

Year-two results of the world's first development impact bond for education

Chaired by Emily Gustafsson-Wright

Fellow, Global Economy and Development, Brookings

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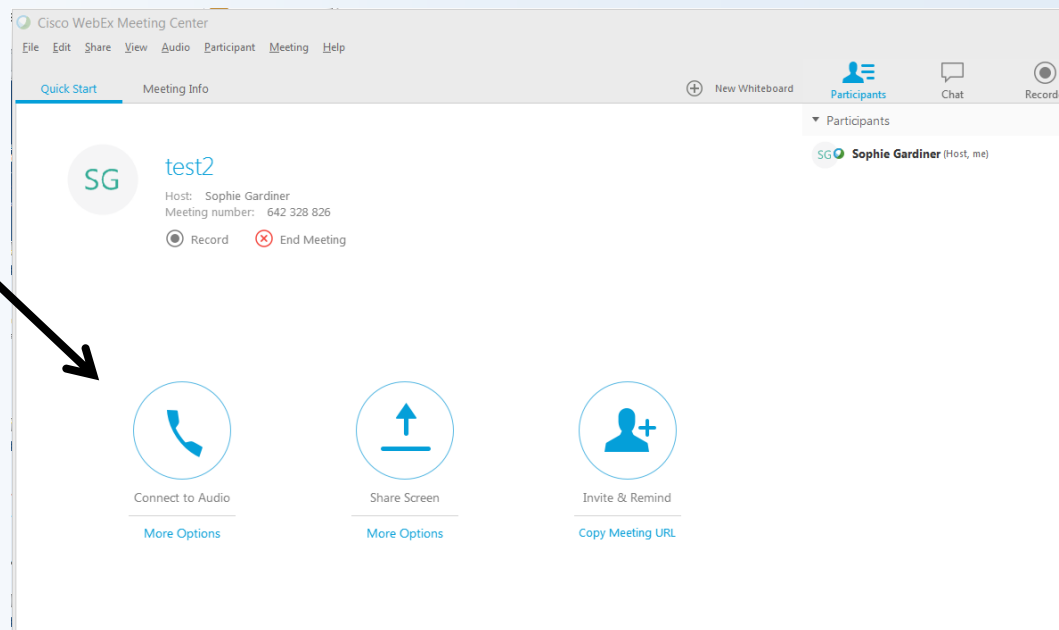
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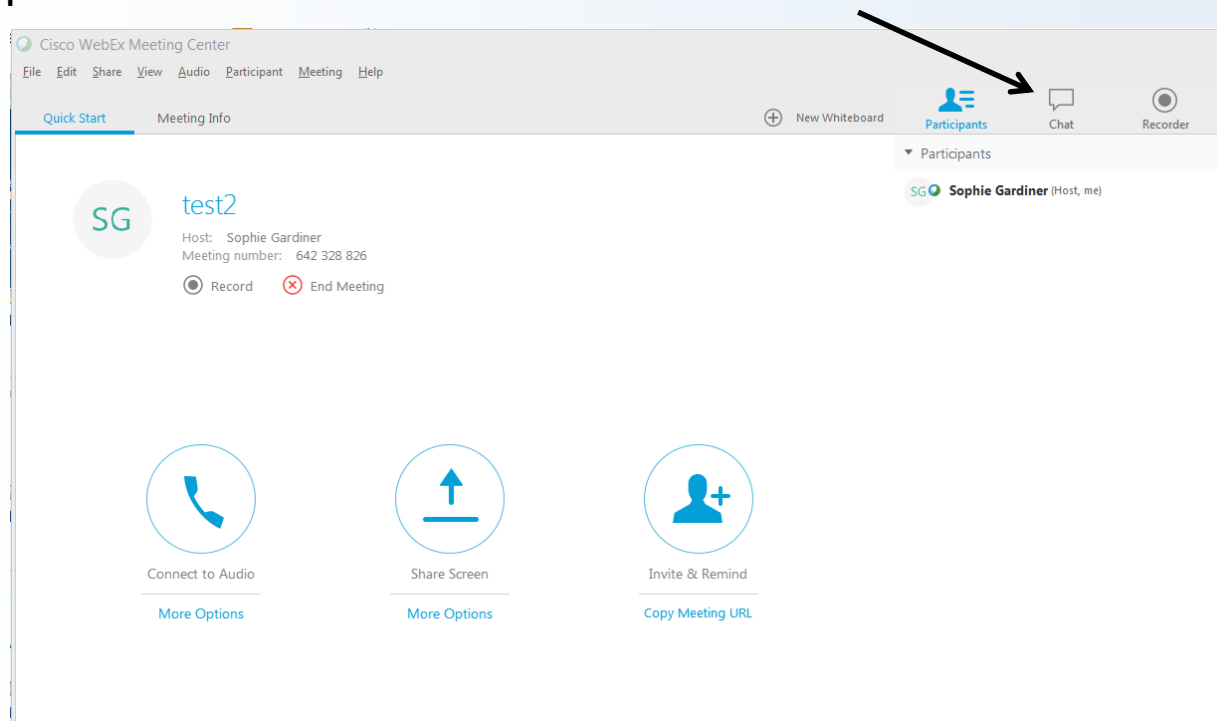
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Logistics: Chat

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- Questions entered in the first 40 minutes will be filtered and directed toward the panelists.

