- Is there sufficient data and evidence available from either past or similar interventions about how and to what extent certain outcomes can be achieved?
- Does the organization have a solid reputation, sound governance and a positive track record of success over the past few years?
- Is there a focus on performance management and are there considerations about how to improve the efficiency of the organization?
- Can the end results be measured and tracked in an objective way? (possibly even compared to a baseline)
- Would the extra requirements in terms of monitoring and evaluation, reporting and auditing be manageable and justifiable from a cost/benefit perspective?
- Would a closer collaboration with private sector actors be beneficial for the target beneficiaries?

A WORD OF CAUTION

Despite all the current excitement for innovative financial mechanisms and engaging the private sector to meet the SDGs, it is clear that as for any policy, program or investment, there are also risks and challenges involved. For innovative finance mechanisms, these include:

Complexity

It can be extremely difficult for an organization to understand how to maximize new financing opportunities, master the different elements of new and innovative financing approaches, comply with the many different application requirements, and understand how to blend and sequence various financing flows to achieve transformational change. Some of these mechanisms are complex, costly and time-consuming to design, and may fail to be implemented for a variety of reasons.

Transactional costs

The most unique risk is that these mechanisms are complex, costly and time-consuming to design (and can still sometimes not be implemented due to a variety of issues). These risks can be partially mitigated by taking a pilot-to-scale approach or by strong stakeholder expectation management.

Need for up-front grant capital

These projects need some amount of up-front capital (likely in the form of a grant) to kick-off the financing of the design process. Without this capital being allocated and available, it is difficult for innovative finance initiatives to gain the momentum needed to attract partners, investors, implementers, and government support.

Design and impact

Rather similar to execution risk of development projects, there are risks that the design of the mechanism is not effective in meeting outcomes, which could result in reputational risks for the sponsor and / or service providers.

Loss of capital

For the innovative finance mechanisms that are also investment mechanisms, there is a risk that investment capital will be lost, and investors will not be re-paid.


Game
Game


pirlo
21

WAY FORWARD: A BOTTOM-UP AND TOP-DOWN APPROACH

As we have seen, S4D touches upon multiple SDGs at the same time and is a true enabler in the pathway towards many of the Sustainable Development Goals. While the role of sports, physical activity and active play to realize development outcomes has often been neglected in the past, this is about to change. There is great potential to unite the world of sports for development and impact finance with a view to leveraging more capital to support some of the best organizations in the field to scale up and become more effective – accelerating our common journey to meet the 2030 Agenda.

As illustrated by the survey results, many sports organizations are relatively mature, manage effective interventions in the field and have a culture of performance management and reporting already in place. They are interested in new financial mechanisms and are looking for alternatives to increase predictability of funding, as well as scale and impact. Also, many are exploring new ways to generate regular revenues and there is clearly a growing appetite to move into this new field of financing through earned income/ private funding too. Among the new private funding streams identified by many S4D NGOs are generous ambassador-donors, increased sales from merchandising, consultancy to third parties, rents from facilities for events, or more direct forms of corporate partnership. However, beyond such welcome initiatives, the essential part of any S4D intervention will continue to produce social outcomes and little monetary cash flow. As such, any considered model should focus on valuing and rewarding realized outputs and outcomes in the first place.

To keep in mind

Any financial mechanism under consideration for the sports sector only makes sense if it provides some novelty and additionality to what is already happening. As such, the design of any new instruments should be built around one or more of the following objectives:

I

Pool funds from different sources at a larger scale;

II

Mobilize new capital from private investors;

III

Democratize the funding approach, allowing individuals and fans to contribute;

IV

Tie funding to results;

V

Incentivize competition between multiple service providers to deliver an agreed-upon set of outcomes;

VI

Focus on data collection and rigorous performance monitoring for implementers;

VII

Build a baseline that allows for comparisons and price-setting for outcomes, which in turn will increase the cost-effectiveness of the interventions;

VIII

"Evergreen" or replenishable structure (not a one-off exercise);

IX

Move away from a short-term 'project-by-project' approach to a longer-term approach where funding becomes more sustainable and predictable;

X

Stimulate new partnerships between different actors to share expertise and resources;

XI

Create an institutional structure to promote and value the role of S4D.

Bottom-up: developing financing mechanisms based on needs on the ground

Any effort around a novel financing mechanism should be rooted around a specific development challenge and concrete unmet needs from the targeted population. These initiatives usually start with a "bottom up" approach in a specific geography by evaluating relevant challenges and so-called "impact gaps", compared with available solutions. **Finance should be an enabler and support a suited intervention,** along the process shown below.

Mapping challenges	Mapping solutions	Identifying impact gaps	Identifying and engaging partners	Defining appropriate instruments	Implementation
• What is happening, what is the impact of the challenge, and what is holding the challenge in place?	• Which interventions work best and what are key success factors?	• What is missing that could close the gap between the challenge and the current solutions – and where are the opportunities for greater collective impact?	• Who is interested in these problems - beneficiaries or markets?	• Which principles and instruments are best suited to close this particular impact gap with these interested partners?	• Who can best meet the needs of the target population and deliver the desired outcome?
• What is the challenge? • What is the magnitude? • What are the (root) causes?	• What is happening locally, and/or globally? • What is working (evidence & data), what is not? • Can the social impact be measured, quantified and/or monetized?	• Where are the gaps? • Where are unaddressed obstacles? • What would it take to meet these unmet needs, meet them of higher quality or more efficiently?	• Expertise and resources • Who pays and who benefits? • Value-add Governance	• What is the core objective? • What are the principles or goals? • Who is engaged? Commercial motives vs aid logic • Which instrument/ type of capital is most appropriate?	• Structure • Implementing partners • Impact measurement and monitoring

Identifying (financing) needs

Identifying appropriate response

Drafting financing structure and partners

Top-down: the S4D Outcome Fund

We cannot finish this main part of our report without providing at least one blueprint for a novel finance instrument that can be set-up as an evergreen structure, combining both the impact investing side with results-based finance, and allowing for contributions from private investors, fans and social organizations.

Following successful examples in other sectors, we advocate for a S4D Outcome Fund as an innovative financing facility that aims to mobilize a large coalition of both private investors and S4D funders - perhaps around the the now 2021 Summer Olympic Games Tokyo 2020 - to improve educational outcomes, health outcomes and/or employability in low-income countries using sport interventions. The expected impact would be multi-sectorial as it is virtually impossible to fully isolate the impact of sports-based interventions on a single social challenge. Single funded interventions may focus on one priority outcome, which will depend on the local needs and context analysis, as well as on agreement and alignment among the fund coalition members.

Under this proposed S4D Outcome Fund:

a)

Private sector investors (i.e. charitable foundations, individuals, family offices, traditional sports funders) would capitalize the fund and provide the upfront working capital to the implementers to deliver their programs. Their motivation would mainly be to set-up and capitalize a recurring and evergreen sustainable financing structure with no expectations of financial return.

b)

The fund would be managed by an appointed manager who will operate according to predefined guidelines. The manager will be in charge of selecting and assessing potential projects in order to meet the fund's objectives, as agreed with the initial investors.

c)

Implementers would be specialized NGOs, social enterprises and private sector companies selected by the manager through competitive and targeted calls for proposals.

d)

The fund would deploy a mixture of financing instruments to the implementing organizations based on the context, need and operating model, including outcome-based payments, SIINC payments, (repayable) grants and concessional loans.

e)

A third-party evaluator would be in charge of assessing the completion of the predefined outcomes, and establishing and certifying eligibility for the payment.

f)

In the case of repayments of capital to the fund, which would either come from some of the implementing organizations (e.g. in case of a soft loan) or from separate outcome funders who would make payments to the fund based on the achievement of the targeted outputs and outcomes, this capital would then be reinvested by the manager of the fund in agreed-upon goals based on the principles of the S4D Outcomes Fund.

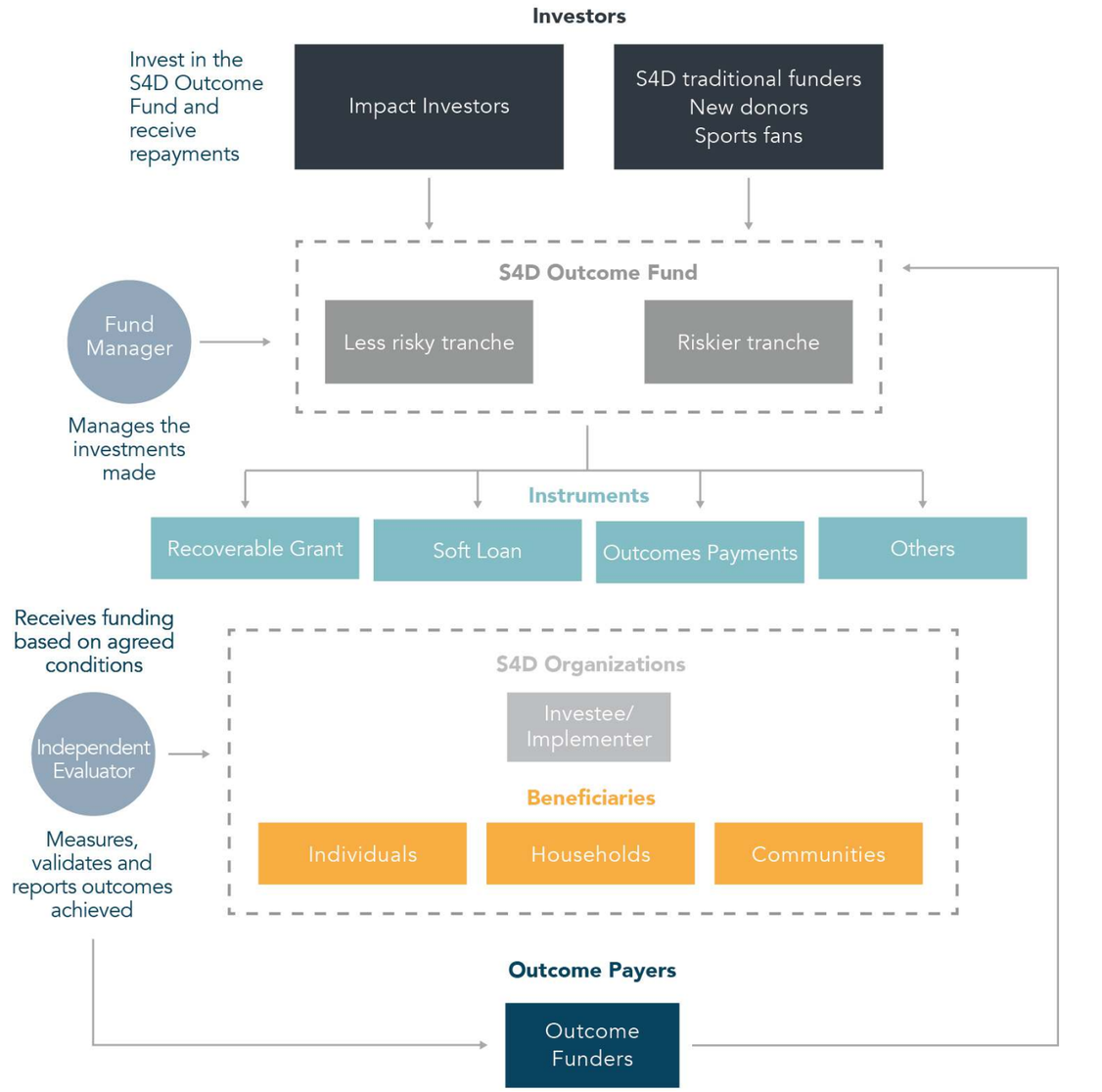
g)

The fund would be recapitalized by contributions made by new investors on a regular basis, based on performance, resources available, and any challenges.

h)

A Governing Board would be established with key investors for the governance and oversight of the fund, including approving the outcome targets.

The fund would aim for partial sustainability, meaning that some of the capital deployed by the fund would be repaid either by outcome payers or the implementing organization itself. Only the (recurring) costs of operating the facility - as well as incurred losses (for example when outcomes are not met or the implementing organization defaults on the loan) - would need to be subsidized and replenished on a regular basis.



FURTHER THOUGHTS

We believe our proposed S4D Outcome Fund would be a unique opportunity to engage the entire sustainable finance industry, the sports community as well as sports fans to call for increased investment and individual donations.

Although there are many different ways an outcome fund can be structured – depending on specific contexts and what funders are seeking to achieve – learnings from Social Finance UK's work suggest that a successful outcome fund would likely have the following characteristics: [9]

• Open ended and open access:
Multiple transactions by multiple actors supported by the fund on an ongoing basis over multiple years, potentially with multiple funders.

• Contestable:
Multiple recipients could bid into the fund with some level of competition to maximize the efficient allocation of resources, particularly for a fund that seeks to drive improved outcomes in a particular theme. This could be achieved via recurring deadlines or funding sub-windows as part of the fund's governance.

• Open data:
A thematically or geographically focused fund could begin to build a centralized repository of key lessons, helping to inform future scaling of interventions or coordination of complementary services.

• Adaptive:
The fund would target 'complex problems', where adaptive management during implementation is likely to raise the odds of success – i.e. there is room to test and measure different interventions and to change course as a result.

• Accessible:
Recognizing that sport has the power to "literally" move millions of people, there could be an opportunity to "democratize" the funding of S4D with new digital fundraising channels and retail investment products, which would feed into the Outcome Fund.

This blueprint will hopefully serve as a starting point and an inspiration for further thought and action.

Come and join us!

[9] https://www.socialfinance.org.uk/sites/default/files/publications/sf_outcomes_fund_note_feb_2018.pdf

Photo Credit: Alex Buisse/InZone

THANK YOU!

We would like to thank all the organizations and people who spent time sharing their experience, passion, ideas, or concerns about the current and future state of sports for development and forms of financing. We are particularly thankful to the UEFA Foundation for Children, who supported us from the beginning on this exciting journey, as well as other members of the international sports community including Right to Play, Women Win, the Swiss Academy of Development (SAD), GAME and Terre des Hommes. We cannot mention all the names and institutions we have been in contact with, but we are extremely thankful for the time and honesty shown behind every open door we found!

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A big thank you to Manishi Chandra (IND), Diogo Jurema (BRA) and Anne Katrine Buch Vedstesen (DEN), who formed our international dream team of social impact explorers! Without their time, passion, dedication and patience, nothing would have been possible.

Who we are

Philippe Furrer and Patrick Elmer are (global) Swiss citizen-entrepreneurs from two different “industries” who met in late 2018 and agreed that something needed to be done to bring together the best of “their worlds”: sustainable finance and centuries of innovations in banking on the one hand, and the power of sport, physical activity, movement and active play to transform young people’s lives on the other. SF4D was born and this White Paper is the foundation stone of an exciting endeavor

insPoweredBy

Founded in early 2019, insPoweredBy is about capturing the power of sport to transform youth and communities. The advisory firm focuses on inspiring youth through sport and empowering organizations, cities and talents to unleash their full potential and reach their Personal Best.

insPoweredBy supports cities, sports organizations and other clients to leverage the power of sport by planning and hosting events which effectively deliver sustainable legacies aimed at improving people’s well-being. It focuses on promoting an active and healthy lifestyle, nurturing young social sports entrepreneurs whose passion and talents contribute to building a better world, developing urban policies which contribute to fight sedentarism and mentoring executives who feel their approach to sport, event management and sustainable urban living has to take a radical turn.

Founder Philippe Furrer has spent the largest part of his career with the International Olympic Committee (IOC) in various senior roles. Holding several academic degrees in geoscience, literature, sports science and business leadership, Philippe believes in cross-disciplinary approaches as the only way to solve today’s complex social and environmental challenges. During his latest mission with the IOC, Philippe oversaw the education, engagement and empowerment of young athletes at three Youth Olympics and spearheaded the IOC Young Leaders Programme to enable young social entrepreneurs to deliver life-changing projects in their communities. He also contributed to the development of the innovative Global Active City model, aimed at promoting physical and mental well-being at the heart of cities.

iGRAVITY

iGravity is an advisory firm specialized in impact investment and innovative finance solutions established in March 2017 with the mission of connecting disruptive ideas, visionary people, institutions and capital to address some of the most pressing social issues.

iGravity works within three interlinked verticals: Research & Advisory Services, Investment Solutions and Impact Ventures. Research & Advisory Services center around the design and development of financing structures and partnerships that mobilize resources to achieve the SDGs. Under Investment Solutions, iGravity has developed an Impact Investment Index, an actively managed multi-asset class portfolio of impact investment securities selected on the basis of both financial performance and a proprietary social impact assessment. Through its Impact Venture Investments, iGravity identifies, supports and invests in businesses that solve social issues with a disruptive and scalable model.

Founder Patrick Elmer works at the intersection of finance and global development, focusing on innovative solutions and partnerships that create opportunities for underprivileged people and protect our planet. He previously worked with BlueOrchard and Credit Suisse and spent several years in Mozambique, Tanzania and Madagascar working with the Swiss government and microfinance banks. He holds a master’s degree in international affairs from the University of St. Gallen and a master’s degree on developing countries from the Swiss Federal Institute of Technology Zurich.

Sport For Development

According to Hippocrates, walking is our best medicine. But the world has stopped moving and chronic, lifestyle diseases are ravaging the well-being of all nations, both developed and developing. The world is indeed becoming more urban and its population less physically active[10]. There is an urgency for governments to act and invest in more active and healthy communities, with a particular focus on youth.

According to a study published on November 22, 2019, by the Lancet journal and led by the World Health Organization (WHO), 81% of adolescents worldwide are not sufficiently physically active, putting their current and future health at risk[11].

[10] Active Well-being Initiative 2017, http://activewellbeing.org/wp-content/uploads/2017/09/AWI-White-Paper-2017.pdf

[11] WHO and The Lancet Child & Adolescent Health 2019, https://www.thelancet.com/journals/lanchi/article/PIIS2352-4642(19)30323-2/fulltext?utm_campaign=lancet&utm_content=106211175&utm_medium=social&utm_source=twitter&hss_channel=tw-818434396994867200

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WHY SPORT MATTERS... EVERYWHERE AND NOW!

In November 2019, the international community celebrated the 30th anniversary of the UN Convention on the Rights of the Child [12]. This Convention was adopted by the United Nations General Assembly on November 20, 1989, and is widely acclaimed as a landmark achievement for human rights, recognizing children as social, economic, health, political, civil and cultural actors. However, a "search by name" through the original document shows no result for "sport" and "physical activity". This points to the urgent need to adapt such frameworks to the current context and add the right of every child to be physically active and to enjoy the many benefits of sports, movement and active play.

This 30th anniversary should create the momentum for the international community to step up its efforts to make children thrive, and to renew their commitment to protect and promote all their human rights, including the right to access active and healthy lifestyles. While notable progress has been achieved in many areas of safeguarding children's rights over the past three decades, significant challenges remain, in particular for girls, children with disabilities, and children in disadvantaged and vulnerable situations [13]. With more displaced people across the world than ever before, the situation of young refugees and migrants is of particular concern (there were more than 70 million forcibly displaced people in 2018 and half of the 26 million refugees were under the age of 18 [14]).

The case for greater access to active and healthy lifestyles for every child is transversal across health, education, peace, and employability (among other considerations). With an increase in the prevalence of chronic diseases, it is the present and future workforce of entire communities who suffer from a substantial burden that could impact productivity and well-being. Noting this, the preventative approach of investing in the promotion of physical activity is gathering mounting evidence, pointing towards the importance of investing in more active and healthy people instead of providing reactive health care services [15]. Every dollar invested in getting young people more active provides a wide-range of return on investment for the individuals, their communities, and their nation's social and financial well-being.

The benefits of sport, physical activity and active play go beyond the improvement of individual and collective health and economic growth. A growing body of research shows how sport can contribute to building confidence, skills acquisition and employability, strengthening interpersonal relationships, developing cognitive and memory capacities and improving academic achievement and school attendance.

[12] UN-OHCHR 1989, https://www.ohchr.org/en/professionalinterest/pages/crc.aspx
[13] UN-OHCHR 2019, https://www.ohchr.org/EN/HRBodies/CRC/Pages/CRC30.aspx
[14] UNHCR 2019, https://www.unhcr.org/globaltrends2018/
[15] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4504332/
As an example, this paper published in February 2020 by the Utrecht University: high level of cycling in the Netherland prevents about 6500 deaths each year, and Dutch people have half-a-year-longer life expectancy because of cycling. These health benefits correspond to more than 3% of the Dutch gross domestic product.

Sedentarism kills

Insufficient physical activity is a key risk factor for noncommunicable diseases (NCDs) such as cardiovascular diseases, cancer and diabetes. Physical activity has significant health benefits and can contribute to the prevention of NCDs.

Globally, 81% of adolescents aged 11-17 are insufficiently physically active. Adolescent girls are less active than adolescent boys, with 85% vs. 78% not meeting WHO recommendations.

The World Health Organisation (WHO) [17] recommends children and adolescents aged 5-17 should do at least 60 minutes of moderate to vigorous physical activity daily (additional daily exercise will provide additional health benefits) and should include activities that strengthen muscle and bone, at least 3 times per week.

Policies to address insufficient physical activity are operational in 56% of WHO Member States. National and local authorities are also adopting policies in a range of sectors to promote and facilitate physical activity.

Get kids active! It's good for their mental health!

Mental health conditions account for 16% of the global burden of disease and injury in people aged 10–19. Half of all mental health conditions start by 14 years of age, but most cases are undetected and untreated. Globally, depression is one of the leading causes of illness and disability among adolescents.

Mental health promotion and prevention are key to helping adolescents thrive. A number of recent studies link lack of teen physical activity to an increased risk of developing some, but not all, mental health disorders in young adulthood [22].

Increased physical activity can protect teenagers against developing mental disorders including depression. Other benefits include improved self-esteem and resilience amongst physically active teenagers.

DID YOU KNOW THAT ?

Growing obesity and declining health: too many kids get a poor start in life

On average, children have lost 25% of their cardiovascular endurance over the last 40 years, meaning that today, they would run 800m in 4min instead of 3min in the 1960s [23].

Over the same time span, the number of obese children and adolescents in the world has been multiplied by 10. While 11 million were obese in 1975, the number reached 124 million in 2016 [24].

This evolution in our children's health is becoming a major burden, not only for their start in life and their well-being, confidence and productivity, but also for our national economies (burgeoning public health costs!).

Lack of physical activity and poor diet feed a global pandemic of diabetes – in all parts of the world!

Globally, the number of people with diabetes has risen from 108 million in 1980 to 422 million in 2014. The global prevalence of diabetes among adults over 18 years of age has risen from 4.7% in 1980 to 8.5% in 2014. Diabetes prevalence has been rising more rapidly in middle- and low-income countries. Until recently, type 2 diabetes was seen only in adults, but it is now also increasingly more frequent in children who are not active enough.

Surveys carried out recently in the African region indicate that up to 15% of adults aged 25 to 64 have diabetes. It is a serious, chronic and costly disease that is estimated to rise to 23.9 million cases by 2030 (source: WHO[20]).

It is estimated that the overall cost of diabetes in sub-Saharan Africa was USD 19.45 billion in 2015 and it is expected to reach between USD 35.33 and USD 59.32 billion by 2030 (representing between 1.1% and 1.8% of GDP[21]).

Sport can help combat the learning crisis

The world has an education crisis – 100 million young children never get a chance to attend school. An estimated 617 million children and adolescents around the world are unable to reach minimum proficiency levels in reading and mathematics – even though two thirds of them are in school. This results in the exclusion of low-literate and low-skilled youth and adults from fully participating in their communities and societies [18].

Participation in sport improves children's educational attainment and skills development including empowerment, leadership and self-esteem – contributing to their overall well-being and future prospects, according to research released in early 2019 by the Barça Foundation and UNICEF [19].

However, according to UNICEF, better evidence is needed for the monitoring of sport for development initiatives, including more research on effective implementation.

Physical activity promotes cognitive functions and memory

Research indicates that a sedentary lifestyle increases the risk of memory deterioration and Alzheimer's disease. It also points to a positive relationship between high levels of aerobic fitness, participation in vigorous physical activity and academic achievements, even when time is taken from the normal curriculum and dedicated to exercise.

