



Center for  
**Universal  
Education**  
at BROOKINGS

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NOVEMBER 2022

# FROM EVIDENCE TO SCALE

## LESSONS LEARNED FROM THE QUALITY EDUCATION INDIA DEVELOPMENT IMPACT BOND

EMILY GUSTAFSSON-WRIGHT, SARAH OSBORNE, AND ADITI SHANKAR





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Cover image: Primary school students in a learning session, Delhi. Image credit: British Asian Trust.

# CONTENT

- Introduction** .....1
- Background** .....2
- Lessons Learned** .....4
  - Flexibility is key .....5
  - Design and deploy at scale .....6
  - Engage with governments for sustainability .....7
  - Promote knowledge sharing .....8
  - Incentivize participation among all stakeholders ..... 10
  - Carefully consider evaluation design..... 11
  - Outline roles and governance frameworks based on stakeholders' strengths..... 12
  - Set up efficient data collection and management systems ..... 13
  - Center beneficiaries in decisionmaking ..... 14
- Conclusion** .....15

# INTRODUCTION

The coronavirus pandemic has re-emphasized the need to develop innovative solutions to unprecedented problems in health, education, and other sectors. The learning crisis in education is reaching catastrophic levels, the consequences of which are disproportionately felt in populations that are already marginalized. Learning levels were already lagging prior to the pandemic. Then, beginning in March of 2020, the COVID-19 pandemic meant that schools closed for an average of 224 instruction days globally; with schools in low- and middle-income countries being closed for longer on average. An estimated [65 percent of governments](#) in low- and middle-income countries cut funding for education during the pandemic. School closures, together with fiscal shortages, preexisting structural deficiencies, and lack of equitable access to alternative forms of learning have contributed to this dire situation, which is mirrored in indicators of learning levels. It is estimated that many of the gains in education outcomes made over the last [20 years](#) have been lost. As we emerge from the uncertain times of the pandemic, the education community has a unique opportunity to explore innovative and alternative ways to avert the continuation of the global learning crisis, instead of conducting business-as-usual. Urgent action to streamline such efforts is critical to not only reversing the harm caused by the pandemic, but also emerging into a “better normal.”

Considering fiscal constraints and reduced funding for education, it is imperative to harness lessons from initiatives that work. A culture where the incentives and interests of each actor involved in the process are aligned is crucial to effectively using limited resources and maximizing the welfare of the targeted populations. Impact bonds, which are the focus of this report, present one such alternative. An impact bond is a form of results-based financing in which one or more investors, often impact investors, provide risk capital to deliver social services, and are paid their principal plus some return for actual outcomes achieved. In theory, this arrangement tackles the moral hazard problem common in development finance

and ensures that everybody is working to achieve agreed-upon results. In a social impact bond (SIB), the repayment is made by a government which represents the target beneficiary group, while in a development impact bond (DIB), the repayment is made by a third party, such as a donor organization, multilateral or bilateral aid agency, or a philanthropic foundation.

Given the gaps in development outcomes and funding that exist in low- and middle-income countries, impact bonds have been considered a tool for using scarce resources more flexibly. More rigorous research is needed to establish the mechanism’s impact on social outcomes, [but available evidence from the past does suggest a shift towards a results-oriented approach and increased collaborative efforts](#). There are [235 impact bonds globally as of October 1, 2022](#), with 23 of these in developing countries. While most of the

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**The education community has a unique opportunity to explore innovative and alternative ways to avert the continuation of the global learning crisis.**

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235 projects target social welfare and employment objectives, 37 focus on driving results in education.

In 2018, the largest impact bond in the education sector, the Quality Education India Development Impact Bond (QEI DIB), was launched. This impact bond was comprised of four education providers, each running their own interventions to improve the quality of learning outcomes. The program wrapped up in 2022, after four years of implementation in which the second half took place despite COVID-19 challenges. In this report, informed by a survey and interviews of the stakeholders in the DIB, we explore key lessons based on their experiences with the purpose of informing current and future stakeholders in outcomes-based financing.