Outline

- Introductions
- SIBs & DIBs: The Story So Far, *Emily Gustafsson-Wright, Fellow, Brookings Institution*
- Panelist Presentations
 - » *Safeena Husain, Founder, Executive Director, Educate Girls*
 - » *Grethe Petersen, Director, Policy & Advocacy, Children's Investment Fund Foundation*
 - » *Phyllis Costanza, Chief Executive Officer, UBS Optimus Foundation*
 - » *Avnish Gungadurdoss, Managing Partner, Co-Founder, Instiglio*
- Moderated Q&A, *Emily Gustafsson-Wright, panelists, and Radana Crhova, Development Impact Bonds Adviser, UK Department for International Development*
- Audience Q&A, *audience members submit questions in the WebEx chat*

Introductions

Chair



B | Center for
Universal
Education
at BROOKINGS

Emily Gustafsson-Wright
Fellow
Center for Universal Education at the Brookings Institution

Panelists



Safeena Husain
Founder & Executive
Director
Educate Girls



UBS Optimus
Foundation



Phyllis Costanza
Chief Executive Officer
UBS Optimus Foundation



INSTIGLIO
TYING FUNDING TO IMPACT

Avnish Gungadurdoss
Managing Partner and Co-
Founder
Instiglio



CHILDREN'S
INVESTMENT FUND
FOUNDATION

Grethe Petersen
Director, Policy & Advocacy
Children's Investment Fund
Foundation (CIFF)

Twitter

Continue the conversation on Twitter with
#impactbonds and #girlseducation

Emily Gustafsson-Wright: @EGWBrookings

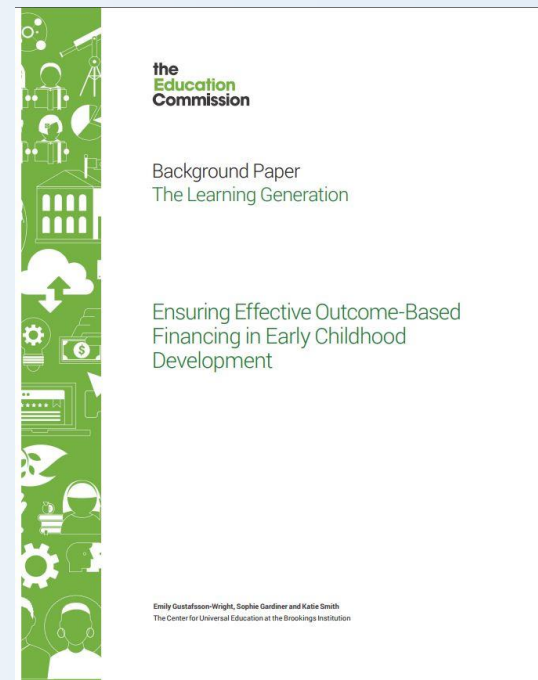
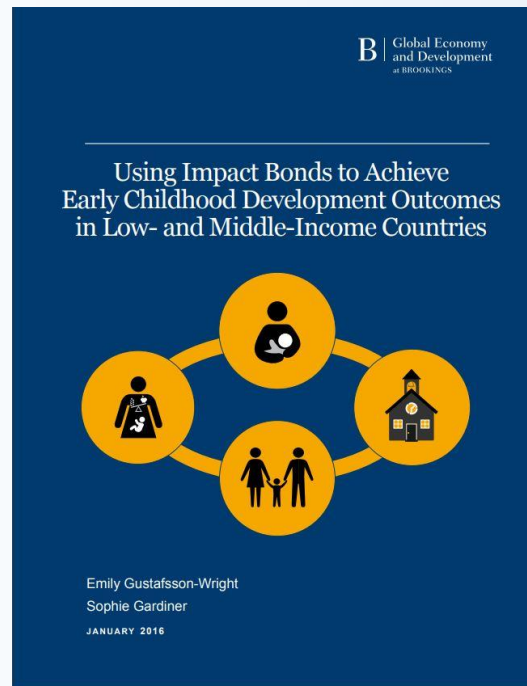
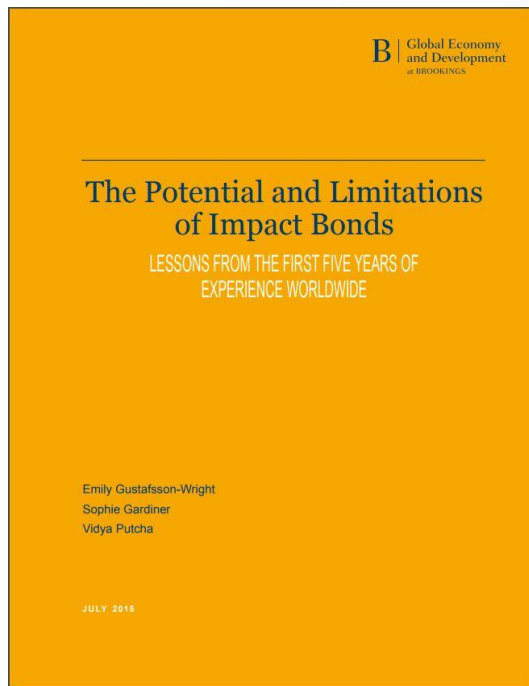
Safeena Husain: @safeenahusain

