

# Scaling solutions together

Annual Review 2023

UBS Optimus Foundation



**UBS**

# The power of partnership

Since its founding, the UBS Optimus Foundation has supported breakthrough solutions that improve the lives of children globally. We focus on driving long-term impact in the areas of education, health, child protection, and – increasingly – climate and environment. To achieve this impact, we know that working together is key. That's why, in 2023, we've increased our efforts in the areas of blended finance and collaborative philanthropy.

Building meaningful partnerships that drive impact is at the core of our approach. You'll find examples throughout this report of bringing organizations together to develop and scale solutions through blended finance and collaborative models of philanthropy. And we're focused on increasing transparency about our impact so that the UBS Optimus Foundation and our partners can continuously learn and improve.

We're proud to have raised a record USD 328 million in donations in 2023, including UBS matching contributions, bringing our total to over USD 1.5 billion since the UBS Optimus Foundation was established in 1999. Last year's donations enabled us to commit USD 305.9 million in grants and reach 6.7 million people through the 370 programs we supported, and this report outlines some key highlights.



**Bea Martin**

GEB lead  
Group Sustainability and Impact



**Maya Ziswiler**

CEO  
UBS Optimus Foundation

## Blended finance

The UBS Optimus Foundation partners with the business divisions of UBS, UBS clients, governments and development finance institutions to launch blended finance initiatives with the strategic use of a structure that uses capital from public or philanthropic sources to increase private sector investment in sustainable development. In the past decade, blended finance initiatives have mobilized over USD 200 billion in capital toward the UN Sustainable Development Goals (SDGs) and we see significant opportunity for this to grow further.

As such, the UBS Optimus Foundation is actively co-creating and sponsoring large-scale impact-first investment vehicles. In 2023, we secured major investor commitments towards the USD 100 million SDG Outcomes Initiative from British International Investment, the US International Development Finance Corporation and private investors, including Legatum, family offices such as the Tsao Family Office and other high net worth individuals.

## Collaborative philanthropy

We know that collaboration is critical to achieving systemic change. That's why we're working with others.

The three UBS Collectives bring philanthropists together to co-fund programs that aim for systemic change, while joining a unique learning journey where they work with experts towards solving an issue close to their hearts. The UBS Collectives were launched during the COVID-19 pandemic and focus on complementary topics – innovative financing (Accelerate), catalyzing the blue carbon market (Climate), and promoting and implementing family-based care (Transform). The first cohorts concluded their journey, contributing their time, expertise and more than USD 27 million to support 23 UBS partners across eight countries.

We're also partnering with academic institutions, government agencies and other foundations to drive impact to scale. Our partnership with London School of Economics on its global 100x Impact Accelerator program will help some of the most promising social enterprises build capacity. The SDG Impact Finance Initiative (SIFI) launched by the UBS Optimus Foundation, the Swiss State Secretariat for Economic Affairs and the Swiss Development Cooperation Agency has achieved nearly a third of the fundraising target and started disbursing grants. Our ongoing partnership with the Jacobs Foundation has continued to grow as we plan new commitments for literacy in Ghana and Colombia.

“We know that collaboration is critical to achieving systemic scalable change.”

#### **Impact transparency**

Impact transparency and measurement are critical to unlocking greater capital for philanthropy. We have developed our own impact rating tool that leverages the current highest quality standards. It was piloted in 2023, with the aim of applying it across all of our programs (grants and investments) beginning in 2024. We will also publish an external report to share our lessons with others working in social impact during 2024.

#### **Emergency philanthropy**

2023 saw a number of international humanitarian crises where the UBS Optimus Foundation launched dedicated appeals to support partners providing emergency relief. We raised and began the distribution of over USD 25.4 million for the earthquakes striking Türkiye and Syria, the Hawaiian wildfires, flooding in Pakistan, flooding in Italy, and the humanitarian crisis in Israel and Gaza. We also continued to distribute funds raised for the Ukraine Relief Fund.

#### **UBS acquisition of Credit Suisse**

2023 was a significant year for UBS with the acquisition of Credit Suisse and it has meant new opportunities for philanthropic partnerships, particularly in markets like Brazil, Australia and India. Over 2023 and into 2024, the former Credit Suisse Foundations have been consolidated with the UBS Optimus Foundation and their philanthropic foundation program portfolio is being aligned.

#### **Looking forward to our anniversary year**

Later this year, the UBS Optimus Foundation will celebrate our 25th anniversary, which feels like an important moment to take stock of all that we have achieved together with our partners, clients and other stakeholders. Of course, there continues to be much to do, and the world still faces significant challenges, but we hope the UBS Optimus Foundation network will be there helping to make a measurable, long-term difference to some of the most serious and enduring social and environmental problems.

**Thank you to everyone who contributed to our successes in 2023, as we approach our 25-year milestone. We've built a strong foundation and together we can shape a better tomorrow.**


#### **Bea Martin**


GEB lead  
Group Sustainability and Impact

#### **Maya Ziswiler**

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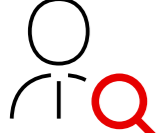
# At a glance


 **6.7**  
million people reached

 **370**  
programs managed

 **328**  
million USD in  
donations raised

 **80**  
countries in which grants /  
investments were deployed

 **85,878**  
professionals reached

 **270**  
partners engaged

 **305.9**  
million USD in grants /  
investments committed

 **624**  
million USD invested in  
programs under management

 **9**  
offices/entities globally

 **138**  
philanthropy experts  
globally

 **25+**  
years of experience

# UBS Collectives

We know that collaboration is critical to achieving systemic scalable change. Led by our in-house philanthropy team, our three UBS Collectives bring together philanthropists who co-fund programs that aim for systemic change while joining a unique learning journey where they work with experts toward solving an issue close to their hearts. Combining skills and resources provides an opportunity to achieve much greater social and environmental impact than going it alone.

Members of the UBS Accelerate Collective and the UBS Climate Collective concluded their three-year journeys with two new cohorts ready to launch in March 2024. To date, 35 UBS Collective Members (plus 22 plus-ones)

have donated more than USD 27 million toward the three UBS Collective programs run by the UBS Optimus Foundation, including 23 collaborative partners across eight countries.

## UBS Accelerate Collective

**Accelerating the use of innovative financing models to unlock more capital to improve health, education, climate and environment outcomes in developing countries**

Every child deserves the opportunity to blossom into a well-rounded, healthy adult – equipped with everything they need to thrive in life. But millions of vulnerable children suffer from a lack of access to quality healthcare, education and environment. Too often, they face a life spent struggling with poor health, poverty and difficulty finding work. Solutions that work exist, but we need to make them more sustainable. The UBS Accelerate Collective is working to:

- improve the health and education of disadvantaged children worldwide and preserve the planet where they live

- create a system where innovative social finance investments become the first choice for individuals and organizations seeking to solve social and environmental issues, helping make social finance mainstream to attract private and commercial investments needed to give children the healthcare, education and environment they deserve
- support social businesses through mentoring, training and investing to help them grow, achieve more impact and take their solutions to the world