## BACKGROUND

With one of the largest student populations in the world, India's children face an acute learning crisis. In the [Annual Status of Education Report \(ASER\) 2018](#) survey only half of the rural students in grade five were found to be able to read at least a grade two level text and only 27.8 percent were able to do division. During the pandemic, Indian schools were on average shut for 73 weeks – one of the longest such closures in the world. This was accompanied by the lack of distribution of grade-appropriate learning materials for students. This means that a student who was in grade two at the beginning of the pandemic in March 2020 started school again in grade two more than a year later in May 2021, with little access to materials from the grades she missed. This is a glaring gap in the child's education. There is an urgent need for interventions that remedy this learning deficit, which has only been worsened by prolonged school closures during the pandemic.

India presents an interesting laboratory for impact bonds' application in the education sector. With four education projects underway or completed, India has launched the greatest number of impact bonds in developing countries, with two out of the four projects, the Educate Girls DIB and the QEI DIB, focused on primary education. The Educate Girls DIB, the world's first DIB in education, was inaugurated in Bhilwara, Rajasthan. The DIB sought to address the gender divide in education by improving learning outcomes for girls in grades three to five and increasing enrollment for out-of-school girls. At the end of three years, Educate Girls surpassed its target outcomes, [reaching 7300 girls in 166 schools](#). As a result of the success demonstrated under this impact bond, [Educate Girls was selected as one of eight projects in the Audacious Project](#), with a goal of reaching 1 million out-of-school girls by 2024. A third project, the Utkrisht maternal and newborn health impact bond, recently completed implementation. Furthermore, an impact bond focused on skills development for employment participation was recently launched in 2021. Though representing less than 2 percent of projects globally, these four programs serve approximately 25 percent of global beneficiaries, owing to the large size of both QEI (200,000 beneficiaries) and Utkrisht (600,000 beneficiaries).

The QEI DIB, which built on the learnings of the Educate Girls DIB, is focused on improvement of literacy and numeracy of 200,000 students across four states in India. UBS Optimus

Foundation was the investor in the project, providing a \$3 million investment with total maximum outcome funding of \$9.2 million. A consortium, convened by the British Asian Trust (BAT), included the Michael and Susan Dell Foundation (MSDF), Comic Relief, Larry Ellison Foundation, and Mittal Foundation as the outcome funders. British Telecom (BT) served as the corporate partner for the project, and the Foreign, Commonwealth and Development Office (FCDO) also provided GBP 1 million in funding toward performance management and evaluation support.

The project is unique in that it engaged four education providers carrying out different interventions geared toward improving numeracy and literacy outcomes. Operating in the regions of Gujarat, Uttar Pradesh, Mumbai, and New Delhi collectively, the program enacted multiple direct and indirect educational interventions. The interventions of each education provider are described in Table 1.

**TABLE 1**

### Education providers

Education Provider	Intervention
Gyan Shala	Operated community learning centers in less privileged urban areas and provided support in pedagogy/learning plans for the teachers
Society for All Round Development (SARD)	Ran remedial centers to help students who need extra academic support in language and math
Educational Initiatives and Pratham InfoTech Foundation	Deployed Mindspark, an adaptive ed-tech software to improve English and math capabilities of students
Kaivalya Education Foundation (KEF)	Rolled out a school leadership development program for principals, teachers, education officers, and community members

**SOURCE:** Authors, 2022.



# LESSONS LEARNED

While the role of impact bonds in driving learning outcomes is still emerging, qualitative evidence based on the experience of stakeholders directly involved in this DIB can contribute to the important body of knowledge on results-based financing. In this report, we aim to capture the insights of the DIB stakeholders to inform such education projects in the future. We invited 15 key stakeholders (past and present) from the impact bond to reflect on what they would and would not recommend to others, based on their experience with the QEI DIB. We received 13 responses and conducted semi-structured follow-up interviews with nine individuals. Based on the survey and interviews, we outline and explore nine lessons which are informed by the experience of stakeholders in the QEI DIB.

We consider, in particular, at which stages of the impact bond process these lessons are most applicable. These stages are categorized as:



Deal Structuring



Implementation



Evaluation and  
Repayment



Sustainability of  
Outcomes



# Flexibility is key

## Most applicable stages



Deal Structuring



Implementation



Evaluation and  
Repayment

One of the appealing features of impact bonds is that contracting based on outcomes enables service providers flexibility in determining and changing inputs and implementation activities. This feature is key in an impact bond regardless of circumstances and allows for decisions to be made about how an intervention is carried out to maximize outcome achievement for beneficiaries. This flexibility can also extend beyond the format of implementation, to the structure and parties of an impact bond. For example, the QEI DIB began with three education providers, and a partnership between Educational Initiatives and Pratham InfoTech Foundation was added after year one to replace one of the education provider's implementation models that was proving to be less effective at scale than anticipated.

