**TISS-NORRAG – Teaching Case Study on India Education Outcome Fund and the Development Impact Bond**

**Transcript of Interview with Dr. Dhir Jhingran, Language and Learning Foundation**

**M: Okay, so Dr. Jhingran I have had discussions with Satyajit as well as with Ashutosh. And idea was…when we also spoke with you in Mumbai I think in July-August time frame?**

R: Yes.

**M: What we thought was that we would be able to cover both the India Education Outcomes Fund and as well as the development impact bond on language learning which was proposed to be launched actually at that time. And we thought that somehow that would have already gotten launched by this time. But when I spoke with Ashutosh, he mentioned that it is still in the final stages, absolutely final stages, but given the timeline within which we are working…we are planning to put together at least the draft of the teaching case study by December. So, he said that it may or may not have been announced or launched by then. So, it would be good if you talk about the IEOF and whatever is known so far in terms of the design of the IB, we will not be able to see any implementation, we will not be able to see what is happening on the ground as it is too early for that. So, that is the reason we will have only an interview with you and we will actually not be able to go to the field….and this is a little different than what we had initially planned for…**

R: Can I just interrupt you here…I think I’d like to call you Archana and you should call me Dhir. The point that I want to make here is that. I don’t know what the formal DIB launch is, we are assuming we are on it already. But more importantly we are already implementing the outcome-based project from April this year…or you can say July this year. For us the project is very much ON. We internally call it a DIB, sometimes we don’t call it a DIB. The project is already ON and we have received some funds already from the outcome funder. So, for us the DIB is very much ON. And I don’t see why if you’d wanted to include a school visit, all our people understand DIB, we have had sessions with them about what is outcome funding, and what is the implication. So, I don’t what Ashutosh’s point was…? Maybe it was about the formal MOU still coming through… and because SBI is being included as an additional funder. But for all practical purposes for us the DIB funding has started, we are all completely geared towards DIB. All are field people. So, I would encourage you to actually look at this as a DIB in operation, rather than just say that this is not yet been launched. And more importantly the field program is ON from early July this year.

**M: Okay, that I think is a good idea because I understand that the program is running and so that is what will come as a part of the DIB in any case…so we will still be able to come and see the work which will then come under…up as part of the DIB or rather the funding will come through officially once the MOU is signed etc.…so, that is an excellent idea and I will speak with Ajay and he will plan a visit to Haryana and we will also in the meantime, you know…see if we can extend this slightly because what is happening is also…we are planning to get this teaching case study released end February or early March. But which means we will have little more time to make these additional updates based on the developments that will happen in the next few months as well. So, we will also be talking with NORRAG about that and we will make sure that we can get that flexibility…so this is really helpful and thanks for the suggestion. So, coming back to the questions, I have hence restricted questions largely to the 3 areas I have shared with you, I have also put it on the screen. One is related to the organizations engagement with the outcome fund and what’s happening with the proposed DIB and then the interactions with the various stake holders and I might have missed out on stakeholders, internal stakeholders like the staff that you mentioned on phone but they are any other stake holder groups that I have not mentioned here which are critical, we could talk about that as well. And then lastly the experience you had so far and what insights you have developed over the last several months, of having engaged with this mechanism and how that can really help us understand the potential that it holds for various service providers in the space in India. So, these are the 3 broad areas and I mean you could just start along these questions…**

R: I will…I actually did take a look at them today morning. So, if it works for you, what I can do is try and have a response to almost each question and then what you can do is either after one set, one of these 3s’…my response is complete and then you can have follow up questions, or how do you want to proceed?

**M: I would suggest that. I will not interrupt you when you are responding to questions in one segment. Typically, because you might cover the same questions…as you speak…I just want it to be flowing organically and not interrupt. And then at the end, we could pause it and then I could ask you a few points…**

R: Sure.