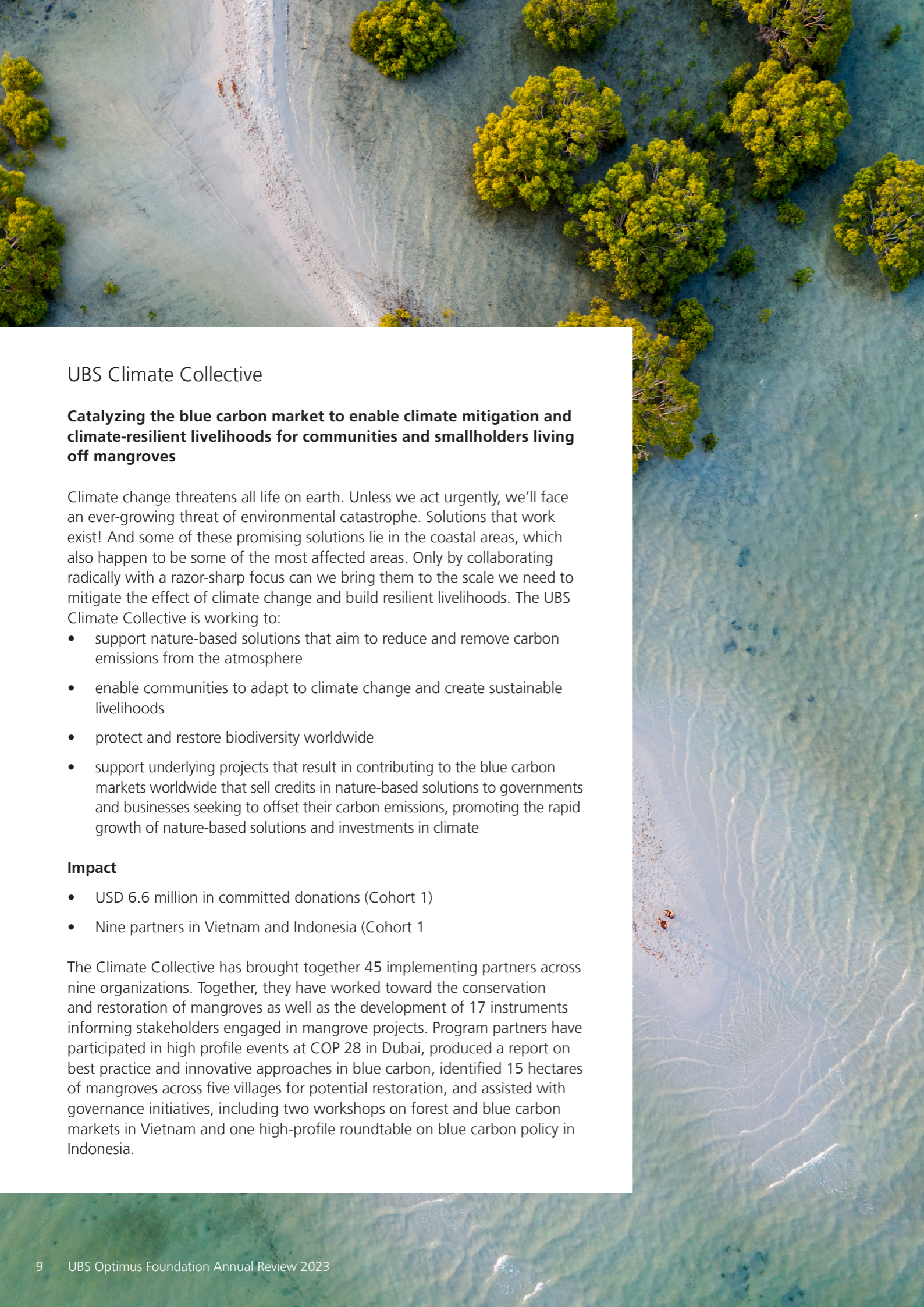
### Impact

- USD 13.9 million in committed donations (Cohort 1)
- Seven partners in Sierra Leone, Ghana, Nigeria, Kenya and Turkey (Cohort 1)

The first cohort of the UBS Accelerate Collective explored innovative social finance models using impact-first investing to unlock additional socially motivated commercial capital. The programs funded focused on primary education, the environment and employment.

As experiencing the impact of the funded programs is part of the learning journey, members of the Accelerate Collective visited Ghana – spending time in both Accra and Tamale – where they experienced the work of some of the most impactful education programs firsthand. They met non-profit partners bringing education to the most underserved communities and partners implementing progressive teaching methods in an extremely difficult context. Our clients saw the challenges they face, the progress being made and the ambitious plans they have for the future.





## UBS Climate Collective

### Catalyzing the blue carbon market to enable climate mitigation and climate-resilient livelihoods for communities and smallholders living off mangroves

Climate change threatens all life on earth. Unless we act urgently, we'll face an ever-growing threat of environmental catastrophe. Solutions that work exist! And some of these promising solutions lie in the coastal areas, which also happen to be some of the most affected areas. Only by collaborating radically with a razor-sharp focus can we bring them to the scale we need to mitigate the effect of climate change and build resilient livelihoods. The UBS Climate Collective is working to:

- support nature-based solutions that aim to reduce and remove carbon emissions from the atmosphere
- enable communities to adapt to climate change and create sustainable livelihoods
- protect and restore biodiversity worldwide
- support underlying projects that result in contributing to the blue carbon markets worldwide that sell credits in nature-based solutions to governments and businesses seeking to offset their carbon emissions, promoting the rapid growth of nature-based solutions and investments in climate

#### Impact

- USD 6.6 million in committed donations (Cohort 1)
- Nine partners in Vietnam and Indonesia (Cohort 1)

The Climate Collective has brought together 45 implementing partners across nine organizations. Together, they have worked toward the conservation and restoration of mangroves as well as the development of 17 instruments informing stakeholders engaged in mangrove projects. Program partners have participated in high profile events at COP 28 in Dubai, produced a report on best practice and innovative approaches in blue carbon, identified 15 hectares of mangroves across five villages for potential restoration, and assisted with governance initiatives, including two workshops on forest and blue carbon markets in Vietnam and one high-profile roundtable on blue carbon policy in Indonesia.

## UBS Accelerate Collective

### Transforming child protection systems to prioritize best practice models of family-based care for children and redirect resources going to orphanages toward these solutions so that children grow and thrive in safe, loving families

The best place for children to grow up is in a family. But despite having families who want to look after them, millions of children live in institutions like orphanages – where they don't receive the parental style love they need to develop socially, emotionally and intellectually, putting them at risk of poor health, education, and life prospects. They're also at far greater risk of abuse and trafficking. Solutions that work to support children in families exist, but they need to be adapted to the local contexts and brought to scale. The UBS Transform

Collective is working to:

- enable vulnerable children to grow up safely in nurturing families and communities
- redirect millions in donations away from child care institutions and toward quality family-based care systems
- reform child protection systems to better protect children and strengthen families
- reduce the number of children living in institutions (currently around five to six million worldwide )

#### Impact

- USD 3.9 million in committed donations (Cohort 1)
- Seven partners in Maharashtra, India; four global program grantees (Cohort 1)

The Transform Collective brought together seven partners to implement a family-based childcare system

in Maharashtra, India. Since year one, the collective has reached 124,000 children and families within communities, formed 180 Child Protection Committees, formed 150 Children's Groups, provided psycho-social support to 1,000 children and trained 2,000 stakeholders on relevant child protection legislation. In 2023, we started to replicate this model in Eastern and Southern Africa.



<sup>1</sup> Goldman, P.S., et al., "Institutionalisation and deinstitutionalisation of children 2: policy and practice recommendations for global, national and local actors," The Lancet, August 2020.

# UBS Optimus Foundation portfolio highlights

The **UBS Optimus Foundation** works to drive long-term social and environmental impact and systemic change in the areas of climate and environment, education, child protection and health. We support innovative programs through grants and investments.