These findings are part of a larger body of research showing that exercise can be beneficial for a variety of brain functions. Both chronic and acute exercise can have beneficial effects on cognitive functions and facilitate the formation and retention of several types of memory.

17 https://www.who.int/dietphysicalactivity/factsheet_inactivity/en/

18 UNESCO - International Literacy Day 2019: revisiting literacy and multilingualism, background paper: https://unesdoc.unesco.org/ark:/48223/pf0000370416

19 https://www.unicef.org/reports/getting-into-the-game-2019

20 https://www.afro.who.int/news/kingdom-swaziland-dedicates-november-diabetes

21 https://www.idf.org/images/site2/publications/Research_/Diabetes_in_sub-Saharan_Africa_Main_Report.pdf

22 Dr Shuichi Suetani in https://www.journals.elsevier.com/journal-of-psychiatric-research

23 Grant Tomkinson, lead author of the study, University of South Australia's School of Health Sciences, referred to for example in: https://www.lemonde.fr/sciences/article/2017/08/29/avec-le-test-du-bip-bip-on-acheve-bien-les-enfants_5177791_1650684.html

24 https://www.who.int/end-childhood-obesity/news/new-estimate-child-adolescent-obesity/en/

2

SPORTS FOR DEVELOPMENT: A FRAMEWORK FOR CHANGE

All too often, contextual barriers deny children their fundamental right to practice sport, be physically active and engage in active play. Such barriers include lack of (safe) access to a playground, sports facilities or public streets; lack of economic resources and equipment; lack of qualified coaching or sufficient guidelines; and prevailing cultural norms and social prescriptions. Acknowledging that other (and arguably more vital) fundamental rights for children are being denied, why should children's right to sport be prioritized?

The notion of using sports for development gained interest in the mid-20th century with the establishment of the United Nations Educational, Scientific and Cultural Organization (UNESCO), including the agency's cooperation with the International Olympic Committee (IOC). Collaboratively, they created a framework for cooperation between governments and voluntary sports organizations (i.e. NGOs) on a national and international scale with the Olympic Movement at the forefront [16]. UNESCO became "the United Nations' lead agency for physical education and sport" [17].

[16] Meier, C. (2017). The early relationship between UNESCO and the IOC: Considerations – Controversies – Cooperation. Diagoras: International Academic Journal on Olympic Studies, 1, 229–248. Retrieved from http://diagorasjournal.com/index.php/diagoras/article/view/16

[17] http://www.unesco.org/new/en/social-and-human-sciences/themes/physical-education-and-sport/

The Universal Right To Sport

"Every human being has a fundamental right of access to physical education and sport, which are essential for the full development of one's personality. The freedom to develop physical, intellectual and moral powers through physical education and sport must be guaranteed both within the educational system and in other aspects of social life."

UNESCO (1978)

"The practice of sport is a human right. Every individual must have the possibility of practicing sport, without discrimination of any kind and in the Olympic spirit, which requires mutual understanding with a spirit of friendship, solidarity and fair play."

Olympic Charter (2019)

S4D
Sports for development

Sports for development, or S4D, refers to the use of sport, or any form of physical activity, to provide both children and adults with the opportunity to achieve their full potential through initiatives that promote personal and social development.

UNICEF

A S4D intervention is one that is intentional in its' use of sport and physical activity to attain specific social development objectives.
A S4D intervention aims to effect a series of changes for an intended target audience (we call these changes 'outcomes') and employs a particular approach to the design and delivery of a sport and physical activity intervention that helps leverage the positive attributes of sport, to optimise the social objectives achieved.
A S4D intervention gives priority to the achievement of these social objectives, above any sporting performance objectives.

inFocus

With the establishment of the United Nations Sports for development and Peace International Working Group, the practice of utilizing sports for development received international recognition in 2001 [18]. The United Nations Office on Sports for development and Peace (UNOSDP), with its special advisor, had been an important high-level representative of the sport and development sector since then, coordinating the sport-related work of different UN agencies. It had the ability to reach across different topics and to unite various actors including international organizations, civil society and governments. However, in a surprising but nonetheless interesting move, the UN Secretary-General António Guterres announced on May 4, 2017, that the UNOSDP had closed, indicating a turning point in the sport and development sector.

This sudden announcement left many wondering about the future of the sector. However, the United Nations General Assembly has underlined the relevance of sport as an important enabler of the Sustainable Development Goals [19] and is continuing to promote improved coherence and collaboration in placing sport at the service of humanity. The United Nations Department of Economic and Social Affairs (UNDESA) has also laid out plans to advance the sports for development and peace agenda along with international partners [20].

Today, however, there remains a challenge of leadership and integration among the international community, with several UN agencies more or less involved in sport, physical education (UNESCO), physical activity (WHO), games and play for youth well-being and child protection (UNICEF and UNHCR) or other related fields (ILO for employability, UN Women for gender equality, etc.).

In parallel to the UN system, governments across the world acknowledged in the late 20th century the power of sport and incorporated sport-based interventions in their international aid plans. Among the first initiators were the development agencies of Austria, Canada, Denmark, Finland, France, Germany, Japan, the Netherlands, Norway, Switzerland, the UK and the USA. Today, foreign aid programs from Germany, Denmark, Norway, Canada, the Netherlands, France, Australia and Japan seem to be the most active in integrating sport as an enabler. At the same time, international NGOs from the global north, such as Right to Play, WomenWin and Swiss Academy for Development, took the lead in mainstreaming sports in developmental programs, thereby pioneering the field of social development through sports.

[18] Darnell, R. Field, B. Kidd, 2019: The History and Politics of Sport-for-Development: Activists, Ideologues and Reformers. Palgrave Macmillan, Canada.
[19] UN, 2018: Sports for development and peace, Strengthening the global framework for leveraging sports for development and peace, A/73/325.
[20] https://www.sportanddev.org/en/article/news/leveraging-sport-sustainable-development-united-nations

In a February 2020 announcement, the French Development Agency (AFD) and the organizing committee for the Paris 2024 Olympic and Paralympic Games signed a cooperation agreement for projects combining sports and sustainable development in France and around the world. Among the planned actions is a call for S4D projects to access a new dedicated fund, as well as the identification and mentoring of a group of 24 athletes-entrepreneurs leading social and environmental projects in France and in French cooperation priority countries.

HIGHLIGHT

The signing of this agreement represents the coming together of two organizations with the same belief: that sports can form a powerful lever for change in society. Through this commitment, Paris 2024 is expanding its strategic legacy approach and actions in education, health, gender equality and disability to reach beyond national borders. AFD will specifically mobilize development agencies and banks to integrate more "sports" components related to the Olympic and Paralympic movement into their actions.

Today, one of the most pressing challenges is to agree on mechanisms to ensure:

- **that the S4D sector is represented by a dynamic, high-level representative or group on the policy level;**

- **that there is a high-level of coordination and coherence among policy makers within the UN system and between the UN, governments and the sporting movement;**

- **that the voices of actors in low- and middle-income countries are equally represented on the global stage; and**

- **that bridges are built between policymakers, practitioners and researchers.**

Essentially, there is a risk that policy makers lack detailed understanding of what they can do to enhance the use of sport towards different development outcomes. Advocacy in this domain will never cease to matter – but coordination and transfer of knowledge are also important! With several UN agencies dealing with youth and well-being (UNESCO, WHO, UNICEF, etc.) and a vast number of international sports organizations competing for a space on the stage (IOC, FIFA, UEFA, major professional leagues and a growing number of international sports federations which have recently set up their own foundations), there is a need for more clarity, focus and priorities in the field of S4D.

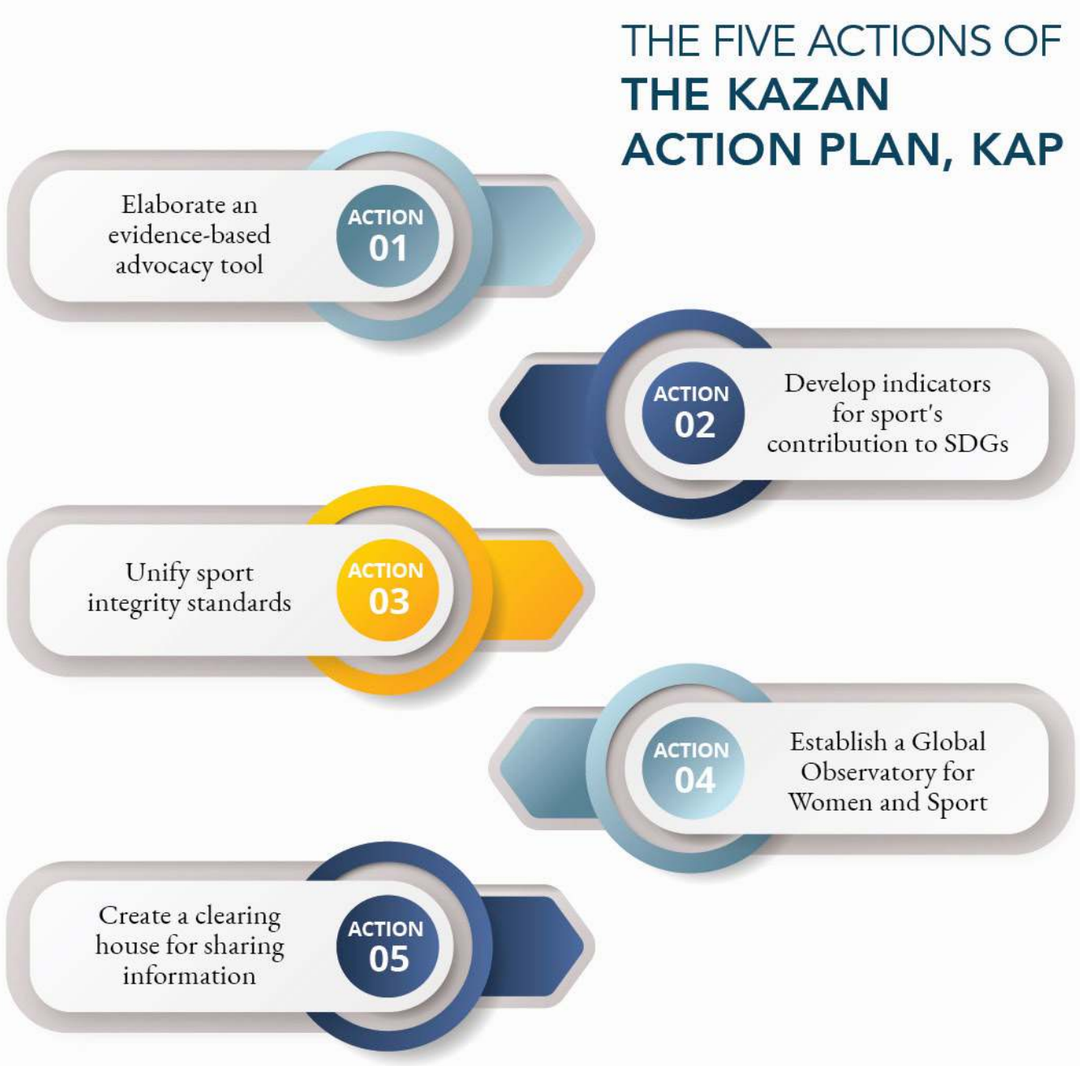
3 SPORT AT THE CONVERGING POINT OF SEVERAL INTERNATIONAL AGENDAS

Rather than focusing on sport as an end in itself, the UN system, nations and cities are now using the 2030 Agenda and the 17 SDGs as firm foundations for their efforts and collaborative action on leveraging sport as a platform for achieving wider development outcomes. Using the Agenda has opened a number of collaborative streams with international sports federations and sport-focused NGOs.

In addition to the umbrella framework set by the 2030 UN Agenda, governments and policy makers still face a number of other international agendas and may struggle to understand where to start and how to combine these various frameworks and objectives. At the international level, governments have endorsed the implementation of two major frameworks in this regard: the Kazan Action Plan and the WHO's Global Action Plan on Physical Activity 2018–2030.

UNESCO: the Kazan Action Plan (KAP)

The KAP marks a shift away from declarations of policy intent towards implementation. It identifies five Actions as catalysts for multi-stakeholder cooperation at the international and national levels. In 2017, UNESCO adopted the KAP "voluntary, overarching reference for fostering international convergence amongst policy-makers in the fields of physical education, physical activity and sport, as well as a tool for aligning international and national policy in these fields with the United Nations 2030 Agenda" [21].



[21] https://unesdoc.unesco.org/ark:/48223/pf0000367360_eng

The WHO Global Action Plan on Physical Activity 2018–2030 (GAPPA)

At its 71st session, in 2018, in the context of action to address the growing prevalence of noncommunicable diseases, the World Health Assembly endorsed the Global Action Plan on Physical Activity 2018–2030 [22], which was developed by the WHO in collaboration with the UN Interagency Task Force on the Prevention and Control of Noncommunicable Diseases.

The global action plan is aimed at ensuring that all people have access to safe and enabling environments and to a range of opportunities that allow them to be physically active in their daily lives. Its main objective is a 15% reduction in the global prevalence of physical inactivity in adults and adolescents by 2030. Despite this articulated action plan, the international community does not appear to be on track to meet this goal.

[22] https://www.who.int/ncds/prevention/physical-activity/gappa

Youth 2030

The UN Secretary-General tasked his Envoy on Youth, in conjunction with the UN system and young people themselves, to lead development of a UN Youth Strategy: Youth 2030. Its aim: to scale up global, regional and national actions to meet young people's needs, realize their rights, and tap into their energy and will as agents of change. The world today is home to the largest generation of young people in history - 1.8 billion. According to the United Nations, close to 90% of young people live in developing countries, where they make up a large proportion of the population. Young people represent a tremendous and essential asset worth investing in, opening the door to an unparalleled multiplier effect. With its Youth 2030 Strategy, the UN aims to significantly strengthen its capacity to engage young people and benefit from their views, insights and ideas.

The Olympic Agenda

Olympic Agenda 2020 was unanimously agreed at the 127th International Olympic Committee (IOC) Session in December 2014 [23] with its three pillars of credibility, sustainability and youth. Sustainability has become a key aspect in the development of the Olympic and Paralympic Games and in the overall operations of the IOC. Through the implementation of Olympic Agenda 2020 and its related sustainability strategy, the IOC aims at being a major driver in maximizing the positive impact of sporting events and sports participation in the social, economic and environmental spheres, while minimizing the negative impact of those mega-events.

[23] https://www.who.int/ncds/prevention/physical-activity/gappa

4

SPORT AS AN IMPORTANT ENABLER FOR THE SDGS

Since ancient Greece, sport has had a long history of building bridges and promoting peace and understanding between people. As the late UN Secretary General Kofi Annan stated: "Sports is a universal language. It brings people together irrespective of their origin, background, religious beliefs or economic status". Sport is a common thread which holds people, societies and nations together. Sport teaches excellence, endurance, teamwork and fighting spirit. Sport is recognized as a low cost and high impact tool in the development and peace-building process [24]. Numerous publications demonstrate sport's contribution in bringing countries and communities together [25] [26].

Sport played a crucial role in the breakdown of the apartheid in South Africa. The international sporting community imposed several bans and restrictions on South Africa, in protest against the apartheid practiced by the country's government. Debates took place about whether these bans were to end racial segregation in sport or to end apartheid altogether [27]. Another important example of the power of sport was witnessed during the 23rd Olympic Winter Games in 2018 in PyeongChang, South Korea, when quarrelling neighbors North and South Korea came together and fielded a unified team, marching together in the stadium during the Opening Ceremony [28].

But the benefits of sport as an important enabler of the SDGs go far beyond the promotion of peace and its capacity to facilitate conflict resolution between individuals or between nations.

[24] UNESCO. https://en.unesco.org/commemorations/sportpeaceday. Accessed on 12.09.19
[25] SAD, M. Keim (2008). "Sport as opportunity for community development and peace building in South Africa"
[26] UN. "Sport and Peace". https://www.un.org/sport/sites/www.un.org.sport/files/ckfiles/files/Chapter6_SportandPeace.pdf. Accessed on 12.09.19
[27] Booth Douglas (2003). "Hitting Apartheid for Six? The Politics of the South African Sports Boycott". Journal of Contemporary History. Wikipedia
[28] https://www.olympic.org/news/unified-korean-olympic-team-to-march-at-olympic-winter-games-pyeongchang-2018

Up to 13 SDGs can benefit from sport's multi-dimensional impact

SDGs REFERRED TO OR MEASURED AGAINST

In our survey, we asked the S4D community to select the SDGs that they measure against in their reporting. The percentage of organizations measuring against each SDG is illustrated below (only top 7 SDGs included).

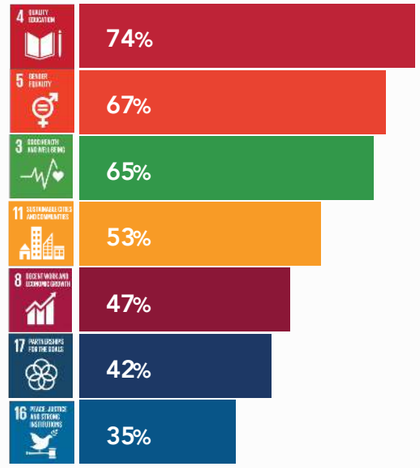


Figure: Which SDGs do you refer to or measure against in your reporting. Multiple answers. N=44

International organizations increasingly promote sport as a key contributor of at least 7, and up to 13, Sustainable Development Goals [29]. The development outcomes and SDGs that sport primarily contribute to include health and well-being, quality education and gender equality.

Almost three in four of the respondents of our survey measure the impact of their activities against SDG 4: Quality Education. Sport, physical activity and active play can be an effective tool to target out-of-school children, increase attendance and improve learning outcomes (including attention, memory and engagement) [30]. Moreover, the many social and moral requirements associated with participating in sports parallel those of participating in a law-abiding society. They contribute to the advancement of crucial and transferable life-skills, thereby increasing the chances of employment, raising the level of income and making participants more likely to volunteer in the community. However, to understand the limits of sport as a magnet towards education, we must make the distinction between recreational and competitive youth sport. While an increase in the availability of sports activities makes school more appealing and improves attendance, excessive and intensive training in competitive youth sport can be an obstacle towards the very same goal. More than two in three of the survey respondents measure the impact of their activities against SDG 5: Gender Equality. In relation to gender equality, sport can serve as an arena to:

- **Challenge gender norms;**
- **Provide a safe medium for access to gender-specific health information;**
- **Leverage self-esteem and empowerment;**
- **Promote and facilitate inclusion and integration;**
- **Provide opportunities for leadership, influence and decision-making power.**

Altogether, sport can be a catalyst for unleashing the productive, intellectual and social power of target populations.

[29] To mention a few examples: UNESCO lists 9 SDGs (3, 4, 5, 8, 10, 11, 12, 13, 16) in the Kazan Action Plan from 2017. The Commonwealth lists 7 SDGs (3, 4, 5, 8, 11, 16, 17) in their Sports for development and Peace and the 2030 Agenda for Sustainable Development analysis from 2015. The World Health Organisation lists 13 SDGs (2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 15, 16, 17) in the Global Action Plan on Physical Activity from 2018. In their strategy paper from 2017, the International Olympics Committee lists 12 SDGs (3, 4, 5, 8, 9, 11, 12, 13, 14, 15, 16, 17) that they aim to contribute to.
[30] https://liikkuvakoulu.fi/sites/default/files/liikkuvakoulu_activebody_activemind.pdf

POTENTIAL OF ADDRESSING **SDGs**

Similarly, the International Platform on Sport and Development (sportanddev) asked their community to select the five SDGs that they thought sport could have the biggest impact on:

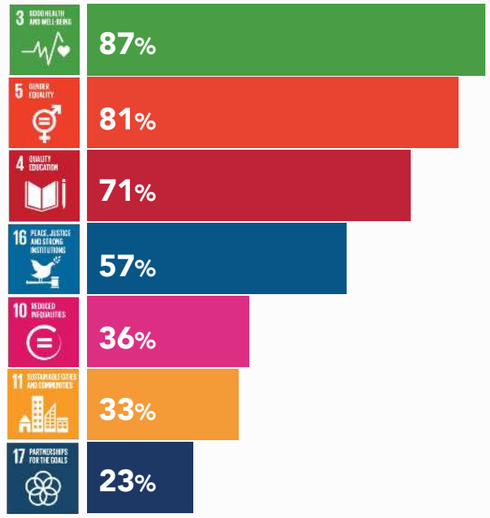


Figure: What the industry thinks. The SDGs that sport could have the biggest impact on (survey conducted in 2019 by sportanddev.org)

Likewise, more than two in three of the respondents of the survey measure the impact of their activities against SDG 3: Good Health and Well-being. Participating in sports can lead to improved psychological health, improved social behavior, reduced truancy and even prevention of drug abuse. On a community level, actors can leverage sport to increase access to health information, prevention and services, including to support early child development, improve reproductive rights and prevent spreadable diseases such as HIV. And research suggests that investments in better health outcomes can boost productivity and economic growth.

One in three survey respondents measure the impact of their activities against SDG 16: Peace and Justice. The concept of peace includes connotations of personal and community well-being as well as the absence of intergroup conflict and tension. As a neutral ground, sport can serve as an opportunity for maintaining or creating peace between people and groups in socially, culturally or ethnically divided societies. It can also be used specifically to prevent radicalism and extremism among young, vulnerable people.

While sport is not a silver bullet, it can contribute greatly to the individual and collective wellbeing of our communities and countries.

5 THE MAIN PLAYERS IN S4D

Many players are now active in the world of sports for development (S4D). According to a recent review of S4D organizations mentioned in a UNICEF-Innocenti 2019 Report [31], there may be more than 3,000 S4D initiatives (Schulenkorf et al., 2016). In addition to the many S4D-dedicated NGOs, most of the large sports governing bodies have either set up a development department or sometimes an independent foundation to contribute to S4D. In most cases though, these efforts remain inward-looking, focusing on the interest of their own sport and grassroots needs such as athletes' development, coaches' capacity building, etc.

The Olympic lead

In comparison with the other main players, the International Olympic Committee has long invested the largest part of its multi-billion dollar revenue back into sport, through its network of National Olympic Committees and the International Sports Federations. Its Olympic Solidarity arm funds athletes' and coaches' development and ensures the Olympic and sports movements develop and build their capacities, thus also making sure that the Olympic and Paralympic Games remain as universal as possible in terms of athletes' and nations' participation. In 2017, the IOC also set up the Olympic Refuge Foundation to support the protection, development and empowerment of children and youth in vulnerable situations through sport. This initiative emerged from the IOC's strong and longstanding partnership with the UN Refugee Agency, UNHCR, which began in 1994. The Foundation focuses on creating safe, basic and accessible sports facilities in areas where there are refugees, a displaced migrant population or internally displaced people, where all children and young people can play sport and take advantage of sport's multiple benefits.

Other Olympic-related initiatives have been in place for a long time such as the OlympAfrica Foundation, which has supported about 40 sports centers across the African continent since the 1980s. Its mission is to build inexpensive community sports centers to develop sport as a vehicle to promote development of peaceful local communities, with a focus on the promotion of health and education. Futbolnet is one of the leading programs operated across the OlympAfrica centers. It was developed by the Barça Foundation (from Barcelona Football club) and provides an excellent methodology for community social interventions [32].

A number of National Olympic Committees (NOCs) are also very active in the area of sports for development and contribute to many projects in developing nations, often via their fellow and corresponding NOCs in the respective target territories. Some of the most active NOCs in this field are the German NOC (DOSB), the Dutch NOC, the Norwegian NOC, the Japanese NOC, the Australian NOC and the Canadian NOC. In some cases, such NOCs collaborate very closely with their national development agencies or their sports and youth ministries. The case of DOSB [33] in Germany is interesting as it works very closely with GIZ [34] (Deutsche Gesellschaft für Internationale Zusammenarbeit – the German Agency for International Cooperation) and together they not only deliver a lot of sports-based social development projects but also produce a number of excellent guidelines and training opportunities.