**M: Please go ahead.**

R: So, beginning with the historical picture, it was in October 2018 that I was introduced to Sourav by someone in this sector and I was told that SFI is engaging with the potential education partners…or service providers for impact bonds. And we learnt about SFI, it’s a non-profit…which is achieving to accelerate development outcomes and throughout the educational sector, school readiness to school education to work towards the transitions. And trying to see if NGO’s are willing to scale their operations with the focus on outcomes. So, we started the dialogue, that point we were doing 2 kinds of programs. One was professional development programs as LLF has variety of blended courses, the most intensive are those is a 9-month blended course for teachers and teacher educators, which we had kind of evaluated also, the base line and end line also classroom practices…at that time our Haryana program was only about 6 months old. The Haryana school-based program. So, we actually didn’t pose that SFI, we rather posed the one-year course. But obviously, the one-year course, the outcomes were not as tangible and not as direct as would be for school-based programs. Just to give a sense what LLF programing is that can form in overarching them for our discussion. We believe that to make any sustainable transformative change in a state, 3 things need to be done. 1 continuous professional development or capacity building of almost all levels in the eco system, which means teachers, teacher educators, DIETs, SCERTs, administrators; because without that we can implement a program and come away but it won't sustain because the system is not internalized that. So, our first pillar of work in a state is continuous professional development. In Haryana we started that work in 2016, just to give you sense of how the DIB that is coming through now is actually preceded by 3 and half years of professional development activities with state resource group and district resource group to create a foundation and climate for the transformative change in early language and literacy. That is our first pillar of work and the second pillar we say is that we do school demonstration projects. Which is what we started in Haryana in April 2018 with 175 schools in Kurukshetra district. The idea always is that we will demonstrate change in a good number of schools, 175-200, and then work with the government and help the government scale it up, rather than our scaling it up directly. We don’t believe in implementing large scale programs ourselves. So, the second pillar of our work is school demonstration programs and supporting government to scale up school level programs. The third pillar is systemic reform because we also believe that like capacity building, unless there is a change in certain aspect of the system, the gains from the programs will soon dissipate. So, for example for Haryana or any other state we would work with them on things like pre-service teacher education program, we would also interact with them around changing their regular in-service program. Their assessment practices. And regular monitoring that they do, so we engage with the system on systemic reform as a parallel process while we are working on school level implementation. So, this back drop is often not highlighted and outcome-based program like a DIB is seen is just school based learning improvement program. I think it is important to realize that the organization has put in a lot of other efforts to work with the state around capacity building at all level. So, we have state resource groups and district resource groups, who have undergone our courses. The district resource groups typically undergo a 3-month course, a shorter version a blended course which has got some face to face component, print material, audio conference calls, there is a mentor, there are assignments, smaller tasks, quizzes, and online discussion forum. So, it’s a blended course. So just to give you the backdrop that the DIB has been launched on the foundation of capacity building that the work has happened already and it is ongoing. That’s what we do and some activities of professional development are now included in DIB also in the coming years, so those are the 3 pillars based on which we work and to get back to those questions, so yes in October we started to interact, took a lot of time to understand what is outcome based funding and how do we fit in. Our point was we have an approach that we have tried and tested…so does DIB fit into this or not? And rather than saying that we will design a program that can be tailor-made to a DIB like design. So, we are very clear on that. So, there was a lot of discussion with SFI on these issues. Meanwhile also the state government has started to realize that this is a good program this is 2018-19 when it was implemented in 175 schools. And by October-November they were saying they want to take it to 7 districts on their own. So basically, there was commitment from the state. I understand that at this stage SFI was talking to several other organizations also about what areas to focus on, they had the entire range from primary to secondary to school to work force. They probably were looking at everything what options are available, which organizations are at what stage. So, I think how we fitted in towards early 2019 when it became more concrete was the fact that, the government was planning an expansion on their own. So, it wasn’t like an NGO implementing a huge program in Haryana. And we could get commitment from the government in the form of letters and minutes of meeting that they would support an expansion and almost 60-70% funds will be on their own. And then some positive outcomes have begun to emerge from the Kurukshetra project. The final outcome, final endline analysis came about only in the month of April or May, I think. So, we were able to present to SFI a 3 year forward looking outlook on how the state would want this program to expand. So that was something which probably moved them in that direction. Coming to question 2, I think the simple answer for this is…we were struggling to get 3-year commitments from traditional funders like CSR or any other that you are working with. We were closely with UNICEF but it doesn’t work in Haryana and also…some people were talking about 1 year and in principle we will see later. And then also the requirement of funds was quite high for one or 2 CSR partners to actually take up. So, when this opportunity came by, we were quite happy, though we were not sure about whether it will come through even until I would say, June-July, it was still not 100% sure, though SFI was doing a lot of ground work around it, so that is question number 2. On question 3 which is what of our work, now as I said that this