**India Education Outcomes Fund and the Development Impact Bond – a case study**

**Background**

Innovative financing (IF) mechanisms, that often use private sector or market-based financing and business approaches, hold considerable potential to both raise new resources and improve the efficiency and effectiveness of existing spending in the education sector. Appropriate adoption of innovative financing for education is hampered by education professionals’ lack of familiarity with innovative finance and by financing professionals’ lack of familiarity with current education debates. Furthermore, even those familiar with IF for education tend to be expert in particular areas, such as development impact bonds, rather than with the whole field, much of which remains relatively under-researched.

To support the needed capacity-building, NORRAG, in collaboration with a global network of six partner universities, has launched a project to develop post-graduate e-learning and executive education courses on Innovative Financing for Education. These courses will be pioneering in two respects. First, they will utilise the very latest research about IFE, including important current and proposed examples. Second, they will employ cutting-edge e-learning technology.

The development of teaching case studies on IFE is carried out by a Consortium of Education and Research (COFER) which is funded by the “Swissuniversities Development and Cooperation Network” (SUDAC) in Switzerland. A total of seven universities, presented in the following, collaborate in the COFER:

* NORRAG, Graduate Institute of International and Development Studies (Project Lead)
* University of Fribourg, Switzerland
* Zurich University of Teacher Education, Switzerland
* Beijing Normal University, PR China
* Tata Institute of Social Sciences, India
* Bertha Centre for Social Innovation and Entrepreneurship, University of Cape Town, South Africa
* Universidad Nacional de General Sarmiento, Buenos Aires, Argentina

A central component new research development in this project will be done through the development of teaching case studies based on existing experience in designing and implementing various IF mechanisms for education projects. The primary aim of these case studies is to document and analyse the operationalisation of IF in addressing education sector financing and quality improvement challenges.

**Rationale for developing the case study**

The India Education Outcomes Fund (IEOF) aims to achieve the UN Sustainable Development Goals (SDG4) by bringing together funders, investors, service providers to set up scalable outcomes focused solutions addressing India’s pressing education challenges. Its mission is to create transformational impact in Indian education through funding USD 1 billion of outcomes-focused activity by 2030. The IEOF is a visionary fund that aims to create an ecosystem of sustainable funding by structuring and launching multiple impact bonds or pay-for-success contracts in parallel and at scale. The first instrument to be launched is a Development Impact Bond (DIB) on language learning. The proposed case study aims to focus on the IEOF itself and the work on its first DIB.

The IEOF and the DIB created under it would make for an interesting and important case study as the Project and its key stakeholders could provide insights and perspectives into innovative financing models as well as share their experience of building the first outcome investment ecosystem in India.

**Research Questions**

The study aims to understand the new marketplace platform of the IEOF and the first DIB launched through it.

The key research questions that this work seeks to answer are:

1. Rationale:
   1. What are the contextual factors, identified needs and prevailing problems that the IEOF and the DIB seek to address?
   2. What were the reasons for moving away from traditional funding models?
   3. What were the reasons for setting up the IEOF marketplace and moving away from the Version 1.0 DIBs?
   4. Why was it important to institute this fully at the domestic level?
2. Key stakeholders:
   1. Who were the key stakeholders involved in designing, developing, and finalizing the IEOF and the DIB? How were they identified?
   2. Who are the key stakeholders involved in the implementation?
   3. What has been the nature of government involvement in the IEOF and the DIB during the design, development and implementation processes?
   4. What are the mechanisms used to coordinate, support and monitor the work of key stakeholders in the IEOF and the DIB?
   5. Have there been any changes in the key stakeholders involved in the IEOF and the DIB and if yes, what were the reasons for the changes?
3. Structure:
   1. What is the structure of the IEOF and the DIB? How has this been operationalized? What considerations and evidence have influenced the decisions about the structure?
   2. To what extent is the structure flexible and have there been any changes since the structure was established?
4. Implementation:
   1. What is the stage of implementation currently, with regards to the IEOF and DIB?
   2. What has been achieved with respect to what was intended and what has remains to be achieved? What are the reasons?
   3. What are the initial experiences of implementing IEOF and the DIB?
   4. How have different stakeholders contributed to the implementation?
   5. Have there been any changes/revisions in the plans and targets after the initial implementation?
5. Challenges and Opportunities:
   1. What are the main challenges confronting the IEOF and the DIB? At what stage were they encountered?
   2. How have these challenges been addressed and are there issues that remain unresolved?
   3. What new opportunities have been identified and how do you plan to tap these opportunities?
6. Monitoring, Evaluation and Learning:
   1. How does the IEOF and the DIB track progress and monitor the process of implementation?
   2. What are the indicators of success and how are these measured? What are the specified outcomes and what are the unintended outcomes?
   3. What is the strategy and method of evaluating the IEOF and DIB? Are there any changes required in the monitoring and evaluation strategy/methods?
   4. What is the role of key stakeholders in monitoring and evaluation?
   5. What are the specific changes and learnings derived from the monitoring and evaluation?
7. Lessons learnt:
   1. What are the key lessons learnt from the design, development, operationalization and implementation of the IEOF and the DIB?
   2. What questions need to be asked with regards to innovative financing based on the experience of IEOF and DIB?
   3. To what extent are these lessons transferable within the India and what lessons are transferable even outside India?
   4. Have the IEOF and DIB been able to address the issues of education financing and quality improvement in education?