Phyllis Costanza: @pkcof

Avnish Gungadurdoss: @avnish_g

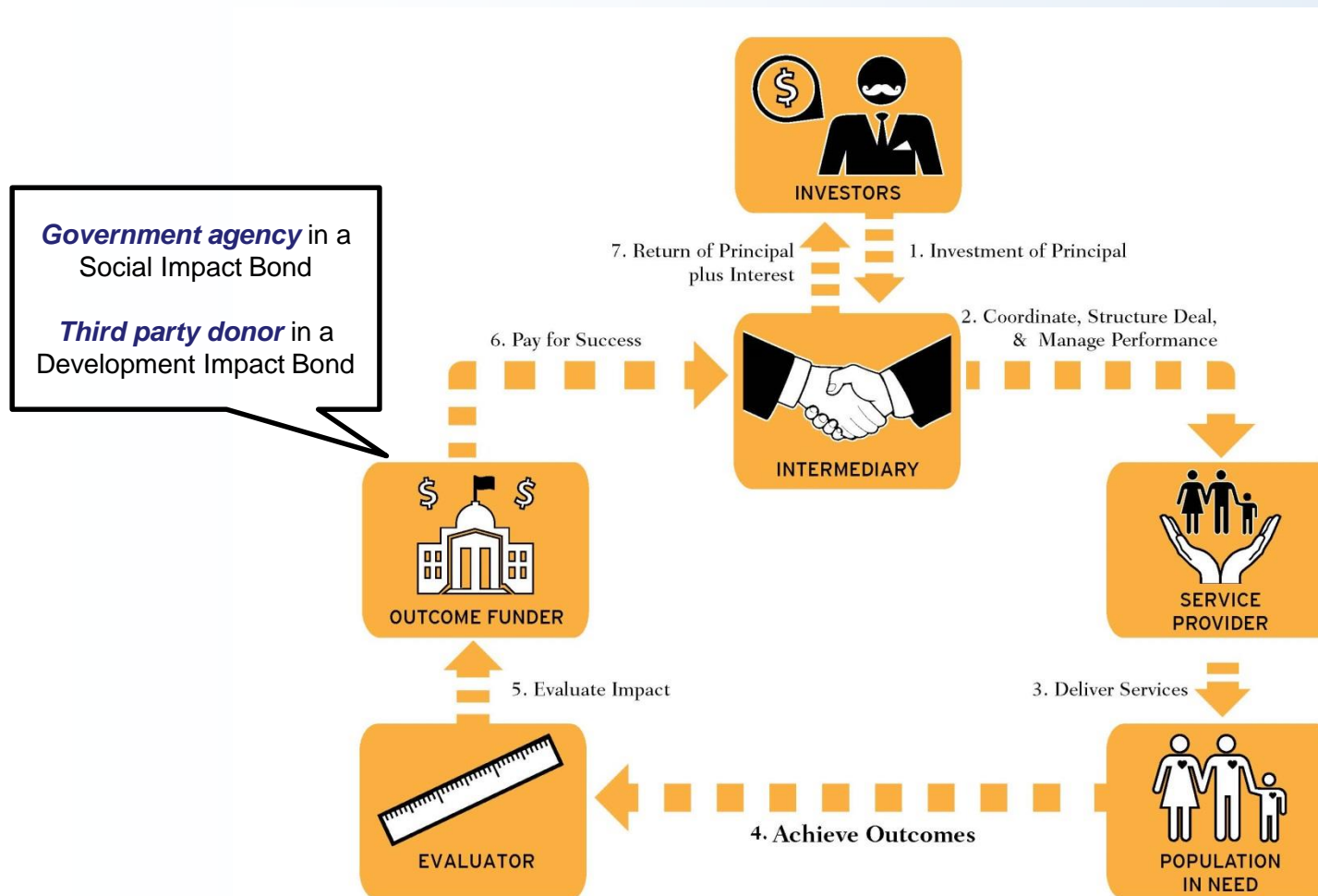
Grethe Petersen: @grethepetersen

Impact Bond Research at Brookings



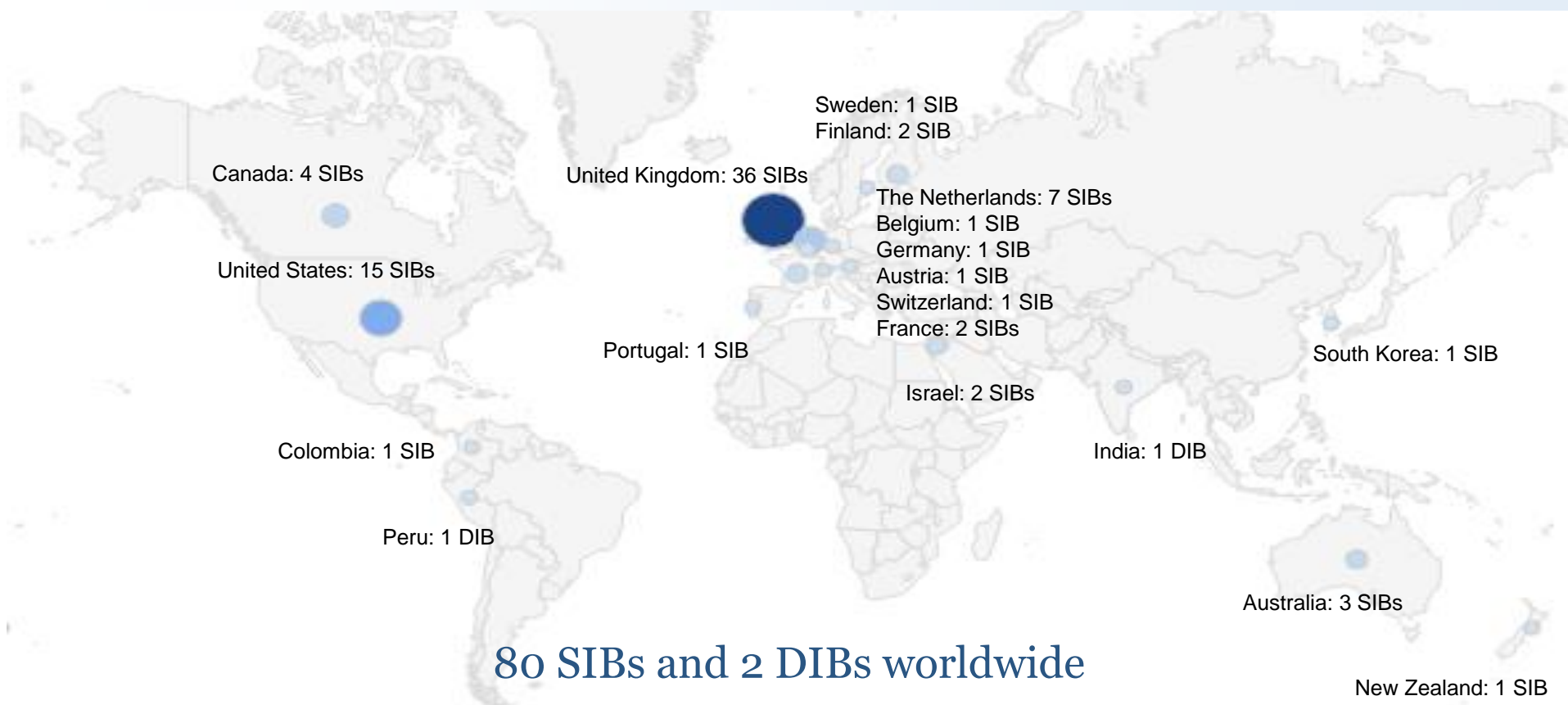
Defining Development Impact Bonds and Their Global Context

What is a Development Impact Bond?