program actually because it is going to be a state wide program, the costs are shared between the state government and LLF, the state government bears the entire cost of training of teachers, training of master trainers, all materials for children. All the direct cost of training and materials and workbooks of children and also visits by governments own monitoring personnel…they have someone called…like Cluster Resource Co-ordinator. They call them ABRCC, Assistant Block Resource Center Co-ordinator and Block Resource persons and they will visit these school and the monitoring are also taken care of. So, what LLF required from a funder for the expansion was…basically our own staff which were placed at district level and block level, their travel and some amount of capacity building for them, development of a monitoring and evaluation and simple research kind of framework, which helps in ongoing program improvement. Because these costs are not covered by the state government. So, these were the heads on which we wanted funding, just to tell you about the model of our staffing…we are very conscious of the fact that we do not want a high touch model but we want a model that really can be sustained by the government. Because we have looked at scaling up as something that the government should do, while we provide technical support. We don’t want to become so high touch that when we withdraw everything falls through, so by design we have imposed a limitation on ourselves of number of people who will be available to do some monitoring work along with the government system. So our model is this that while we have a district co-ordinator, for overall coordination, we have only one for about 50-60 schools, one block co-ordinator for 50-60 schools, who is embedded in the block along with the government’s own monitoring people the BRP and ABRCC’s, so trying to organically influence the way monitoring happens in newer ways of looking at classrooms, there are joint monitoring visits. So trying to energize the and revitalize the government’s own monitoring system, so we find typically several other organizations doing such learning outcome improvement programs with one person, one facilitator for 20 schools, sometime 25 schools and 30 schools. But we have imposed this big limitation on ourselves of having only one for 50-60 schools, now I come back to this how many people said it is risky, you are engaging in a DIB where you are guaranteeing the outcomes, and you are really depending entirely on the government system and your person is looking only after 50 schools…but our belief in the model that we are trying to develop is stronger than…just to make guarantee success will put one person for every 10 schools or 20 schools because we think whatever model we develop through the DIB, should be something that can be held out to the rest of the country as well and for state government. That’s the response to number 3 and number 4…I think LLF believes that strong foundational skills of language and literacy are absolutely crucial for all future learning and through the DIB…we will be supporting about 3500 schools and 1.2 lac children to improve their language and literacy outcomes. So that is something which is very important to us. As I just mentioned that it is even more important to demonstrate a model of government-NGO partnership, a real partnership where the government takes the lead and we are providing technical support and implementing a sustainable program for foundational literacy which includes systemic work as well and it could be a model for other states as well. So that’s what we think the impact bond will help LLF meet our overall goals…because we stand for increasing state capacity to do different transformative things, so that’s 4 for you. 5 is I think…we were lucky in the sense that we already had a program, we had a design and approach…of course only for 175 schools…we had government supporting and looking at the program as a something there is, that seems to be good. So, they were already very supportive. What I think we did, to participate in the bond is to make a 3-year plan which is much more clear with very clear activities and budgets. Also helped us in greater clarity on the outcomes, so of course we were always looking for outcomes but I think sort of quantifying them and being very sure about what outcomes to achieve…so that’s the change that we did on account of the impact bond. That is number 5, if you say...our contribution or my contribution in designing. I think the program design, the model is something that is completely ours…of course co-created with the state government, so the entire program design of how change will come about is definitely that of the LLF. The government partnerships are something that we already had. So that is brought into the DIB and that is definitely ours. I think SFI did some very good ground work, the CSR and outcome partners and we were only involved at a very late stage, were SFI had already done the ground work and it was quite smooth for us. Yes, of course the CSR partner wanted to meet us and discuss but by that time there was almost a commitment from their side to the DIB, so that was good. Our contribution and my contribution also…let’s say is that at one stage there was a crisis about the risk underwriting organization…if I can take a name as well then TATA Trust was a little slow, in giving their agreement…so I have a relationship, LLF has a relationship with Central Square Foundation so at a very late stage we approached them, if they would be willing to underwrite the risk but because they know us they know our credibility…they know about our programs and they were very quick to agree and I think that is the contribution that LLF could make here. I think we have been involved in the discussions in the outcomes, what should be the target which is still outgoing…but that’s something which has been a consultative process. And also, the design of the evaluation by Educational Initiatives, we have been involved. I have been involved individually as a kind of expert around language assessment…but more importantly formerly as a member of the steering committee which was helping design that…so I think SFI did some very good ground work…around getting the outcome funder on board and also developing the concept notes and the architecture of the whole DIB. Which Sourav kept sharing with us all the time and we found that quite in-order. We were always aware of what was being proposed…we didn’t have too much of a contribution because we were kind of accepting and we were quite okay with it. We were more confident about the program design, the government partnerships, and we did contribute to the assessment tool development etc. so that’s the role that we played…that’s my response for 1 to 6.