We apply an investment-based philosophy and specialize in scalable, evidence-based approaches. As a leader in social finance, we are increasingly implementing tools that connect impact with **funding, including outcomes contracts, direct equity and debt investments**. And we're pursuing opportunities to employ blended finance structures that attract greater private investment in social and environmental impact.



# Climate and environment portfolio highlights

Programs in our climate portfolio are aimed at conserving and restoring our planet by investing in climate change mitigation strategies, building resilience for wild habitats and vulnerable communities, and supporting efforts to improve biodiversity and conservation.

## Aga Khan Agency for Habitat (AKAH) India

In the coastal belt of Raigad, AKAH India develops evidence-based models using community-centered and tech-based approaches to adaptation that inform policy aligned with national and state action plans for climate change. AKAH combats climate change through strategic plantation of mangroves, nature's frontline defenders. An innovative approach harnesses cutting-edge 'Internet of Things' (IoT) technology, employing an array of sensors to monitor the growth of mangrove saplings. Real-time data analysis optimizes their nurturing environment, ensuring resilience and survival.



Having already planted 300,000 mangroves and 20,000 fruit-bearing trees – providing over 2,000 families with alternative, climate-resilient livelihood opportunities – the program aims to reach 35,000 direct beneficiaries and approximately 225,000 indirect beneficiaries. A further 175,000 mangroves will be planted and 10 high-technology IoT sensors installed for mangrove growth monitoring, leading to an estimated 1,500 tons CO2 sequestered.

## Farm Africa

Ethiopia is experiencing a loss of forests due to natural resource degradation, loss of biodiversity and climate change. National socio-economic development gains are being compromised by these impacts. Farm Africa's environmental and climate resilience work in Ethiopia's Bale Eco-region combats this with resource management improvements and enhanced pastoral community livelihoods.

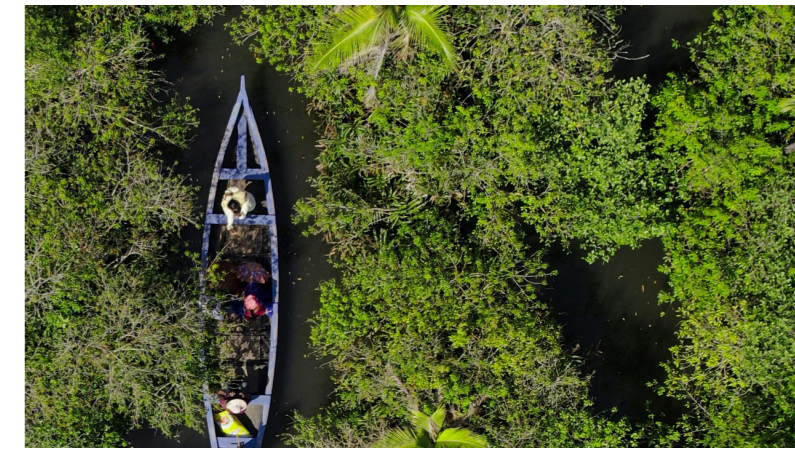
UBS Optimus Foundation support is helping to transform the lowland community by taking an integrated approach to rangeland management that builds community resilience to climate extremes and economic shocks. The program protects biodiversity and mitigates climate change through community led natural resource management, support for women in enterprise, training and capacity building. In 2023,

this program protected 450 hectares of land and restored a further 100 hectares, while converting 3 hectares to sustainable agroforestry. Four women's village saving and credit groups were organized, providing support for a total of 100 women. Training on sustainable livestock and/or rangeland management was provided to 215 farmers and community members.

## Foundation Conservation Carpathia (FCC)

Old growth forests are disappearing at an alarming rate. The Făgăraș Mountains in Romania are unmatched in Europe for their natural forests with about 10% pristine systems. These forests are essential in mitigating climate change, providing a huge carbon reservoir. Additionally, rural communities around Făgăraș Mountains are experiencing out-migration due to lack of economic opportunities. To conserve biodiversity and support economic development, a landscape approach is needed. FCC's approach in Romania is unique, combining conservation, ecological education, employment opportunities, and economic development based on conservation and climate change mitigation.

UBS Optimus Foundation support for the program over the next three years will contribute to the conservation of 3,500 hectares of old growth forest, and restoration of 250 hectares of grassland and forest. The funding will support 31 local enterprises in business development plans and/or certification, and benefit over 800 people in the local area per annum, including over 300 children receiving ecological education and a junior ranger program.



## Village Climate Solutions

Deforestation in tropical countries is responsible for almost 10% of annual greenhouse gas emissions. Meanwhile, many of these countries are being negatively impacted by climate change and urgently need financing to support resilience and adaptation. Carbon credits could be an effective way to support rural areas while also preventing loss of forests and mitigating climate change.

Village Climate Solutions will help more than 60 villages in Tanzania generate carbon credits by improving the protection of more than 220,000 hectares of forests. Over the next 12 years, more than USD 20 million in carbon credit revenue is anticipated to flow to villages to improve access to post-primary education, agricultural yields, and social services for more than 120,000 people. The UBS Optimus Foundation's early-stage grant is supporting initial project development. Once the program generates carbon credits, the project will be self-sustaining and funding will flow into communities to cover operational costs and ensure forest protection.