It was also this feature of additional flexibility built into QEI that empowered education providers and evaluators to adapt to the dynamic shifts in schools and education that took place with the COVID-19 pandemic. For example, when schools shut down, Gyan Shala, one of the education providers, innovated in multiple ways (e.g., phone-based teaching, television-based lessons in community classrooms with small groups of students, worksheets at home for students, etc.) and were able to maximize learning by choosing what worked best. In terms of measuring progress, for year three of the DIB, the mode of assessment entirely pivoted to digital and telephonic means since pen-and-paper methods could not be carried out (notably this was not used for the basis of outcomes payments). According to some education providers, such pivots were much slower in programs funded via traditional grants.

Some of the elements that are less flexible in an impact bond—such as the outcome metrics and evaluation design—also proved malleable during this once-in-a-lifetime set of circumstances in this impact bond. This was not the case with all [impact bonds operating during the pandemic](#). [Given the devastating effects of the pandemic](#) on learning, with school closures for around 18 months in India, the stakeholders also agreed to alter years three and four targets to account for the unique circumstances. The evaluation design also had to be tweaked to account for the impacts of the pandemic. For example, years three and four were combined into one outcome metric, and a short dipstick evaluation took the place of a full year three outcome measurement. Even though the pandemic was rapidly evolving, designing for uncertainty is crucial, especially with the onset of emergencies such as climate-induced disasters hampering the ability of students to go to school. However, for flexibility to work well within impact bond structures, there must be existing relationships and trust built between the various partners. According to stakeholders, the pivots made from year three onward in the QEI DIB owed much of their success to trust that was already established between the parties.

*“When we were thinking about adaptability, we were initially thinking about it from a service provider standpoint. Over the course of the years, we realized that this should not be true just for the service providers, but for all members in the consortium. For example, when COVID struck, all the schools were closed, so the assessment agency had to modify their approach when comparison schools were not always available. The donors and investors got together to see how the frameworks could be adapted to ensure continuity of the project. The only reason why we were able to continue this structure after 2020 was because every party adapted their approach.”*

– Gagandeep Singh Nanda, Dalberg

## Design and deploy at scale

### Most applicable stages



Deal Structuring



Sustainability of Outcomes

A recurring recommendation from stakeholders was that an impact bond project should primarily be considered at a large scale. A related sentiment was expressed that impact bonds have been around long enough to stop referring to them as “pilots,” with several proof points of successful completion that act as sufficient evidence to deploy at a larger scale. QEI was much larger than its predecessor, the Educate Girls DIB, in terms of financial size, number of interventions, and beneficiary reach. With each iteration of impact bonds, more aspects become contractually binding and templated. This is not to say that with scale, decisionmaking and operations will be swift. It is still important to be patient, some respondents noted, but with each round of impact bonds, more guides and knowledge will become more commonplace, thus driving efficiency in design and implementation. Stakeholders will not have all the answers when starting projects, but there is no way to generate that knowledge until the program is deployed. Scale allows for more operational efficiency given the possibility to spread fixed costs such as contracting, evaluations, and outcome verifications across more individuals. Scale also allows for multiple providers working with different approaches to reach the same outcome and therefore more learning and potential programmatic gains. Furthermore, impact bonds such as QEI can facilitate the collection and generation of data on learning which can then be useful to the rest of the ecosystem. While there still is no consensus or standardization for measures of success in the education sector, projects such as QEI can shed light on the effectiveness of interventions in driving learning outcomes and help elevate this evidence.

*“If an underlying idea (programmatic intervention) needs to be tested, it is best done through a simpler structure. An impact bond needs a certain scale to deliver impact cost effectively.”*

– Sietse Wouters, UBS Optimus Foundation

# Engage with governments for sustainability

## Most applicable stages



Deal Structuring



Sustainability of Outcomes

If the interventions of an impact bond are successful in creating social impact, there should be a plan for sustainability to ensure continuation or scaling of operations. Sustaining outcomes beyond the impact bond project timeline relies on systemic change within both implementation and partnering organizations. It is thus important to consider a plan for sustainability beyond the terms of the impact bond program, right from the design stage.