**M: Thanks, that really covers most of what I wanted to ask…but after listening to your responses I had a few follow up questions and very quickly I will first…state what they are and they you can respond. The first thing is what you mentioned earlier on with regards to the foundation being already there. Because you had invested already in capacity building at the level of state resource group and so on. All that…is that kind of effort counted as an investment, I am thinking of it more broadly and not just this. Most of the work that is proposed as work or interventions that will result in outcomes look at a particular intervention I feel sometimes in isolation, and there is a lot of ground work that actually allows or enables the outcomes to be achieved and somewhere I feel that is not factored or is that factored somewhere, is that accounted for, is that recognized, so that is one. The second question I had was when you were already working with 175 schools and then the state wanted to expand it on their own to 7 districts and also take it perhaps much more in fact beyond that and the DIB coming in really with this additional fund. I am just looking at the literature on DIB and it talks about really experimentation, so I have had these discussions even with others who are working on this. And there is this question in the initial phase very often the DIBs are intended to allow scaling, allow expansion and not necessarily support experimentation, it is already done, you have already done the work of trying and testing, checking what works best. So the DIB is coming in to help expand and it’s not here to allow you cover the risks involved in experimentation…I am I reading this correctly?**

R: Yes, both are good questions…

**M: And one last question was on the outcomes. You had already by April completed your endline and you already had results. And I was curious to know whether now the outcomes that are getting articulated for this DIB, are they similar or are they more ambitious than what was already achieved?**

R: So, let me start with the first one. It’s true that there is work that happens to build the base for such a project. For example, government relationships, some amount of capacity building etc, I think that is something that the service provider brings into the DIB already. So, it’s important to recognise that. At least for us the DIB is not starting of something which is completely new and our experiences of work in the last couple of years in Haryana, is definitely been a very strong element of what we bring into the project and our confidence of working with the government etc. is based on that. So, I think yes, you are right the DIB should recognize that there is work that has gone into this before that as well. What we have done…we strongly believe in capacity building and strengthening of the system. We have included a few activities in the DIB also, apart from the work which we have done earlier. And these activities are we are going to strengthen the district resource groups through several workshops. And also running of the 3-month course. So, all of that we have budgeted under DIB as a continuation of what work we did earlier. Because newer districts, we have not covered everyone, so I think the DIB recognizes the fact our 3 pillar approach and we have included funding for the capacity building of the government system which has increased the cost a little but we think that is the only way we can sustainable outcomes, we as I said do not believe in implementing a program which is not sustainable by the state government. So, yes, the DIB includes that and I think it was influenced by us because of our belief about how we worked with our government, so that’s one. And the other thing is that we have also included improvements in monitoring assessments and some work [30:48.1 -30:54.8 Inaudible] in the DIB also. Now, and also the people who are there, would be doing all of these so there are staff salaries, that are included. So we have ensured there are 3 pillars of work that we want to do will continue during DIB also and we don’t get focused only on working inside schools, because there is so much that you have to do around that in the ecosystem. Yes, there is a risk of that getting a little under emphasized, if the entire focus in on outcomes in schools. But we have very carefully at least at the design stage included that work because of our belief. So that’s my answer for 1 question. Yes, I think you are right, about experimentation in scaling up, DIBs may be playing safe usually and if there is a proof of concept already they would be happier for that, but this time DIB when it was being negotiated we didn’t even have the results of the first year of the work in 175 schools, and that also is only grade 1. We do grade 1 first and then next year we do grade 2 just to ensure that things stabilize. Nothing happened in grade 2, so grade 2 will happen under DIB now, for the first time, to that extent I would say that, it’s both ‘yes’, there is some confidence that somethings were working but if you say the demonstration of grade 2 will really happen properly now. It is true that we have the lab area of 175 schools which is 1 year ahead of the DIB project, DIB schools, DIB districts and DIB blocks. So, when 175 schools are trying this in Grade 2 this year whereas in DIB schools, we are implementing in Grade 1. There will be cross learning…but still I mean there is a lot that we will try out for the first time. In the DIB schools also. But I think this is a good model where you have a small demonstration project little ahead for the large number of schools and districts to learn from. We also organized visits to Kurukshetra where the 175 schools are. So, the answer is ‘yes’ and ‘no’ in the sense that ‘yes’ the Kurukshetra project 175 schools is continuing to be kind of experimentation and demonstration project. But there are new elements for example community engagement, we did nothing in 175 schools, here we added a few things, engagement with head teachers was very weak in 175 schools. In DIB we added something there. 2 aspects that I would highlight, and otherwise ‘yes’ the DIB would look at experience from the 175 schools for grade 2 etc. for use. But by itself scaling is also an experimentation in the government system because implementing something entirely through the government system with our people being really like the medium touch 1 for 50 schools is something which is a model at scale that is being experimented let’s say…so the scaling up also is not something that either the government has done or we have done earlier. Yes, the basic understanding that this approach seems to work did come from the 175 Schools. On your third point of our outcomes, the outcomes that were measured in 175 schools were very-very…it was done by the state government, we were not even involved, they used a third party. The tools were not really very appropriate as nationally and internationally recognized for early literacy. So, we didn’t…we just got the confidence that the children are learning more…but it wasn’t really organized according to the set of competencies that we have now committed or we will be finalizing for the DIB, so that extent says…its just a very generic kind of confidence that our approach seems to bring about improvement in learning outcomes, and that too only in grade 1. Because it was only Grade 1 that was completed then. Our grade 2 model is still being tried out in these 175 schools. So, outcomes’ quite different, the planning is also different and assessment is very different. So, we will only have a very generic understanding from that particular experiment.

