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World's largest education Development Impact Bond enables 30% more students to overcome learning gaps and achieve basic literacy and numeracy skills in Year 1

- And in addition, 40% of participating schools met or exceeded their targets in improving proficiency levels, outperforming non-DIB comparison schools after one year of implementation
- DIB uses innovative funding method that drives results-based outcomes to improve the quality of education in India

Today, the coalition behind the world's largest education development impact bond (DIB), reveals that year one education projects funded by the DIB in India, have helped to increase the overall number of children achieving basic education outcomes by 30%.

First year results also show that 40% of schools participating in the DIB programmes either met or exceeded their targets for literacy and numeracy skills when compared to non-participating schools. Based on the learning outcomes from year one of the programme, the outcome payment for risk investors is on track, with the results averaged out over the lifetime of the DIB.

The Quality Education India DIB, launched in September 2018, set out to improve the quality of literacy and numeracy. The DIB seeks to develop a new funding approach that is focused on learning outcomes, ensuring the maximum impact is achieved for the investment provided. Working across four programmes in the states of Delhi and Gujarat, the DIB has helped to deliver at scale these programmes to 600 schools, reaching over 100,000 students aged 5-11 in year one. The DIB is a four year programme, set to finish in 2022.

Commenting on the first year results, **Richard Hawkes, Chief Executive, British Asian Trust** said: "In many ways, year one was a start-up year for both the DIB and NGOs testing the concept and allowing for adjustments to make improvements along the way. The ambition remains that the learnings from the DIB will be used to create an education 'rate card', an assessment of costs for tried-and-tested delivery outcomes against funding, to improve the quality of education."

The governance of this DIB is led by a Steering Committee comprising of British Asian Trust, the Michael & Susan Dell Foundation, UBS Optimus Foundation and Tata Trusts, together with Comic Relief, the UK Government's Department for International Development (DFID), the Mittal Foundation, BT and the Lawrence Ellison Foundation. The results for year one were independently assessed and analysed by Gray Matters India (GMI).

The ultimate goal is to improve education standards in India, with the DIB paving the way for developing an outcome-based funding approach that has the potential to improve the lives of hundreds of thousands of children.

Geeta Goel, Country Director, India, Michael & Susan Dell Foundation, said: "The early signs are that outcome-based funding models, with an incentive attached, have the potential to drive quality in education and attract new forms of capital to sustain it. The key test for this DIB has been on proving the scalability of education programmes, without diminishing the quality of outcomes. There

are a number of key learnings from year one, which will help to inform the remainder of the programme, as well as future DIBs and government policy decisions.”

Having analysed closely the year 1 results of all implementers, the coalition has taken the decision not to continue with one of the underperforming programmes, due to its declining efficacy compounded with some operational challenges.

Society for All Round Development (SARD) will now only deliver its direct remedial education programme, removing its indirect teacher training programme. However, the DIB will continue to deliver four programmes as it adds Mind Spark, a tech based online tool that helps children to improve their skills.

"The UBS Optimus Foundation takes the same business-minded approach to philanthropy that we do in all aspects of our work at UBS, so our clients can be sure it delivers the social return they should be getting from their contribution. We closely monitor the programmes we're funding, we challenge assumptions regularly, and we hold grantees to extremely high standards of performance. That's why we decided to discontinue one of our under-performing programmes", **said Phyllis Costanza, CEO UBS Optimus Foundation.**

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All results for year one are based on a study of a random sample of 12,473 students from 155 schools participating in the DIB and 14,585 students from 180 non-participating schools that are chosen as comparison groups for the participating population

Notes to editors

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About the DIB:

The DIB, the largest of its kind for funding education, raised USD 11 million in its first phase of funding. The structure includes a results-based finance mechanism, where the outcome funders only pay for successful results. If the outcomes are not fully achieved, funders will pay proportionate to the results achieved. The working capital used by NGOs to deliver the programmes is provided by the 'risk' investor, in this case UBS Optimus Foundation. If successful, the investor is able to recover their capital and earn a return if pre-determined education outcomes are met.

Whereas other forms of education funding has previously focused on measuring the number of children in schools, the DIB focuses on the quality of education by measuring improved literacy and numeracy.

About the consortium:

This DIB consists of an international coalition of public, not for profit and private sector organisations.

NGOs: Kaivalya Education Foundation, Gyanshala, Society for All Round Development and Mind Spark

Intermediary: British Asian Trust

Funders: Michael & Susan Dell Foundation, Comic Relief, the Mittal Foundation, Lawrence Ellison Foundation and BT

Risk Investor: UBS Optimus Foundation

Knowledge Partner: Tata Trusts

Technical experts: Dalberg Consulting and Gray Matters India

Technical assistance partner: UK Government's Department for International Development

About the programmes:

The funding in year one was invested into three education NGOs:

- Kaivalya Education Foundation: A School Leadership Development Programme in Gujarat which trains principals and teachers in integrated schools.
- Society for All Round Development (SARD): Two programmes in the north of Delhi – A teacher training programme which provides government teachers with the skills to handle multi-skill classes so that separate remedial classes are not required (indirect intervention) and a remedial intervention programme (direct intervention).
- Gyanshala: New privately-operated free schools for out-of-school primary school-aged children in urban slums in Gujarat

For year two, funding will be invested into four education NGOs:

- Kaivalya Education Foundation: A School Leadership development programme in Gujarat which trains principals and teachers in integrated schools.
- Society for All Round Development (SARD): One remedial intervention programme in the North of Delhi
- Gyanshala: New privately-operated free schools for out-of-school primary school-aged children in urban slums in Gujarat
- Mind Spark: Computer-based adaptive learning platform to close learning gaps, with support provided to teachers on data, literacy and assessments in Maharashtra