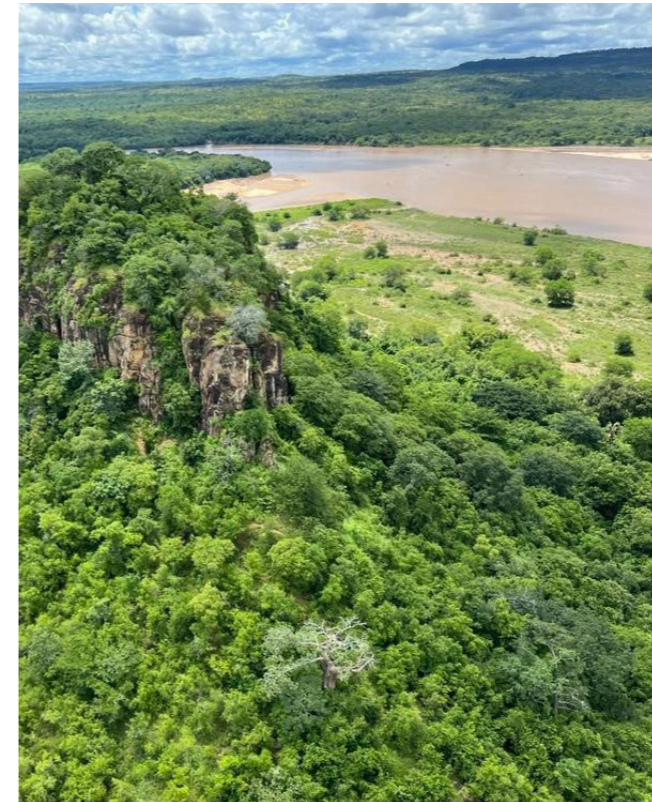
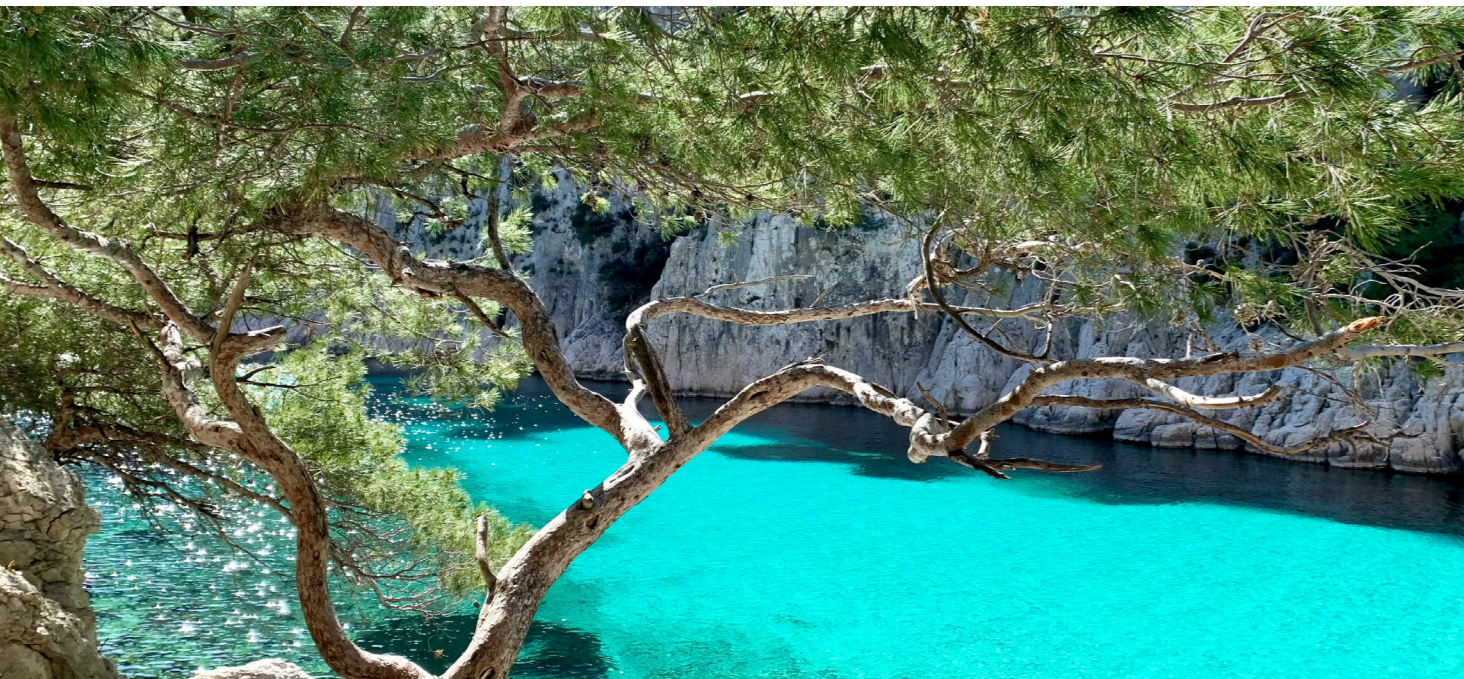


# Climate and environment portfolio highlights

## Pelagos Initiative

The Mediterranean basin is a climate-risk hotspot with increasingly frequent marine heat waves, droughts and coastal floodings. Yet less than 9% of the Mediterranean Sea is officially under protection. The Pelagos Initiative was launched by the Prince Albert II of Monaco Foundation in partnership with WWF, IUCN and the Mediterranean Marine Protected Areas Network to support activities that protect, conserve and promote the Pelagos Sanctuary across France, Monaco and Italy - the first cross-border marine protected area (MPA) in the Mediterranean.

UBS Optimus Foundation support in 2023 helped to catalyze further funding to scale up impact and increase attention on crucial climate mitigation and adaptation interventions. Five organizations were selected to receive EUR 1 million: Plan Bleu, Politecnico di Milano (DICA), Portofino MPA (Consortium of Management), Small Islands Organisation (SMILO), and Agreement on the Conservation of Cetaceans of the Black Sea, Mediterranean Sea and Contiguous Atlantic Area (ACCOBAMS). Impacts will include enhanced blue economy sustainability for tourism, comprehensive blue carbon ecosystem mapping, strengthened marine mammal monitoring and networking of small island stakeholders to promote best practices.



## Six Rivers Africa

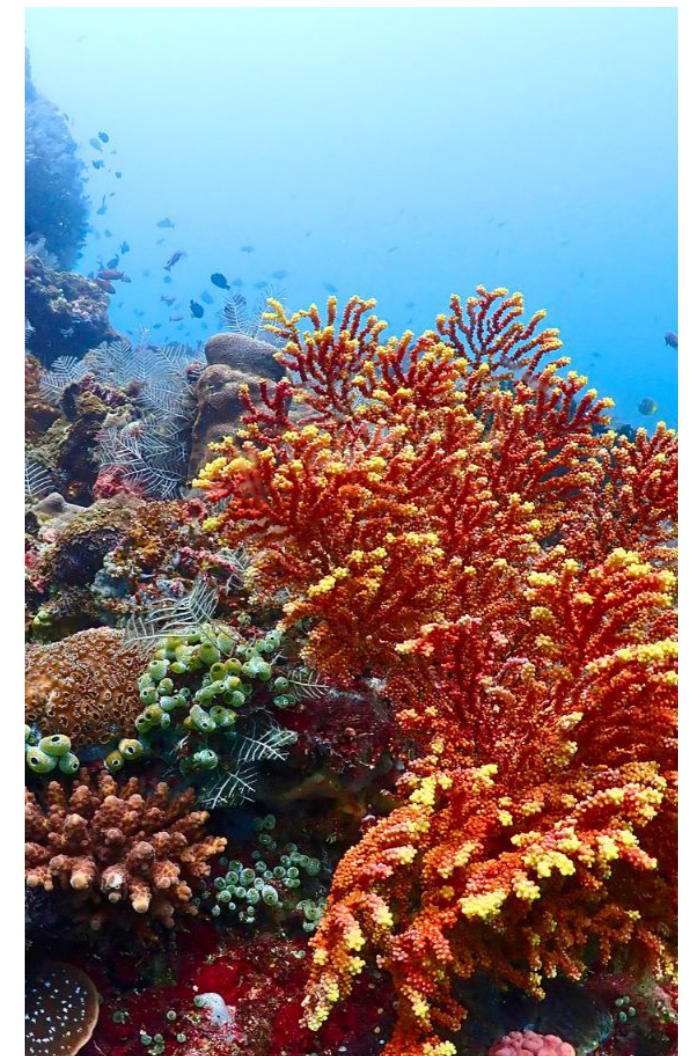
The Selous is Africa's largest and oldest protected area. Despite its protected status, wildlife has been decimated through climate change, unsustainable land use and rampant poaching. In 2019, the Tanzanian government designated two thirds of the Selous as the Nyerere National Park. Six Rivers Africa works with the Tanzania Wildlife Research Institute, the Tanzania National Parks Authority, the private sector and local communities to support development of a sustainable wildlife economy. The team establishes camps to conduct detailed research, while providing local communities with skills development, employment opportunities and support.

During the first year, 4900 km<sup>2</sup> was placed under enhanced protection and sustainable management, with a research camp built and equipped and 900 hours of training provided for researchers. Baseline biodiversity audits and eDNA aquatic water studies are underway. Biannual wildlife censuses are being carried out using aerial support, enabling consistent monitoring of wildlife numbers. Fifty jobs were created and this is expected to increase in the following years.

