

The Education Outcomes Fund for Africa and the Middle East

A game-changing way to drive results in education

The challenge



We face a global learning crisis. While there has been significant progress in recent decades getting more children into schools, too many are now in school but failing to learn. The problem is bad, and getting worse - by 2030, around 800 million children and youth will be failing to learn. That's half the world's young people. Never before have we had to educate so many people, so quickly, with such constrained resources.

Given the scale of the challenge, the solution will require a coordinated response from a range of actors, each with an important role to play. Education organizations can contribute to strengthening national education systems. However, the way we fund them today is not consistently achieving the impact that we urgently need. Funding is overly restrictive, highly fragmented, and often not aligned to the national agenda. Both donors and governments lack transparency into which interventions work best, and their relative cost-effectiveness.

The status quo is too often holding back the results we can and must achieve. If nothing changes, we risk failing an entire generation, causing lasting economic damage and instability. But it's not too late to turn this potential crisis into a powerful opportunity.

Our approach

Together with governments, **we fund innovative education and youth employment readiness programs** and help improve their effectiveness. Rather than the traditional model of paying for programs up front—based on the number of students reached or learning materials purchased— **we incentivize success by paying for the learning and employment results those programs deliver, once they're achieved.**

1 Set learning objectives

- We work with governments to set learning objectives and determine how results will be measured.
- We incentivize a broad set of crucial skills essential for young people to succeed in the 21st Century.

2 Select and support education innovators

- Together with government, we partner with education organizations to achieve the agreed learning outcomes and strengthen education systems.
- We help mobilize upfront funding from impact investors to help the organizations deliver.
- Throughout, we support the organizations to use data, strengthen their capabilities and adapt their approach based on what works.

3 Pay for results

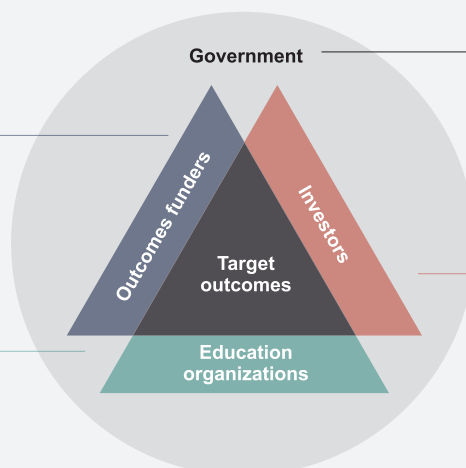
- EOF aims to pool \$1 billion of public funds, aid, philanthropy, and corporate CSR contributions, from which we will repay investors and delivering organizations their initial investment plus a return if the objectives are reached.
- By making payments based on independently verified learning and employment results, we ensure that resources only go to programs that work.

A new type of partnership for results

The EOF model is a powerful way to bring together government, funders, investors and education organizations to work towards a common objective.

Outcomes funders pay only for results after they're achieved, ensuring better value for money and alignment.

Education organizations innovate and find context-specific solutions to help children and youth learn and grow.



Government helps set objectives and co-fund outcomes, to ensure their children and youth are learning and prepared for success.

Investors provide upfront capital at risk to support education organizations, and do well by doing good.

Building on success

The “pay for results” model has already been proven in both developed and developing contexts.

In the UK, outcomes funds have been used to great effect to transform public service delivery and achieve better outcomes for better value. Since 2012, the UK government has deployed over £100 million into outcomes funds to commission services across a range of policy areas, including workforce development and public health. In 2018, the government announced an additional £200 million of funding for 22 social impact bond programs through the Life Chances Fund—indicating the value of this approach to commissioners.

In a very different context, the world’s first ever Development Impact Bond (DIB) in education – launched in India by Educate Girls – has also delivered impressive results. It achieved 116% of its enrolment target and 160% of its learning target in its final year, and it enabled a raft of innovations, including an improved child-centric curriculum.

With success stories like Educate Girls and more than 25 additional impact bonds launched or in design in the developing world, the market is now poised to follow the path of the UK by shifting from individual projects to large-scale outcomes funds. EOF is on the leading edge of this shift in approach, building on the successes to date and working to leverage greater resources and new partnership models to deliver impact at scale.

“ The pay-for-performance revolution is coming to the education sector

Devex, referencing the Education Outcomes Fund*



Who we are

EOF is an initiative of the Global Steering Group for Impact Investment and the Education Commission. Our team includes world leaders in innovative financing, impact investing, and education.

Our leadership



Sir Ronald Cohen
Chair
Co-founder of Apax Partners, Chair of the Global Steering Group on Impact Investing



H.E. Dr. Amel Karboul
CEO
Commissioner on the Education Commission, and former Tourism Minister of Tunisia



Jared Lee
Principal
Former UK’s National Advisory Board on Impact Investment, Team Leader at Bain & Co.

Our launch phase advisors**



Gordon Brown
U.N. Special Envoy for Global Education and former Prime Minister of the United Kingdom



Sir Michael Barber
Founder and chair of Delivery Associates and former adviser to UK Prime Minister Tony Blair



Jamie Cooper
Founding Chair & President of Big Win Philanthropy



Phyllis Costanza
CEO of the UBS Optimus Foundation and former executive and board member at CIFF



Aliko Dangote
President & CEO of the Dangote Group & Chairman of the Dangote Foundation



Jakaya Kikwete
Former President of Tanzania & Chair of the African Union



Strive Masiyiwa
Zimbabwean businessman & philanthropist; Executive Chairman & Founder of Econet



Theo Sowa
CEO of the African Women’s Development Fund



Dr. Rebecca Winthrop
Senior fellow & Director of the Center for Universal Education at Brookings

Who we work with

Working with a diversity of stakeholders helps us to ensure that we’re building a model that is sustainable, for the long term. Some of the stakeholders we engage include:



Donors



Governments



Education Organizations



Investors



Teachers



Students



Civil Society

* Devex World 2018 announcement

** We are continuing to add advisors during this phase