Multiple stakeholders emphasized that to maximize impact and bring system-level changes, the government should be closely involved with impact bond programs. For example, one of the education providers in the QEI DIB, SARD, implemented their intervention by partnering with the local civic agencies in Delhi and demonstrated how showcasing the model with other states can lead to greater scale. To scale up projects beyond the scope of impact bond, the government should play a key role. Government bodies drive important policy-level changes, and it is crucial that interventions are centered around driving educational outcomes in public schools given their scale and reach.

While ideally the most sustainable scenario is for the government to be involved in the impact bond as an outcome funder, there are a number of roles that government can be involved in from the beginning. This could include for example priority-setting, selection of metrics, or allowing interventions to be delivered through public schools. Alternatively, a government could become an outcome funder at a later stage in the project or could agree to scale successful interventions after the completion of the impact bond project. Notably, government bureaucracy and resistance to large-scale change could potentially lead to delays which must be factored into plans.

Additionally, increased use of results-based financing could encourage a mindset shift within government agencies toward a focus on outcomes. Shifting the conversation toward outcomes, regardless of the contracting format, is more likely to drive achievement in these areas, based on the adage that what gets measured gets done. This may also bring about a shift from more input-based budgeting to more outcomes-based frameworks, impact bonds or otherwise. Greater adoption of outcomes-based frameworks by government can also incentivize greater private sector participation.

***“One of the main objectives of the [QEI] DIB is to drive focus toward outcome-based contracts in the development sector in India and provide evidence of the benefits of private sector participation in service delivery. The attractiveness of this model for the private sector lies in its ability to provide a platform for successful solutions to be adopted by the government for large-scale scaling up.” – Chirantan Shah, Gyan Shala***

# Promote knowledge sharing

## Most applicable stages



Implementation



Sustainability of  
Outcomes

The QEI DIB had four education providers carrying out different approaches all geared toward the same goal of improving literacy and numeracy capabilities of students. They differed in terms of approach, target audience, and geography, among other factors, but were all tuned toward a common outcome—improved student learning performance. Despite different interventions and approaches, respondents highlighted that learning from the different perspectives and best practices of each organization would be helpful in building knowledge that each partner can leverage to drive learning outcomes, in particular at a time such as the coronavirus pandemic. Collaboration can be beneficial, if not crucial, for social impact organizations focused on driving change at higher levels. The more established knowledge sharing spaces there are in setups like QEI, the more enriching the experience can be. Having a convener such as BAT can assist in the task of bringing all of the players together. In this DIB, BAT viewed the project as a fertile ground for experimentation, learning and knowledge sharing.

A point was also raised on how learning from the experiences of other impact bonds regionally and globally could help strengthen the functioning of the program. For this, the expertise of partners who have experience in being involved in other impact bonds and resources developed by knowledge partners can be leveraged by the QEI DIB consortium. Contracting knowledge partners to reflect on lessons from the project can be beneficial not only to stakeholders of the project but also to building ecosystems.

***“We believe that in order to make a difference in the lives of less privileged students, we as organizations who are facilitators should not be in competition with each other but should work collaboratively so that everyone succeeds. We would definitely recommend future DIBs to focus on learning from the consortium. It should not be a one-time connection but should be followed more continuously.” – Nandita Raval, KEF***





Primary school student in Ahmedabad, Gujarat where education partner Kaivalya Education Foundation used innovative teaching methods to improve numeracy and literacy skills. Source: British Asian Trust, 2022



A primary school teacher with children in an outdoor activity-based learning class. Source: British Asian Trust, 2022

# Incentivize participation among all stakeholders

## Most applicable stages



Deal Structuring



Evaluation and Repayment

For an impact bond to function efficiently, it is important to have complete buy-in from each partner. Aside from their main goal of driving maximum benefit for their end beneficiaries, each organization, depending on their role, has different objectives. For instance, outcome funders may ultimately be incentivized by getting more for less. As such, a focus on the price per outcome can be important to safeguard their interests. Thus, when results exceed targets and there is overperformance, the actual price per outcome is lowered. Outcome funders then achieve much more outcome for their funding—more “bang for the buck.”