31 https://www.unicef-irc.org/reportcards/files/Getting-into-the%20Game_Evidence-Child-Sport-for-Development_Report-Summary.pdf
32 https://foundation.fcbarcelona.com/futbolnet
33 https://www.dosb.de/ueber-uns/
34 https://www.giz.de/expertise/html/60034.html

UEFA Foundation for Children

Operating since 2015, the UEFA Foundation for Children [35] is a new player in the S4D field, although UEFA itself already had a long track record of investing in grassroots football development and in cooperation projects. Out of about 1000 applications from all corners of the world, 42 new projects have been selected for the 2019/20 cycle, with the foundation distributing a total of 6 million euros to sports NGOs (half deliver their projects in Europe and the other half outside Europe).

According to its Charter, the foundation establishes programs, for example involving sport, in particular football, either directly or in collaboration with other entities (such as UEFA, national sports organizations and clubs). It may advise, join forces with, or provide assistance to any other organizations or projects that pursue similar aims or promote development. Humanitarian and/or emergency action, whether independent or in a partnership, is also envisaged. Finally, the Foundation may organize or participate in fundraising activities to help it achieve its aims, for example organizing events, including sports events.

[35] https://uefafoundation.org/
[36] https://www.world.rugby/spirit-of-rugby

International Sports Federations (IFs)

While most IFs have a development department, they essentially focus on the development of their sports' grassroot participation, on athletes' development (education, career transition, entrepreneurship) and on training or certifying their coaches, officials or training fields and equipment across the world, and through their affiliated national federations. Among the most active IFs in the development field are World Taekwondo, the International Basketball Foundation and other IFs with well-designed programs such as the International Table Tennis Federation (ITTF), the International Judo Federation (IJF) Judo for Peace program and the United World Wrestling programs - all delivering excellent grassroot initiatives, often in close partnership with local NGOs, but often with limited scope and a modest scale of impact.

World Rugby is among the IFs delivering a number of excellent programs which look beyond the self-interest of their own grassroot development and consider the wider contribution of their sport to a number of SDGs. Through their Spirit of Rugby [36] initiative, World Rugby invites project submissions which meet a particular profile and scope, and it specifies that projects must be sustainable, scalable and deliver measurable return on investment.

An interesting recent development among IFs is collaboration and joint efforts to tackle some urgent development needs through sport. The Taekwondo Humanitarian Foundation (THF) has been a pioneer with its World Taekwondo Peace Corp and is currently signing a number of Memorandum of Understandings (MoUs) with various other federations (including wrestling, hockey, sambo, Muaythai) focusing on the promotion of humanitarian and peace-building initiatives.

The most recent development in this field is led by the General Association of International Sports Federations which aims at leveraging on its 95+ members to enhance the sports community's collective contribution to social development and peace through sport.

Sports NGOs

A growing number of Sports NGOs have come to life over the last two decades. A basic distinction can be made between those which focus on sport as the main leverage and vehicle to deliver social outcomes (education, health, skills, peace) and those which focus on other aspects of individual and collective development, while adopting sport as a tool and as an accelerator to transform young people's lives. Among the first group are NGOs like GAME, the Swiss Academy for Development (SAD), Women Win and Right to Play, although the latter has progressively evolved from being initially a sports for development-centric NGO to now offering different forms of play-based learning, including sport, and developing its own methodology to reach development outcomes for vulnerable children (i.e. education, child protection, peaceful communities, health and wellbeing and gender equality).

In the second group, Terre des Hommes (a Swiss-based NGO which celebrates its 60th anniversary in 2020) provides assistance to over three million children and their families in more than 45 countries each year through their health, protection and emergency relief programs. While their focus is on five main objectives (improving the health of children, protecting migrant children, preventing child exploitation, promoting restorative justice for children and providing humanitarian aid to children and their families in times of emergency and crisis), the NGO started to collaborate with the largest sports organizations (IOC, FIFA, UEFA) to leverage sport as an amplifier to engage various stakeholders on the need to address various forms of abuse in sports and beyond. For example, they worked closely with the IOC and with the UNHCR on the development of the recent Sport for Protection Toolkit [37].

[37] https://stillmed.olympic.org/media/Document%20Library/OlympicOrg/IOC/What-We-Do/Promote-Olympism/Olympic-Refuge-Foundation/Sport-for-Protection-Toolkit-LowRes.pdf

A number of advanced sports NGOs have also decided to go beyond their initial operating role in developing countries to support other S4D players by making their methodologies available or proposing training solutions. Play International (which celebrated its 20th anniversary in 2019) and Women Win are among those leading organizations. Street Football World is another great example of a network of now 135 member organizations/NGOs which, together, reach over two million people in 90 countries. The Street Football World [38] network was created in 2002 to identify, connect and empower community organizations that have demonstrable sustainable social impact in their communities, and enable them to do more. This network also works to develop, incubate and impulse social enterprises – such as Common Goal [39]. The latter is a recent initiative which aims at creating a more thorough link between football players, managers, fans, organizations, brands, and "football for good" organizations. The idea is simple: Common Goal's members pledge 1% of their earnings to a central fund. And together the NGO allocates this fund to high impact organizations that harness the power of football to advance the SDGs.

Other S4D NGOs are more rooted in low-/mid-income countries, although often with founders from the global north. Grassroot Soccer is well established in South Africa. Magic Bus (India and neighboring countries) or Grupo Internacional de la Paz (Columbia) are other experienced and well-established players in S4D, as well as GOALS (Haiti) or MYSA (Kenya).

The International Platform on Sport and Development [40], operated by the Swiss Academy for Development, supports the entire S4D community by providing an online platform for knowledge sharing, learning and partnership building.

[38] https://www.streetfootballworld.org/who-we-are/our-purpose
[39] https://www.common-goal.org/About
[40] https://www.sportanddev.org/fr/node/60

Other players

Among the many other players in the field of sports for development, it is important to mention:

• **National or international development agencies**, which sometimes have a dedicated budget item to support sports-related programs and projects

• **International development banks such as IDB (Inter-American Development Bank)**, which has a long track-record in supporting and funding social development and peace through sport [41]

• **Sports clubs and franchises,** many of which have a charity branch (Liverpool FC Foundation[42] and Everton in the Community [43] in the UK are two great examples or NBA Cares in the United States [44])

• **Individual sports champions who have their own foundation,** such as the Roger Federer Foundation [45] which is active in South African countries and engages 300,000+ children in its various programs

The Agitos Foundation [46] is also an active player that has grown to support many inclusion-based programs. It is now the leading global organization developing sport activities for people with disabilities as a tool for changing lives and contributing to an inclusive society for all.

Finally, new players supported by the corporate world have emerged over the last few years with a welcome additional impact. They shed more light over sports for development as they prove to be very good at communication, promotion, event management and using some of the poster faces and ambassadors of the world of sports. The Laureus Foundation and Beyond Sport are two such entities which distribute nicely publicized awards and financial grants to a number of sports-related NGOs every year. Laureus Sport for Good [47] supports more than 160 sports-based community programs in over 40 countries, helping to address the many social challenges facing children and young people around the world. The Beyond Sport Foundation [48] has supported 300+ organizations worldwide over the last 10 years, providing USD 2.1 million+ in funds and USD 8 million+ in long-term strategic support to some of the world's most advanced S4D players.

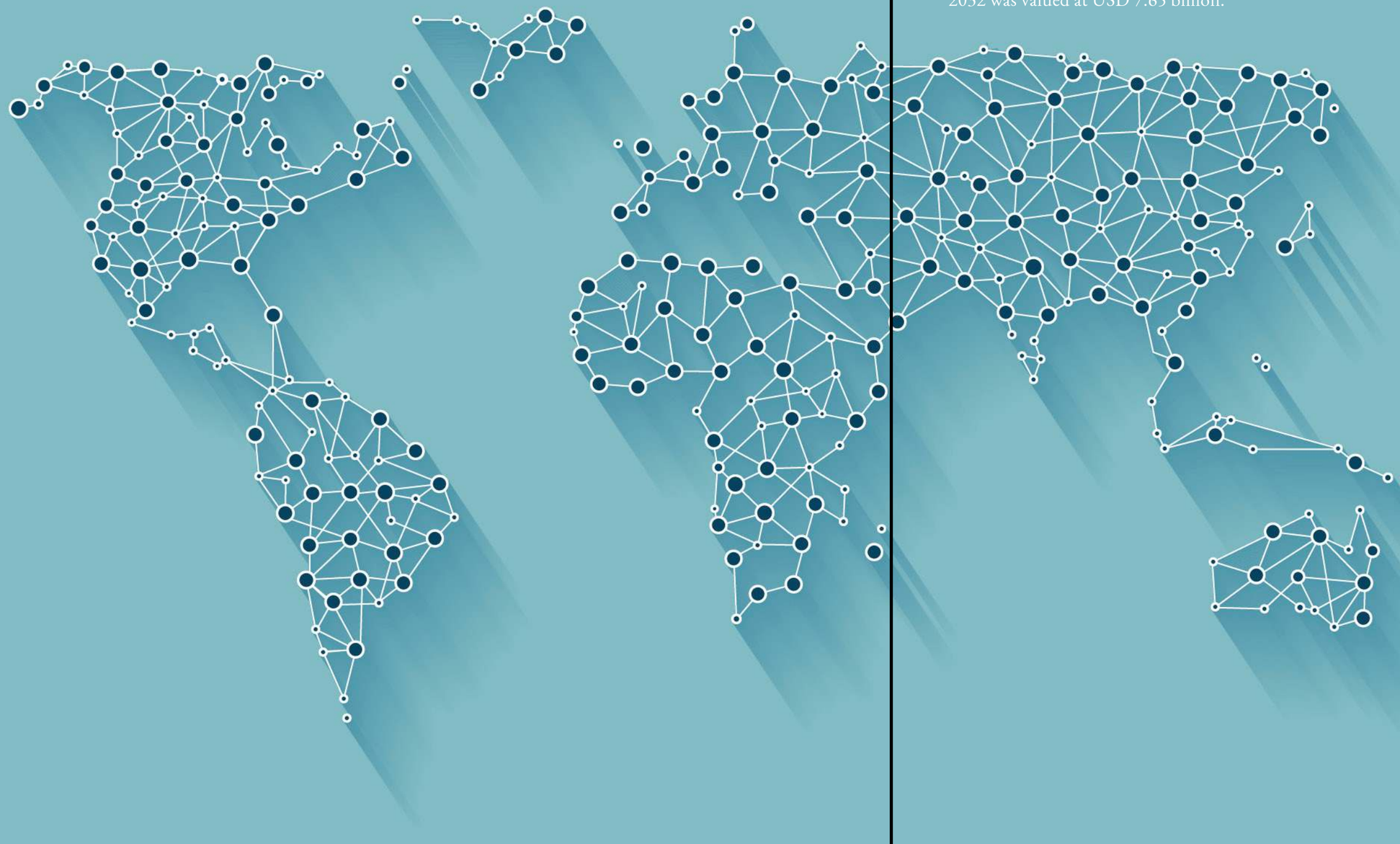
New forms of collaboration

Among the growing number of players in the S4D space, a number of them have started to collaborate such as the UNICEF-Barcelona FC Foundation partnership [49] (since 2006) and more recently the NGO Right to Play's partnership with the Liverpool FC Foundation [50]. At the 2020 World Economic Forum (WEF) in Davos, English Premier League club Arsenal (through its Foundation) and its charity partner Save the Children hosted a panel focused on how the sport sector can provide leadership and effective partnership while helping to leverage greater investment from the private sector to support children affected by conflict and aid mental health and well-being. Such moves indicate the need for the S4D community to leverage on the emotional power of sport and its biggest stars (Messi, Salah and many other poster players) as well as the universality and potential for greater contribution to many SDGs from global brands in sport. It can be foreseen that more of these meaningful win-win partnerships will be established, also because highly commercial sports properties look to be perceived as more "responsible" and as giving back to grassroot sport and to less privileged kids.

[40] https://www.sportanddev.org/fr/node/60
[41] https://www.iadb.org/en/research-and-data/sports-development
[42] https://foundation.liverpoolfc.com/
[43] https://www.evertonfc.com/community
[44] https://cares.nba.com/mission/
[45] https://www.rogerfedererfoundation.org/en/home/
[46] https://www.paralympic.org/agitos-foundation
[47] https://www.laureus.com/sport-for-good
[48] http://beyondsport.org/Home
[49] https://www.unicef.org/corporate_partners/index_fcb.html
[50] https://www.righttoplay.com/en/news/right-to-play-and-liverpool-fc-foundation/

6

FUNDING FOR SPORTS FOR DEVELOPMENT



When exploring the funding of sports for development, it is worth considering the overall value of the global sports industry and the market value of players and clubs. To illustrate the surge in the financial value of the global sports industry, the following rankings are very explicit: football teams and even individual players are now worth billions or hundreds of millions of dollars, respectively. And the TV rights for major franchises have also surged to astronomical numbers. For example, the International Olympic Committee announced in 2014 that the NBC agreement to broadcast the Olympic Games in the US from 2021 to 2032 was valued at USD 7.65 billion.

The Economic Value of Sport

June 2019 valuation of **most valuable players** based on the algorithm developed by the CIES Football Observatory in Neuchâtel (Switzerland):

1. Kylian Mbappe
Paris Saint-Germain
252 Million Euro

2. Mohamed Salah
Liverpool
219.6 Million Euro

3. Raheem Sterling
Manchester City
207.8 Million Euro

Forbes Magazine ranked the richest association football clubs in the world:

1. Real Madrid, Spain
4,239 Million Euro

2. Barcelona, Spain
4,021 Million Euro

3. Manchester United
3,808 Million Euro

American basketball and football franchises reach similar valuation in Forbes' ranking across other sports.

Budget size and source of funding

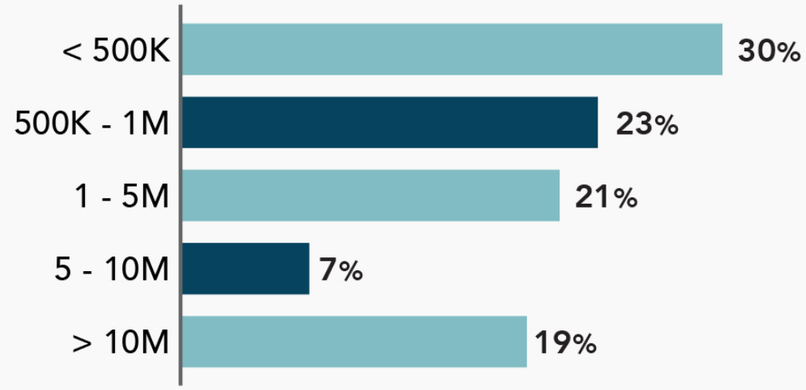
According to a recent A.T. Kearney study of sports teams, leagues and federations, today's global sports industry is worth between USD 480-620 billion [51]. This includes infrastructure construction, sporting goods, licensed products and live sports events. The total revenue for the global e-sports market alone is expected to hit USD 1.1 billion in 2019.

In a sharp but telling contrast, the unique capacity of sport to generate social capital in the form of better health, social inclusion, employability or simply in the gain of confidence and basic motor skills comparatively receives little attention and it is very challenging to assess the overall amount of funding that flows into S4D globally. This is because the scope and definition of S4D may cover a wide and diverse ground: developing and developed countries, private and public sources, existing mainstream programs or add-ons with specific target groups, as well as the fact that in many cases, the sports dimension of an intervention may not be easily isolated from the program's more generic social nature.

In our own survey of 44 sports NGOs, we found that more than 25% of the respondents operated with a budget of more than USD 5 million each. This explains how some of the largest and long-standing organizations such as Right to Play can proudly report that they are empowering and transforming the lives of 2.3 million children every year using all forms of play – games, sport, poetry, performance, dance, art and music. When asked about the sources of their funding, the respondents confirmed the dominance of public and private funding, either coming from domestic and international foundations, bilateral donors and governments, private donors or grants and donations from the corporate world or financial institutions.

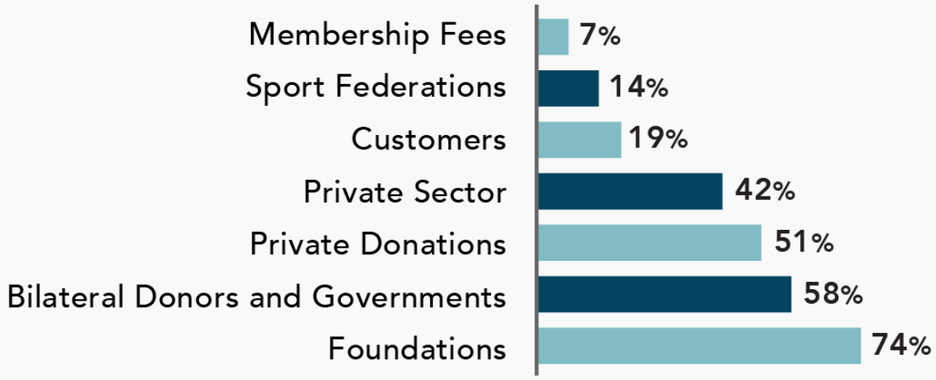
[51] https://medium.com/qara/sports-industry-report-3244bd253b8

SIZE OF ANNUAL BUDGET (USD)



(2019 SF4D survey with 44 respondents)

SOURCE OF FUNDING (MULTIPLE ANSWERS)



(2019 SF4D survey with 44 respondents)

Interestingly, bigger-budget NGOs tend to have a more diversified funding base. While foundations represent the main source of funding overall, it was important to note that those small-budget NGOs which do not rely on foundations focus instead on a mix of private sector and bilateral donors and governments as well as individual private donors.

Only 16 responding organizations generate (or occasionally generate) revenues from products or services purchased by customers, and this rarely represents the main revenue source. Among the examples mentioned by those few organizations are consultancy fees charged to other NGOs seeking advice and training, team registration fees to participate in events/tournaments, rental fees for access to sporting facilities, merchandising and sales of sporting goods manufactured by the organization and its network, or various forms of crowdfunding. While these few exceptions point to a marginal opportunity to grow the "social business" model of a number of S4D organizations, it tends to confirm that one of the main funding challenges in S4D is to assess the equivalent financial value of social well-being and the generation of social outcomes as measured by better health, enhanced education, confidence, inclusion or equality. This also reminds everyone that the "business" of S4D is about human beings first and their related skills, capabilities and emotions. Putting a price tag on the social capital generated by sport, active play and physical activity remains the central challenge of this industry. While not impossible, this will require a set of solid metrics and evaluation methodologies, with more longitudinal studies and randomized controlled trials to assess the true financial impact of well-designed S4D interventions.

Additionally, Simon Prahm, CEO and co-founder of GAME (DEN) also stressed the need to support S4D NGOs with core funding in order to help them to scale up and develop. Indeed, much of the usual funding comes with instructions to limit the admin costs to a strict minimum or even to funnel all funding to the end beneficiaries, making the professionalization of many NGOs challenging when it comes to building the organization's capacities, capturing more data and reporting in more systematic and inspiring ways. According to Simon Prahm: "Few donors provide resources for our core funding – hence the challenge for a 10-50 employee NGO to rely on sufficient resources for its HR and IT support services, not to mention capacity building, training or the development of more advanced data capture and reporting tools".

When it comes to impact investment and results-based financing, our survey showed that 70% of the respondents have heard about impact investment but have never worked with it, while 53% have heard about payment for results financing but have also never worked with it. However, when asked about their willingness to explore new, alternative and innovative financing models to scale up their interventions, 88% of the responding NGOs said yes, thus indicating an appetite and expectation to be accompanied and guided into this largely unknown space of innovative finance.

Interestingly, in the latest update of its Action Plan on Sports for Development and Peace, the UN stresses the need to explore new funding models to leverage sports for a better world. More specifically, they call for a "need for sustainable investment, resource mobilization and funding streams, alongside creative partnerships, for achieving development and peace objectives through sport" [52]. In addition, it is recommended to "enhance and secure sustainable funding mechanisms and investment and resource allocation to sports for development and peace, including multi-stakeholder arrangements and different sectors at all levels". In its resolution 71/160, the United Nations even invited Member States and other stakeholders to "promote innovative funding mechanisms and multi-stakeholder arrangements".

[52] https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2018/06/14.pdf

7

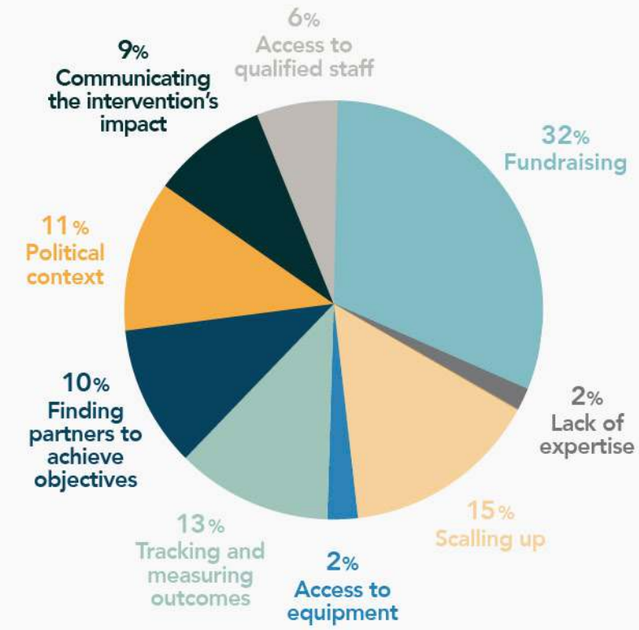
OTHER CHALLENGES

While sport is increasingly recognized as an important enabler of the SDGs, the full potential of sport as a strategic development tool remains underutilized. This paradox can be explained by several factors, which help us to better understand what needs to be addressed to empower some of the best actors to scale up their interventions and programs to transform more young people's lives.

What the survey respondents thought

According to the respondents of our survey, fundraising and (financing for) scaling up – as discussed above – are the two biggest barriers for organizations working with sports for development, with tracking and measuring outcomes coming next. With 86% of the responding NGOs mentioning fundraising amongst the biggest barriers in their work, this points to a great expectation and readiness from the S4D sector to scale up the best operators in the field and deliver more impact. More diverse funding sources are needed as all actors seem to be competing in the same ocean of limited grants and aid programs. However, the S4D community as a whole suffers from more challenges than just fundraising.

BIGGEST BARRIERS FOR S4D ORGANISATIONS



S4D actors are challenged by the current perception of sport as a leisure activity, disconnected fields and actors in the space, and a lack of strong evidence of causality.

Lack of finance to scale up

Demonstrating causality: M&E tools and indicators

Perception and advocacy

Disconnected fields and actors

Demonstrating causality and sharing indicators

Although there is a strong perception that S4D lacks solid tools, metrics and evidence to scale up its best models, our research and discussions with a number of experienced NGOs have shown a high level of sophistication in the way interventions are designed, objectives are set, and outcomes and impact are measured. In many cases, NGOs are using the SDG framework to structure their reporting and are using independently audited metrics to report on performance and outcomes. In many cases, it remains challenging to fully isolate the effect of sport-based activities from the generic nature of (non-sport) mainstream social interventions. In the case of Right to Play, for example, one of their programs and intervention models has not only been audited but a full randomized controlled trial has been conducted by a third party, demonstrating the positive outcomes of play-based learning activities over the prevention of violence among and against children in schools in Pakistan. However, sport and active play remain one dimension of the intervention and it will always remain challenging to fully isolate the "sport & play effect".

Beyond a few isolated statistics trying to measure the contribution of sport to the GDP of certain countries, the Commonwealth is now leading on a project to come up with model indicators [53]. Together with other institutions such as UNESCO and the IOC, the Commonwealth is looking into enhancing the ability of members/public authorities to align and maximize the contribution of their work in sport, physical education and physical activity with prioritized national development outcomes and the SDGs and associated targets.