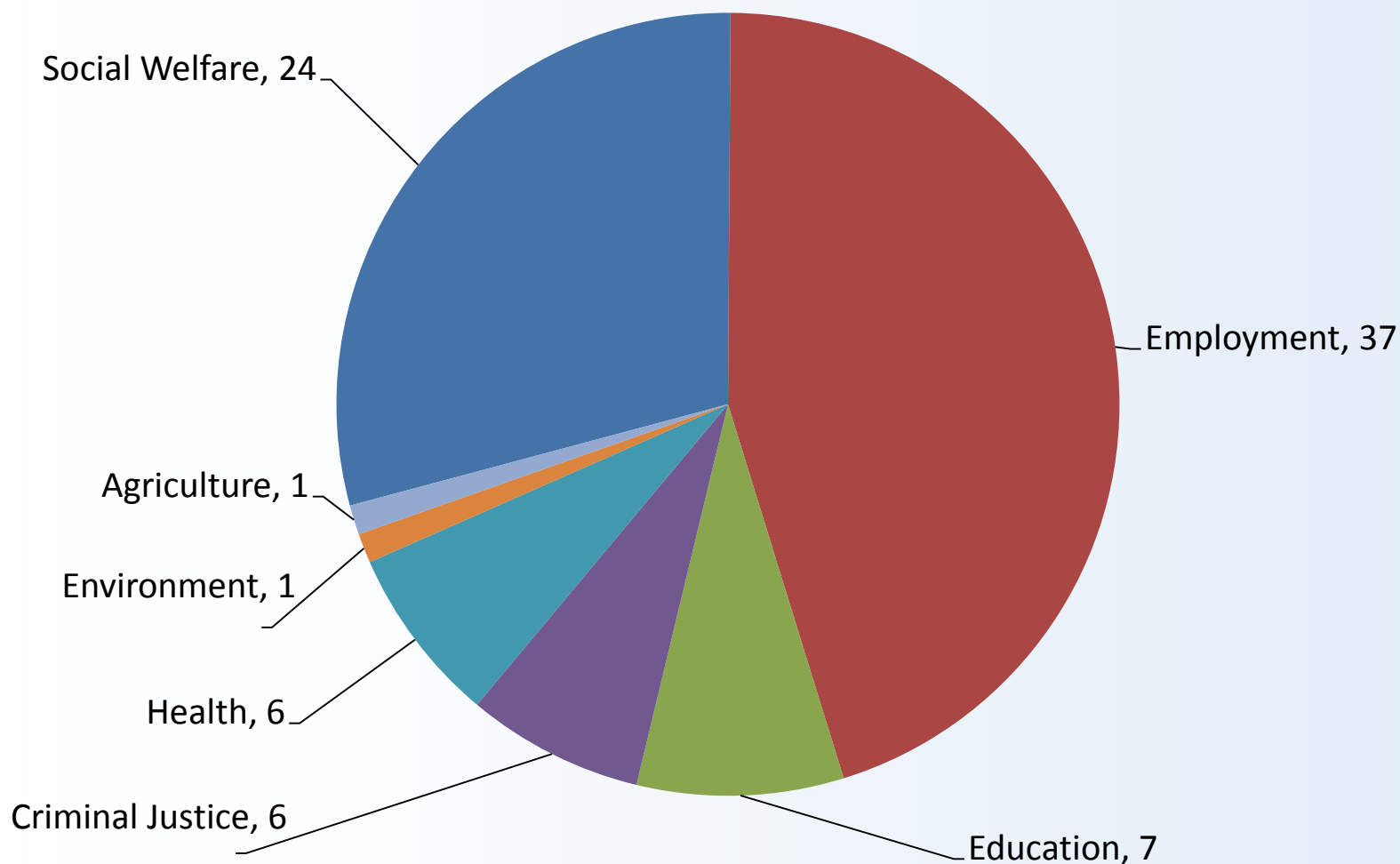


Defining Development Impact Bonds and Their Global Context

Global Landscape of Impact Bonds