From the investor’s angle, achieving strong results and getting paid for those results are the key drivers. To do this the investor needs to manage the project’s capital needs carefully. Limitations on the investor, for example, in the way the investor can raise capital and generate returns reduce the incentive for investors to assume the project’s implementation risk. This should be carefully considered at the design stage. The focus of an outcome funder should be on the price per outcome.

*“The focus on price per outcome is really important and for outcome funders to negotiate on that because it’s a key lever for them. Like we saw with QEI, when results were above target that resulted in a lower price per outcome for them.” – Sietse Wouters, UBS Optimus Foundation*

From the education provider’s perspective, aside from financial incentives, we heard several times that support provided by the performance manager to strengthen the effectiveness of their interventions is an important aspect of their involvement in the DIB. Being flexible with changes and allowing for changes in implementation is one useful practice. Additionally, performance management support focused on building organizations’ capacity to problem solve, beyond just progressing toward targets, can be a benefit to education providers. This was seen in the QEI DIB through performance tracking with data, development of dashboards and frequent check-ins between the education providers and the performance manager, Dalberg. These conversations were not limited solely to the targets set as part of the DIB. One suggestion we received was to extend the role of the performance manager from a monitoring partner to a “sparring partner,” with whom organizations could brainstorm ideas for problem-solving across a range of topics.

Several stakeholders noted that BAT, as a convenor and a member of the Steering Committee, played a key role in facilitating discussions between partners to improve programmatic decisionmaking that helped make the QEI DIB a success. For instance, key decisions were made with the onset of COVID-19 in India which reflected the consortium’s adaptability and flexibility. This was possible due to the strong governance mechanisms like regular steering committee meetings that helped ensure productive discussions in which all members felt that they had a say.



# Carefully consider evaluation design

## Most applicable stages



Deal Structuring



Evaluation and  
Repayment

In any impact bond, outcome design is crucial. Through the QEI DIB, we heard repeated calls for simplicity in structure, so that targets are easy to understand, explain, and set goals around. While ambition in design seems desirable, the more complex the framework, the greater difficulties there may be in implementation. The QEI DIB identified two priorities—enrollment and learning gains—and strove to ensure an adequate and accurate understanding of the associated metrics. Even a simple outcomes design and real-time data framework can lead to numerous questions and ambiguities that need to be clarified. Because of this, it may be useful for future impact bond stakeholders to have conversations early in the process focused on explaining the evaluation setup, the monitoring system, and metrics to be collected, and to address any concerns from implementing partners.

The frequency of assessment was raised by multiple stakeholders. In this DIB, measurement was done annually, with annual targets and repayments. Outcome targets were designed as year-on-year growth targets in learning and enrollment. This contrasts with many impact bonds in which there is continuous or annual measurement, but those are not tied to outcome payments. Some stakeholders suggested that annual verifications of results and annual targets may not be necessary for assessing impact, especially for interventions that take longer to materialize the target outcomes. Additionally, in an education intervention based on year-on-year improvements in learning outcomes, there is a risk that overperformance early on can make it more difficult to sustain similar levels of improvement in later years. However, even without annual evaluations linked to repayment, regular checkpoints on progress through data are important. These checkpoints could be carried out instead through less labor-intensive mechanisms, for example through dipstick evaluations or less extensive assessment approaches.

An additional consideration around assessment design is cost. Since impact evaluations are expensive, it is important for programs to consider the goals of the evaluation, and how those can be best served by its design.

*“It’s very important to have a simple outcomes design. In QEI, there were two very simple metrics we were measuring, enrollment and student learning. Yet over almost the first year we got multiple queries on the outcomes design, even if we had kept a design which just had two simple metrics.” – Gagandeep Singh Nanda, Dalberg*

# Outline roles and governance frameworks based on stakeholders' strengths

## Most applicable stages



Deal Structuring



Implementation

Setting clear expectations and defining roles are key features of successful projects with multiple stakeholders, as was the case for the QEI DIB. Stakeholders stressed the importance of carefully laying out individual roles and governance mechanisms to ensure alignment of efforts throughout various phases of the impact bond. While investors and funders may think about maximizing returns, education providers may be most concerned with the specifics regarding implementation. And there needs to be a concerted effort to coordinate individual priorities to the common targets. While contractually documenting these structures is important, the key ingredient to stakeholder collaboration was also referred to in more simple terms: trust.