## Blue Alliance **Impact Investment**

Over three billion people rely on protein from oceans and 500 million people depend on oceans for their livelihoods, yet 60% of marine ecosystems globally are degraded. Marine protected areas (MPAs) can be a solution but only 7% of oceans are covered by MPAs and two thirds of them are largely ineffective due to lack of enforcement and funding. Blue Alliance takes over the management of MPAs with the goal of managing them sustainably through revenues from ecotourism, sustainable aquaculture and carbon credits.

The UBS Optimus Foundation awarded Blue Alliance's project in the Philippines an impact loan plus a grant to measure the impact metrics, which are linked to the interest payments of the loan. The early-stage project also secured significant grant funding as well as more senior debt from an investor. In 2023, Blue Alliance has managed to expand from the original 5,200 hectares to more than 100,000 hectares across 16 different MPAs in the West of the Philippines and successfully increased fish biomass in the existing MPAs.



# Education portfolio highlights

Programs in our education portfolio aim to develop strong learning foundations in low-resource and crisis settings by supporting evidence-based local solutions and building impactful, multi-stakeholder partnerships that can reach scale.

## Brazil Collaborative Literacy (BCL)

BCL is enabling a systemic shift in the collaboration between communities, civil society, and federal, state, and municipal governments to ensure literacy at the right age for all Brazilian children.

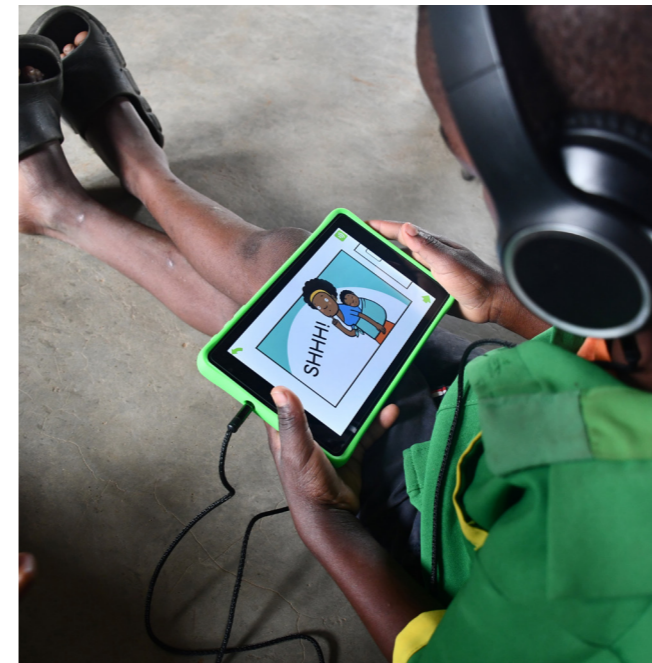
In 2023, BCL reached 17 states, with successful expansion to Bahia, Paraná, Pará, Paraíba, São Paulo and Tocantins. That took the initiative to 3,827 municipalities, covering over three million students in the 1st and 2nd grades of primary school (approximately 68% of the country's public-school students in these grades). The federal government also made literacy at the right age a priority. The government launched the National Commitment for Children's Literacy in the first half of the year, a program closely aligned with the foundations of BCL's work, which will enhance the work conducted in states and municipalities.



## China Development Research Foundation (CDRF)

During the past decade, access to kindergarten has been steadily increasing in China, but the teaching quality is still very low in rural areas. To support early childhood development and help rural children access equal education opportunities, in 2023, UBS Optimus Foundation collaborated with CDRF to pilot an innovative, integrated research and training model in Bijie City, Guizhou Province.

Through local-based teacher management and research system building, online and offline training sessions, and low-cost toys and teaching tools, CDRF's Enlightening the Future program aims to improve capacity for frontline kindergarten teachers in villages, directly benefitting about 2,400 students in 50 kindergartens. There is also the potential to extend the model to other remote villages in rural China through policy advocacy.



## Imagine Worldwide

The Malawian Ministry of Education has allocated USD 15 million of Global Partnership for Education (GPE) multiplier funds for Imagine Worldwide's tablet-based foundational literacy and numeracy program called Building Education Foundations through Innovations and Technology (BEFIT). This is a concrete indication of the government's commitment to scale up the program in all 6,000 primary schools in Malawi in six years and is one of the most ambitious scale-ups with government in the region.

As of December 2023, the BEFIT program successfully rolled out activities in 500 primary schools for 300,000 Standard 1-4 learners across 18 of the 34 education districts in Malawi. BEFIT has been incorporated into the National Primary School Calendar with time slots totaling 90 minutes allocated for Standards 1 and 2, and 105 minutes for Standard 3 and 4.



## Luminos Fund

Worldwide, over a quarter billion children are not enrolled in school. Liberia struggles with one of the highest rates of out-of-school children in the world. The Luminos Fund's Second Chance program uses an accelerated learning program (covering the first three years of the Liberian national curriculum in only 10 months), community mobilization and capacity building to identify out-of-school students, get them up to speed and prepare schools to accept them.

In 2023, the UBS Optimus Foundation supported a randomized controlled trial of the program during the 2022–2023 school year by IDinsight. Results show that in one year, a Luminos student learns 90% of what the average Liberian child will learn in their entire life. In addition, when looking at Luminos' data in the context of the World Bank, the Foreign, Commonwealth & Development Office (FCDO), and Global Education Evidence Advisory Panel's "Smart Buys" report, Luminos scores highly for both cost-effectiveness and transformational learning compared to 40% of studies and interventions which have zero impact on learning.

# Education portfolio highlights

## Kidogo

Kidogo is building the leading network of quality, affordable childcare centers in East Africa's low-income communities. Kidogo uses an innovative social franchising approach to identify, train and support female entrepreneurs (Mamapreneurs) to start or grow childcare micro-businesses.

In 2023, Kidogo reached more than 38,000 children and onboarded 800 new Mamapreneurs, growing to 1,500 franchisees. They also grew their advisory role, working with the World Bank and the Republic of Congo on adoption of the model, leading multisectoral technical working groups with the Kenyan government in Mombasa and Nakuru, and participating in the development of the National Integrated Early Childhood Development Policy.



## Mission 44

Young people from underserved backgrounds in the UK face multiple barriers. Black pupils have the lowest combined English and Maths GCSE pass rate of any major ethnic group. The Office of National Statistics reports that the unemployment rate for young Black people is three times higher than the overall youth unemployment rate. Founded by Sir Lewis Hamilton in 2021, Mission 44 is a charity working to transform the lives of young people from underserved backgrounds through progressive grantmaking, supporting collaboration and campaigning for change. Mission 44 is one of the few grantmaking organizations in the UK with a Black founder and CEO, a diverse trustee board and a diverse team.

In 2023, UBS Optimus Foundation continued supporting Mission 44 in its work, including growing its network of partners to 29 organizations changing the lives of young people, making its first international grants in the USA and Brazil, commissioning five pieces of research, and establishing a Youth Advisory Board to help shape the organization's impact strategy.



## ConveGenius Impact Investment

The education system in India has been mainly focused on access rather than quality. Less than 50% of children in Grade 5 can read a Grade 2-level text and only 25% can do division.

In 2023, UBS Optimus Foundation invested in ConveGenius, an artificial intelligence driven EdTech<sup>1</sup> company working to advance educational equity and learning outcomes for children and youth in India. ConveGenius has 80 million registered student profiles across 460,000 schools in India. Research has shown that students using ConveGenius's tools have a 65-70% probability of performing better than those on remedial, teacher training, personalized curricula and non-cognitive programs. The investment will support ConveGenius expansion to reach 100 million children across India and other emerging markets.