However, beyond the excellent, ongoing work of institutions such as the Commonwealth Secretariat, UNESCO and others in the arena of S4D, much remains to be done to enable policy makers with systemic solutions and models which focus on generating more well-being and social capital through sport. Specifically, more work is needed to propose widely accepted and tested "model indictors" for measuring the contribution of sport and physical activity to the SDGs and to the wellbeing of a nation. Overall, there is not enough data on the tangible effectiveness of sports for development so the economic case for why governments and others should invest in sport and recreational inclusive physical activity is still weak. In a sharp contrast, and as we explore in our case studies, several well-established NGOs in the development and aid field have built up very solid cases with relevant Monitoring & Evaluation methodologies.

[53] Commonwealth Secretariat (2019), Measuring the contribution of sport, physical education and physical activity to the Sustainable Development Goals.

[54] https://www.sdglab.ch/ The SDG Lab is a multi-stakeholder initiative that contributes to the implementation of the Sustainable Development Goals (SDGs). It supports actors based in Geneva and beyond in further leveraging expertise and knowledge into policy, practice and action.

[55] https://www.buildingbridgesweek.ch/en/home

Perception and advocacy

Globally, sport is still largely considered either as a leisure activity (and at best as a nice-to-have or a second-tier priority from a policy making point of view) or a business opportunity provided by a booming entertainment industry. The massive financial flows generated by the sports industry (professional leagues, major events, manufacturing) influence in turn the way decision makers approach this sector. It is still often more prestigious to see one's home city football team feature at the top of the national or continental leagues than to invest in grassroots and inclusive sports participation.

Such perceptions call for continued efforts to advocate for sport as a generator of social capital at the heart of our communities. More evidence is also needed to demonstrate the value of getting people and kids in particular more active: reduction of the burgeoning health costs of chronic diseases, reduction of the social costs of supporting out-of-school and out-of-job young people or the increase in savings linked to more peaceful communities and lower recidivism rate for committers of petty crimes. All of these arguments can and should be considered by policy makers. Such non-monetary dividends must matter, but the numbers and data must be right.

Disconnected fields and actors

There is a growing number of players in the field of S4D (See Chapter 5 for an overview and elaboration of the players, some of their actions and a number of new, innovative partnerships), some of which are more or less dedicated and equipped with the proper expertise and tools to operate effectively and efficiently in the space. There often remains a disconnect between the international sports governing bodies (whose expertise lies essentially in developing their own sport, their own event management and the grassroot development of their sport vs more outward-looking social development through sport) and UN agencies, as well as other large governmental players who do not necessarily work together in a cohesive way, clearly lacking a central body and expert hub to coordinate their sports-related interventions as well as optimize or even share their resources.

One keen observer of these various major players observed that having both "commercial" players in the sports industry as well as international governing bodies now both playing a role in S4D brings confusion in the minds of many observers and potential funders.

Another major disconnect that explains the relative low level of funding flowing into S4D comes from the lack of capacity from two industries to meet and define a common ground and language. As nicely explained by Nadia Isler, Director of the UN SDG Lab in Geneva (whose mission is to activate the UN 2030 Agenda [54]), there seems to be a mismatch between the left bank of the Rhône river in Geneva (the banking industry) and the right bank of the Rhône (UN and international organizations). The perception from the fast growing sustainable finance sector is that there is a lack of credible, impactful vehicles to invest in and contribute to the SDGs (beyond climate and carbon), while on the other side, an increasingly mature development sector provides more space for sport as a strategic enabler of many SDGs and can now count on many excellent players and intervention models in the field. But the S4D sector seems to struggle with the shaping of credible products to meet the expectations of investors. "Investors ask 'where is the SDG pipeline?', while at the same time the development community knows where funds should be directed but does not know how to structure deals", argued Nadia Isler at the recent Building Bridges [55] Forum in Geneva (October 2019).

Case Study: GAME

GAME was founded by Martin Schultz, George M. Goldsmith and Simon Prahm. The organization is led by a voluntary board and managed by a dedicated team working from HQ in Copenhagen. It is a fast growing, innovative organization recognized as one of the world's 150 best NGOs. Founded in 2002 in Denmark with a mission to create lasting social change, GAME establishes innovative facilities to train youth-leaders as instructors and role models in street sports and civil society. Apart from their presence in Denmark, they also work in Lebanon, Jordan, Tunisia, Somaliland, Ghana, Lithuania, Greece and Malta. The young volunteers known as 'Playmakers' lead practices in street basketball, street football, street dance and parkour in underserved communities. As per their 2019 annual report, GAME's collective attendance, globally, landed at 381,864 show-ups. A major focus going forward is to increase access to and opportunities for physical activity, strengthen entrepreneurial skills among the participants, as well as grow participation of girls and refugees.

Source and further information: Annual Report and Website

Theory of Change

Context

- To counter social exclusion among youth in big cities
- For various reasons youth do not find their way into the local sports clubs

Input / Activity

- Building sustainable sport facilities (usually refurbishing run-down urban areas)
- Facilitating inclusive sport practice
- Empowering youth and mentoring Playmakers

Output

- More adolescents are able to participate in sport activities
- Children and adolescents from different social, cultural and economic backgrounds meet on neutral ground

Outcome

Adolescents that participate in the practices facilitated by GAME:

- Improve their life- and interpersonal skills
- Feel safer and volunteer in their local communities

Key impact performance indicators, measured against the SDGs

GOAL 3:
Good health and well-being

85%

of participants in Denmark and Jordan achieved skills in GAME that they can use in other contexts of their lives.

70%

of participants and Playmakers in GAME Zones in Denmark practice sports more after starting in GAME.

GOAL 5:
Gender Equality

33%

of the participants in GAME's activities across countries were girls, and in 2018, 44% of the 4,474 members of GAME House Copenhagen were girls.
All GAME Playmakers in Jordan and Lebanon have received training in gender equality and 90% believe it is important to work for gender equality.

GOAL 10:
Reduced Inequalities

85%

of participants and Playmakers in Denmark, Jordan and Lebanon have made friends with a different background than their own after starting in GAME.
All the Playmakers in GAME have been trained to use sports as a tool to break down conflicts between cultures.

GOAL 11:
Sustainable cities and communities

72%

of participants and Playmakers in Denmark, Jordan and Lebanon feel safer in their local area after starting in GAME.
In 2018, GAME Lebanon won two awards for efforts to increase the amount of publicly available meeting places in Beirut. Today, public meeting places account for less than 0.8 m2 per capita – significantly lower than the 9 m2 recommended by UN Habitat.

GOAL 16:
Peace, justice and strong institutions

80%

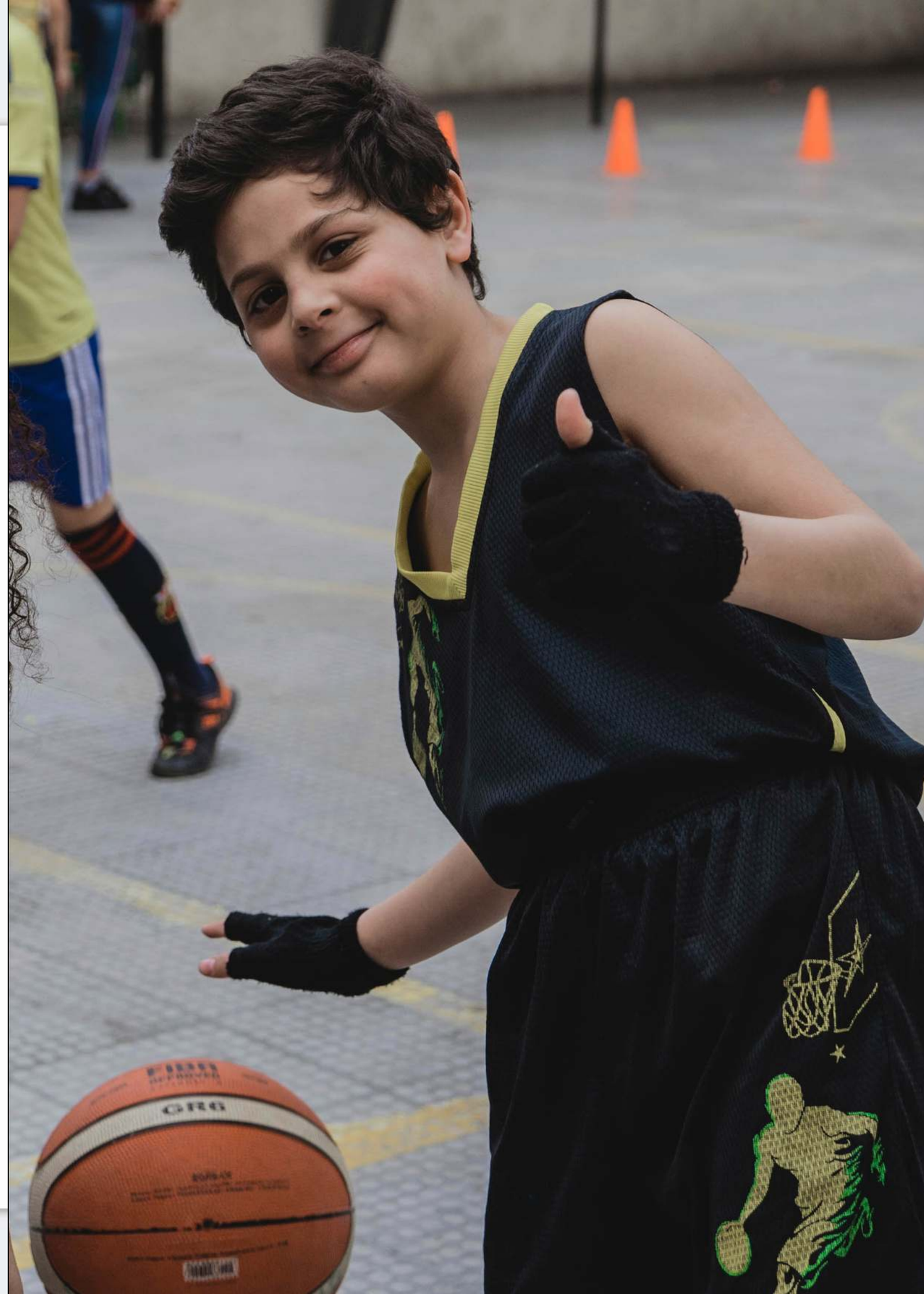
of Playmakers in Denmark have become more motivated to participate in volunteering and civil society work after starting in GAME.

79%

of participants and Playmakers in Denmark, Jordan and Lebanon have become better at resolving conflicts after starting in GAME.

GOAL 17:
Partnerships for the goals

GAME works with a partnership model where their activities are based on formalized partnerships with municipalities and other public actors, civil society organizations, commercial actors and users.
In all countries where methods and impact are scaled, this is done in collaboration with local implementing partners, which are supported via technological platforms and a strong focus on mutual knowledge sharing and involvement.



Case Study:
RIGHT TO PLAY

RIGHT TO PLAY was founded in 2000 by social entrepreneur and four-time Olympic gold medalist Johann Olav Koss. Right to Play is a global organization that protects, educates and empowers children to rise above adversity through the power of play. Via 14,900 local teachers and coaches and about 600 international staff, they are reaching 2.3 million children every year. Their field program areas are in Africa, Asia and the Middle East including 50+ refugee camps. To implement their programs, Right To Play partners with local organizations and governments. They develop play-based learning to foster life skills to transform children's lives in 5 impact areas - quality education, child protection, peaceful communities, gender equality and health. Their monitoring, evaluation and learning strategy is remarkable when it comes to managing numerous projects and impact measurements. Below is a case study on education and life skills for violence prevention in Pakistani schools.

Through this program, Right To Play reached 8,000 children in 40 public schools.

Source and further information: internal evaluation report and Website

RIGHT TO PLAY
PROTECT. EDUCATE. EMPOWER.

Theory of Change

Context

- Pakistan ranks 143 out of 144 in global gender gap index
- 85% girls and 94% boys face violence in school

Input / Activity

- Engage boys and girls in play-based learning activities to know others' perspective
- To develop essential life skills

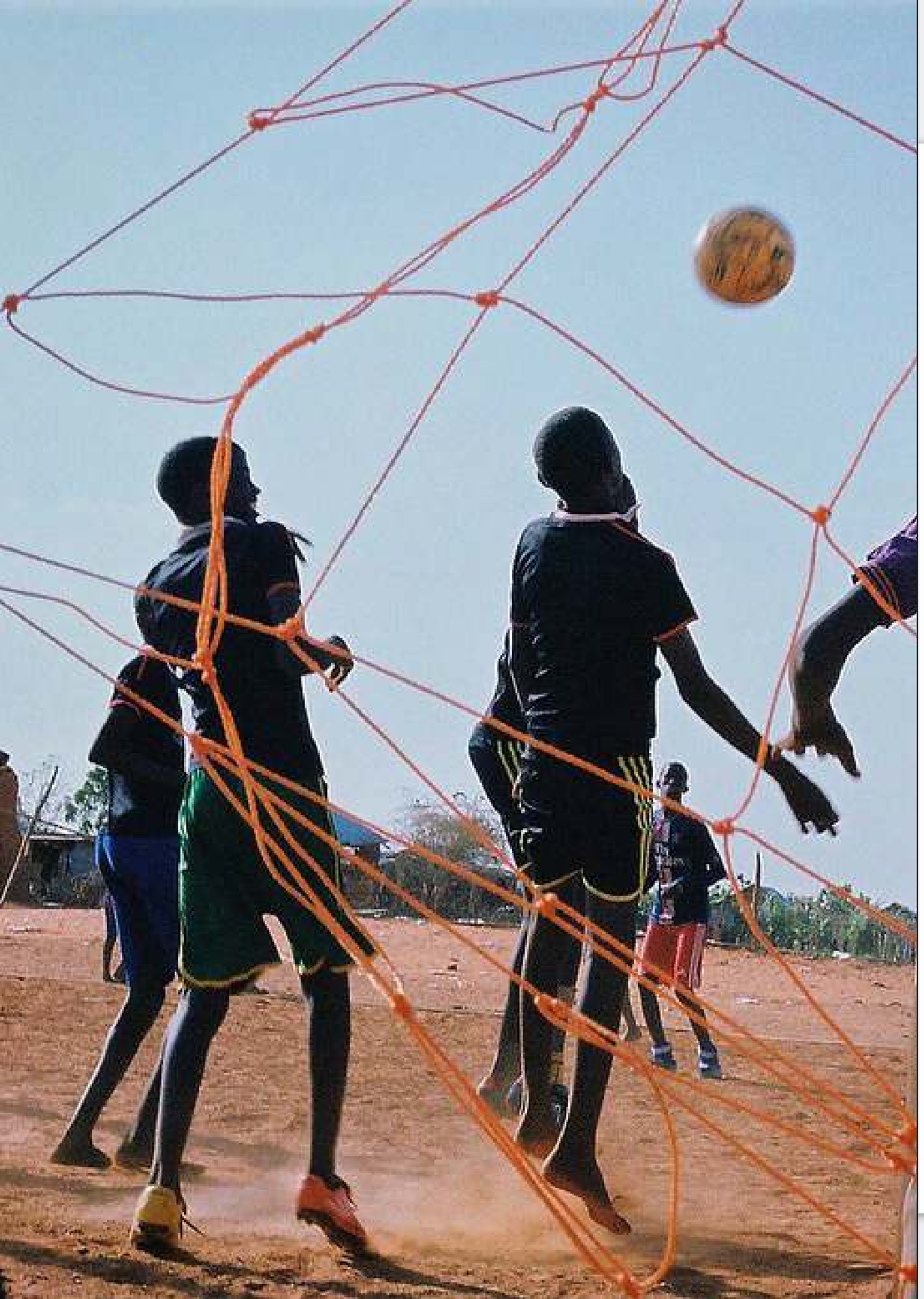
Output

- Girls and boys are more sensitive towards each other
- Used sport to empower, lower peer violence and develop essential life skills

Outcome

- To prevent violence among and against children in schools in Hyderabad, Pakistan


7



RIGHT TO PLAY
PROTECT. EDUCATE. EMPOWER.

Key impact performance indicators

Peer violence

Peer victimization:
Scores decreased by:

♂ 33%
♀ 59%

Prevalence dropped:

♂ 92% → 84%
♀ 78% → 50%

Peer perpetration:
Scores decreased by:

♂ 25%
♀ 56%

Prevalence dropped:

♂ 78% → 73%
♀ 56% → 37%

Corporal punishment

Corporal punishment at school:
Scores decreased by:

♂ 45%
♀ 66%

Prevalence dropped:

♂ 92% → 68%
♀ 67% → 36%

Physical punishment at home:
Scores decreased by:

♂ 62%
♀ 77%

Prevalence dropped:

♂ 62% → 28%
♀ 38% → 11%

Witnessing domestic violence

Domestic violence:
Prevalence dropped by:

♂ 65%
♀ 70%

Depression

Depression:
Scores decreased by:

♂ 7%
♀ 10%

Prevalence dropped:

♂ 19% → 10%
♀ 18% → 5%

Patriarchal gender attitude scale

Patriarchal gender attitude:
Scores decreased by:

♂ 10%
♀ 10%

Case Study: WOMEN WIN

WOMEN WIN is the global leader in girls' and women's empowerment through sport. They leverage power of play to help adolescent girls and young women build leadership skills and become better equipped to exercise their rights. Since 2007, Women Win has impacted the lives of 3,439,063 adolescent girls and young women in over 100 countries, made possible by collaborations with a wide variety of grassroots women's organisations, corporates, development organisations, sports bodies and government agencies. Through re-granting, technical support and leadership development, Women Win works hand in hand with partners in Asia, Africa, Europe Middle East, North and South America to deliver high-quality programmes to adolescent girls and young women. They continuously monitor and evaluate the impact of their programmes in order to learn, document, and share the impact of gender-sensitive sport programs with a clear women's rights approach.

Since 2011, Women Win has partnered with Standard Chartered Bank in delivering the Goal program; focused around an innovative sport and life skills curriculum designed for girls aged 12-18 who are living in under-served communities. An independent external evaluation was conducted in 2019 showing positive results.

Source and further information: Website and full Evaluation Report

Women Win

Theory of Change

Context

- Girls and women are considered liability in many parts of the world
- Restraints on young girls leaves them less educated, less healthy and less free than their male counterparts
- Gender stereotypes and discrimination persist globally

Input / Activity

- Delivery of life-skills education curriculum
- Provision of access to safe sport and play
- Leadership and employment opportunities

Output

- Community engagement
- Girls are more confident, able to communicate, cope with emotions and stress and form friendships
- Understand their rights and how to access resources and services
- Make positive health choices

Outcome

Exposed to confident, accomplished local female leaders, adolescent girls and young women:

- Perform better and stay in school longer
- Delay pregnancy
- Postpone early marriage
- Resist Gender-based violence
- Challenge gender norms
- Access more livelihoods opportunities

Women Win

Key impact performance indicators of the Goal programme:

13
years
(2006 - 2009)

590,389
girls reached

24
countries reached

(Bangladesh, China, Gambia, Ghana, India, Indonesia, Jordan, Kenya, Malaysia, Mauritius, Myanmar, Nepal, Nigeria, Pakistan, South Korea, South Africa, Sri Lanka, Tanzania, Uganda, United Arab Emirates, United Kingdom, Vietnam, Zambia and Zimbabwe)

After participating in the programme, participants reported...

A **28%** points increase in health knowledge and...

...an average increase of **26%** percentage points in reported knowledge about menstruation

A **19%** percentage points increase in knowledge and gender-equitable attitudes about gender-based violence

An average increase of **26%** percentage points in confidence in playing and participating in sport

At the end of the Goal programme...

77% of the girls reported to have knowledge on savings and finance and...

78% of the girls reported to have work aspirations;

67% of the girls reported they had leadership skills and knew how to put them in to practice;

73% of the girls reported to have gender-equitable attitudes, challenging gender norms in their communities

After completing programme, over 80% of all participants reported positive self-confidence.

Case Study: SKATEISTAN

The idea of Skateistan began in 2007 when Australian Oliver Percovich arrived in Kabul, Afghanistan, with three skateboards and began skateboarding in the streets with children. He perceived the lack of opportunities for young Afghans, especially girls and working children. Through skateboarding he was able to engage with children and build a community. Skateistan took shape in the following years, with the help of international donors and skateboard industry partners. It was officially registered as an Afghan NGO in July 2009. Over 2,500 children, aged 5–17, attend Skateistan's programs in Afghanistan, Cambodia and South Africa of which 50% of the students are girls. Through their innovative programs - Outreach, Skate and Create, Back-to-School, Dropping In and Youth Leadership - Skateistan aims to give children the opportunity to become leaders for a better world. Skateistan has Skate Schools in Afghanistan, Cambodia and in South Africa. Their international headquarters are in Berlin, Germany. Skateistan was recently highlighted on the international stage with "Learning to Skateboard in a Warzone (If You're a Girl)" awarded an Oscar for best documentary feature (February 2020).

Source and further information: Annual Report and Website

SKATEISTAN

Theory of Change

Context

- Afghanistan's education system devastated by three decades of sustained conflict
- 3.7 million children are out of school – 60% are girls
- Lack of safe places to learn and play

Input / Activity

- Provide safe places for quality education and fun
- Held classes and developed fun based education activities
- Through skateboarding developing new friends

Output

- Developed and built safe places
- Building confidence through educational activities
- New friendships forged

Outcome

- Access to safe places to study and skate
- Change in attitude towards studies
- Students are more confident

Target Group and results
(Program in Kabul, Afghanistan)

255
students

41%
Girls

93%
Feel safe at Skateistan

27%
Street working

82%
Believe they can do well in school

89%
Low income background

100%
Have made new friends in Skateistan

Target Group and results
(Program in Mazar – e – Shrif, Afghanistan)

1,319
students

57%
Girls

5%
Living with disability

70%
Low income background

67%
Anti-bullying was their favorite subject

97%
Believe they can do well in school

93%
Have made new friends in Skateistan

Case Study:
SWISS ACADEMY FOR DEVELOPMENT

SAD was founded in 1991 as a not-for-profit foundation in Biel/Bienne, Switzerland. They use sport and play to empower disadvantaged children and young people in Switzerland and internationally to become healthy, educated and employed citizens. SAD focuses on solid monitoring and evaluation and uses approaches to development that are based on clear facts. They publish the results, and promote the exchange of knowledge and mutual learning with the International Platform on Sport and Development - sportanddev.org.

In their 'Women on the Move' project in South Sudan, a total of 1,011 women over three and a half years took part in Sport and Play based activities designed to help them cope with trauma.

Source and further information: Annual Report and Website

SWISS ACADEMY FOR DEVELOPMENT

Theory of Change

Context

• Encouraging and enabling distressed and traumatized women in Kajo-Keji, South Sudan, to have a positive recovery from a traumatic experience due to more than 40 years of civil war and ongoing conflict.

Input / Activity

• Improving women's self-efficacy and coping ability through awareness meetings; capacity building workshops; sports and play sessions etc.

• Livelihood activities included

• Offered intensive training and organizational support

Output

• Awareness meetings held

• Capacity building workshops

• Play sessions organized

• Income generation activities included farming, animal rearing, handicraft and retail

• Various training provided to the participants

Outcome

• Improvement in physical, mental health and stress levels.

