



# Innovating Justice Fund

Investing for access to justice for all

FACTSHEET

The Innovating Justice Fund is a first-of-its-kind fund with a unique focus on SDG 16.3: equal access to justice for all. The Fund provides funding and support to early-stage start-ups in emerging markets that provide innovative solutions for people-centred justice. By enabling people to prevent or resolve their justice issues, their livelihoods are significantly impacted.

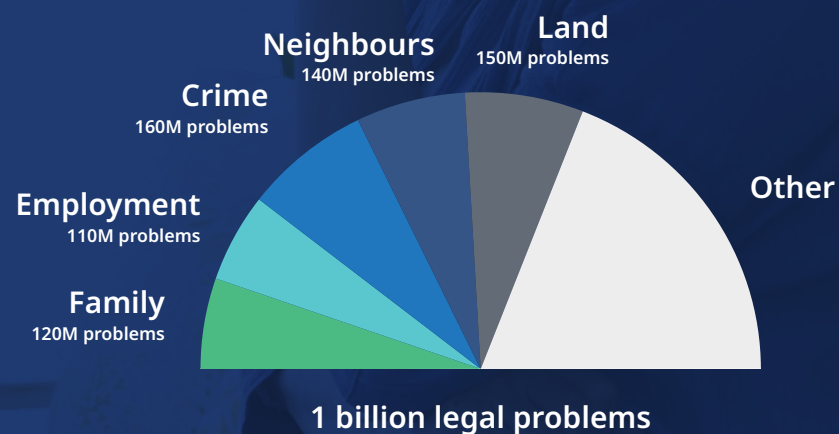
We are currently deploying for our first investments as we continue to raise additional capital via like-minded mission-oriented investors.

## Context

Each year, more than 1 billion people face a serious justice problem. Up to 55% of these problems remain unresolved or are resolved in a way that is felt as unfair. Our current justice system is unable to deliver equal access to justice for all. This lack of justice causes huge suffering, erodes social cohesion, entrenches and exacerbates inequalities, and disrupts economic development.

To close the Justice Gap, innovation is needed to bring new services to scale that can prevent or resolve justice problems for all. Start-ups with game-changing business models are a key driver in this transformation of the justice sector.

60% of justice problems fall in 5 categories:



## Objectives of the Fund

The Innovating Justice Fund addresses the Justice Gap by providing funding and technical assistance (TA) to early-stage start-ups that sustainably deliver innovative justice services in emerging markets. Their services prevent and resolve pressing issues around employment, family, fraud, crime, land, housing and neighbour conflicts.

- ✓ The Fund aims to demonstrate how to generate significant impact for people that get improved access to justice by investing in scale-up companies with game-changing business models for resolving and preventing justice problems.
- ✓ The Fund provides financing per start-up in a target range of 250K to 1 million euros enabling these to scale and generate significant impact.
- ✓ Investment instruments are primarily equity, convertible loans and other mezzanine finance products (typically in the seed or series-A stage). In addition to the investment capital, ventures also receive Technical Assistance.
- ✓ Investees will receive dedicated support on technical and management matters, including further development of the business model, expanding the network and providing a solid foundation for follow-up investments.

## Pipeline and typical investees

Pipeline will mainly be generated through HiiL's Justice Accelerator and Scaling Programme, particularly in the countries where HiiL is active or present including Kenya, Uganda, Nigeria, and Tunisia. The Fund is also open to start-ups in different countries and/or outside of the HiiL ecosystem, as long as the service model proves promising and safeguards its support.

### Profiles of typical early-stage companies which are eligible:



**USER-FRIENDLY CONTRACTS**



**PREVENTION PROGRAMS OR SERVICES**



**ONLINE INFORMATION, ADVICE AND REPRESENTATION**



**ONE-STOP SHOP DISPUTE RESOLUTION**



**CLAIMING SERVICES**

## Fund Management Partnership

The fund management for The Innovating Justice Fund is based on a partnership between The Hague Institute for Innovation of Law (HiiL) and FOUNT.



HiiL, the initiator, brings unique and in-depth justice sector expertise and a strong presence in the just ecosystem, via its annual Justice Accelerator programme (from which pipeline companies for the Fund are sourced) in combination with a broad industry network. HiiL and its Justice Accelerator have supported more than 139 justice start-ups globally since 2011. Combined they impact millions of people per year.



FOUNT provides extensive investment and fund management expertise (>10 years) in impact funds in developing countries. FOUNT currently manages a number of funds covering Africa, Asia and Latin America and has a rich network in the impact investment sector with numerous partners and investors.