**M: Okay, thanks…you could proceed with the second one.**

R: So the second one…so the stake holders are rightly identified, the government and I would say…the CSR partner, Central Square Foundation, Educational Initiatives and LLF Internally, so that’s our stake holders group. The Haryana state government they have been informed that this is the source of funding that LLF is using now. And therefore, there is a development impact bond and there will be this kind of more rigorous evaluation of outcomes. Other than that, for them nothing is changed, they were supporting the implementation of the project, they were taking the lead and they will continue to do the same, so for them the DIB is not very different except a knowledge that LLF has got some support for their activities for 3 years. So, there will be consistency in LLF’s participation and that there will be some rigorous evaluation of outcomes which may have to be made public. That’s the only thing that we have informed them in writing and they are okay with it. So, right now they are not really engaged with the impact bond, it’s also probably very early stage that we have not gone to them with any final formulation of what we want from them, except the assessment of children. So that’s how they are looking at it. We are anyway in dialogue with them about how the scaling up can be extended to the entire state in 2 years from now. And so, which is quite independent of the impact bond also…of course Impact Bond will help in showing a scaled outcome in with 3500 schools. On 8 which is EI. Yes, we did have a lot of discussion with EI around assessment…and what components should be included. It helped that I was already a part of an expert or an advisory group, which was supporting EI’s development of the assessment tool with Central Square Foundation. So, in a way we were looking at what is there in EGRA, what should happen in India and what are the outcomes for 1 and 2. So that was like a continuation, so we are interacting quite closely with EI around the assessment component. And I think what is still evolving is the outcome target. All of us have looked at what the data is saying…in India and some outside India as well. There have been discussions about how outcome targets need to be fixed. We have zeroed in on 4-5 of these major outcomes and we are looking at how we can finalize the targets for these…I am sure we will be working with EI and social finance on the target finalization. When you said internal stake holders, that’s within LLF, is that what you meant?

**M: Yes.**

R: Okay, I think the team is quite excited, confident, not anxious and I think happy that there is stable funding because people in the field and everybody wants to know that this is something which will go on for the next 2.5 years at least. Before that it was that LLF is going to raise funds annually, try and get whatever possible etc. So, it was I think it provided stability to the team that okay, now the funding is taken care of, and let’s apply ourselves very clearly to outcomes. I think there is confidence about outcomes and they are looking at this positively, so if I was to say a very general statement, we will come to some comments on this a little later. If you say ‘hired new staff’, only 2 new people which we have had not initially planned as a part of a design. We are hiring for the project coordinator at the Delhi office largely for interacting with external stake holders also as a bridge between the Delhi office and the Haryana program and to be able to handle the extra work associated with the capacity building of our own teams, and also being in the field and supporting the state team very much in a supportive capacity. The project coordinator doesn’t lead the program, the state manager of Haryana leads the program. So, he and she will be in a way extended arm of the central office, to support the Haryana work, the second position that we have added and we have already recruited for is...what we calling a data management coordinator but it is actually an M&E position because we do think that a lot of internal monitoring data is coming up already, there will be lot of informal assessments we need to keep analyzing that internally and feeding it to the teams while they do their own level of analyses but in a more concrete manner. So these 2 are the positions that we have added, in view of the DIB.