Contracted Impact Bonds by Sector, June 2017



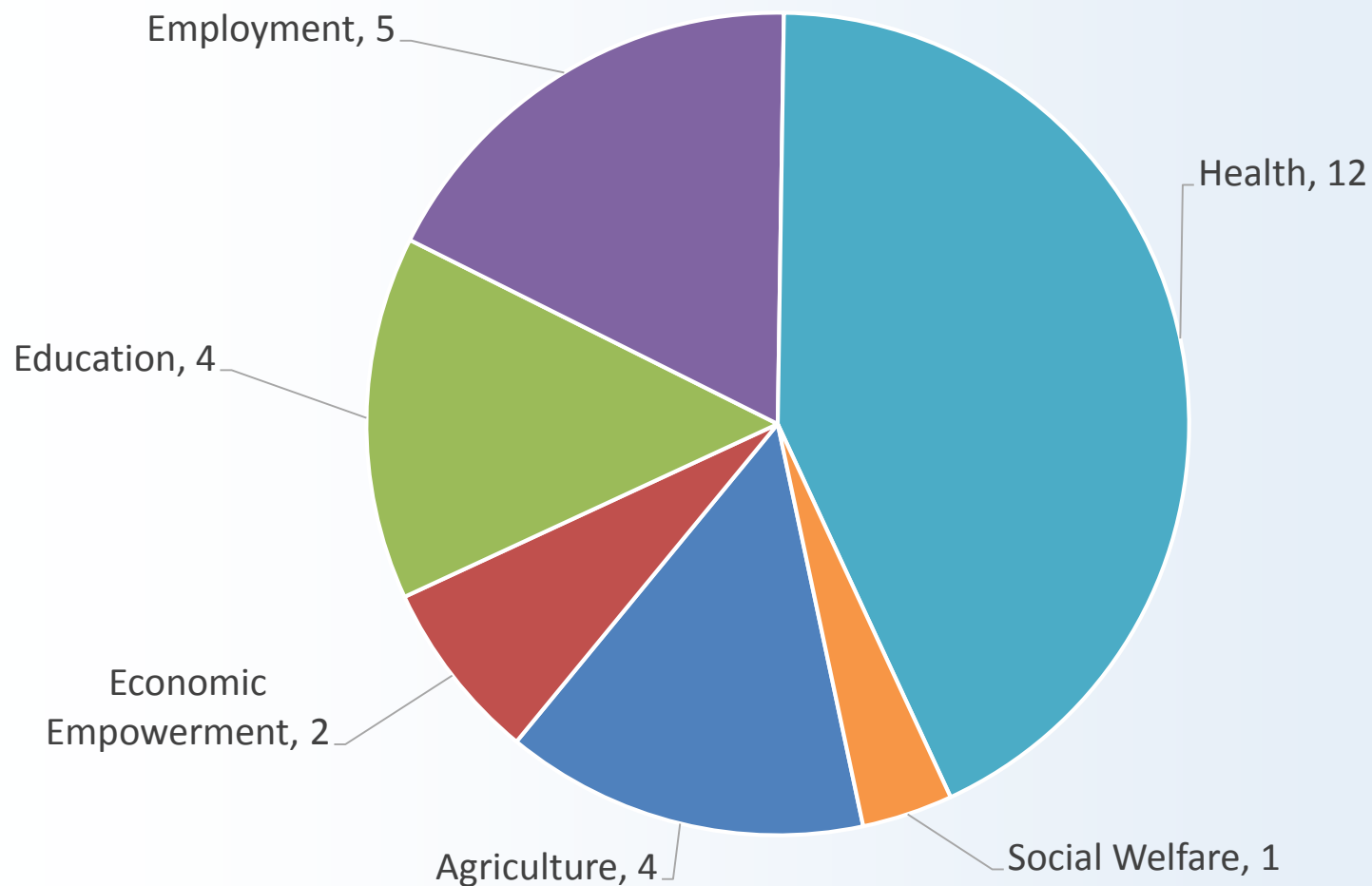
Defining Development Impact Bonds and Their Global Context

