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Educate Girls Development Impact Bond delivers robust second year results and valuable lessons

- Enrolment targets exceeded, continued learning gains delivered for Indian children
- Program flexibility enabled by DIB yields improved results for hardest to reach girls

Zurich – Second year results from the world's first operational Development Impact Bond (DIB) in education continue to demonstrate the benefits of the results-based funding model, its backers said today.

The Educate Girls DIB, launched in June 2015, is funding a three-year education program implemented by Indian NGO [Educate Girls](#) in a remote rural district of Rajasthan. The model measures progress against agreed targets for the number of out-of-school girls enrolled into primary education and the progress of girls and boys in English, Hindi and mathematics.

Year two results show that Educate Girls has achieved **87.7% of the 3-year enrolment target** and **50.3% of the 3-year learning target**¹. Zurich-based UBS Optimus Foundation, which provided the upfront DIB working capital, remains on track to recoup its initial funding.

Phyllis Costanza, CEO of the [UBS Optimus Foundation](#) said: "Progress has been strong, particularly against enrolment targets, and, just as important, the DIB is demonstrating its potential to attract much need funding as donors are increasingly seeing that they can achieve real social impact and results-based financial returns."

Safeena Husain, Executive Director of Educate Girls said: "The DIB has brought about a shift in our organization's DNA and had a positive ripple effect across our entire organization. The razor-sharp focus on outcomes and the flexibility in program delivery that comes with a payment by results contract has enabled us to deliver improved outcomes."

Ms. Husain said an intense, data-driven focus on community outreach and mobilization has led to higher enrolment rates, especially among girls aged ten and above who often get left behind because of their age. The enhanced performance management involved in the DIB model has also helped Educate Girls to identify early on some of the hurdles they were facing in improving children's learning.

"The continuous feedback and analysis of data allows us to identify learning lags in children and weaknesses in our own teams," she said. "This led us to redesign our curriculum from scratch and retrain our staff. While we have made gains across mathematics and English, this level of iteration and testing of new practices takes time to take root in the classroom. We are confident the approach will yield rich dividends at the end of the three years."

At the end of the DIB program, if both the enrolment and learning targets are met, the initial investment will be paid back to UBS Optimus Foundation by the outcome payer, in this case the [Children's Investment Fund Foundation](#) (CIFF). CIFF will pay interest of up to 15 per

cent, depending on how far the children’s learning targets are reached. Educate Girls will also receive part of this payment if it achieves its targets.

Kate Hampton, CEO at CIFF, said: “CIFF believes that one way of improving outcomes is to ensure that incentives are aligned amongst partners and linked to increased learning in the classroom. Making sure girls are in school and learning is one of the best investments in development, and as the outcome payer for this DIB, CIFF only pays when learning outcomes and school attendance have been demonstrably increased.”

Avnish Gungadurdoss of [Instiglio](#), the results-based financing consultancy that designed the DIB and is providing performance management support to Educate Girls, said: “Over the past year we have observed one of the key value propositions of a DIB play out. The incentives to improve performance have led to a raft of programmatic innovations by Educate Girls since the first year of the project. We have also seen improved performance management practices scaled up and rolled out to other parts of Educate Girls, indicating that a DIB can help promising organizations to develop best practices that benefit the organization as a whole”.

Dr. Neil Buddy Shah, CEO of IDinsight, the evaluator, said: “There has been a revolution in the use of scientific randomized evaluations in development programs over the last 15 years, but the DIB is the first formal financing mechanism to tie payments to demonstrable improvements in peoples’ lives, as measured by a rigorous, randomized evaluation. This is the gold standard of scientific evidence, giving the funders a high degree of certainty on whether the program works.”

The DIB-funded program’s ultimate goal is to improve education – directly and indirectly through improvements in targeted schools - for 15,000 children, 9,000 of them girls, in 166 schools in 140 villages in Bhilwara District. Rajasthan was chosen as it has particularly poor indicators for girls’ education.

Notes to Editors:

Media contact: Helen Palmer +44 (0)7912 242394 DIB@webershandwick.com

Results webinar: Year 2 results will be discussed on a webinar hosted by the Brookings Institution in Washington D.C on June 29 at 10:00 EDT/15:00 BST/16:00 CEST. More information at: <https://www.brookings.edu/events/year-two-results-of-the-worlds-first-development-impact-bond-for-education-dib/>

For more on the Educate Girls DIB, visit: <http://instiglio.org/educategirlsdib/>

ⁱ Results methodology

The Educate Girls DIB results have been evaluated by IDinsight, an independent evaluator, using a clustered randomized control trial. The students’ learning progress was measured using the Annual Status of Education Report (ASER) assessment, a widely-used test of basic numeracy and literacy developed by the ASER Centre. A baseline test was administered at the start of the trial period to 4,140 students in Grades 3-5 randomly sampled from either schools receiving the intervention or control schools. It measured students’ starting grades on a scale of A to E for English, Hindi and maths. The children were then tested after seven weeks of Educate Girls’ intervention, in the Year 1 Endline. In the Year 2 Endline, 6,812 students were tested—with some students from Year 1 having graduated from the program and a new class (those in grade 2 in the first year) of students having entered. To capture the full effect of the program, students who enrolled in school after the initial baseline test was administered were also identified, randomly sampled, and assessed. IDinsight calculated the aggregate learning gains in terms of the number of levels gained on the ASER scale by children in schools receiving Educate Girls’ intervention as compared to children in control schools.