

# India Education Outcomes Fund A Teaching Case Study

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## Teaching Notes

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## Learning Objectives

After reviewing the case study, completing the required readings, and the assessments, the participants would have:

- ☐ Described the key features of the IEOF and identified the existing challenges that the IEOF is trying to address;
- ☐ Compared the IEOF with the conventional funding and a typical impact bond and articulated the differences;
- ☐ Reflected on the process of creating the marketplace and considered what goes into the process;
- ☐ Articulated the key challenges, issues and concerns about impact bonds and distilled lessons on impact investing emerging from the case study.

## Discussion points

1. What are the key challenges in education financing in India and in what way does IEOF attempt to address these challenges?
2. How does IEOF compare with the conventional funding and typical impact bond structure? Compare their strengths and limitations.
3. What are the 'innovative' elements of the IEOF approach and structures? Compare this structure to 2 to 3 other traditional funding structures that are commonly used in education. Compare this structure with innovative financing structures that you are familiar with.
4. Who are the key actors in the IEOF, and what is the primary incentive for each of the actors to engage in the structure?
5. Do you think the 'decision tree' used by IEOF to determine what is a DIB-able intervention is adequate? What criteria would you add or remove in order to make it useable in your context?
6. How can one determine the sweet spot between supporting experimentation and funding proven programs?
7. How do the different actors perceive and define "risk"?
8. In what way is the pilot DIB unconventional and in what way is it not?
9. How can IEOF create impact at scale if its absorptive capacity requirements are being met by only a few organizations? What would have to be done differently?
10. What challenges do you foresee in development of outcome rate cards? What solutions can you offer to address these challenges?
11. How can the costs of monitoring and evaluation be kept to the minimum, without compromising on the quality of tracking and assessments?

12. What lessons can you draw from the learning about the process of setting up the IEOF? What according to you are the biggest bottlenecks and how can they be addressed?

## Facilitator Notes

Depending on the objectives of the course, background of the participants and the duration of the session, the facilitators can do the following:

They can request the participants to read the case study before the session and come to the session after having reflected on their major takeaways and questions. The facilitators can themselves read the case study and the required readings before the session. It would help if the facilitators review the discussion questions and choose from the questions provided a few that they would like to focus on. It is not advisable to use all the discussion points. At the start of the session, facilitators can summarize the case study and locate it within the relevant material suggested in the required readings. They can then open the session to participants to ask any questions or make any observations about the material. This would also be the time to explain technical terms, and clarify concepts that are unfamiliar.

The facilitators can build on the questions asked and observations made and then introduce the questions that they have selected for discussion. The objective of opening the discussion would be to encourage participants to think and identify problems and solutions. The questions listed above roughly follow the sequence in which the case study has been written. The discussions need to be kept organic so as to build and move from one question to another. Depending on the interest and background of the participants, facilitators can keep the discussions at an abstract level by presenting alternative scenarios or they can be at an applied level, where participants are invited to apply the lessons to their specific contexts.

## Suggested Readings

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## Exercises

Participants can be engaged in the following exercises:

### 1. Group discussion and peer review on Risks and Mitigation

<i>Instructions: Divide the participants into 4 groups. Give one “risk” to each group. Give them 15 minutes to discuss the risk in terms of likelihood of occurrence and impact of the risk. After the risk has been discussed, the group should discuss its proposed mitigation strategy. Once all the groups have completed their individual work, they can be requested to present it for the benefit of all the participants. Peer reviews could be used to assign grades.</i>		
Groups	Risk <sup>1</sup>	If you are an intermediary like IEOF, what will be your mitigation strategy?
Group 1	<b>Service Provider</b> In order to achieve maximum outcomes at a low cost, Service Provider activity is diluted; whether through cutting costs for nonessential activities, or skewing population selection or, chasing ‘low-hanging fruit’ in outcome achievement.	
Group 2	<b>Data, evaluation and monitoring</b> There may be poor baseline data available ahead of program to start with. There are a low number of third-party evaluators to provide credible, cost-effective evaluations at scale.	
Group 3	<b>Contract Complexity</b> The complex structure of constructing, contracting and monitoring a DIB will outweigh the benefit of the structure. Funding a program through traditional contracting may appear to be more straight-forward for an Outcome Funder in terms of leadership, governance and monitoring.	
Group 4	<b>Issues of scale</b> The required program scale becomes a hindrance rather than an enabler. Insufficient numbers of effective providers, the necessity to work at a large scale and the thorough	

<sup>1</sup> Based on risks identified in Social Finance India, India Education Outcomes Fund, and GSG (2019). India Education Outcomes Fund Prospectus 2019. (p. 99-101).

	monitoring and evaluation may deter the progress of 'getting things done'	
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## 2. Individual written assignment

Topic: You are invited to participate in a working group responsible for pricing outcomes. Select any two educational outcomes. What information will you need to determine the price for the two outcomes? What considerations would affect the process? What methodology will you use to fix a price? Explain your choices and challenges. This can also be conducted as a role play during the session.