• Improvement in sexual & gender-based violence

• Livelihood, savings and loan groups created

• Extended social network

SWISS ACADEMY FOR DEVELOPMENT

Improvement in physical health through play and exercises:

Largest decrease was found in:
- Shortness of breath
- Chronic fatigue
- Diarrhea

Improvement in mental health:

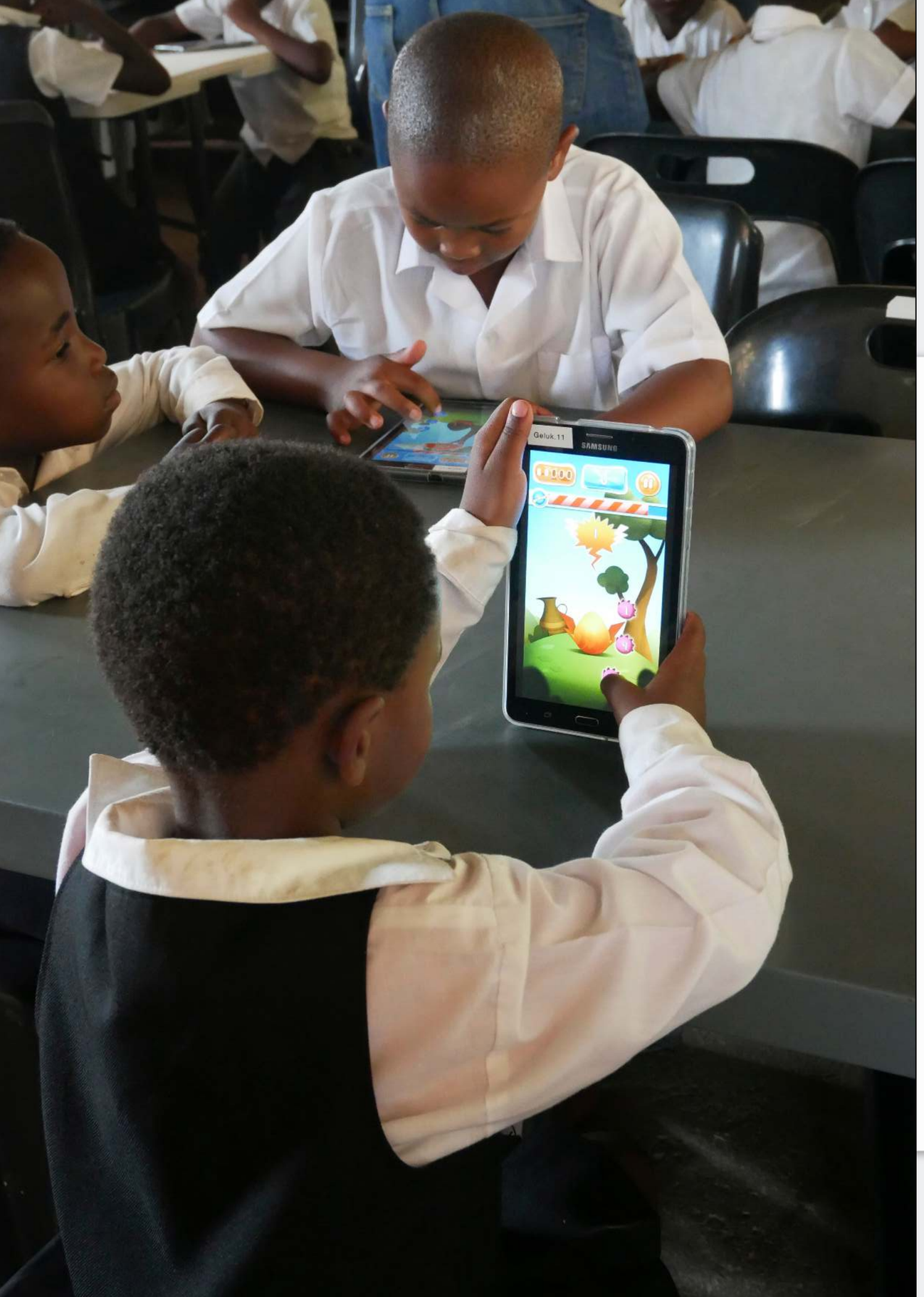
Project activities had a positive effect on
Post-traumatic stress disorder (PTSD)
Stress Levels decreased: from 83.1% to 63.4%

Improvement in sexual and gender-based violence in very difficult circumstances - Ability to cope up with:

Physical violence increased from 26.8% to 31.8%
Psychological violence from 23.0% to 29.7%
Threats from 23.7% to 34.7%
Economic violence 27.9% to 35.5%
Sexual harassment 24.2% to 30.2%
Sexual violence from 23.7% to 29.4%

Economic empowerment status:

Results showed that 98% of women generated additional money used for health expenses, education fees and household expenses.



Case Study:
HOMEGROUND INITIATIVE

The Homeground Initiative was started in 2009 by Michael Flockhart and Creesen Naicker from the Sportstec Foundation, South Africa. The Homeground Initiative is an integrated childhood to young adulthood educational program funded by private and institutional donors, in partnership with the National Department of Basic Education. The aim of the sports-based program is to provide broad-based support to local primary schools, high schools and the community to enable the educational and personal development of children and young people in the isolated rural community of Geluksburg in Kwa Zulu Natal. Locally trained staff are using the tested Sport2Life methodology to teach life skills through sport. The Homeground Learning Centre is a physical facility at the heart of Geluksburg, where children of all ages can attend the different activities free of charge. In the morning, Homeground is a Kindergarten where children from 3 to 6 years receive early childhood education, including outside playtime to develop all motoric skills. In the afternoon, school kids come to play sport, do life skill sessions and have a safe place to do homework or study for exams. At Homeground, **physical and academic literacy go hand in hand**. In addition to the Sport2Life methodology, Homeground provides regular access to tablets with innovative education technology to help children improve their literacy and academic performance. Through this unique approach, the children´s literacy rate in their home language isisZulu and in English has improved dramatically since 2018. **The combination of sport, play, and education technology has produced impressive results.**

Source and further information: Website and Detailed Presentation

HOMEGROUND

Context

- Rural, isolated community
- No place for children to have organized after-school activities
- High rate of school dropouts
- Low level of literacy in South Africa

Input / Activity

- Early Childhood Education (Physical, Social, Cognitive)
- School Outreach
- After-school program:
- Sport, Life Skills, Homework support
- Education technology
- Community Clean-ups

Output

- Coaches and educators provide continuous support for children in their physical, social and academic development
- Working with parents to create awareness and understanding of value of education

Outcome

- Community awareness and support of education
- Improved educational performance
- Reduced school dropouts
- Increased community cohesion

HOMEGROUND

Early Childhood Education at Homeground Learning Centre (Since 2015)

38
Learners attending the ECDC

6
ECD Support Staff

20
Support Staff and community members trained

Sport 2 Life Program at Homeground Learning Centre (Since 2009)

128
Learners participating in the Learning Centre

45
Grade R -3

45
Grade 4 -7

38
Grade 8 -12

Early Literacy & Numeracy Support (since 2017)

81%
Early numeracy & literacy of ECD graduates

100%
Literacy rate in isiZulu at the end of Foundation Phase (compared to 22% national average)

50%
Comprehension rate in English at the end of Foundation Phase (22% national average)

School Outreach (since 2015)

40
Schools participating in the program with the support of program coaches

13 492
Learners participating in the program

4
educator workshops on PE reaching
300
educators from
300
schools

Case Study:
GRUPO INTERNACIONAL DE PAZ (GIP)

GRUPO INTERNACIONAL DE PAZ (GIP) was founded in 2009 with the mission of promoting a vision of development that contributes to the pursuit of peace through sports. GIP developed its own and unique methodology to strengthen collective capabilities in the communities affected by armed conflict and violence. In 2017, with the support of UNESCO, GIP published its methodology (7P Strategy) and today it is implemented by approximately 70 coaches within and outside of Colombia. It fuses sports and education using analogy-based activities tailored to the local context. All activities are aimed at community empowerment and at the youth as a component of it, and they seek to promote cooperation and community coexistence to foster healthy and long-term relationships. GIP focuses on customized social dimensions – e.g. critical-thinking, empathy, collective well-being and assertive communication – in order to organize sport-based activities for youngsters whilst involving the community in the intervention process and repurposing public spaces.

• GIP is present in 24 departments of Colombia, runs seven projects in Mexico and one in Brazil
• Over 50 partners and more than 11,000 project participants impact more than 35,000 people

GIP's Information System, SIGIP, was custom-built to register, process and report quantitative and qualitative data across territories. This system runs in areas of difficult access, low connectivity and complex socio-political conditions. The system comprises the following:
• Territorial context analysis
• Early warning system
• Process evaluation
• Results evaluation
• Activity monitoring
• Attendance report

Some of the outputs generated by GIP projects are:
1. 7P Sports Practices: Activities which connect sports to community-specific elements and serve as a platform for social pedagogy.
2. Joint meetings: Community events aimed at the transformation and maintenance of sports facilities.
3. Youth Committee: Space for children and youth to participate in the decision-making process. Committee members also take part in a national youth leadership workshop.
4. Community Oversight and Community Meetings: Community members identify problems and opportunities, brainstorm and implement solution proposals related to the use of space, events and resource management.
5. Training of Trainers: Consists of a methodological transfer of the 7P Strategy to sports leaders.

Source and further information: http://www.gipglobal.org/

GIP GRUPO INTERNACIONAL DE PAZ

Context

- Fragmented social fabric
- Social norms favorable to violence
- Supremacy of the private over the common good
- Exclusive and inequitable local development
- Low capacity for agency by the community

Input / Activity

- Human resources
- Strategic partners
- Local partners
- Financial resources
- GIP Information System
- Logistics system

Output

- 7P Sports Practices
- Joint meetings
- Youth Committee
- Community oversight
- Community meetings
- Training of Trainers

Outcome

- Community cooperation networks
- Protection of the common good
- Peaceful transformation of conflicts
- Active and inclusive participation
- Cooperation with positive community leaders
- Social norms favorable to coexistence
- Co-responsibility with institutions
- Integration to the community

GIP GRUPO INTERNACIONA DE PAZ

76% sports fields were recovered or improved by the community

In 94% of the territories, young people began to resolve their conflicts peacefully

In 97% of the territory, young people improved their life skills

The process is planned on a progressive three (3) year scale

Innovative Finance

1

INTRODUCTION AND DEFINITION

Given the sharp 2030 deadline and the massive need for additional resources, there is an increased interest within the development community in engaging with the private sector to mobilize some of its expertise, capabilities and financial resources in line with the guiding framework of the Addis Ababa Action Agenda (AAAA). Such an "unusual partnership" requires building mutual understanding about the respective motivations, goals and prevailing governance and decision-making structures. Measurement of results, efficiency and accountability become even more important.

Broadly speaking, engagement with the private sector can take a variety of forms for development organizations with the two most prominent being: (1) working with either large and international companies or local SMEs and social enterprises to reshape their business activities (i.e. the provision of goods and services) in developing countries; and (2) by mobilizing private investors and private investment capital for development purposes, to complement public financing [56]. For the purpose of this paper and the intention of mobilizing more funding for sports interventions that generate development outcomes, the focus is on the latter.

In general, the private sector is constrained from investing in developing countries because perceived risks are too high, they lack the expertise and capabilities, or returns are not high enough. So-called "innovative financing instruments" aim to mobilize additional resources for development, mainly from the private sector, by addressing specific market failures and institutional barriers to complement traditional international resource flows—such as aid, foreign direct investment, and remittances. Additional resources may come from institutional investors including pension funds, insurance companies, and banks, as well as asset owners like family offices and charitable foundations who are increasingly looking for investments that generate not only financial returns but also social impact [57] – as illustrated by the USD 500 billion size of the impact investment market [58].

There is a large number of innovative financing mechanisms which combine public and private sector resources. For example, the private sector can provide financing to public sector activities by investing in a green bond - such as the one issued in 2017 for the first time by the City of Cape Town to address the infrastructure needs and to respond

[56] DCED Working Paper, 2019: Donor engagement in Innovative Finance: Opportunities and Obstacles.

[57] Impact investors include entities managing money on behalf of third parties (for example pension funds, insurance companies, wealth managers, and banks), as well as direct investors (such as philanthropic foundations, wealthy individuals, and family offices). Impact investors (as opposed to donors) can only be considered as funders when there is a source for the repayment of the capital.

[58] https://thegiin.org/research/publication/impinv-market-size

to climate change - or in the Inter-American Development Bank's EYE (Education, Youth and Employment) bond designed to promote sustainable growth, poverty reduction and social equity in Latin America. The public sector can also make investments in the private sector, for example through guarantees and first-loss mechanisms, such as when in 2010 the German Federal Ministry for Economic Cooperation and Development (BMZ) and the Netherlands Development Finance Company (FMO) provided initial funding and an appropriate cushion to investors against potential losses for REGMIFA (Regional MSME Investment Fund for Sub-Saharan Africa), an open-ended impact investment fund supporting micro, small and medium enterprises in Africa.

While there is no single agreed definition, for the purpose of this publication we follow previous work done by iGravity and the International Labour Organization to define innovative finance for development as 'a set of financial solutions and mechanisms that create scalable and effective ways of channeling both private money from the global financial markets and public resources towards solving pressing global problems' [59].

[59] https://www.ilo.org/empent/areas/social-finance/WCMS_654677/lang--en/index.htm

The concept of innovative finance for development incorporates four facets

I

Mobilize additional resources that would not otherwise be available for development – it does not displace or replace existing resources;

II

Innovative financing mechanisms may combine public and private sector resources;

III

Make the resources available more effective and efficient by redistributing or reducing risk and linking financial flows to the success of development activities;

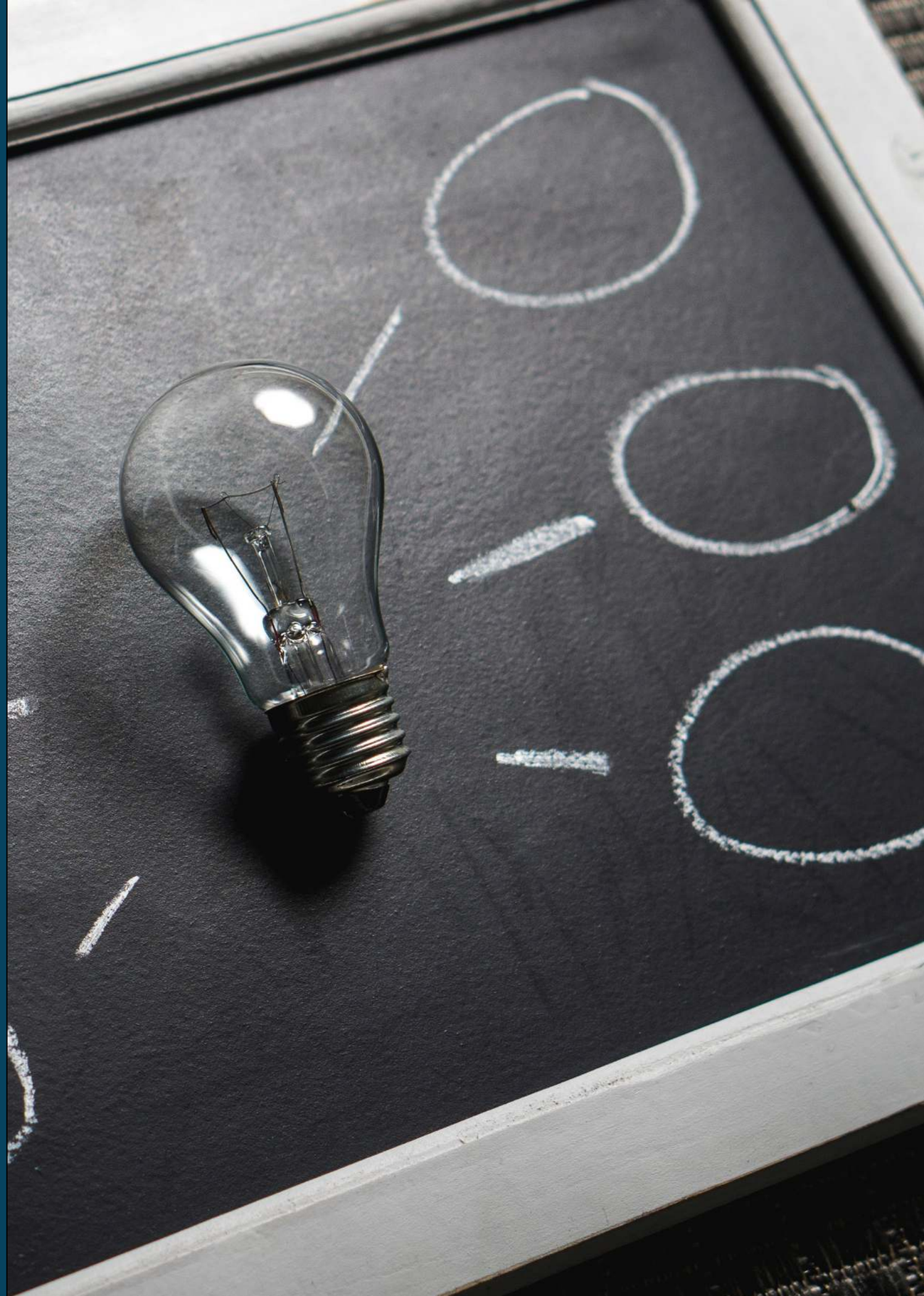
IV

The concept may include many mechanisms that are not necessarily new in the finance world - the innovation lies in applying it to international development, including the ways in which resources are mobilized and spent.

While there are a wide variety of innovative finance instruments pursuing different objectives, the over-arching features of these mechanisms are the results-oriented approach and the intention of mobilizing additional private sector financing to realize social outcomes.

While innovative finance mechanisms bear lots of potential to mobilize more resources and make their use more effective, it is important to acknowledge that they are not the silver bullet to solve all development problems and can only be effectively utilized in specific situations. By nature, involving financial investors – even when motivated by impact – requires generating some sort of financial returns, either generated by the underlying project or by monetizing outcomes, which is obviously not always possible nor realistic. Additionally, a review of key studies reveals that evidence of results of innovative finance interventions is still largely fragmented and generally scarce. Emerging data and information on finance leveraged, on changing investor perceptions, and on targeted case studies, however, provides an encouraging basis for future work [60].

[60] DCED Working Paper, 2019: Donor engagement in Innovative Finance: Opportunities and Obstacles.



2 MECHANISMS

Innovative finance mechanisms can be categorized based on their key technical attributes and main goals, i.e. mobilizing funds from capital markets, mitigating risks, linking payments to results, leveraging technology, etc.

	Financial instruments	Risk Mitigation Mechanisms	Results-Based Financing	Technology-Enabled Solutions	Private Sector Contributions	Taxes & Obligatory Charges	Debt Management
DESCRIPTION	• Structured funds or investments that serve the purpose of pooling investment capital from multiple sources; these often can be traded on a public marketplace	• Instruments that address high (real or perceived) risks to mobilize private finance and turn it into investment opportunities	• Contracts where payments are linked to certain outcomes being met. Thus, resources are disbursed based on success, and not on the basis of the completion of activities	• Contracts where payments are linked to certain outcomes being met. Thus, resources are disbursed based on success, and not on the basis of the completion of activities	• Mechanisms that leverage technology and involve digital or computerized devices, methods or systems to enhance the efficiency, effectiveness, as well as volume of financial flows	• Specific taxes or charges levied at the national level but within a framework of international coordination to raise funding for a specific development challenge	• Mechanisms that allows a country to manage or reduce its debt, conditional on certain outcomes being met or that funds are used for a specific purpose
CATEGORIES	• Bonds and notes • Mutual funds • Private equity/Venture Capital	• Subsidies • First-loss capital • Guarantees • Options	• Development/ Social Impact Bonds • Pull Mechanisms or Outcomes-Based Funds • Advanced Market Commitments	• Development/ Social Impact Bonds • Pull Mechanisms or Outcomes-Based Funds • Advanced Market Commitments	• Blockchain • Digital technology • Crowdfunding	• Taxes	• Debt buy-down • Debt swaps
BENEFITS / PURPOSE	• Mobilize vast sums of money from capital markets	• Reduce (perceived) risks to mobilize private finance	• Funds are paid out only when certain outcomes are achieved	• Funds are paid out only when certain outcomes are achieved	• Enhance efficiency and effectiveness of financial flows, and increase funding from additional sources	• Raise additional money and set incentives	• Reduce liabilities and/or channel funds towards development outcomes
LEAD / IMPLEMENTER	• Asset managers, banks, professional investors	• Financial institutions, insurance companies, DFIs, donor agencies, foundations	• Service providers (NGOs, private enterprises)	• Service providers (NGOs, private enterprises)	• Private enterprises, DFIs, Donor agencies, foundations	• Governments	• Governments •
FUNDER / INVESTOR	• (Impact) investors, wealth managers, pension funds, individual investors, DFIs, foundations	• DFIs, donor agencies, charitable foundations, insurance companies	• Donor agencies, charitable foundations, impact investors	• Donor agencies, charitable foundations, impact investors	• Retail investor, governments, donor agencies, NGOs	• Citizens	• Donor agencies, charitable foundations, impact investors

Innovative finance initiatives may differ depending on the extent to which they involve and blend both commercial and concessional capital.

Commercial capital typically is financing that can be obtained in domestic and international capital markets through, for example, the issuance of bonds (debt obligations or form of borrowing by enterprises, governments and multilateral banks) and targets market-rates of returns.

Concessional finance includes grants and financing that is provided on more generous terms than market rates, usually because the lender aims at realizing specific social and environmental outcomes. In the case of loans, the concessionality is achieved through interest rates below those available on the market or by grace periods, or a combination of both.

Different mechanisms or opportunities may be more likely to utilize concessional capital as a way of making the financing affordable to the organization or incentivizing certain behaviors.

Blended finance is a subset of innovative finance and entails the use of development finance to mobilize additional private capital.

Blended finance can play a key role in mitigating early-entrant costs or project risk and attract private sector investments. According to the OECD, blended finance is "the strategic use of development finance for the mobilization of additional finance towards the SDGs in developing countries where additional finance refers primarily to commercial finance not currently addressing development objectives".

According to this definition, blended finance is used to overcome barriers impeding private capital from flowing into developing country markets. In many cases, the main barrier is that the (perceived) risk of investing in emerging markets outweighs the financial return.

Development and/or philanthropic funding can be used to de-risk investment and improve the overall risk-adjusted return, bringing it in line with investor expectations.

The term "impact investing" was first used at the Rockefeller Foundation's meeting with leaders in finance, philanthropy and development at the Bellagio Center in 2007. It refers to investments made in companies, organizations, and funds with the intention to generate social and environmental impact alongside a financial return. Impact investments can be made in both emerging and developed markets and target a range of returns from below market to market rate, depending on investors' strategic goals.

The growing impact investment market provides capital to address the world's most pressing challenges in sectors such as sustainable agriculture, renewable energy, conservation, microfinance, and affordable and accessible basic services including housing, healthcare, and education. The practice of impact investing is further defined by the following four core characteristics:

- **Intentionality:** An investor's intention to have a positive social or environmental impact through investments is essential to impact investing.
- **Investment with return expectations:** Impact investments are expected to generate a financial return on capital or, at minimum, a return of capital.
- **Range of return expectations and asset classes:** Impact investments target financial returns that range from below market (sometimes called concessionary) to risk-adjusted market rate, and can be made across asset classes, including but not limited to cash equivalents, fixed income, venture capital, and private equity.
- **Impact Measurement:** A hallmark of impact investing is the commitment of the investor to measure and report the social and environmental performance and progress of underlying investments, ensuring transparency and accountability while informing the practice of impact investing and building the field.

3 SELECTED EXAMPLES

There are a variety of interesting examples from different geographies, sectors and actors related to innovative finance, but it is not the aim of this publication to list them all. We instead present a number of different instruments that we believe may be most relevant for S4D by providing a description and rationale for a specific instrument, complemented by a real example.

3.1
EXAMPLE 1
FINANCIAL INSTRUMENTS: (STRUCTURED) IMPACT INVESTMENT FUNDS

INVESTMENT INSTRUMENT:
Loan or equity fund
(in some cases blended)

INVESTORS:
Development financial institutions, impact investors, private sector investors

INVESTEES:
(Social) enterprises providing goods & service (with a development impact)

DESCRIPTION

An impact investment fund is a vehicle that allows a number of separate and unrelated investors, a group of individuals or companies, to make investments together. An investment manager is mandated to build the investment pipeline, assess and diligence potential investment as well as ensure the monitoring and reporting. Impact investment funds play a critical role in allowing private and institutional investors to access the space and overcome some of the main barriers including deal sourcing, due diligence, impact management, and diversification.

Sometimes these funds are structured in different layers. Different tranches of investors reflect a range of risk appetite and risk-return profiles depending on their level of seniority or subordination. Sometimes these funds employ a "blended" model, meaning that public sector or philanthropic funding is used to leverage private capital that might not otherwise be invested in a social purpose by providing cornerstone investments and taking different risk positions.