**M: So, if I may I just have 2 small questions, one is with regards to the assessment...I am trying to understand how is the assessment component structure of it, and what would be the relationship between the service provider and the assessment agency. Like you mentioned in the earlier instance when the Haryana government hired a 3rd party. I mean I am assuming it was a completely different entity from outside and you were not happy with what and how it was tested etc.; But with this is it more interactive than what is typically or is it disassociated...**

R: No, so I think with 3rd party the only problem was that even the design and the framework was not known or agreed because the government just contracted them but here I think this will be completely independent and third party, I am sure this will be all rigorous and formal, is just that at this stage what counts as learning, in an early literacy project, is where we are interacting as a part of the steering committee with EI as well. So they have their own suggestions, they have an assessment so, I think it will be quite independent, it’s just an agreement of what learning outcome should be expected from such a project, is the stage we are interacting with them and I think that is important because everyone should be on the same page about what outcomes are being expected right.

**M: Absolutely.**

R: So, that’s all I think is the difference here.

**M: So, while on one hand you need to be in sync on these aspects, on what is going to be assessed and how it is going to be assessed. But at the same time that has to be an independent thinking… that’s what I was trying to understand.**

R: Probably will not be involved at all with anything that happens in the real assessments here…for its analyses or reporting or anything.

**M: And the second question I had was on the internal stake holders. I wanted to understand how did the board of LLF look at this, were they excited or were they skeptical because this is new and so…**

R: Archana I just need to get a charger because my laptop is discharging…just give me 30 secs…

[Respondent charges the laptop 44:36 - 46:05.5]

**M: So, the question I had was on the state government role, I understand that it is at a very initial stage but do you anticipate in the future since Haryana would have been a part of…a DIB project in that sense. Would it be prepared at some sense to become an outcome payer…that is the ultimate goal of DIB. It’s too early to make that conjecture but I just wanted to get your sense of how that is also going to look like?**

R: So, we have a board, which is board of trustees. We are organized as a trust. Which right now has only 4 trustees, we meet quite often, so in April we circulated a note about the DIB and we got…we explained what it is…maybe later in May… and then we got agreement from all the 4 trustees. One of the trustees actually works with us…actually 2. One works with us in this office as director of operations and one more is an advisor with us for multi lingual education in Raipur. So, we meet and discuss quite frequently, so everyone agreed. We did explain, we had a discussion with Educate Girls about what does it mean to do a DIB and our apprehension was really about…you know too much reporting, kind of very focused on data and outcomes and taking away too much time of the senior team. And I must say…you must put it down somewhere we are working business as usual. We have not changed what we do…yes, it is an agenda that we discuss more frequently now but otherwise it’s not that the organization has become very DIB focused, or spending too much time on it. We do all our programs and giving it almost equal weightage. So, we think DIB is another program, important because of the scale and not because it is a DIB…in the sense that we feel we don’t have to do anything extra for that except to manage and implement well. We did place the concerns of Educate Girls who seem to have gone through a lot of challenges in implementing the DIB, but I think why everyone was tilted in the favor was because it was secured 3 years funding, which as a small organization we would have had struggled to put together. So, I think that finally swayed everyone to go in for it. We also have an advisory board headed by Miss. Vrinda Sarup who was Secretary Education earlier and Venita Kaul, so we have got quite a few credible people…we placed it before the advisory board also and they were also supportive, they said “just see that this is something that doesn’t take too much time of the organization and ensure that its…” but everyone was supportive of that so we didn’t have any issues. State government…I know that the real impact bond models are where the state becomes the outcome payer…now here if you look at this, the state actually bears about 70-75% of the cost of the program anyway, so to that extent, the DIB is already leveraging out 70-75% of the program cost from the state government. It is not coming; I don’t know what an outcome payer…it doesn’t to come to a common kitty or anything. But by providing a workbook to every child…posters, charts, teaching learning materials…training of teachers. All the district resource group members being sent for courses, the monitoring tool being included. So, our calculation is about 70-75% of the overall cost of the program is with the state government. I think the DIB has ensured that they remain committed to this because of the fact that we have got organized on that side and we are strongly having people on the ground so…the government also sees consistency in the fact that this program is being supported by LLF strongly. Now the question of outcome payer then arises for what are LLF costs, which are the cost of personnel and their travel and some capacity building for them internally and some value added activities which I think can easily go to the governments kitty and they are almost willing for example, ‘reading melas’ were included in the budget for DIB but we have persuaded the government to do reading melas in all the school on their own cost also. So slowly we will try and move any other programmatic components to government’s own funding. Now the question about the extra staff which are required for technical support, now we feel the need for that will actually reduce over time because it being demonstrated and the state people understanding more of it, being participants in the entire process we have designed could reduce that cost and in fact for the expansion that might happen in 2022-23 or 2023-24 to the whole state, we are not visualizing anything more than maybe 1 person for district, and a 2 or 3 members for state technical support unit from our side. To that extent by providing cost and being a partner, because you know the DIB’s have been implemented very differently otherwise, which is like ‘you demonstrate’, ‘you do this’…and then ask the government ‘here is the proof and will you take this on’? This is being done very differently. Government is the partner from the beginning and the biggest investor in the whole program. The DIB investment is the minority investment of that and therefore…when this DIB ends and the state government decides to implement after or during the DIB, the cost that is required from an external partner are going to be very limited. Now the problem in saying why doesn’t the government pick it up. The government in India’s financial norms cannot pay NGO’s. They cannot transfer funds to the NGO’s. That is the big-big issue for last 4 years, we have tried with the government, they cannot, the finance department doesn’t allow that. I cannot foresee this happening even after the DIB ends. So small amount of funding which we are probably projecting as something like you know…some 30-40-50 lakhs or even 30-40 lakhs a year, which will be like maybe 5% of the overall implementation cost or even lower would still have to come from some kind of a partner or private foundation…interested in state level scaling up or a sustainment of a program but otherwise we should not look at this DIB differently from conventional DIBs where someone does this thing and advises the government to then take it on…this is quite different. And I think that’s the distinctive part of this DIB.