Each party to an impact bond brings unique strengths that should be tapped into. For example, in the case of the QEI DIB, the UBS Optimus Foundation brought their learnings from past impact bonds in India and globally, which informed decisionmaking in design. BAT and MSDF, with their established participation in the education sector in India, provided their expertise on regional and educational context when asked to. The education providers were experienced local players, and thus were more attuned to on-the-ground realities and had established networks when compared to other global players. Similarly, the performance manager, Dalberg, and evaluator, ConveGenius Insights, had experience working in the social sector in India, and specifically education, and thus were able to bring in their unique and nuanced perspectives informed by their previous work.

It was important to convene all these organizations and their strengths at a structural level. With respect to decisionmaking, the QEI DIB had a three-member steering committee consisting of UBS Optimus Foundation, MSDF, and BAT, with Dalberg Advisors as a participant. Each organization brought a unique viewpoint to the table, based on individual goals and strengths. Regular opportunities to meet were not only set for the steering committee, but also for the consortium of outcome funders, along with monthly discussions among other key stakeholders. BAT in particular managed critical relationships both internal and external to the DIB. This included managing research partners and harmonizing communications across the consortium and for the DIB's overall communications. BAT also managed the evaluation partner in particular during the COVID-19 crisis, ensuring a culture of joint accountability.

***“As a consortium partner, be willing to see the outcome as a blended outcome, not just the outcome of the project but I would say any activity or anything that’s happening within the QEI DIB, as something which would always be an amalgamation of entities... Trust and relationships actually filter into the day-to-day working of DIBs.” - Samar Bajaj, MSDF***

# Set up efficient data collection and management systems

## Most applicable stages



Deal Structuring



Evaluation and Repayment

Throughout our interviews, the good use of data in the QEI DIB was highlighted as being beneficial to better decisionmaking— and ultimately performance. Not only did the real-time data collection and performance management frameworks help education providers achieve targets, but they also helped them build more capacity in their measurement structures over the long-term. Annual evaluation data helped to hold all parties accountable and challenged everyone to continuously push to achieve more throughout the program.

It was noted by some that data collection reliant on in-person methods can be susceptible to disruptions caused by uncertainties as seen in the case of the QEI DIB during the pandemic. Digital methods of data monitoring and collection cannot only mitigate these risks, but also provide significant cost reduction. While logistical concerns may require thorough considerations smoothing out (e.g., assessments done on a limited number of tablets translate to a considerable amount of time spent in covering all students in a school), some respondents suggested that the net benefit justifies going the digital route entirely, especially with increasing adoption of technology across the world.

***“In the post-COVID world, resistance to digitization is minimal and most people have gotten accustomed to it.” – Sowmya Velayudham, Former ConveGenius Insights***

On the other hand, it was noted by others that this recommendation must take into consideration potential contextual limitations such as poor access to internet and electricity. Several QEI DIB providers, for example, were hesitant to use digital assessment for outcome evaluation and anchoring on them for payments. They noted that the young children from marginalized groups they were serving had limited exposure to digital technologies (e.g., on how to use tablets). The providers were concerned that digital assessments to which the students were not exposed before as a format, may not be reflective of students’ actual potential.

Numerous interviewees also stressed the importance of continuously monitoring data and frameworks to drive performance. For example, one of the education providers in the program recommended the rigorous governance mechanism that was set up, through a detailed indicator-based approach. Another education provider spoke about how the monitoring and performance management kept them “grounded,” with the quarterly reporting framework and interactions with Dalberg helped in more structured data-drive decision making.

# Center beneficiaries in decisionmaking

## Most applicable stages



Implementation



Sustainability of  
Outcomes

The ultimate goal of any social service program should be rather simple: to make lives better for the communities served. Thus, how the decision impacts the beneficiaries should be kept at the center of programmatic operations and decisionmaking. For the QEI DIB, this was at the center of all stakeholder goals, and it allowed for the building of trust and implementation flexibility mentioned previously.

