The Opportunity

Donors and governments are gaining first experiences and learnings with impact bonds and momentum is growing

- **2014**
  - $110,000
  - Sustainable Coffee Production

- **2015**
  - $280,000
  - Educate Girls

- **2016**
  - -

- **2017**
  - $700,000
  - $3.5M
  - $10M
  - $2M
  - $2.89M
  - Colombia Employment SIB
  - Village Enterprise IDB
  - Utkrisht DIB
  - Cataract DIB
  - Harambee Employment

- **2018**
  - $550,000
  - $3M
  - $150,000
  - $860,000
  - SA Education SIB
  - India Quality Education
  - Palestine Diabetes
  - Cali Employment SIB
The Problem

Impact bonds insufficient unless they can be deployed at scale or deployed in greater volume through pooling mechanisms

Mobilized for impact bonds in developing countries

$33,000,000

Mobilized for impact bonds globally

$392,000,000

$4,500,000,000,000

Funding required for SDG targets
The Problem

Impact Bonds Working Group

- Lack of co-funders/outcomes payers
- Lack of co-investors
- Lack of awareness/understanding of instrument
- Lack of evidence of effectiveness of instrument
- Difficulties accessing data on target population
- Inability to measure desired outcomes
- No good deals have been presented
- Deals are too time-consuming
- Deals are too expensive
- Deals are too small
- Availability of human resources
- Unease with investor earning a return
- Budgeting
- Legal or procurement

- Lack of key market players
- Impact bond instrument
- Informational and technological barriers
- Nature of deals
- Institutional barriers
IBWG - The Impact Bond Working Group

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Agence Française de Développement (AFD)

DFID

British Asian Trust

Enabel

French Ministry of Foreign Affairs

Global Financing Facility

Inter-American Development Bank (IDB)

Global Affairs Canada

Ministry of Foreign Affairs of Belgium

United Nations Secretariat

World Bank

Swiss State Secretariat of Economic Affairs (SECO)

The Global Fund

UNDP

USAID

Tata Trusts

International Finance Corporation (IFC)

UBS Optimus Foundation

UNICEF

ILO

Wellspring Philanthropic Fund

UN Special Envoy for Haiti

Ministry of Foreign Affairs of the Netherlands
Vision

Move from a fragmented project by project approach to larger transactions and funds beginning with a few, high quality demonstrations at scale

= Outcomes based Projects
IBWG Recommendations and Conclusions

Accelerate the scale of high quality transactions in the form of larger transactions or Outcomes Funds

Build donor and government commissioning capacity with a focus on mainstreaming

Facilitate the development of investment funds to provide risk capital to support the impact bond market for hard to reach SDGs

Build a common learning and research agenda to generate robust evidence of value for money
The Proposal: an Outcomes Accelerator to support the evolution of nascent outcomes-based commissioning market to maturity

- Facilitate the launch of a series of high quality funds and projects at scale
- Expertise and capacities in commissioning organizations
- Outcomes funding mainstreamed into core business
- Robust evidence around the value-for-money of OBC

Accelerate pipeline & deal flow  
Capture Learning & Share Knowledge  
Build commissioning capacity

2019  
Status quo  
Time-consuming & expensive deals

2030  
Funding targets for SDGs  
Greater deal flow & lower cost per transaction
Outcomes Accelerator to perform market-building activities
prioritizing needed collective initiatives in flexible yearly work plans

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Status quo
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Impact Bonds Working Group

Outcomes Accelerator activities performed by multiple actors
- Knowledge Platform
- Research products
- Learning Products
- Technical assistance
- Design Grants
- Fiduciary Platform for Outcome Funding
- Convenings & Outreach
- Evaluations
As a first step, the Outcomes Accelerator would stimulate pipeline and support the strategic deployment of $250 million of pooled funding into outcomes-based initiatives.
The Accelerator can help ensure funding is strategically deployed across a robust pipeline of multiple thematic and country-level funds and initiatives:

- Uzbekistan ECD Impact Bond
- Livelihoods Outcomes Fund
- Malaria Outcomes Fund
- Education Outcomes Fund
- Colombia Outcomes Fund
- Haiti Cholera Elimination Bond
The Accelerator will work with and through its diverse and growing base of partners in the market
**Membership and Engagement**

- **Donor Members**
  Donor organizations that make financial contributions to the Outcomes Accelerator.

- **Members Observers**
  Commissioners, including governments, that have not made a financial contribution, but participate in Outcomes Accelerator meetings.

- **Non-members**
  Actors in the impact bond space who can provide market and expert feedback to the Outcomes Accelerator strategy and its activities.

- **Open Access & Transparent**
- **Adaptable**
- **Commissioner Driven and Market Facing**
Panel Discussion