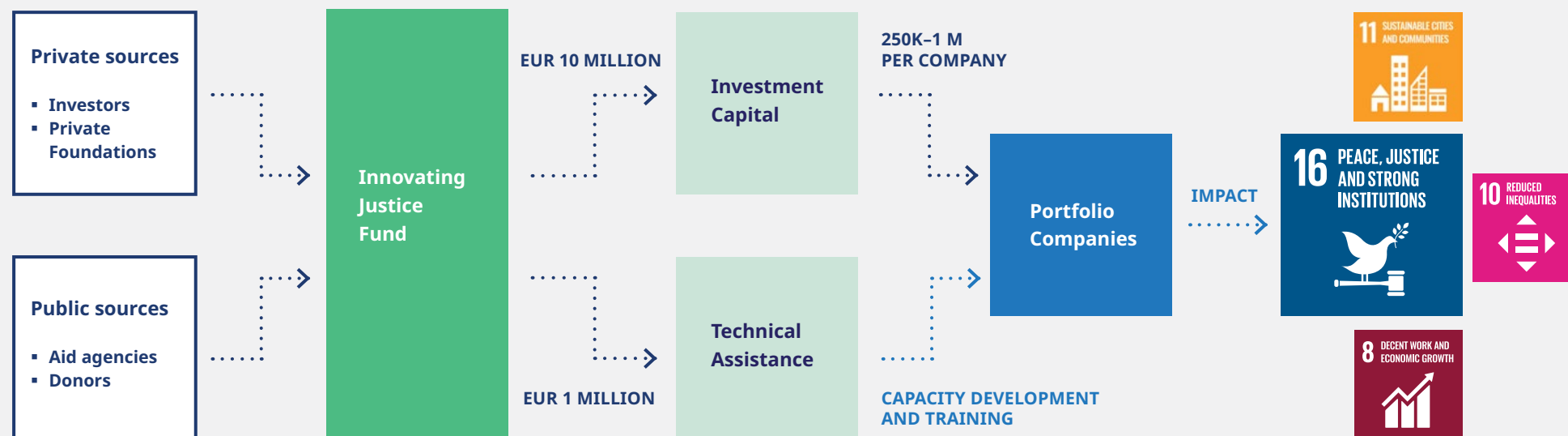
FOUNT serves as the Fund Manager while HiiL is the Technical Assistance Manager and advisor to the Fund.

# Fund Capital structure and initial sponsor

Currently the Fund is being launched with support from the Dutch Government, a long-time partner of HiiL and an expert team with in-depth knowledge of justice and investments in emerging markets.

The Fund will be established as a Dutch limited partnership (CV) with a blended capital structure. The target capital size is EUR 10 million. Additionally, a stand-alone Technical Assistance (TA) Facility will support portfolio companies to develop sustainable business models and raise investment in sector engagement of EURO 1 million.

We are now looking to raise additional equity capital for the Fund plus TA funding. It is expected that the Fund will have a small net positive return, in this respect junior equity investors should obtain capital preservation (0%) whilst senior equity investors are expected to receive a small return on top of their capital contribution.



## Impact

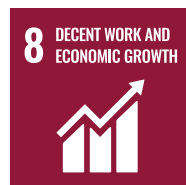
The Fund focuses on SDG 16, delivering equal access to justice for all. In a world where billions of people are not yet able to obtain justice, we must resolve justice problems and prevent injustices from occurring, as well as use justice systems to create opportunities for people to participate fully in their societies and economies. In addition to SDG 16, the Innovating Justice Fund also contributes to SDG 11 (sustainable cities and communities), SDG 8 (decent work and economic growth) and SDG 10 (reduced inequalities).

The Fund's main ambition is to contribute to people-centred justice services at scale and to empower people to prevent and resolve their most pressing justice problems.

Eligible portfolio companies must be able to demonstrate a measurable contribution to this mission. Our impact methodology is based on the best market standards. For each portfolio company, a series of Key Performance Indicators (KPI's), in line with the Fund's impact framework, will be closely monitored and measured.

The Fund will provide support to each investment company with tailored Technical Assistance (TA) to maximise their impact and growth.

The Fund aims to demonstrate that it is possible for these early stage justice companies to scale. The team actively engages with local banks and the justice ecosystem to share its key learnings, knowledge and best practices to unlock additional funding and scale-up of the investment model.



## Rationale for Investors

- The Fund is financially viable and presents a unique opportunity to substantially contribute to SDG 16, and thus, support the justice sector in several regions and be a frontrunner as investor in the first SDG 16-focused justice Fund;
- The Fund has a dedicated investment team of seasoned professionals in place and is based on the strategic partnership of FOUNT and HiiL;
- We have access to a strong proprietary pipeline of early stage Gamechangers ready to scale through the Justice Accelerator programme of HiiL and with strong networks from both HiiL and FOUNT;
- We have a local hub network available in most focus countries, providing in-depth local knowledge and access to the local ecosystem.



# Contact

For more information

[www.hiil.org/innovating-justice-fund](http://www.hiil.org/innovating-justice-fund)

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