This goal was on full display in one anecdote, shared by an education provider which chose to support a control school in their area when schools began to reopen in early 2022, even though doing so would likely improve the school's performance and thus hurt the education provider's performance by comparison— making it harder for them to show a significant effect of their intervention in treatment schools. However, the education provider felt an obligation to do their best for all students, especially in conditions as dire as the one during the pandemic. Similarly, this goal of helping students as their primary motive for involvement in the project was evident across education providers who were seeking collaboration and knowledge sharing. Mission-driven organizations such as those involved in this DIB realize that helping each other grow by sharing their expertise only helps all their end beneficiaries.

***“Always put your beneficiary first, and that should be the deciding factor while making tough calls: Will this help our beneficiaries?” – Krisha Mathur, Former BAT***

# CONCLUSION

The completion of the QEI DIB has meant different takeaways and next steps for each actor. The education providers noted how they were now functioning with enhanced performance management and monitoring structures, focused on clearly defined learning outcomes. To quote Chirantan Shah from Gyan Shala, “the greatest achievement is that every single stakeholder in the organization talks in the language of the learning outcomes.” This shift extended beyond individual organizations, with KEF citing that other social enterprises were seeking mentorship from the QEI DIB education providers on guidance regarding outcomes-based frameworks.

With each completed DIB, the narrative around outcomes can be strengthened. Different models have been tested and there are pieces of evidence and some success stories to take to government bodies for further scaling-up and growth. More objective spotlights on what worked and did not work help further the conversations on more programs that can drive achievement of development outcomes at scale. For example, some of the education providers in the DIB have approached public bodies with their outcomes from QEI as proof points to further opportunities for collaboration.

Another important aspect to consider is the use of the data generated as a result of the project. One of the salient benefits of outcomes-based programs is that it facilitates data creation and collection. This is very useful, especially in the education sector in India, which suffers from a lack of high-quality data. The results from the interventions can now serve as proof points for other organizations and government bodies looking to improve learning outcomes. Additionally, outputs generated as a result of the QEI DIB, [such as the cost-effectiveness study performed by Dalberg](#), supported by FCDO, BAT, and UBS Optimus Foundation, can also be shared with the government and the sector more broadly to serve as appropriate benchmarks.

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**“The greatest achievement is that every single stakeholder in the organization talks in the language of the learning outcomes.” — Chirantan Shah, Gyan Shala**

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Many of the lessons learned from the QEI DIB have been able to be put into practice, with several of the key stakeholders already launching or preparing to launch additional outcomes-based financing ventures. The consortium of funders and managers are now thinking about government engagement from the get-go, and this is seen in their next steps. For example, one such project, the [Skill Impact Bond](#), is a four-year skilling program looking to support 50,000 young Indians, around 60 percent of whom are women. The impact bond comprises of partners including BAT, MSDF, National Skill Development Corporation (a public-private partnership set up by the Ministry of Skill Development and Entrepreneurship), the Children’s Investment Fund Foundation, HSBC India, JSW Foundation and Dubai Cares, with FCDO and USAID as

technical partners. There has also been a trend toward designing and deploying at scale, which was identified as one of the key lessons learned. At the forefront of outcomes-based financing across sectors—and in particular with regards to education—is the shift toward pooling finance into outcomes funds. On a global scale, the Education Outcomes Fund has recently launched in Sierra Leone and will soon launch in Ghana, with more countries to follow. Within India, development of the Back-to-School Outcomes Fund is well underway, with many of the same players as the QEI DIB working to achieve even greater transformative improvements in educational outcomes for even more students. Similar to the QEI DIB, which built off experiences from the Education Girls DIB, the Back-to-School Outcomes Fund is looking to incorporate learnings from the QEI DIB, with government engagement being an important feature right from the design stage.

Despite promising results, outcomes-based contracts have yet to become mainstream, especially in terms of government participation. Yet, there have been signs that suggest public bodies are opening up to an outcomes-based mindset. For example, one of the major education policies in India, [the National Education Policy 2020](#), talks about the measurement of learning outcomes.

These lessons from the QEI DIB provide important considerations for future stakeholders in the results-based financing world to think over in areas of scale, sustainability, flexibility, and collaboration. After over a decade since launching the first project, impact bonds have continued to evolve, incorporating lessons from programs which have gone before. It is important to continue documenting these lessons learned, as impact bonds and other forms of outcomes-based financing become more mainstream.



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