**M: Okay, this was very important point. Thanks. I am aware that we are almost through 1 hour but if you do not mind if we can complete this…**

R: So, what has been the experience so far…? So, we have had no major issues except the delays in funding from the outcome funder and that also more has been because one because the DIB negotiations started quite late from SFI’s side and then they took some time to locate the partner. Our outcome reports of the Haryana 175 schools were available only in May. Our agreements with the government of Haryana came around that time too. So, I think rightly so, they took time to identify the partner, convince them and then there were some changes in the MOU required because the costs were not being able to take up by 1 partner and they tried to get another partner on. So, these…the only rough patch was the delays and we had to spend during July and August from our own resources but that I think, it was peculiar to the timing in which was negotiated. It was quite late a start and I think SFI and all of us were really worried whether it will come through this year, that was one challenge and I think otherwise SFI and Central Square Foundation have been very supportive about this because I think Central Square Foundation also cares for state level and state led implementations and this was also a good opportunity to show CSF support for such a program.…for us it is quite business as usual, except we want the teams to be looking at the outcomes more closely, looking at the monitoring data that is thrown up. And regular monitoring visits. That is something we already do but I think, the one gap, the one thing that we should do better, which is your question 12 is about a data and evidence based culture which we were anyway trying to build in within our own organization, but now it is imperative because we have to keep looking at children’s learning on ongoing basis and we can't wait for an year-end evaluation. So this was something which we had already started to do but I think to do it more rigorously and to do more analyses…to do more reviews and discussions around it and let people to start thinking about…for example when we have school visits by our people and the government people, for them to be guided by ‘what the data is saying’, ‘which schools are not doing well’, ‘what are the dimensions on which they are not doing well, why and what the children are not learning’? is something what we are now generating from our data and that is something we definitely want to strengthen… so I don’t see it as a challenge but I see it definitely as something we need to do more work on…that’s question 12 for you. 13th question…I think we have a position called Director State programs, which is for all our state programs. That person is giving a little more time now to the DIB than and not maybe entirely in equal proportion but also it is a big project for us and I think the additional work is about communication and relationships, with the external stake holders around the DIB that is something which could be extra, now. We definitely will be strengthening our M&E work. The good part is this what we do for Haryana, we have school-based programs in 2 other states i.e Rajasthan and Chhattisgarh, we will be directly able to apply that…for example we are developing a monitoring app, for classroom observations on regular basis. Maybe a simplified version of that we can use in other school-based program also. So, strengthening MNE and use of data and some reporting and relationships is the you can say, with the external people…is the kind of change but we have not been really hassled by this change right now. It seems to be okay. But we do know that as we go on probably, there will be more interaction of external stake holders about performance management what are our structures and capacity, normally as a part of the DIB or MOU, it is included that maybe Social Finance India and CSF will try and review our arrangements and if there is any need for capacity building etc. So, we understand that but we also think that we are quite prepared for it and if there are good suggestions on capacity building that come up then we are definitely happy to strengthen that, so that could play out a little later. But that is something we are okay with. 14 is about key lessons in the last few months. I would say for any other organization you should have a strong strategy which hopefully you have some re-assurance about. You do have to have clarity on what you want to implement and an understanding that seems to be either showing some early results etc…that is important, and I would also say that it is important to be doing regular reviews, strong internal monitoring and looking at data closely, that’s something which should be crucial for anyone looking for outcome based funding. And I would also say that if the DIB involves working with government as in this case which is what I feel, DIB should be about, not individual experiments etc. Because here, the chances of the government picking up a full experiment, may not be that strong but initially if you start by co-creating the government so…if you are working with the government then there are the challenges of delays which has happened with us in Haryana and all the rest of it…such as elections happened in Haryana this time and there was change in leadership…several changes in the state leadership at secretary level and SPD level again re-negotiating and talking to them…So, I think everyone should look at this and have some risk medication strategies for this, that is very crucial. And I think what we are interested in is holding out on model at the end of this about how you can…one should look at sustainable change, which can be which the state government picks up and continues to implement and therefore, we do not implement a very high touch model…my message to any other organization would be to try and establish models which can be picked by other governments without complaining about high cost or the fact that…the system is where it is and then you guys have come and implemented something and you are going away, so that is important. I was actually also covering question 15 in this. So, choosing and demonstrating how one can work with government at scale, would be something, that we would want at the end of this. For the education sector I would say that would then open up opportunities for many other organizations to explore, this kind of impact funding, working with state governments at scale and to bring about large-scale change in the way schools’ functions. For us just one point…we focus on learning outcomes ‘yes’ but not in disproportionate manner. Because while the DIB may only look at that as the outcome. We are trying to parallelly even outside the DIB, looking at how teaching learning processes have changed. Because we feel very strongly that lasting change comes when classroom processes change, what happens inside the classroom, how teaching and learning process is organized, are children are actively engaged or not, are they participating or not, are they speaking, are they independently writing or not…so a set of measurable indicators because if the teaching and learning process starts to change then learning outcomes will obviously flow, so I think…one more message I think to programs and future DIBs would be to also focus on these process outcomes which are crucial for lasting change. And here the good thing is that IndusInd Bank which is a CSR partner, was very much on board when we were discussing in the steering committee and they said that let’s see if we can free up some resources to do this kind of tracking of change and not just the student outcomes because these are more indicative of how the system is changing, so that was a big positive. So looking at that is also very crucial for us.