Impact Bonds for Education, June 2017

Program	Location	Intervention
Utah High Quality Preschool SIB	U.S.	Preschool classes
Chicago Child-Parent Center SIB	U.S.	Preschool classes and parent engagement
Junior Code Academy SIB	Portugal	Computer science classes in primary school
Mother Teresa Middle School SIB	Canada	Minimize learning disruptions Grades 7-11
Computer Science Dropout Reduction SIB	Israel	Higher education support program
Educate Girls DIB	India	Community engagement and targeted curriculum delivery
West London Zone SIB	U.K.	School based wrap-around support

There are an additional 32 SIBs for ECD, young adult education, training, and employment.

LMICs Impact Bonds in Design by Sector, June 2017



Defining Development Impact Bonds and Their Global Context

Impact Bonds in Design for Education, June 2017

Program	Location	Intervention
IGATE DIB	Zimbabwe	Community, school and household engagement
Secondary Education Drop Out and Completion SIB	Brazil	Family and individual-level support
ECD Innovation Fund	South Africa	Playgroup models
Education DIB	India	Principal and teacher training, direct school management, and supplementary programs



educate girls

**World's first Development Impact Bond
in Education**

Service Provider's Perspective



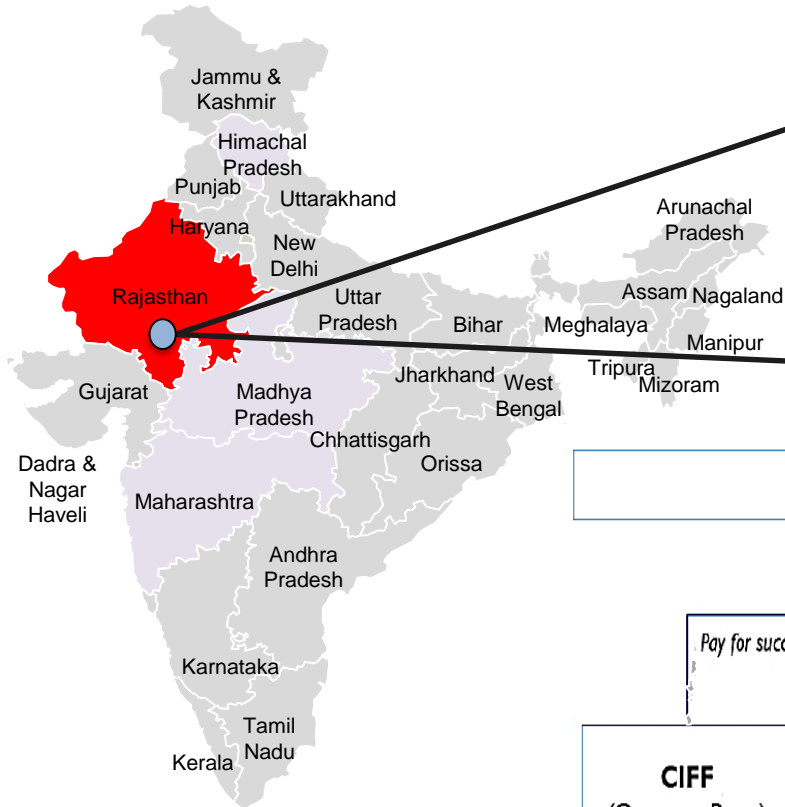
In India:

- 3 million girls out of school
- Declining learning levels

Educate Girls has:

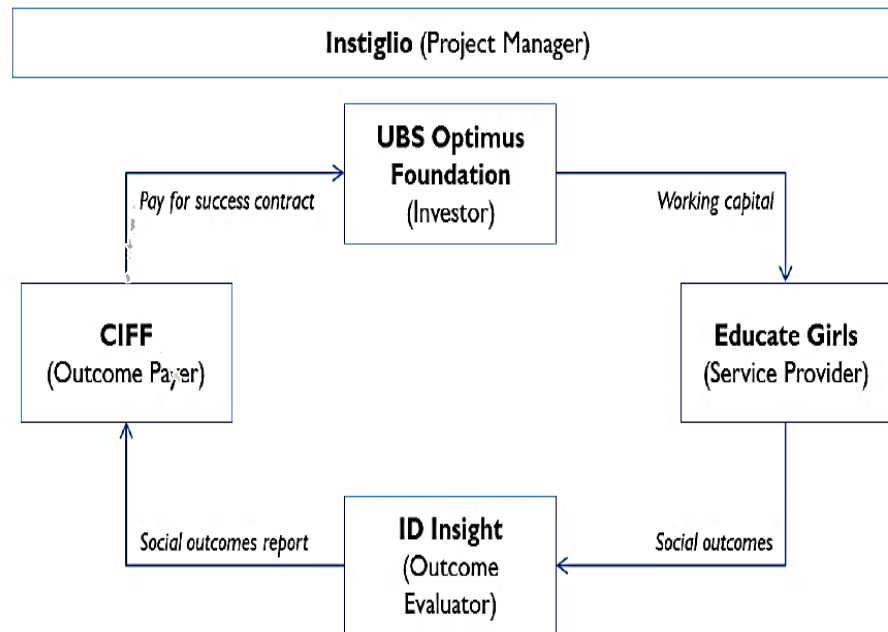
- Enrolled 150,000 girls into government schools
- Improved learning levels for over 600,000 children