**Methodology**

*Data collection*

The case study will be developed using secondary material (reports, brochures, documents, etc.) and by collecting data from the key stakeholders using a semi-structured tool. The tool will be developed based on the preliminary review of the secondary material. The tool will consist of questions that would be asked to all the key stakeholders and specific questions that pertain to the role of the specific respondent. The team conducting the interviews will be well-versed with the secondary material as well as the questions contained in the tool, so that they are in a position to establish an organic flow to the interview. The team may consider sending the tool to the respondents in advance so that they are ready with the information required. The interviews will be conducted via videoconferencing and if required in-person. Videography may be done simultaneously in select interviews or separately, as per the convenience of the respondent and logistical considerations.

Based on a review of secondary material and initial discussions with the Tata Trusts and Social Finance India, the team will identify the stakeholder groups associated with the IEOF and the DIB. At least one member of each stakeholder group will be interviewed using snowballing technique. Informed consent and Media Release Forms will be shared and collected from the respondents.

*Analysis*

The secondary material and the interview notes will be reviewed and analysed around the broad themes covered in the study – context, problem statement and the rationale for launching the IEOF and the DIB; the key actors, their selection, respective roles, and interlinkages; the structure and operation and the process of setting it up; experiences, challenges and successes and anticipated changes; evaluation of outcomes and lessons learned. This is a tentative outline and the thematic categories will emerge more clearly based on the data gathered.

*Writing*

The case study would be written in an easy-to-understand language, and would include an explanation of key words used or a glossary may be appended, if necessary. The case study will present perspectives of different stakeholders that emerge from the analysis of primary and secondary material. References to and placeholders to the videos will also be highlighted in the text of the case study so that the videos can be seen and used as a pedagogical tool along with the text. The first version of the draft will be shared with internal peer reviewers and with NORRAG for feedback, based on which the case study would be finalized. The exact structure of the case study will emerge based on the material gathered, but will roughly include a description of the context and the problem, the description of the vision, objectives, scope along with the process of operationalization, the challenges, successes and lessons drawn. The case study will be made interesting by use of infographics, tables and diagrams, as well as direct quotes from the key respondents. The contribution of all individuals and organisations that have supported in the preparation of the case study will be duly noted.

**Deliverable**

The final output would be:

1. One multimedia case study consisting of not more than 20 pages and video-shots of select interviews conducted and project footage (if available).
2. Teaching notes to accompany the case study, consisting of the learning objectives, discussion points, additional notes/readings, and assessment component.

**Team**

The case study will be prepared by Prof. Archana Mehendale and Prof. Ajay Kumar Singh from the Centre for Education Innovation and Action Research (CEIAR) at the Tata Institute of Social Sciences, Mumbai. They will be supported by selected research scholars and the media team of the Institute.

**References**

India Education Outcomes Fund (unpublished document).