Educate Girls Development Impact Bond
Year 3 Results
IMPACT BOND PRIMER

- Impact Investing
- Public Private Partnership
- Impact Bonds
- Payment by Results
1. The investor provides upfront capital to the service provider to deliver services to a population in need.

2. An independent evaluator verifies whether the service provider has achieved pre-agreed impact metrics.

3. The outcome funder repays the investor if the metrics are achieved.
113 IMPACT BONDS CONTRACTED GLOBALLY
SECTORS: IMPACT BONDS CONTRACTED GLOBALLY

- Employment: 39
- Social Welfare: 39
- Health: 16
- Criminal Justice: 9
- Education: 8
- Environment & Agriculture: 1

Total: 108
IMPACT BONDS IN DESIGN: DEVELOPING COUNTRIES
Location: Rajasthan, India

Beneficiary population: 7,300 children in 166 public schools

Government Partner: State Government of Rajasthan MOU

Intervention: Identification of out of school girls, engagement to improve attendance, child-centric curriculum delivered by volunteers

Metrics: Verify enrollment, RCT measuring learning progress across English, Math and Hindi

Upfront capital: $270,000
Outcome funds: $422,000 (max)
Instiglio: As project manager, Instiglio designed the DIB’s outcomes, payment structure and financial model and is now providing performance management services during implementation.

DIB Working Group
Composed of parties already listed here

DIB Advisory Group
Group of outside experts

UBS Optimus Foundation
Investor financing project implementation

CIFF
Outcome payer paying for enrolment and learning outcomes

Educate Girls
Service provider

Dalberg Global Development Advisors
Process Evaluator

IDinsight
Outcome evaluator
EVALUATING THE INTERVENTION

Objective

Measure the impact of Educate Girls’ program on educational outcomes in order to guide DIB payment decisions

Outcome Variable

Learning gains of 3rd-5th graders (~80% of payments)

Enrollment of out-of-school girls in grades 2-8 (~20% of payments)

Evaluation Methodology

Clustered randomized controlled trial

Pre-post evaluation
**“ASER” TOOL TO MEASURE LEARNING**

<table>
<thead>
<tr>
<th>Level</th>
<th>Hindi</th>
<th>Math</th>
<th>English</th>
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<tbody>
<tr>
<td>1</td>
<td>Beginner</td>
<td>Beginner</td>
<td>Beginner</td>
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<tr>
<td>2</td>
<td>Letters</td>
<td>Numbers 1-10</td>
<td>Capital letters</td>
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<td>3</td>
<td>Words</td>
<td>Numbers 11-99</td>
<td>Lowercase letters</td>
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<td>4</td>
<td>Paragraph</td>
<td>Subtraction</td>
<td>Words</td>
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<td>5</td>
<td>Story 1</td>
<td>Division</td>
<td>Sentences</td>
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<tr>
<td>6</td>
<td>Story Plus1</td>
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- **ASER** - validated test instrument created by Pratham
- Used by many educ evaluations
- Fast to administer
- Measures most foundational pieces of core competency
RANDOMIZING IMPLEMENTATION ALLOWS US TO ISOLATE IMPACT

Note: stylized randomization for illustrative purposes only.
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EDUCATE GIRLS SCHOOLS
COMPARISON SCHOOLS
EVALUATING THE INTERVENTION

Learning gains of boys and girls in grades 3-5 (~80% of payments)

Aggregate ASER test score gains in Hindi, Math, and English

Share of OOSGs enrolled out of all eligible OOSGs identified

Enrollment of out-of-school girls (OOSGs) in grades 2-8 (~20%)

Aggregate ASER test score gains in Hindi, Math, and English

- Treatment Villages
  166 schools

- Control Villages
  166 schools
Learning Gains (Treatment-Control)

- Baseline
- End Y1: 1461
- End Y2: 2895
- End Y3

Year 3 Target (5592)

Enrollment of Out-of-School Girls (Treatment)

- Baseline
- End Y1
- End Y2: 73% (613 girls)
- End Y3

Year 3 Target (79%)

- Baseline
- End Y1
- End Y2: 38% (322 girls)
Y3: EG SURPASSED BOTH TARGETS

Learning Gains (Treatment-Control)

Year 3 Target (5592)

Enrollment of Out-of-School Girls (Treatment)

Year 3 Target (79%)

73% (613 girls)

92% (768 girls)

38% (322 girls)
• **Average Effects:** Students in Educate Girls program schools had on average 28% larger learning gains than students in the control group.

• **Massive improvements in year 3:** Learning levels for students in program schools grew 79% more than their peers in control schools – almost the difference of an entire additional year of instruction.

• **Subjects and Grades:** Learning gains were higher for students in program schools than for control students across all grades and subjects, with relatively higher gains in Math and English than in Hindi.

• **Enrollment:** 60% of the out of school girls enrolled were 10 years or older
UBSOF recouped its initial funding (USD 270,000) plus a 15% internal rate of return from the outcome payer CIFF.

Payout of USD 144,085 will be reinvested in development programs.
- EG to receive 32% of the internal rate of return.
- Remaining funds to go to other UBSOF programs.

<table>
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<tr>
<th>IRR</th>
<th>ROI</th>
<th>Total outcome payment</th>
<th>Return over principal</th>
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<td>15%</td>
<td>52%</td>
<td>$422,000</td>
<td>$144,085</td>
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PANEL DISCUSSION

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Thank you!

For more information on Brookings impact bonds research: www.brookings.edu/series/impact-bonds/

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