Our Development Impact Bond



**Bhilwara
Rajasthan**

- 166 schools
- 15,000 children
- 80% learning outcomes
- 20% enrollment of OOS Girls
- \$270,000 budget



Lessons Learnt

- Flexibility achieved through delivering to outcomes rather than activities enabled:
 - Tailored approach to enroll hardest to reach girls (aged 10 yrs+)
 - Ability to respond to ground realities and reallocate resources as needed rather than sticking to a plan
- Improved performance management system has lead to more data, better analysis, accelerated feedback and course correction
- Children in program for 2 years achieved large majority of the learning gains



Results

Year Two of Three Years:

Enrollment:

- Enrolled 87.7% of the target out-of-school girls
 - 54% of girls were over 10 years old

Learning:

- Achieved 50.3% of the target learning gains
 - 84% of learning gains were achieved by children who had spent 2 years in the program
 - Larger effects in English and Maths than in year one





Development Impact Bond

A Perspective from the Outcome
Payer

Grethe Petersen, Director Policy and Advocacy
CIFF

DIB – **advantages** to ClFF as an outcome payer

1. Clear outcomes and aligned incentives
2. Only paying for results
3. Independent verification
4. Innovation closest to the beneficiaries
5. Supporting the evolution of pay for performance models

DIB – challenges to CIFF as an outcome payer

1. Taking a back seat
2. High Outcome Evaluation Costs
3. Incremental learning versus Absolute learning

DIB – Results overview by independent evaluator - IDinsight

- IDinsight is conducting an impact evaluation of Educate Girls' program to determine outcome payments as part of a 3-year DIB.
- All payments will be made based on results after 3 years (2018)
- Results after 2 years of the program:

Outcome variable	Evaluation methodology	% of outcome payment	3-year outcome target (by 2018)	Year 2 results (% of 3-yr target achieved)
Learning gains for all students grades 3-5; based on ASER	Clustered (village-level) randomized controlled trial	80	5,592 additional ASER learning levels	2,813 additional ASER learning levels (50.3% of 3-year target achieved)
Enrollment of out of school girls (OOSGs) in grades 2-8	Pre-post ¹	20	79% of all eligible OOSGs	69% of all eligible OOSGs enrolled (87.7% of 3-year target achieved) ²

¹ Due to budgetary constraints, the DIB Working Group decided to conduct a census of OOSGs only in treatment villages. Since we are using a non-experimental method, there may be other factors besides the EG program that explain changes in enrollment in treatment villages