**M: And since it is the first impact bond coming under the IEOF, I was talking about the prospectus clearly talks about how, the eventual plan is to develop a rate card…how do you feel? Because this experience is going to contribute, towards that as well.**

R: My discussions with SFI on this was that…there are varied situations…here in a state there could be higher or lower need for capacity building, what’s the kind of training and inputs that have already gone in there. How much is the state bringing in their own investment…so, I think to read any rate card or payouts or looking at payments of outcomes should always be read with the context. So having universal and standardized statements would, according to me, is problem. Somewhere, lesser investment could help, you might require greater investment also somewhere. If we were to work in a situation such as Jharkhand…where the home language of children is very different. There would be more work required around studying what kind of transition from whom to school language can happen, developing a lot of materials from different languages. There could be a higher requirement of funding for that kind of a program…maybe the government would support it, we don’t know, that is possible but its always important to be able to delineate, what is the context of the state in terms of socio-economic levels of course and also in terms of where the government system is and where the teachers are…and this is what is coming out in this particular context. So, for example in Haryana, it is known as a state for stable population and mid income and but that is not true with the government schools, the disadvantaged groups that are enroll there are as bad as in any other states, because everyone else has moved to the private schools in Haryana and Punjab. So we find there are children of migrants from such as Bihar, Uttar Pradesh etc who are represented in these schools upto 25-30% they migrate very frequently for seasonal migration when there is work outside of Haryana. Example they are now going for cotton cultivation outside of Haryana sometimes inside Haryana, when they go home to Bihar and UP and they take their children with them for 2-3 months. So, we have to paint a picture of under what context these outcomes have achieved. And what was it…so my suggestion here is not just the bland statement that the project has achieved these kinds of oral reading fluency rates at this kind of rate of funding. But also important in what context, Haryana has very disadvantaged children inside the schools, which is will not be understood unless the picture is painted very clearly. So we have to add more dimensions and layers to the work of what impact funding is…

**M: Well I don’t have any more questions and this is really been very interesting and I had number of questions and lot more were generated in the course of listening to what you were saying…**

R: If you have any other follow up questions you can mail me then we could…

**M: I will speak with Ajay and see whether he can come up with some possible slots when he could visit the field…**

R: And talk to some of our people also…for what they think about it…

**M: Yes, I will be in touch with you, I will send you the transcript and I look forward to receive your consent form. I am also speaking with Pranav Kothari on Friday.**

R: Okay.

**M: Thank you so much.**

R: Thank you.