## Kreedo (Kido Enterprises) Impact Investment

Kreedo offers a comprehensive preschool and early school solution that helps school owners in India set up or upgrade their own school. The Kreedo solution includes Montessori-based curriculum, materials, toys and an app with incrementally challenging games, as well as teacher and school management training and tools. An independent evaluation conducted has shown 38% improvement in literacy and numeracy skills in schools using Kreedo versus comparable schools.

UBS Optimus Foundation made its first equity investment in Kreedo (Kido Enterprises) in 2021 and has since doubled down with its latest follow-on investment in 2023. The investment will support the growing demand for their products and their expansion to new regions in India. The fresh equity infusion will enable work with over 2,500 schools within the next 2 to 3 years (compared to 500 schools currently), thereby reaching over 250,000 children.

<sup>1</sup> Edtech, or education technology, is the combination of IT tools and educational practices aimed at facilitating and enhancing learning.

# Child protection portfolio highlights

Programs in our child protection portfolio aim to protect children from the most egregious forms of abuse by investing across the continuum of public child protection systems, community attitudes, family support and an end to impunity.

## ECPAT International

The sexual exploitation and abuse of children through voluntourism is a complex issue that requires extensive intervention at local, national, regional and international levels. ECPAT International is a recognized authority on the sexual exploitation of children, with research and advocacy expertise at national and global levels, which positions them as a credible partner to engage on this problem.

The UBS Optimus Foundation supports ECPAT's work to close gaps identified in legal and policy frameworks that hinder the prevention of sexual exploitation of children in voluntourism. As part of this work, together with the UN Special Rapporteur on the sale and sexual exploitation of children and the UN Special Representative of the Secretary-General on Violence against Children, ECPAT International brought this issue to the UN General Assembly 2023. This spearheaded a global movement to stop unregulated and unskilled volunteering for the purpose of tourism that is harmful to children.



## Hope and Homes for Children

The government's State of Children in Nepal 2023 report estimated that there were 11,202 children growing up in residential care in 418 registered children's homes. Most of these orphanages are privately run, with direct links to orphanage tourism and voluntourism, and funding coming from outside Nepal. The UBS Optimus Foundation supports Hope and Homes for Children (HHC) in their efforts to reform Nepal's child protection system so that institutional care is not the preferred intervention, preventing further proliferation of this harmful orphanage industry.

During 2023, HHC supported the forced closure of two institutions by the government by providing temporary protection to children removed from these institutions. To date, the program has directly contributed to 20 orphanage closures. HHC provided three institutions that were closed permanently during 2023 with technical support and training on family reintegration. During the course of the year, HHC helped reintegrate 34 children into their families and trained 462 professionals.



## Justice and Care

Justice and Care fights to end modern slavery by working with police to free victims, supporting survivors to rebuild their lives, and collaborating with both groups and the judiciary to bring perpetrators to court. The UBS Optimus Foundation supports Justice and Care's work in Bangladesh, Romania and the UK.

During 2023, Justice and Care helped the Romanian Government introduce a minimum age of consent. In Bangladesh, it worked with the government to introduce national guidelines used by police and others to identify victims. Justice and Care's UK Victim Navigator Programme, of which the UBS Optimus Foundation is a major donor, helped 70 victims walk free, 180 victims return home and 796 survivors receive care. Over 300 court cases were brought and 3,707 frontline professionals trained. Within this program, 94% of survivors are supported by a Navigator to improve survivor care as well as enhance survivor engagement with police investigations, compared to around 40% of those outside the program.

## Perkins School for the Blind

In Indonesia, children with disabilities are commonly placed in residential care rather than day school. A key reason is lack of appropriate support services and inclusive education opportunities. The UBS Optimus Foundation is supporting Perkins School for the Blind to address this problem. In close collaboration with the government's National Ministry of Education and Culture and seven local partner programs, Perkins is working to transform orphanages into local outreach and day programs serving children with disabilities, enhance the quality of school and community education programs, and aid parents and caregivers of children with disabilities.

Since program establishment, zero new children of known families have been placed in residential care. In 2023, 1,249 children were served by the seven partner programs supported by Perkins. In addition, 503 parents or family members took part in a Perkins-organized training, activity or support group intended to enhance skills to support the children, while 614 educators and others participated in Perkins trainings over the course of the year.



# Health portfolio highlights

Programs in our health portfolio aim to validate and support the scale up of frontline healthcare systems that increase access to health services across the continuum of care – from community, to clinics, to hospitals – that will save children’s lives.

## Access Afya

For many low-income families, healthcare is unavailable, unaffordable and low quality. In Nairobi, Kenya, social enterprise Access Afya developed a healthcare network utilizing asset-light micro-clinics, telemedicine, patient health data and trustworthy pharmacies to engage patients from diagnosis to treatment. Access Afya’s model delivers affordable care to a large, underserved market, at a price point 2-4x lower than comparable alternatives. A digital and physical approach enables greater access and saves workers hours of waiting time. Quality is top ranked by 400 third-party providers and the net promoter score is three times higher than the national average.

The UBS Optimus Foundation is testing a new funding instrument, providing Access Afya with a grant to achieve investment readiness, while holding rights to purchase equity in the future at a reduced rate. This will help Access Afya expand its franchise while maintaining its focus on serving lower-income populations, at the same time helping to de-risk the investment for other investors with a higher return profile.



## Africa Frontline First

Africa Frontline First (AFF) aims to institutionalize and scale 200,000 professionalized community health workers (CHWs) across 10 African countries by 2030. AFF is a collaborative initiative that supports the financing and strengthening of integrated and sustainable community health service delivery to achieve health for all.

The UBS Optimus Foundation is providing financial and technical support to AFF to incorporate outcome-based funding design and identify AFF countries most fit to develop outcome-based elements into their financing plans. Ultimately, this will help mobilize new and better sources of financing for countries’ community health systems.

# Health portfolio highlights

## Muso

Traditional care systems are not meeting the needs of most patients living in poverty, resulting in millions of preventable deaths annually. Early access can avert nearly all deaths of children under five years old. Muso has documented rapid health improvements from its proactive care model, including sustaining a rate of child death in Mali lower than any country in sub-Saharan Africa for five years running.

Three core program components shrink the time from symptom onset to treatment. Community healthcare workers (CHWs) proactively search for households with pregnant mothers and children, provide care in the home and refer more complex cases to expanded government-run health centers. In 2023, Muso advocated in Mali for the successful recognition of CHWs as an official part of the health system. And in Côte D'Ivoire, Muso supported a new strategic plan for community health with concrete steps towards the professionalization of CHWs, with pay in alignment with the national minimum wage.



## StrongMinds

Globally, 280 million people are living with depressive disorders and, in low-income countries, approximately 85% receive no treatment. Depression is one of the leading causes of disability among women in Africa. StrongMinds is working to address depression at scale, providing free group talk therapy to low-income women and adolescents with depression in Uganda and Zambia.

The impact? In schools, 63% of girls who received therapy saw improved grades after treatment and 96% of adolescents who completed therapy reported feeling more hopeful about life. StrongMinds continuously works to increase sustainability of the model and will roll out a new six-week therapy program in 2024. This change stems from a recent randomized controlled trial finding six-week therapy yielded outcomes for patients equal to or better than StrongMinds's current eight-week therapy. The organization also managed to more than halve the cost per patient in only two years from USD 134 in 2021 to USD 51 in 2023.