² Additions and deletions in Year 3 will change size of eligible OOSG population

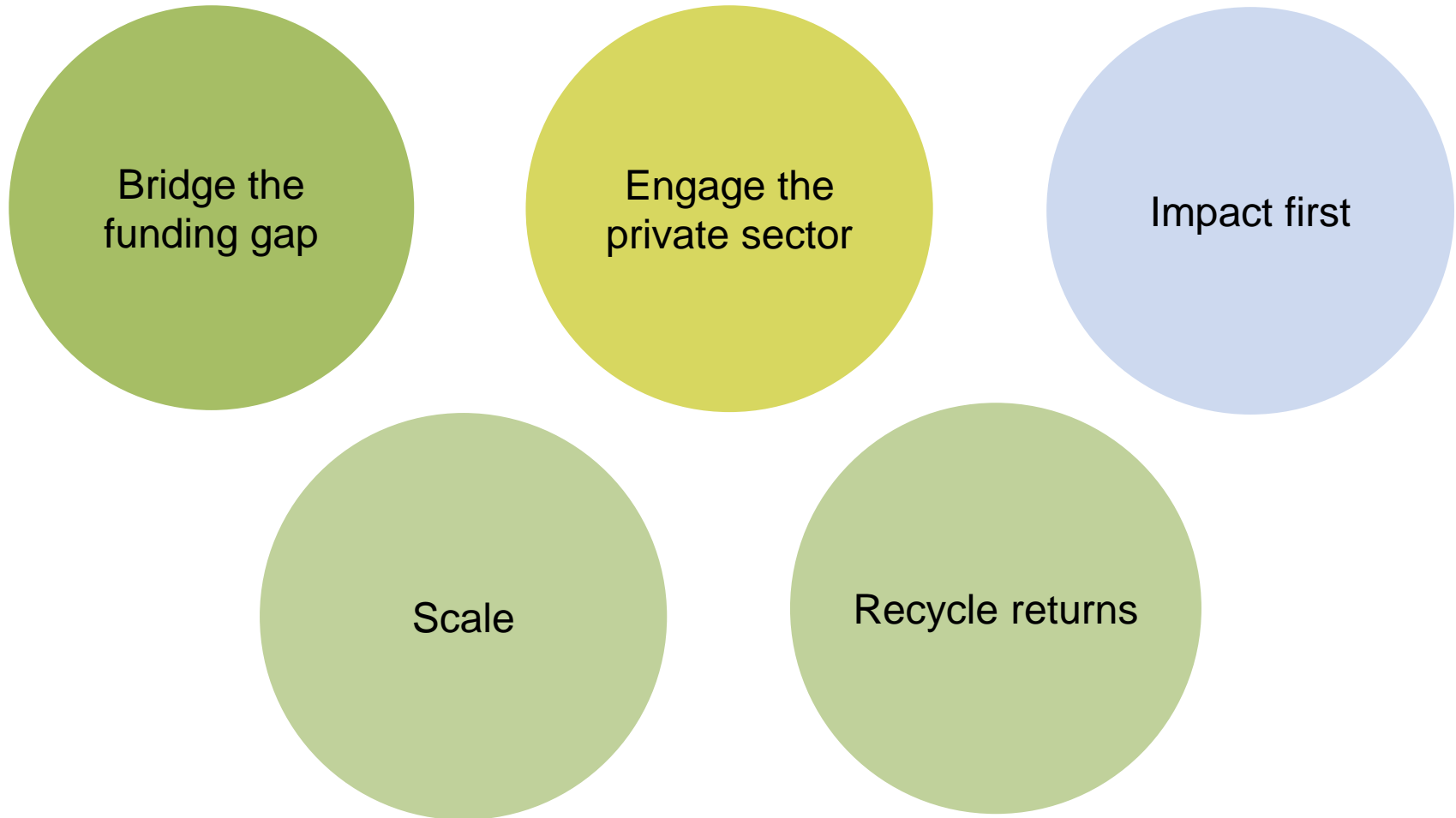
Harnessing the power of private capital

Why DIBs make sense

Phyllis Costanza
CEO, UBS Optimus Foundation

Why invest in a DIB?

Harnessing the power of private capital



The benefits DIBs bring

Getting more money to where it can do the most good



Effective and
efficient

Transparent

Performance
management

The future – what is needed?

What we've learned from the world's first education DIB

More evidence

Philanthropy+

Expertise

Lower
transaction
costs

Addressing three key questions

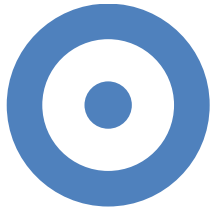
Avnish Gungadurdoss

Managing Partner & Co-Founder

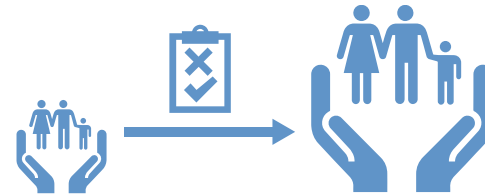
Instiglio



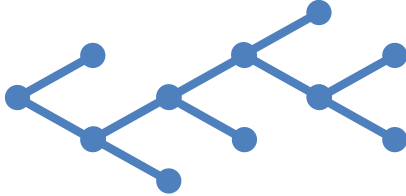
What is driving impact in the DIB?



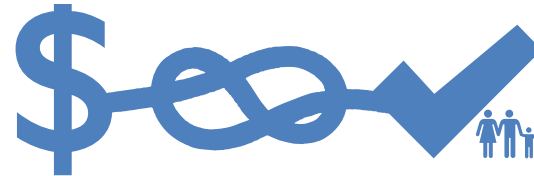
**Drawing attention
to outcomes**



**Aligning incentives with
beneficiary welfare**



**Providing flexibility to
achieve results**



**Accountability
to beneficiaries**

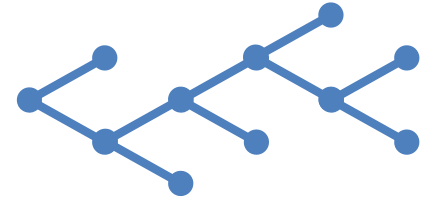
How can we improve future outcome-oriented DIBs?



**Improve quality
of data**



**Build capacity to
manage outcomes**



**Incorporate flexibility
in contracts and design**

What is the role of DIBs in international development?



The diagram consists of two large blue circles positioned on the left and right sides of the slide. Between them is the text 'VS'. The left circle contains the text 'Maturing promising interventions' and the right circle contains the text 'Scaling evidence-based interventions'.

**Maturing
promising
interventions**

VS

**Scaling
evidence-based
interventions**

Moderated Q&A



Emily Gustafsson-Wright
@EGWBrookings
Fellow
Center for Universal Education at the
Brookings Institution



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Grethe Petersen
@grethepetersen
Director, Policy & Advocacy
**Children's Investment
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Moderated Q&A



Radana Crhova
Development Impact Bonds Adviser
**UK Department for International
Development (DfID)**

Audience Q&A

Please enter questions in the WebEx chat

Thank you.

Continue the conversation on Twitter with #impactbonds

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Safeena Husain: @safeenahusain

Phyllis Costanza: @pkcof

Avnish Gungadurdoss: @avnish_g

Grethe Petersen: @grethepetersen

For more information on the Educate Girls DIB, please visit

<http://instiglio.org/educategirlsdib/>

Follow the Brookings Institution's Impact Bond research at

<https://www.brookings.edu/series/impact-bonds/>

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