RATIONALE

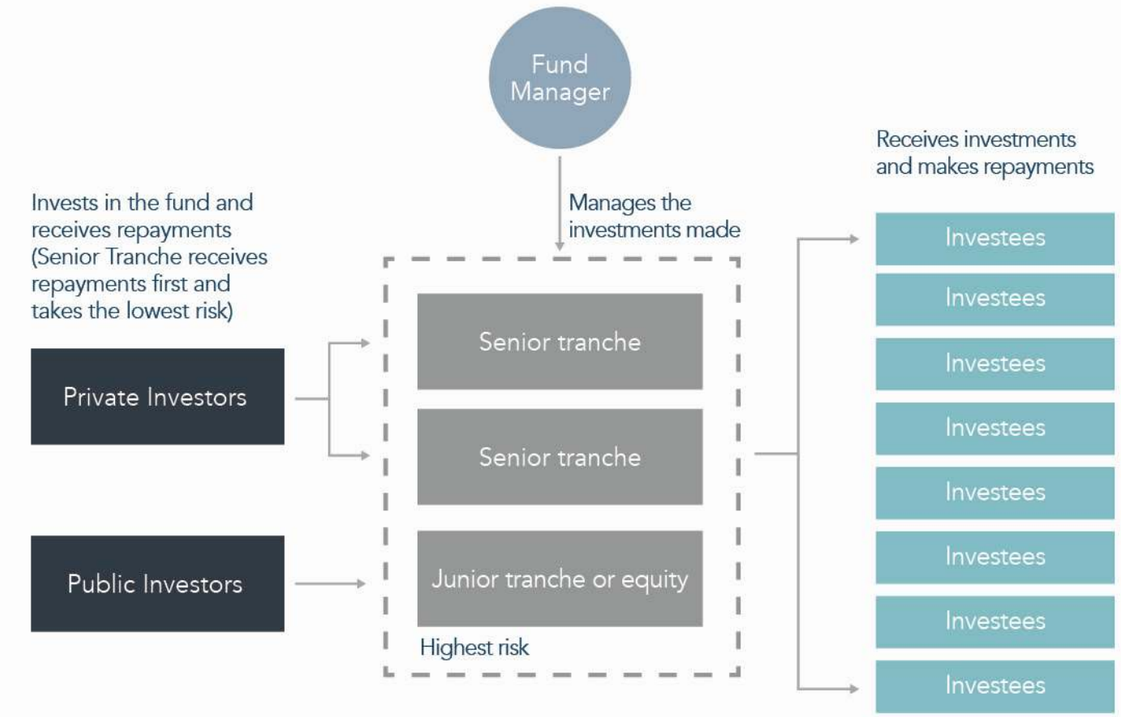
There is an increasing number of enterprises that are providing goods and services that benefit society and the environment, in addition to making profits. The unique characteristic of these "social enterprises" is the expectation of a net positive social or environmental benefit, whether through their product or service, or because of the way in which they create value for the communities they serve. These companies often need financing to fund or scale up their operations. As they generate revenues and become profitable, they can start paying back the initial investment. Despite solid financial statements and demonstrable contributions to the economy and to society, many social enterprises find it challenging to obtain capital that aligns with their needs and characteristics and enables their development and growth, especially because financial markets in many developing countries are still small, illiquid and imperfect.

ROLE OF INNOVATIVE FINANCIAL MECHANISMS

Funding from bilateral donors, charitable foundations and development financial institutions can play a catalytic role in attracting private sector investors by investing in the fund for the purposes of reducing risk and providing more comfort to "traditional" financial investors. This allows the funds to achieve social outcomes at scale and address entrenched social problems that require large investment diversification among a number of different investments, which becomes only possible once larger amounts of capital are raised.

Case Study: IGNIA

IGNIA is an impact investing venture capital fund based in Monterrey, Mexico, that supports the founding and expansion of Small and Medium Sized Enterprises (SMEs) that serve the base of the socio-economic pyramid in Latin America. By providing responses to the needs of low-income populations, both as consumers as well as active participants in productive value chains, IGNIA empowers entrepreneurship and generates social impact. Founded in 2007, IGNIA has two funds with assets which amount to USD 200 million invested in sectors such as health, fin-tech, financial services, education and basic services. Investors in IGNIA's funds comprise public institutions like the Inter-American Development Bank, charitable organizations such as Rockefeller Foundation, Omidyar Network and Soros Economic Development Fund, and private investors like J.P. Morgan.



3.2
EXAMPLE 2 RESULTS-BASED FINANCING: SOCIAL IMPACT INCENTIVES SIINC

INVESTMENT INSTRUMENT: SIINC
Payments based on achieved social outcomes

INVESTORS:
Traditional development donors, financial investors

INVESTEES:
(Social) enterprises / NGOs providing goods & service (with a development impact)

DESCRIPTION

Social Impact Incentives (SIINC) is a funding instrument that rewards social enterprises with results-based payments for achieving social impact. The revenues from the SIINC payments enable social enterprises to improve profitability and attract investment to scale. SIINC can effectively leverage public or philanthropic funds to catalyze private investment in underserved markets with high potential for social impact.

RATIONALE

Many impactful social enterprises (whether structured as a for-profit or non-profit) lack the initial capital to provide their goods and services to their target customers / populations. At the same time, traditional donors are more skeptical of funding an organization's "activities" that may or may not result in social gains. Thus, the SIINC structure reduces the donor's risk of funding inefficient organizations by making payments contingent upon measurable results. The beauty of this enterprise-centric approach is that it makes it easier for companies to crowd in impact investment and become self-sustaining.

ROLE OF INNOVATIVE FINANCIAL MECHANISMS

SIINC offers great value since an outcomes-funder only provides rewards for impact that is actually generated. The outcomes funder works with the enterprise to decide on the desired outcomes and on the terms for incentivizing these. If SIINC is used properly, impact will be generated in a more transparent and effective manner and the social enterprise will continue to generate positive impact long after the SIINC agreement is finished.

Case Study:
Social Impact Incentives (SIINC)

SIINC was co-created by the Swiss Agency for Development and Cooperation (SDC) and Roots of Impact. SIINC rewards impactful businesses (or non-profit service providers) with premium payments for achieving social impact through business growth. The premium payments made by a donor, government or philanthropic source serve as additional revenue for the businesses to improve their profitability and attract investment for expansion.
An example of a SIINC is Clinicas del Azucar (CDA), which offers one-stop-shop medical services for diabetic patients in Mexico. Patients of CDA pay a yearly membership fee that is 60% lower than private sector providers. SIINC payments are made to CDA based on the following metrics: (i) growth in the ratio of base-of-pyramid patients among CDA's active members, and (ii) average improvement in HbA1c (blood sugar) levels among base-of-pyramid patients. In this case, the SIINC payments essentially go to enhance CDA's revenue, which allows the clinic to both expand its services as well as incentivize it to improve these social outcome-linked business metrics, making it more attractive to private investors.

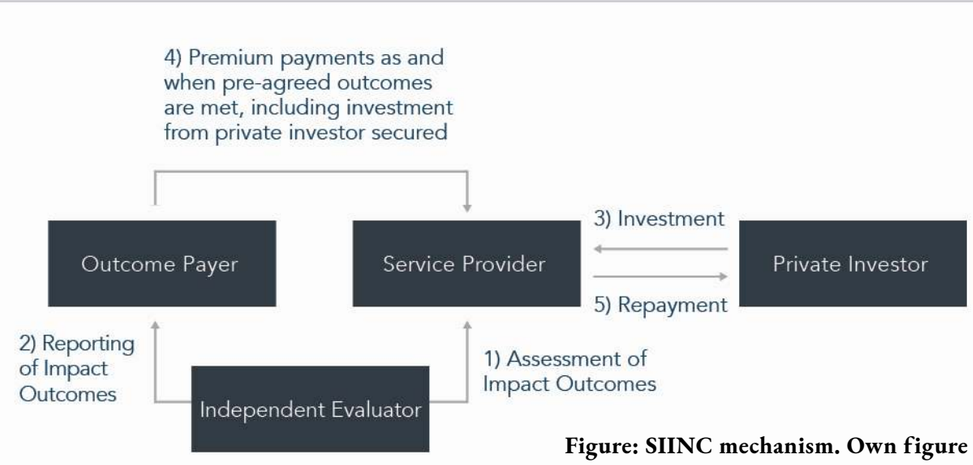


Figure: SIINC mechanism. Own figure

There are a few alternative models to SIINC that have been launched and combine more traditional financing instruments with results-based payments. For example, Yunus Social Business and the Rockefeller Foundation have pioneered in 2018 the **Social Success Note (SSN)** in Uganda together with UBS Optimus Foundation and Impact Water, a social business that provides water purification solutions. SSN aligns incentives and interests among entrepreneurs, investors, and philanthropic outcome payers, blends funds from various parties and ultimately builds a larger pool of funds to scale up solutions that address funding gaps. A private investor provides upfront loan capital to a service provider, who agrees to pay back the principal plus a below-market return. If the pre-agreed social outcomes are met, the outcome payer will then make an additional payment to the private investor that corresponds to a market-rate return [61].
Very recently, the Impact Investment Group (IIG) in Australia designed and led a Beneficial Outcomes Linked Debt – or BOLD, where the borrowers (Xceptional) loan balance will be reduced not just by their cash repayments but also by the number of people in the autism spectrum into specialized IT jobs. The model provides debt that is reduced based on repayments and impact, representing an innovation in results-based financial mechanisms [62].

[61] https://www.yunussb.com/blog/social-success-note
[62] https://probonoaustralia.com.au/news/2019/12/bold-new-way-to-invest-for-social-change/

3.3
EXAMPLE 3 RESULTS-BASED MECHANISMS: IMPACT BONDS

INVESTMENT INSTRUMENT:
Development Impact Bond or Social Impact Bond structure where traditional donors repay investors amounts that are conditional on meeting pre-agreed outcomes

INVESTORS:
Impact Investors

INVESTEES:
(Social) enterprises / NGOs providing goods & service (with a development impact)

DESCRIPTION

Development Impact Bonds (DIBs) and Social Impact Bonds (SIBs) are new financing mechanisms designed to achieve development and social outcomes by bringing together private investors, implementers, governments and donors. Private investors provide loan capital upfront to social enterprises and non-profits for implementation. These organizations use the loans to implement business lines or programs that achieve desired social outcomes. Outcomes funders (most often governments or traditional philanthropic donors) pay back the private investors' loans, with interest, if the borrower achieves pre-determined targets.

RATIONALE

Impact bonds are an innovative way of financing international development. They are 100% focused on outcomes and have the potential to leverage private philanthropic capital to address some of the world's greatest challenges. Because a DIB/SIB ties financial returns and payments to rigorously-measured social outcomes it has the potential to sustain long-term, results-focused partnerships among non-profits, donors and investors.

ROLE OF INNOVATIVE FINANCIAL MECHANISMS

For traditional development funders, outcome-based funding models can increase the efficiency and effectiveness of limited aid budgets, as concessional development funding is conditional on creation of impact, while upfront costs (and risks) are covered by private capital. For private investors, these instruments allow them to engage in a manner familiar to them (i.e. loans) while adding the benefits of social outcomes.

Case Study: Educate Girls Development Impact Bond (DIB)

Taking the Educate Girls Development Impact Bond (DIB) as an example, a socially-motivated "private" investor – the UBS Optimus Foundation (UBSOF) – made a loan to Educate Girls, a nonprofit organization based in Mumbai that delivers an educational program. Educate Girls provided a comprehensive community intervention to enroll girls into school. This intervention included identification of out-of-school girls through door-to-door surveys, explanation of the value of schooling to the parents and to the community, and multi-channel engagement with the household where a girl was out of school. The loan capital was disbursed in two phases: 40% in the first year and the remaining 60% in the second year, on the condition that Educate Girls reaches certain performance milestones. The outcomes payer, in this case the Children's Investment Fund Foundation (CIFF), paid back the original amount of the loan to UBSOF plus extra returns of up to 15% depending on the extent to which the agreed targets were met. The targets focused on (i.) increased enrolment and (ii.) the children's progress in literacy and numeracy, which were assessed regularly by an independent evaluator, IDinsight, over the course of the three-year program. The DIB aimed to increase enrolment and improve learning outcomes for 18,000 children, 9,000 of them girls, in 166 schools across Rajasthan, India. It achieved impressive results: 116% of the enrolment target and 160% of the learning target in its final year [63].

[63] https://www.educategirls.ngo/pdf/Educate-Girls-DIB-Final-Evaluation-Report_2018-06-10.pdf

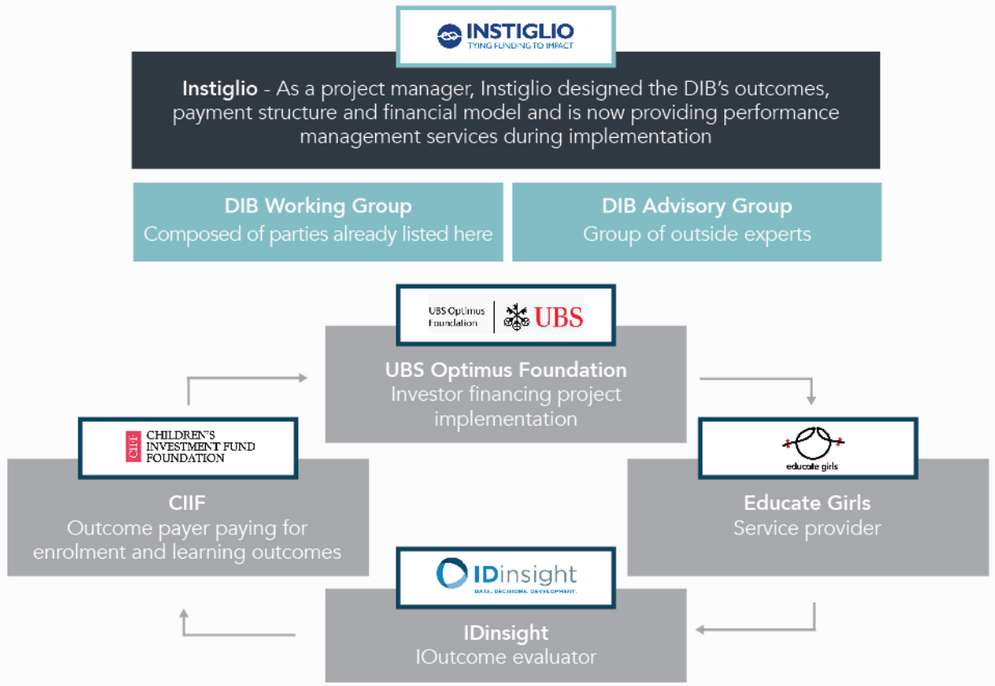


Figure: Educate Girls Impact Bond example

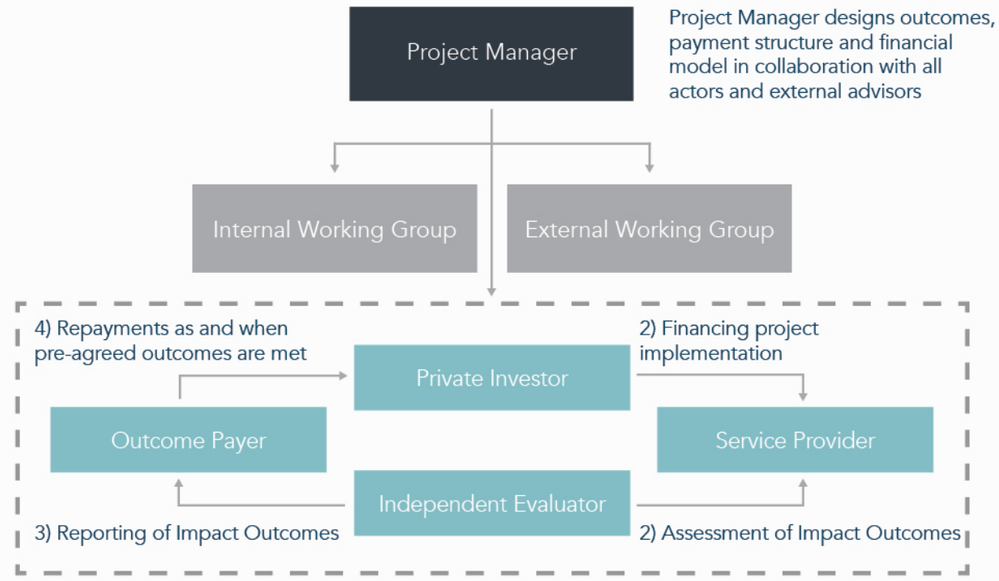


Figure: Impact Bond mechanism

3.4
EXAMPLE 4
CROWDFUNDING

INVESTMENT INSTRUMENT:
Funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via digital platforms

INVESTORS:
Individuals, fans, sponsors

INVESTEES:
Individual athletes, sports teams or clubs, social enterprises, start-ups

DESCRIPTION

Crowdfunding is a way to finance projects by reaching out to the community, fans, family or friends. Various forms of crowdfunding exist, from more "charitable" crowdfunding financed by individual donations to equity or debt crowdfunding. In sport, it usually offers something in return for contributions: from a personal thank you to individual training sessions or tickets to games, depending on the amount donated. On most platforms, the "project owner" must reach the goal they have set out within an agreed deadline before any money can be collected from donors. sportfunder.com, rallyme.com and makeachamp.com are among the leaders in the market.
Funds can be donations or can be shaped under some form of capital preservation. Equity crowdfunding has emerged as an alternative funding source in some industries (e.g. renewable energy). Today, there are indeed crowdfunding platforms that give funders the ability to provide capital in exchange for equity or future return on investment. Rather than turning supporters into customers or charitable donors, these crowdfunding platforms turn backers into investors or small funders in green projects, allowing the true democratization of capital-raising.

RATIONALE

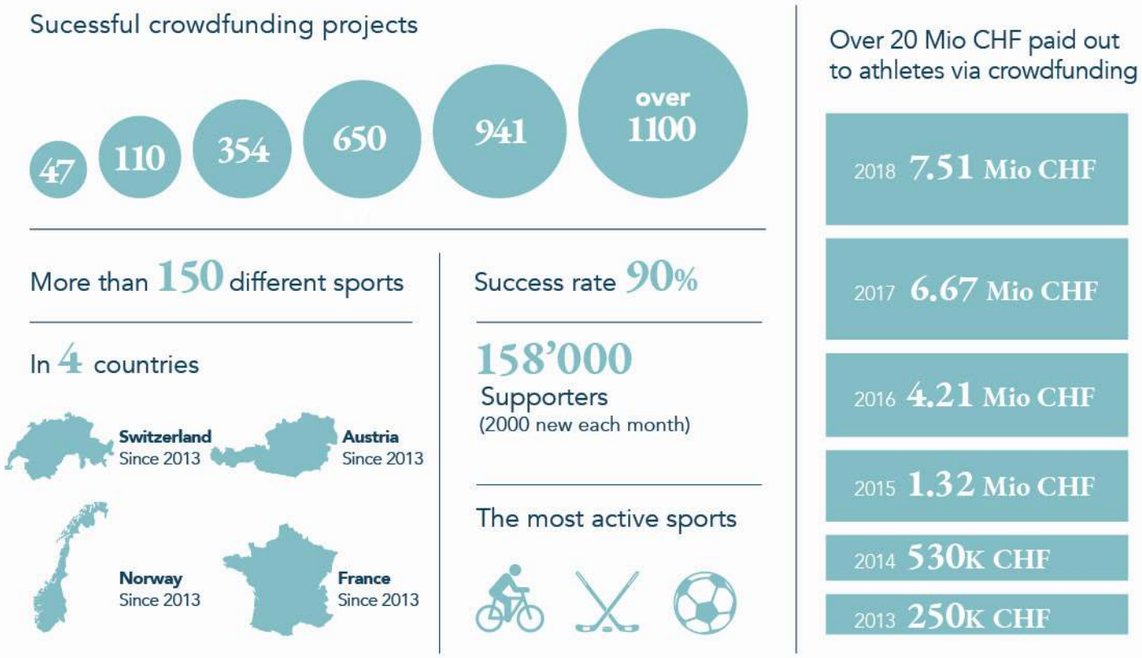
Crowdfunding emerged in the last decade or so essentially as a result of the financial crisis and growing difficulty in accessing "normal" funding. In a growing peer-to-peer fundraising movement, the use of reward crowdfunding has been increasingly popular in the music and entertainment industries, with the producers of music, films and video games using their existing fans as a source of external funds. In sport, crowdfunding also represents a form of sponsorship 2.0, allowing, through digital platforms, a direct link between athletes/clubs and their fans. These platforms are specifically intended for athletes or teams/clubs, but many initiatives linked to development are also present. Some models of crowdfunding also incorporate sponsor companies who can gain visibility by supporting specific projects and engaging their clients and business partners.

ROLE OF INNOVATIVE FINANCIAL MECHANISMS

Among the many benefits ensuing from this funding method is direct contact between the investees and the contributors or investors, greater visibility thanks to social networks, and allowing contributors to follow the progress of a project in a more transparent way if and when investees are invited to report regularly and share personal stories of achievements or struggles. Such democratization of funding for development via S4D projects would allow sports fans to be turned into investors next to their favorite clubs or sports stars. Crowdfunding would therefore appear to be a nice complement to other, more institutional innovative funding mechanisms such as those described above.

Case Study:
IBelieveinYou and GivenGain

One example is a Swiss based projec**t, I believe in you** [64], one of the first sports crowdfunding platforms and one of the most successful of its kind in the world. It was founded by Olympians and entrepreneurs, Mike Kurt (canoe) and Fabian Kauter (fencing), together with web specialist Philipp Furrer (namesake of the co-author of this present report but no relation). Since its launch in 2013, more than CHF 20 million (USD 20.6 million) has been paid out to over 2,000 athletes and local teams who are invited to become entrepreneurs by showcasing and promoting their individual projects through videos and by proposing goods, souvenirs or services in return for funding commitments by donors. Below is a picture of this successful endeavor.



Annual Report - www.ibelieveinyou.ch

Another example is an international initiative called GivenGain, which originated in South Africa. GivenGain focuses on helping ordinary people (individuals and groups) do extraordinary things to raise money for their favorite causes, and it helps non-profit organizations build strong and sustainable funding models. Since 2001, it has helped events across five continents in over 20 countries make a real difference to good causes around the world (in several areas such as health, education, sanitization, etc.). Through its digital platform, GivenGain connects charities with fundraisers, and fundraisers with their networks to raise funds. Since 2018, GivenGain also supports events and corporates by bringing them into the growing peer-to-peer fundraising movement. Such new functionality allows, for example, mass sporting events to offer their participants an easy-to-use and voluntary fundraising facility, providing the organizers with valuable fundraising feedback and data. The tools developed by GivenGain make raising funds not only secure, efficient and simple, but also entertaining and engaging.

[64] https://www.ibelieveinyou.ch/ibiy-ch/src/#!/

3.5
EXAMPLE 5
YOUTH EMPOWERMENT AND SOCIAL BUSINESS

INVESTMENT INSTRUMENT:
Selecting, mentoring and seed-funding young talents who design and deliver sport-based programs in their own communities, thus contributing to addressing various social challenges. Investees are trained to engineer ways to generate revenue and ensure the sustainability of their venture. While such grants per se are not part of innovative finance mechanisms, this modality is described here because the grants are combined with the rigor and sustainability of an entrepreneurial/venture capital approach. The end purpose is to support (social) entrepreneurial initiatives that in the future will at least be partially self-sustaining and not depend 100% on grants anymore.

INVESTORS:
Sports governing bodies, sponsors, foundations

INVESTEES:
Young social entrepreneurs through sport, former athletes in career transition

DESCRIPTION

Social entrepreneurship through sport is a way to empower young community talents and transform local leaders by enabling them to design, deliver and scale up a local project aimed at addressing a particular social challenge.