## Elucid Impact Investment

In 2023, the UBS Optimus Foundation invested into social enterprise Elucid. Elucid provides health coverage to smallholder farmer families within supply chains of global companies – paid for by the global sourcing companies. For many farming families, this is the first time with healthcare coverage. Key outcomes are improved access to healthcare and protection from medical impoverishment. At the same time, Elucid aims to address the lack of reliable data from sourcing origins for sustainability reporting. This should, in turn, improve the assessment, mitigation and reporting of human rights issues in supply chains.

Elucid has over 12,000 cocoa smallholder farmers enrolled in healthcare plans in Ghana, Côte d'Ivoire, Madagascar and Ecuador and is facilitating over 2,000 inpatient and outpatient visits per year. Expansion plans are already underway to scale the model into new regions in Africa and South America as well as into other supply chains.



## Hewatele Impact Investment

Medical oxygen is a lifesaving medicine but is expensive and can be poorly distributed in rural areas, coupled with a lack of healthcare worker knowledge. Since 2014, Hewatele has built a credible track record of bringing medical oxygen to more than 200 public and private health facilities and an estimated 112,000 people, including 22,000 children.

The UBS Optimus Foundation extended its funding to Hewatele, a medical oxygen producer in Kenya, by taking a ~10% equity stake through a USD 20 million funding package with the US International Development Finance Corporation, Soros Economic Development Fund, Finnfund and Grand Challenges Canada. Hewatele will use the debt and equity funds raised to finance the building of a liquid oxygen manufacturing facility in the outskirts of Nairobi and development of regional distribution capacity in key regions of Kenya. Hewatele will also double its existing capacity at hospital-based sites to produce and distribute medical oxygen using pressurized gas cylinders.

# Innovation for scale through blended finance

The UBS Optimus Foundation is actively co-creating and sponsoring large-scale blended finance investment vehicles, in partnership with other parts of the bank, and building capabilities, capacity and partnerships to strengthen the social finance ecosystem.

## Building a pipeline of investments

The UBS Optimus Foundation has invested USD 43 million in impact investments cumulatively from 2018 up to the end of 2023. This includes outcomes contracts as well as direct equity and debt investments into impact enterprises. We have supported 15

impact enterprises, some of which are highlighted in the portfolio sections. Through impact investment, our objective is to unlock more capital to improve education, health and climate outcomes at scale, including through the use of blended finance.

## Advancing the SDGs

The SDG Outcomes Initiative is investing USD 100 million in 15-20 SDG-aligned outcomes-based programs. The pioneering SDG Outcomes Initiative uses an innovative blended finance structure, where the UBS Optimus Foundation with donations from over 30 UBS clients is providing 20% first-loss capital to unlock additional impact-driven capital. Investors will receive returns linked directly to verified social and environmental outcomes, while any returns for the philanthropic funding will be recycled into future

projects. The SDG Outcomes Initiative has made its first nine investments, with an anchor project in each of its focus themes: education, health, employment and the environment. The initiative has a diverse pipeline of projects under development. The UBS Optimus Foundation's investment is together with the United States International Development Finance Corporation and British International Investment as anchor funders, as well as four family offices leading the private investment component.



# Innovation for scale through blended finance

## Incubating and accelerating

Growing our impact investing portfolio and attracting investments through blended finance requires building out the ecosystem by incubating and accelerating.

- The Outcomes Accelerator founded by the UBS Optimus Foundation, the UK Foreign, Commonwealth and Development Office (FCDO) and the Swiss State Secretariat of Economic Affairs (SECO) seeks to make outcomes-based financing approaches more efficient and mainstreamed, moving the market ecosystem toward maturity. This public-private initiative brings together governments, development agencies, investors, services providers, intermediaries and corporates to accelerate adoption of outcomes-based financing approaches to address the SDGs. By the end of 2023, the Outcomes Accelerator had supported 12 initiatives with USD 1.5 million.
- The UBS Optimus Foundation is seeking to build on carbon credit-based projects by adding outcomes-based financing to achieve more holistic and sustainable outcomes for communities for improvements in health, education and livelihoods. We call this outcomes-based nature finance and, in 2023, have worked with partners Finance Earth and Instiglio

to develop the concept, including an outcomes framework, a value proposition for outcome payers and an initial outcome funder sounding. Our first project in Tanzania will work with local communities in a large forest conservation program.

- In partnership with the governments of Singapore and Australia, the UBS Optimus Foundation is working with Convergence Asia Climate Solutions (ACS) in launching the ACS Design Grant to support early-stage feasibility and proof-of-concept work for high-impact climate financing solutions in developing countries in Asia. ACS launched its first cohort in 2023 with three grants, supporting the development of a pipeline of investable blended finance solutions that could significantly scale up private investment for climate mitigation and adaptation.
- Launched in 2023 and funded by the RS Group Asia family office, Swiss Re Foundation and the UBS Optimus Foundation, Terratai is Asia's first nature venture builder, providing early-stage finance and company-building support to co-create businesses that halt and reverse ecosystem and biodiversity loss in Asia's most at-risk land and seascapes. It aims to also unlock and attract institutional investors to enable scaling nature positive enterprises.



## 100x Impact Accelerator

The UBS Optimus Foundation is partnering with the 100x Impact Accelerator at the London School of Economics and Political Science (LSE) to support high-impact ventures tackling some of the world's most pressing social challenges. The UBS Optimus Foundation is providing access to experts from within its network, in addition to the GBP 5 million follow-on funding to be deployed to select ventures to accelerate them on their journeys to scale.

The 100x Impact Accelerator launched its first call for applications in January 2023, attracting over 1,300 aspiring social ventures from 96 countries, of which eight were selected to join its inaugural cohort. In addition to a GBP 150,000 grant from LSE, the ventures in the accelerator benefitted from bespoke support and mentoring during a 12-week program culminating in Summit Day in London, where ventures had the opportunity to showcase their impact to philanthropists, impact investors and the broader ecosystem. 100x Impact Accelerator announced their second cohort in December 2023. 100x Impact Accelerator has scope to support up to 20 social enterprises every year, aiming for 70% of these to come from emerging markets.

## SDG Impact Finance Initiative (SIFI)

The SDG funding gap is about USD 4 trillion a year. Closing this gap will require more private capital for development. SIFI was launched in 2022 and uses public and philanthropic funds to help drive this shift.

SIFI supports the design and development of innovative financial solutions supporting the SDGs, by providing catalytic capital in order to attract mainstream investors while strengthening the ecosystem, contributing to improved framework conditions and impact management practices. SIFI's goal is to secure USD 100 million in funding with the aim of enabling USD 1 billion in impact investments. To date, SIFI secured funding of CHF 34.5 million from the Swiss State Secretariat for Economic Affairs (SECO), the Swiss Agency for Development and Cooperation (SDC), the Government of Luxembourg, the UBS Optimus Foundation and the Credit Suisse Foundation. In 2023, SIFI supported the design of 14 new blended finance initiatives, hired its first CEO and managed to expand its funders beyond Switzerland.





# Advancing impact transparency

The UBS Optimus Foundation's vision is for impact to be measured using the highest quality standards and for that information to be publicly available for the benefit of all. In 2023, we developed and rolled out our own industry-aligned rating tool that aims to assess programs against three impact categories: intentionality, additionality and measurability.