RATIONALE

Such a financial instrument is a unique and powerful way to engage the local community and empower its future leaders. It enables young talents to learn and grow, thus generating local skills and empowering local communities. The delivery of such interventions generates more impact and enthusiasm as it is fueled by a more peer-to-peer approach. This approach is also a great contribution to the UN invitation to involve and entrust more young people in actively contributing to the SDGs (as illustrated by the UN Youth 2030 Strategy).

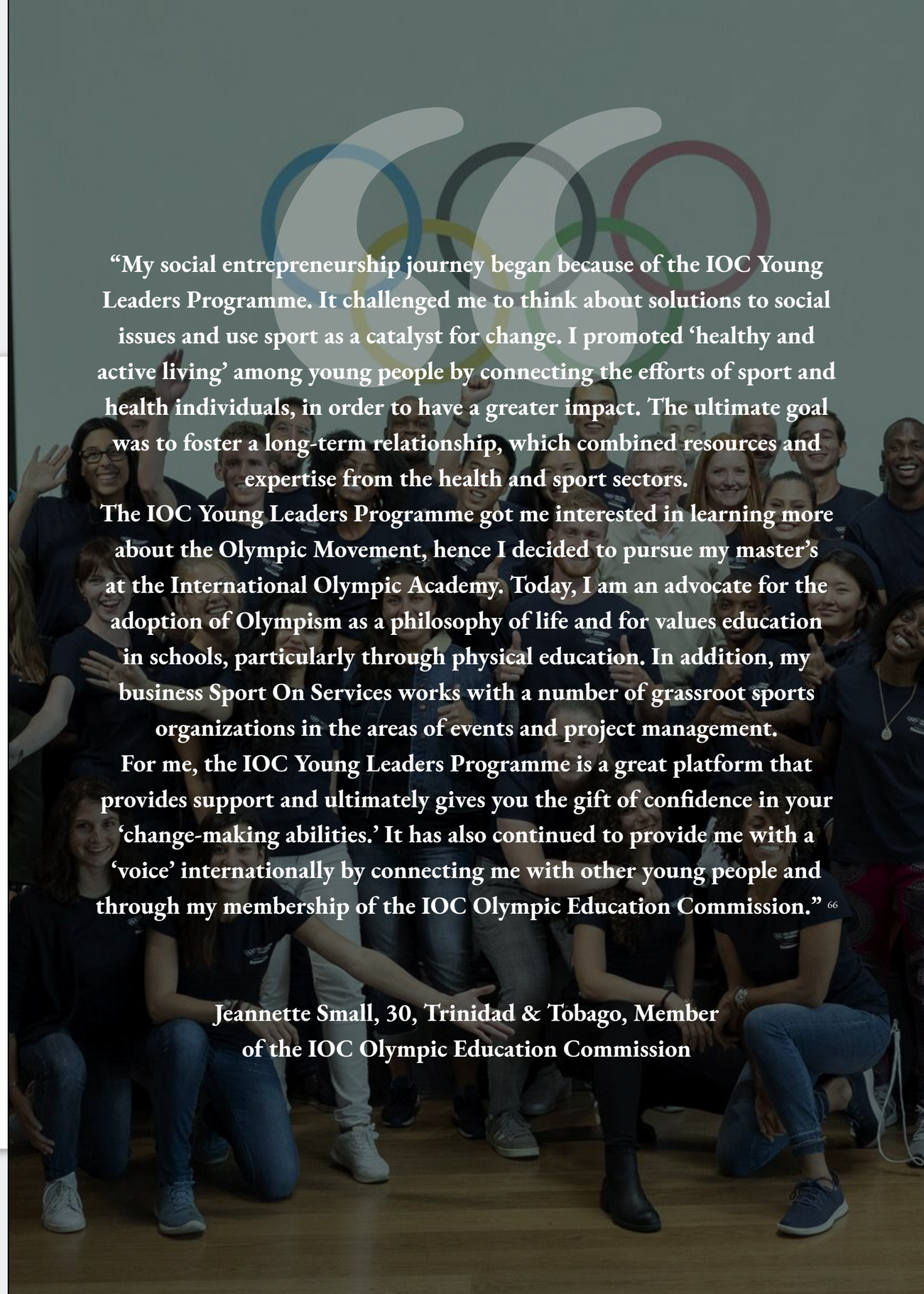
ROLE OF INNOVATIVE FINANCIAL MECHANISMS

Seed funding and training enables young social entrepreneur to acquire skills and to deliver the initial stage of their project, while being mentored and guided. The sunsetting form of funding is meant to make them as independent and sustainable as possible and the mechanics of social business is built into the approach to ensure a form of relevant and sustainable revenue generation is identified and implemented (sometimes not directly linked to the activity's outcomes, such as merchandising or the manufacturing of new equipment through recycled waste).

Case Study: IOC Young Leaders [65]

In 2016, the International Olympic Committee (IOC) piloted a new program to empower young talents and issued a call for action among the first generations of Young Ambassadors and Young Change-Makers who operated at one of the early editions of the Youth Olympic Games. From its inception, the IOC Young Leaders Programme was designed to enable young social entrepreneurs to leverage the power of sport to address various challenges faced by youth across the world. Four main themes have been identified from the beginning to cover strategic impact areas such as the promotion of health and wellbeing, peace and inclusion, sustainability, or education, with a transversal focus on youth. The application process requires candidates to carefully scope, plan and budget their Young Leaders' projects. Questions are asked about objectives, target groups, other existing projects of the same nature, and plans to measure the impact and scalability or replicability of the initiative. When selected by the IOC through a cross-departmental review board, each Young Leader receives up to CHF 5,000 of seed-funding and has to go through a rigorous reporting process. IOC Young Leaders are held accountable both financially and in terms of project impact, documentation and reporting. As well as receiving seed funding, these young social entrepreneurs receive mentoring and expert guidance on how to build a truly sustainable and impactful social business model. Each year, they meet at the IOC Youth Summit to share their learnings and experiences and to be inspired by other thought leaders. In 2018, Panasonic, the program sponsor and one of the Olympic Movement's TOP Partners, hosted the third IOC Youth Summit at its headquarters in Tokyo, where the Panasonic CEO, the IOC President and Nobel Peace Prize winner Muhammad Yunus were welcomed. Since then, the Yunus Sports Hub supports the training and empowerment of IOC Young Leaders through their social business approach.

In a few cases already, participating in the IOC Young Leaders Programme has sparked a passion that goes beyond designing and delivering a project which may be limited in time and scale. There are now a few examples of IOC Young Leaders who have started their own company or charity and are slowly but surely becoming independent and self-employed through their new sports venture. This evolution shows the knock-on effects the IOC Young Leaders Programme can have and the deeper, ongoing contribution to many of the UN SDGs some of these young entrepreneurs can bring.



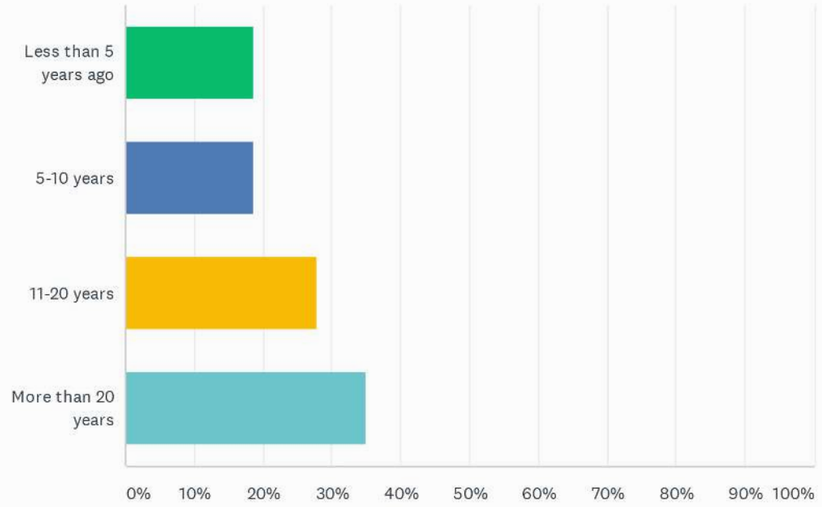
[65] https://www.olympic.org/news/ioc-young-leaders-join-local-start-ups-creatives-and-entrepreneurs-for-the-first-ever-ioc-createathon
https://www.youtube.com/watch?v=e38wTZYcE1A&t=115s

[66] https://www.youtube.com/watch?v=TnXhyXg_tXo

Our SF4D survey was conducted in summer 2019 and we reached a +40% response rate, with a total of 44 NGOs responding

Q5 Organization's founding year

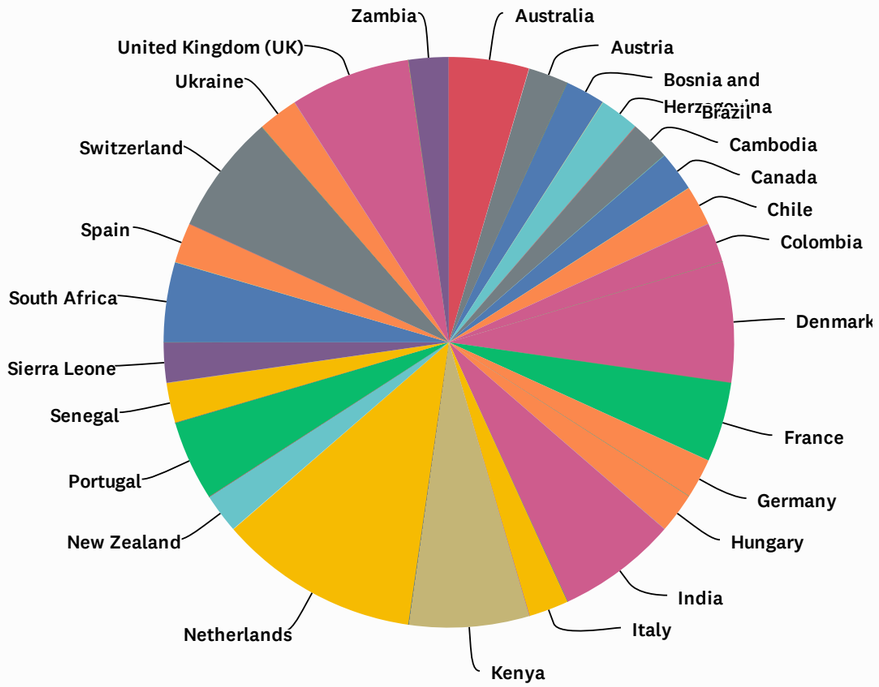
Answered: 44 Skipped: 1



ANSWER CHOICES	RESPONSES	
Less than 5 years ago	18.60%	8
5-10 years	18.60%	8
11-20 years	27.91%	12
More than 20 years	36.36%	16
TOTAL		44

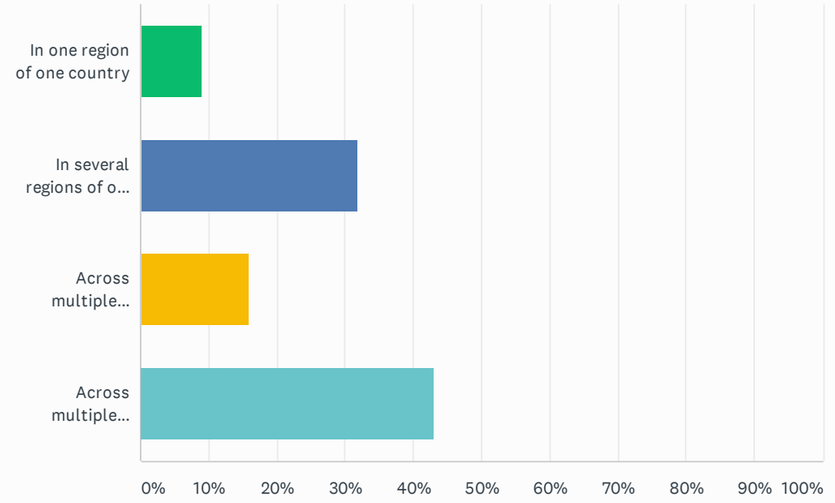
Q6 Country of Headquarters' Domicile

Answered: 44 Skipped: 0



Q7 Where is your organization implementing projects?

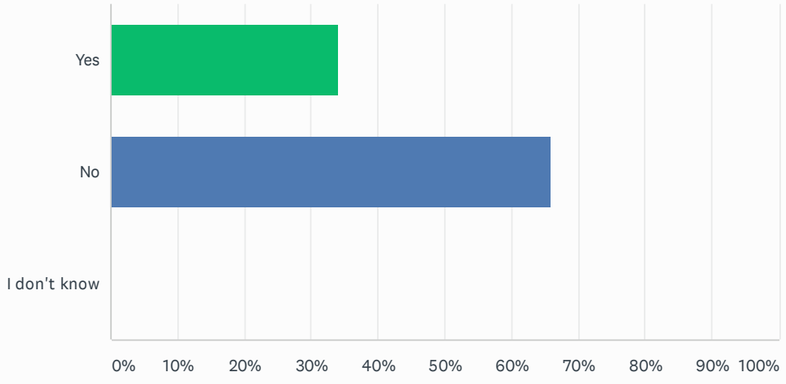
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
In one region of one country	9.09%	4
In several regions of one country	31.82%	14
Across multiple countries in one continent	15.91%	7
Across multiple countries in different continents	43.18%	19
TOTAL		44

Q8 Is your organization only and exclusively implementing sports projects?

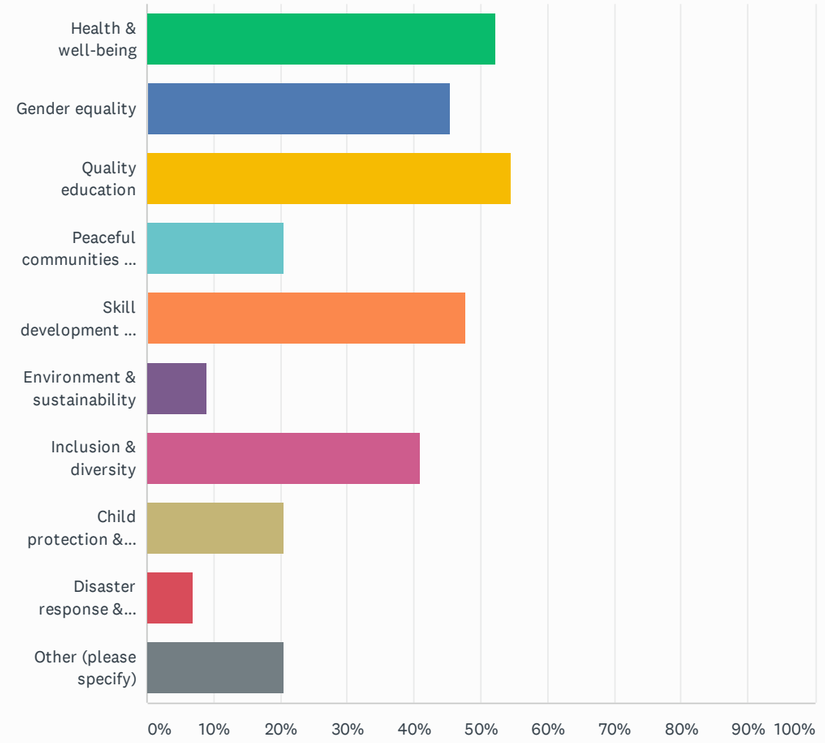
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	34.09%	15
No	65.91%	29
I don't know	0.00%	0
Total Respondents: 44		

Q9 Select up to 3 areas below which represent your main domain(s) of intervention:

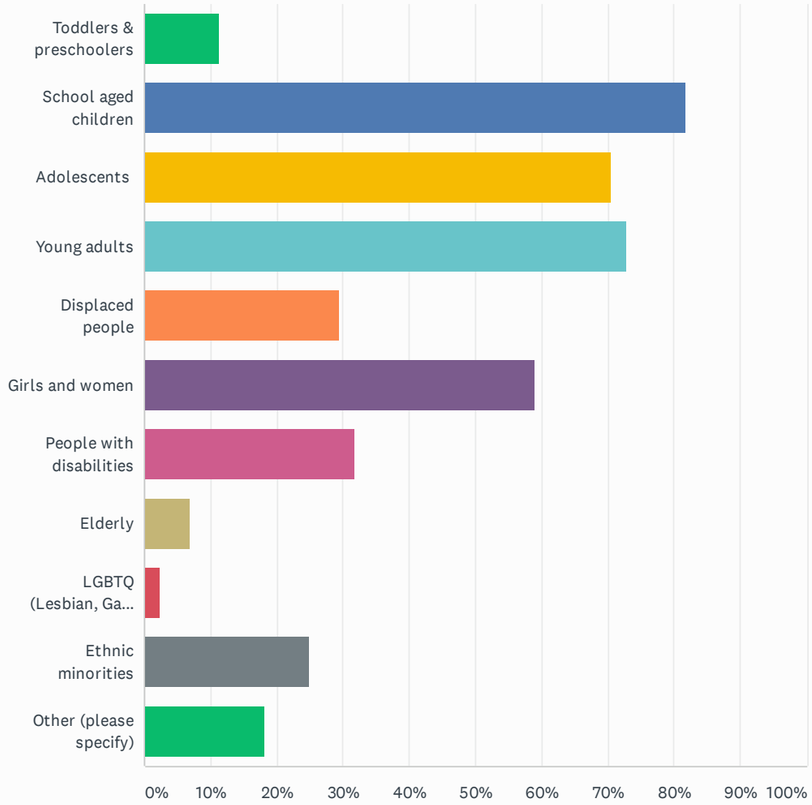
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Health & well-being	52.27%	23
Gender equality	45.45%	20
Quality education	54.55%	24
Peaceful communities and conflict resolution	20.45%	9
Skill development & employability	47.73%	21
Environment & sustainability	9.09%	4
Inclusion & diversity	40.91%	18
Child protection & safeguarding	20.45%	9
Disaster response & trauma relief	6.82%	3
Other (please specify)	20.45%	9
Total Respondents: 44		

Q10 Main target group(s)

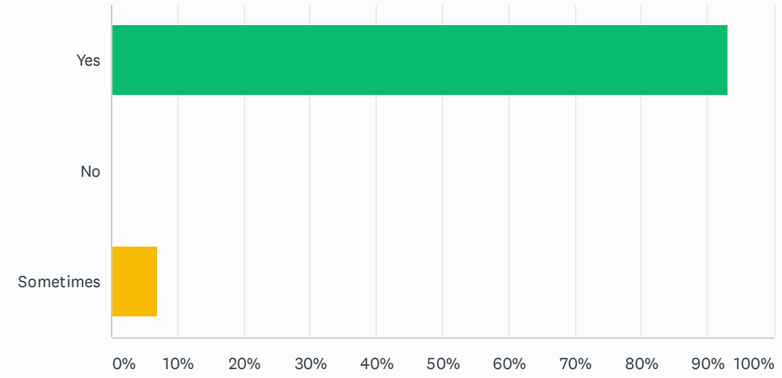
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Toddlers & preschoolers	11.36%	5
School aged children	81.82%	36
Adolescents	70.45%	31
Young adults	72.73%	32
Displaced people	29.55%	13
Girls and women	59.09%	26
People with disabilities	31.82%	14
Elderly	6.82%	3
LGBTQ (Lesbian, Gay, Bisexual, Transgender and Queer)	2.27%	1
Ethnic minorities	25.00%	11
Other (please specify)	18.18%	8
Total Respondents: 44		

Q11 Does your organization partner with local organizations in the areas of intervention?

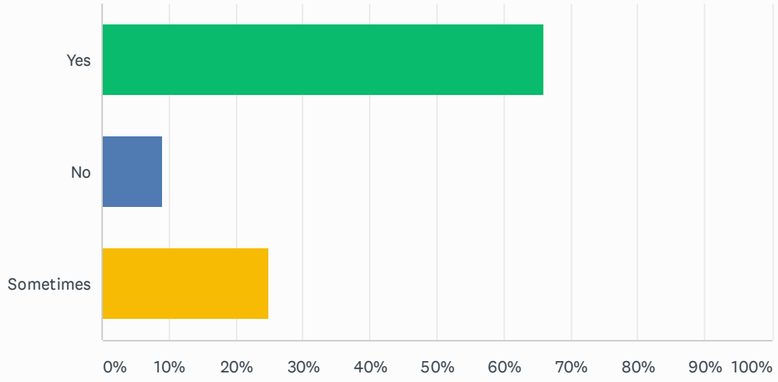
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	93.18%	41
No	0.00%	0
Sometimes	6.82%	3
Total Respondents: 44		

Q12 Does your organization use ambassadors and role models?

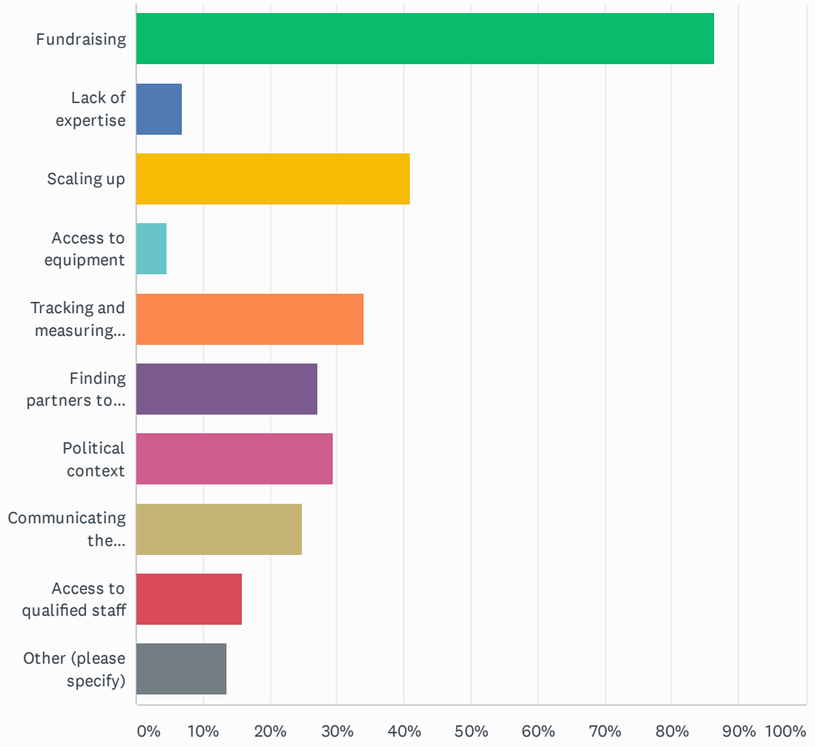
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	65.91%	29
No	9.09%	4
Sometimes	25.00%	11
Total Respondents: 44		

Q13 Select the 3 biggest barriers in your work?

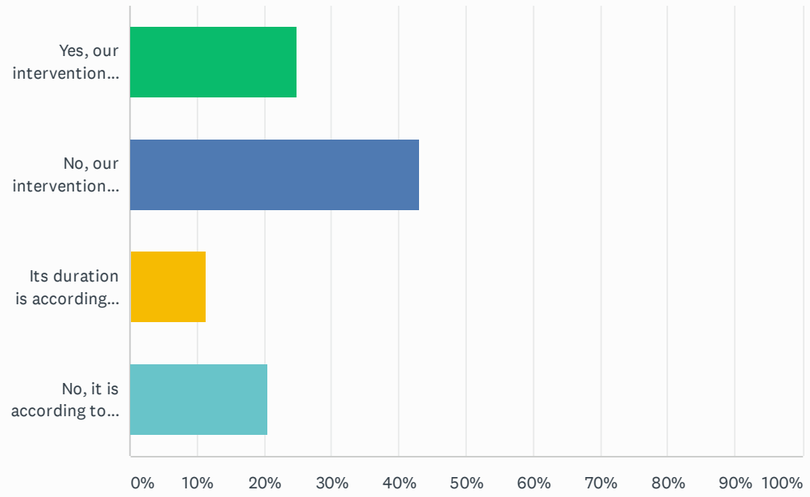
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Fundraising	86.36%	38
Lack of expertise	6.82%	3
Scaling up	40.91%	18
Access to equipment	4.55%	2
Tracking and measuring outcomes	34.09%	15
Finding partners to achieve objectives	27.27%	12
Political context	29.55%	13
Communicating the intervention's impact	25.00%	11
Access to qualified staff	15.91%	7
Other (please specify)	13.64%	6
Total Respondents: 44		

Q14 Do your projects have a predefined timeframe or duration?

Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes, our interventions are not continuous	25.00%	11
No, our interventions tend to be continuous	43.18%	19
Its duration is according to milestones achieved	11.36%	5
No, it is according to funding	20.45%	9
TOTAL		44

Q15 Describe how (or if) your organization conducts the pre-intervention baseline study prior to starting the project.

Answered: 43 Skipped: 1

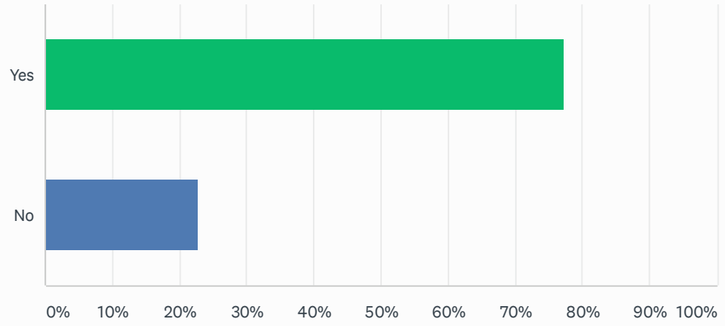
Q16 Is your organization financially audited every year (by an external party)?

Answered: 44 Skipped: 0

ANSWER CHOICES	RESPONSES	
Yes	90.91%	40
No	9.09%	4
Total Respondents: 44		

Q17 Does your organization publish an annual report?

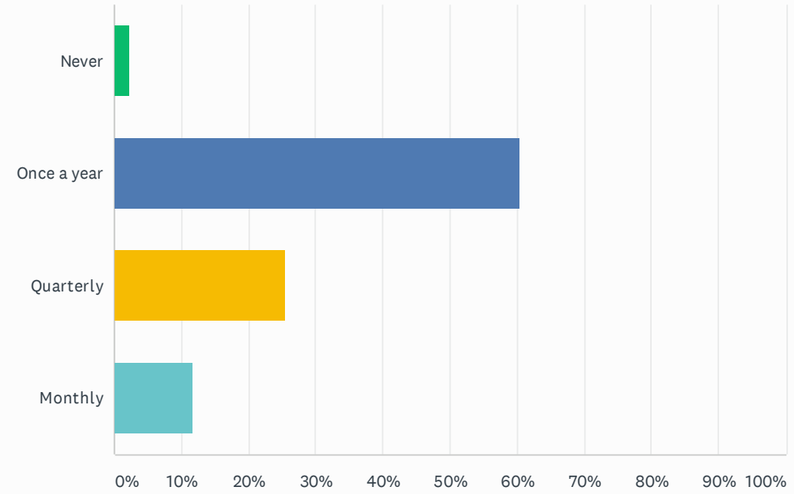
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	77.27%	34
No	22.73%	10
Total Respondents: 44		

Q18 In general, how regularly does your organization publish results of its work?

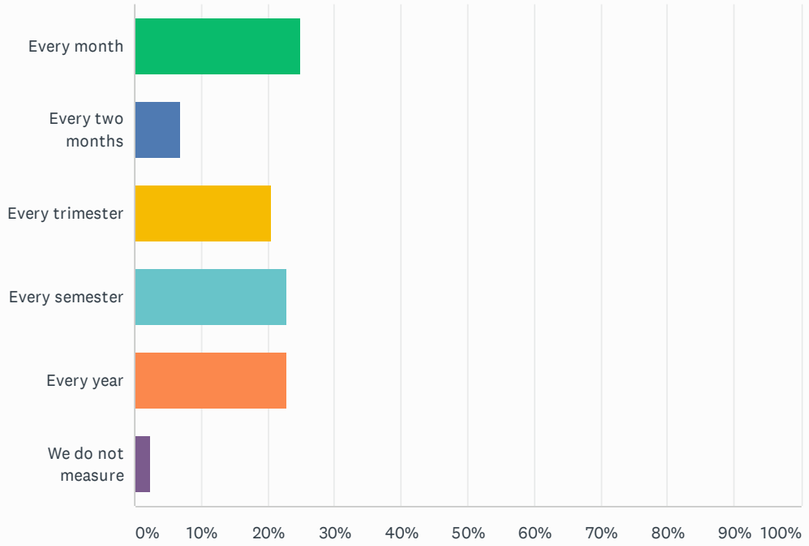
Answered: 43 Skipped: 1



ANSWER CHOICES	RESPONSES	
Never	2.33%	1
Once a year	60.47%	26
Quarterly	25.58%	11
Monthly	11.63%	5
TOTAL		43

Q19 In an intervention of at least 12 months, how regularly do you measure your outcomes?

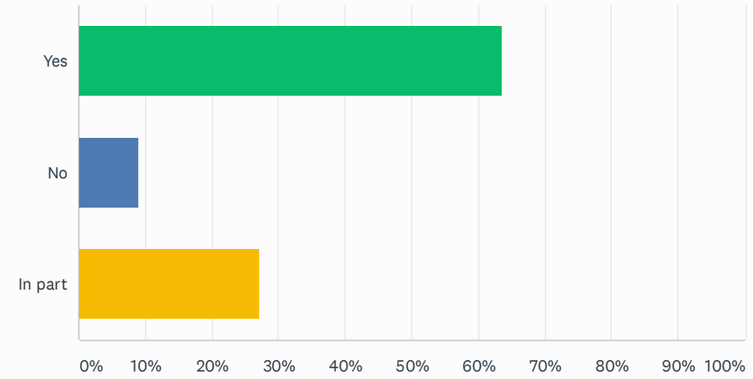
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Every month	25.00%	11
Every two months	6.82%	3
Every trimester	20.45%	9
Every semester	22.73%	10
Every year	22.73%	10
We do not measure	2.27%	1
TOTAL		44

Q20 Do you refer to the SDGs in your reporting framework?

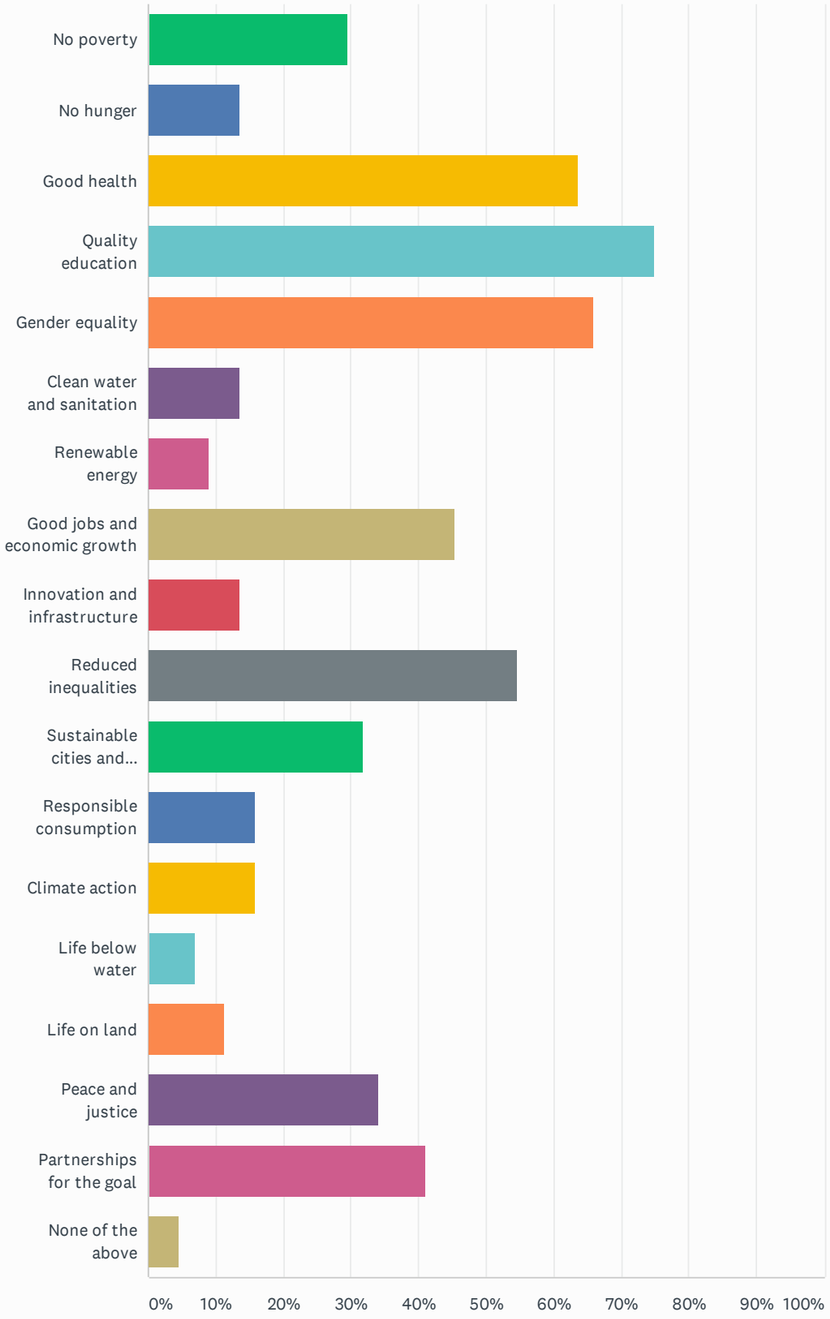
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	63.64%	28
No	9.09%	4
In part	27.27%	12
TOTAL		44

Q21 Which SDGs do you refer to or measure against in your reporting (you may choose as many as needed among the 17):

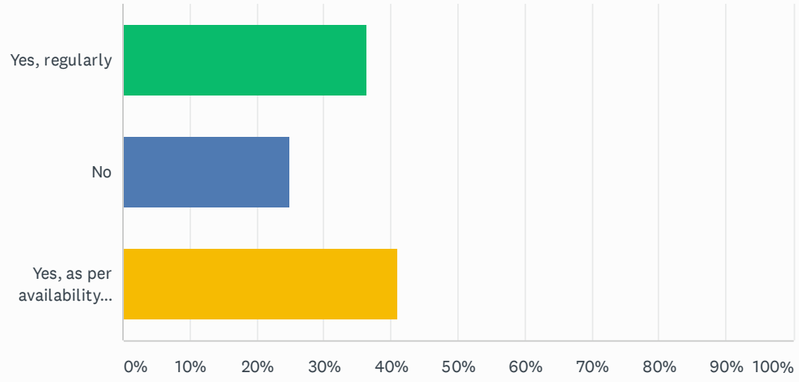
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
No poverty	29.55%	13
No hunger	13.64%	6
Good health	63.64%	28
Quality education	75.00%	33
Gender equality	65.91%	29
Clean water and sanitation	13.64%	6
Renewable energy	9.09%	4
Good jobs and economic growth	45.45%	20
Innovation and infrastructure	13.64%	6
Reduced inequalities	54.55%	24
Sustainable cities and communities	31.82%	14
Responsible consumption	15.91%	7
Climate action	15.91%	7
Life below water	6.82%	3
Life on land	11.36%	5
Peace and justice	34.09%	15
Partnerships for the goal	40.91%	18
None of the above	4.55%	2
Total Respondents: 44		

Q22 Has your organization conducted an independent evaluation (by an external party) of intervention effectiveness?

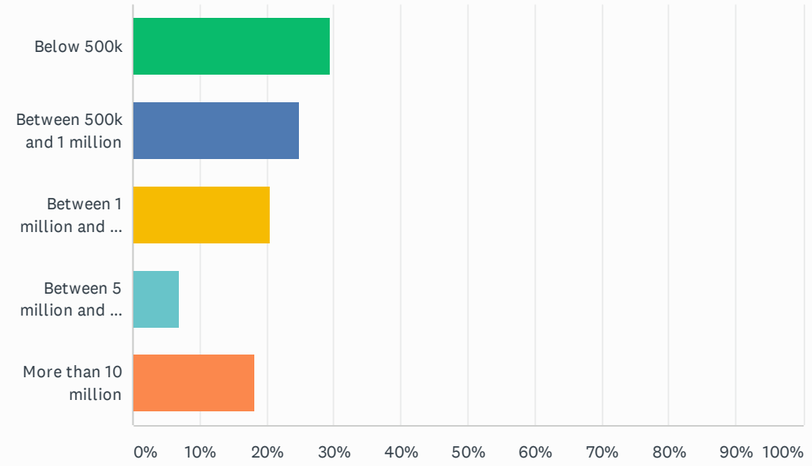
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes, regularly	36.36%	16
No	25.00%	11
Yes, as per availability of funding	40.91%	18
Total Respondents: 44		

Q23 Annual Budget (in USD and per year)

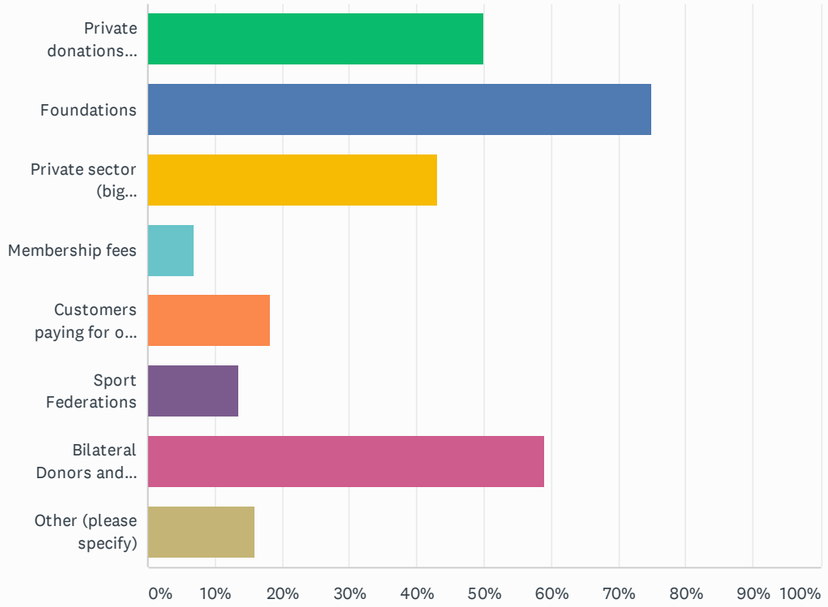
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Below 500k	29.55%	13
Between 500k and 1 million	25.00%	11
Between 1 million and 5 million	20.45%	9
Between 5 million and 10 million	6.82%	3
More than 10 million	18.18%	8
TOTAL		44

Q24 Select the words which describe your main sources of financing and income:

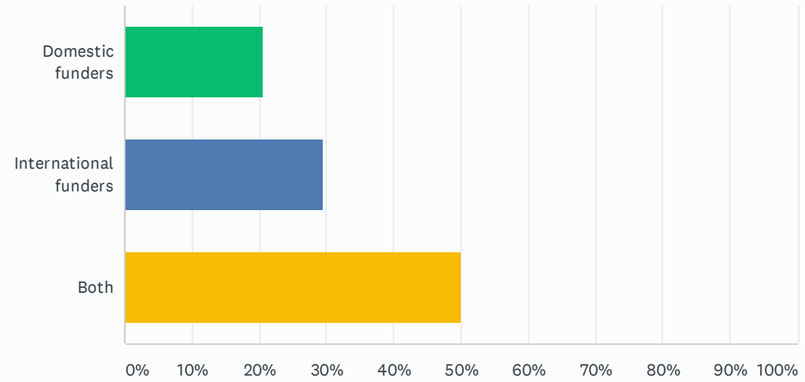
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Private donations (individuals)	50.00%	22
Foundations	75.00%	33
Private sector (big corporations, financial institutions, SMEs)	43.18%	19
Membership fees	6.82%	3
Customers paying for our products and services	18.18%	8
Sport Federations	13.64%	6
Bilateral Donors and Governments	59.09%	26
Other (please specify)	15.91%	7
Total Respondents: 44		

Q25 What is the profile of your funders?

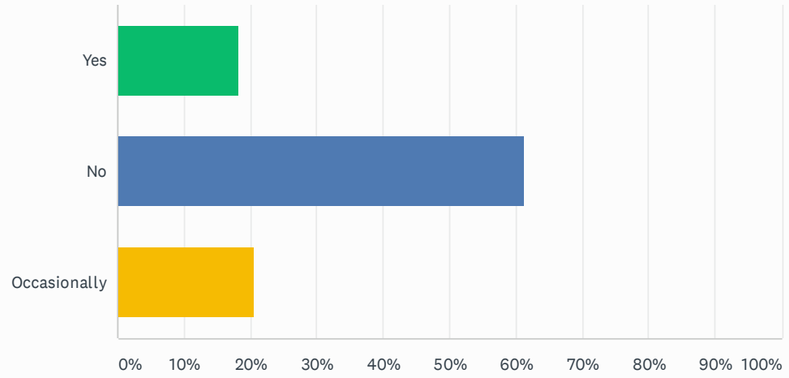
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Domestic funders	20.45%	9
International funders	29.55%	13
Both	50.00%	22
TOTAL		44

Q26 Does your organization generate any revenues from sports & development activities paid by customers for products and services delivered?

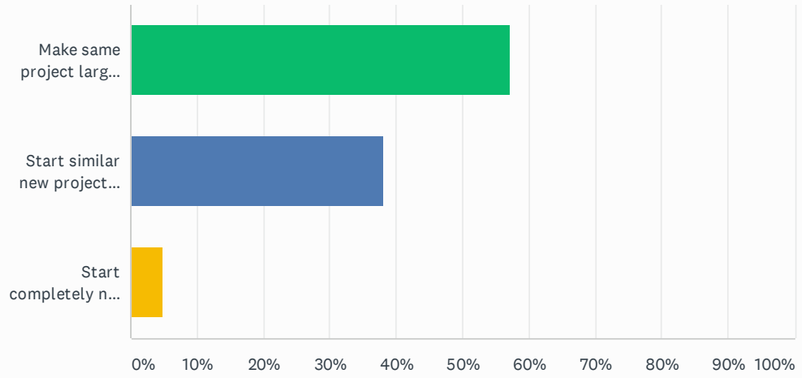
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	18.18%	8
No	61.36%	27
Occasionally	20.45%	9
Total Respondents: 44		

Q27 If your organization had access to additional sources of funding and had to pick one of the following options for using the funds, what would be its biggest priority?

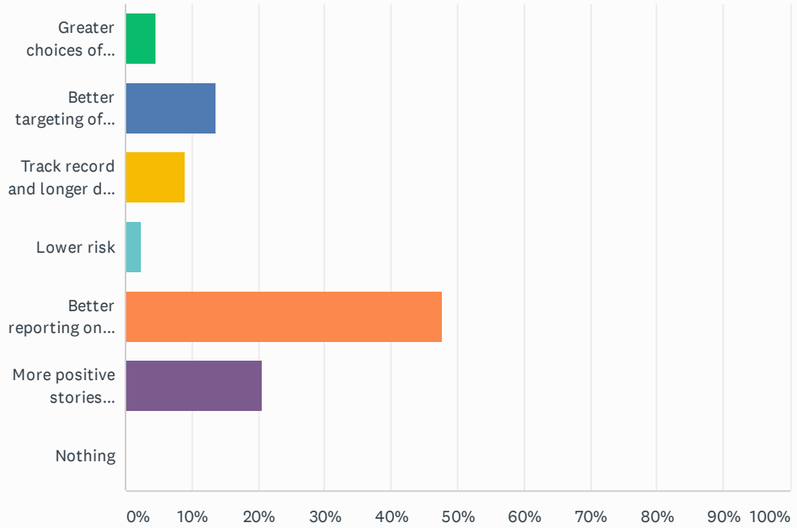
Answered: 42 Skipped: 2



ANSWER CHOICES	RESPONSES	
Make same project larger or add new elements	57.14%	24
Start similar new project elsewhere	38.10%	16
Start completely new project elsewhere	4.76%	2
TOTAL		42

Q28 What do you think would convince donors/partners to increase funding levels?

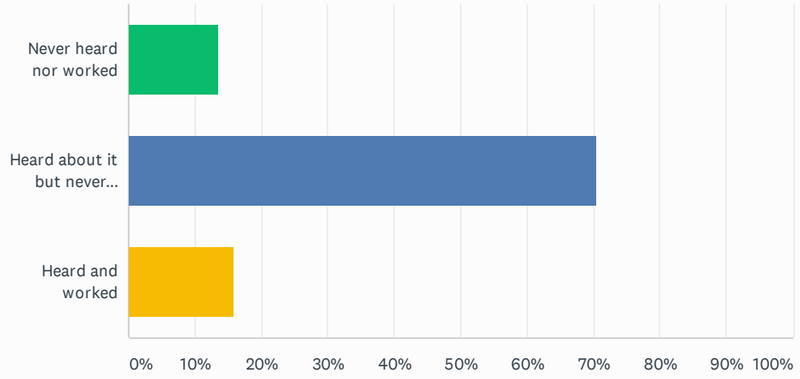
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Greater choices of projects/programmes	4.55%	2
Better targeting of certain groups or geographies	13.64%	6
Track record and longer data series	9.09%	4
Lower risk	2.27%	1
Better reporting on social impact	47.73%	21
More positive stories generated	20.45%	9
Nothing	0.00%	0
TOTAL		44

Q29 Have you ever heard about impact investment or worked with impact investors?

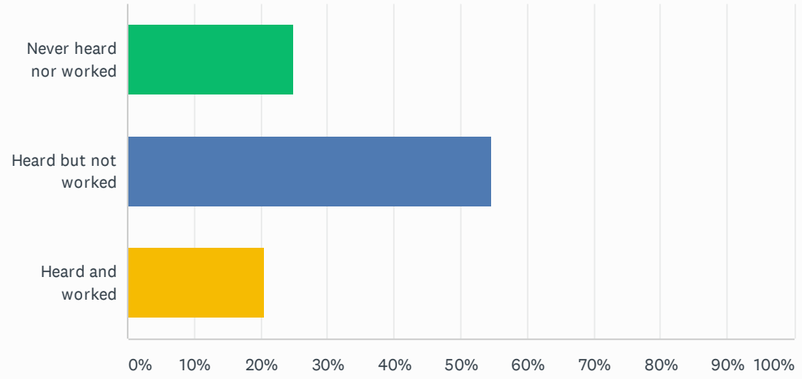
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Never heard nor worked	13.64%	6
Heard about it but never worked	70.45%	31
Heard and worked	15.91%	7
TOTAL		44

Q30 Have you ever heard about or worked with payment for results/result based financing?

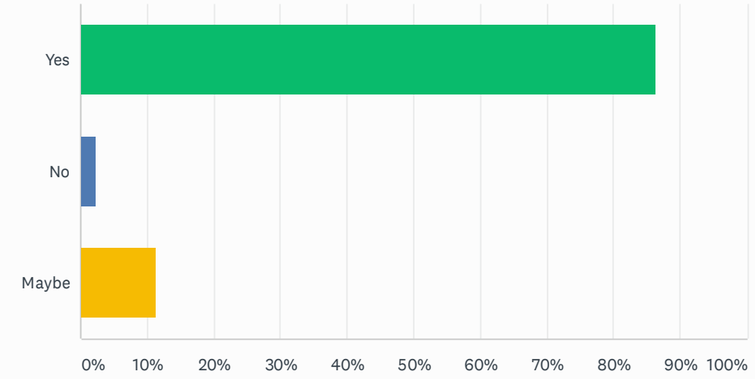
Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Never heard nor worked	25.00%	11
Heard but not worked	54.55%	24
Heard and worked	20.45%	9
TOTAL		44

Q31 Is your organization willing to explore new, alternative and innovative financing models to scale its intervention?

Answered: 44 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	86.36%	38
No	2.27%	1
Maybe	11.36%	5
Total Respondents: 44		

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