This helps us prioritize programs that contribute the most to our strategic impact objectives, identify the value added, document actions that can be taken to improve the program and impact potential, and offer transparent communication of complex information related to impact objectives. In 2024, the UBS Optimus Foundation will be assessing how its impact rating tool can bring additionality to the social impact landscape globally. We will publish a report on our learnings applying the tool to our portfolio of grants and investments.



# Emergency philanthropy

The UBS Optimus Foundation and the UBS Social Impact team raise funds and support partners providing emergency relief in response to disaster situations, and sometimes launch dedicated appeals to support these efforts. When an appeal is launched, swift action is taken to mobilize funding from clients and employees to support immediate relief, as well as longer-term recovery and resilience.

Where budgets allow, unrestricted support is provided to emergency relief-focused NGOs, to strengthen the humanitarian ecosystem; support the development of monitoring, evaluation and

learning capacities and evidence-based decision-making by implementing partners; and address forgotten crises that receive little media attention.

In 2023, the UBS Optimus Foundation raised and started to distribute more than USD 25.4 million for the earthquakes striking Türkiye and Syria, the Hawaiian wildfires, flooding in Pakistan, flooding in Italy, and the humanitarian crisis in Israel and Gaza. It also continued to distribute resources raised for the Ukraine Relief Fund launched in 2022. It also continued to distribute donations raised for the Ukraine Relief Fund launched in 2022.

## Ukraine Relief Fund

Thanks to your continued commitment to Ukraine, we've mobilized USD 58.4 million for the Ukraine Relief Fund as of the end of 2023. We've committed USD 42 million to help our 24 partners provide relief, recovery and resilience services.

In the third year of the ongoing conflict in Ukraine, the humanitarian crisis persists, demanding a strategic and adaptive response. The UN reports that over 14.6 million people – about 40 percent of the Ukrainian population – still need humanitarian assistance. Families and children face increasingly complex challenges as they grapple with displacement, economic instability and disrupted access to essential services. The evolving dynamics of the conflict demand a nuanced approach that goes beyond immediate relief efforts to address the deeper, long-term impact on the well-being and prospects of affected communities.

Recent developments have underscored the importance of building local capacity and resilience. The protracted nature of the crisis has not only strained healthcare and education systems – it's also heightened the need for sustainable solutions that empower communities to navigate the challenges independently. Economic uncertainty and security concerns add an urgency to this need.



The UBS Optimus Foundation continues to strengthen its focus on building local capacity and resilience. In collaboration with trusted partners, we're shifting from emergency relief efforts to initiatives that empower communities to respond dynamically to local challenges. This strategic shift is grounded in the belief that by fostering local resilience, we can contribute to

sustainable positive change in the lives of those affected by the conflict. UBS Optimus Foundation is focused on supporting grassroots organizations directly or through intermediaries where possible, 170 and counting, to ensure as much funding as possible is reaching local Ukrainian organizations that have been working in their communities for some time and will continue to do so.

## Türkiye and Syria Earthquake Relief Fund

The two large earthquakes that hit Türkiye, Syria and the surrounding region on 6 February 2023 had a devastating impact. The earthquake left a trail of destruction for millions of people in Türkiye and Syria, killing more than 55,000. Thanks to your support, AÇEV in Türkiye and the International Rescue Committee (IRC) in Syria are helping to alleviate the negative impacts from the natural disaster.

AÇEV has been working in Türkiye in the fields of early childhood, parenting and women's empowerment for three decades. AÇEV's emergency response work supports children's education, equips parents with the skills to support children's psycho-social well-being and empowers young women. Three centers have been constructed in the earthquake zone during the project as a temporary learning space. During this period, nearly 5,000 children and over 1,000 adults directly benefited from AÇEV's program.

Since 2012, the IRC has been actively involved in responding to the humanitarian crisis in Syria, implementing various programs to assist communities affected by conflict in both the northern and southern regions. The IRC was one of the first agencies to start providing cash support to people, reaching tens of thousands in the first weeks. Continued support helped IRC scale up operations and reach a larger number of individuals, delivering a multipurpose cash assistance program to meet the urgent needs of more affected children and their families.



# About us

## Our unique network

The UBS Optimus Foundation network consists of the UBS Optimus Foundation in Switzerland, its branch in Hong Kong and the representative office in China, its sister organizations UBS Optimus Foundation Europe Deutschland, UBS Optimus Foundation UK, UBS Optimus Foundation Singapore, UBS Optimus Foundation India and UBS Optimus Foundation Australia, as well as a donation platform in the United States.

We receive funds from UBS, its clients and employees. We make grants and investments to program partners who are helping underprivileged or vulnerable children and youth around the world in the areas of health, education and child protection, as well as funds for emergency response.

In addition, we are also active in the areas of climate and the environment through our network of entities.

Our network is governed through individual boards in Switzerland, the UK, Singapore, India and Germany. The boards are made up of UBS employees and independent external members. Annually, a strategic meeting of representatives from each of these boards is held in Zurich, Switzerland.

To make sure we have the highest standards of transparency in terms of decision-making, and in line with good governance practices, we've established the UBS Optimus Foundation network program approval.

## Get in touch

We're dedicated to finding innovative ways to tackle some of the world's most pressing social and environmental problems. Building on our 25-year track record and applying an investment-based approach, our global team makes it simpler for you and your family to manage your philanthropy and maximize your impact.

Ready to start a conversation?

Contact our UBS Social Impact and Philanthropy team or your UBS advisor today.

## Solicitation

We make philanthropist contributions go further.

UBS covers all the costs for the administration, review and continued development of programs so all philanthropic giving goes toward maximizing impact. And whenever we can fund alongside philanthropists, we do so with UBS match funding.

To find out how to donate in your region, please visit our webpage.

[www.ubs.com/donate](https://www.ubs.com/donate)

Special thanks to all of our experts, program directors and UBS Optimus Foundation partners who have contributed to the publication of this review.

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**Disclaimer:** The UBS Optimus Foundation is a network of foundations that offers UBS clients a platform to use their wealth to drive positive social and environmental change. The Foundation selects programs that have the potential to be transformative, scalable and sustainable in the area of children's health, education and protection, as well as environment and climate conservation. These materials have been prepared by the UBS Optimus Foundation, an affiliate of UBS Group AG (referred to below as "UBS."). They have not been prepared with regard to any specific investment objectives, financial situation or particular needs of any specific recipient, current client or prospective client. These materials are published solely for informational purposes and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments or services of UBS or to participate in any particular trading strategy endorsed or not endorsed by UBS. Any recipient of these materials should not consider their contents to be either legal, tax, accounting, regulatory, or other specialist or technical advice or service, or investment advice, or a personal recommendation of any kind, whatsoever. No representation or warranty, either express or implied, is provided in relation to the accuracy, completeness or reliability of the information contained in these materials, nor is any of the information herein intended to be a complete statement or summary of the securities markets or other developments referred to in these materials. The information in these materials should not be regarded by any recipient as a substitute for the exercise of their own judgment and any opinions expressed in these materials are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of UBS, which may make different assumptions or rely on different criteria. UBS is under no obligation to update or keep current the information contained in these materials. Neither UBS nor any of its directors, officers, employees or agents accept any liability for any loss or damage arising out of the use of all or part of these materials or reliance upon the information contained therein. These materials are not for distribution or redistribution, except under such circumstances as may be permitted by UBS and or applicable law. UBS specifically prohibits the redistribution or reproduction of these materials in whole or in part, without the written permission of UBS and UBS accepts no liability whatsoever for the actions of third parties in this respect.

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