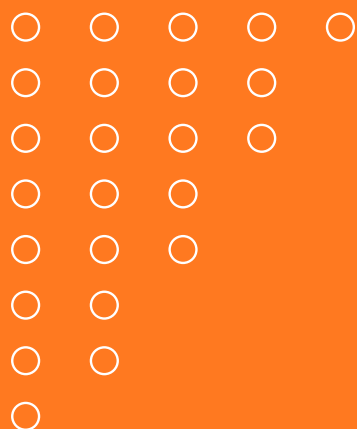


SOCIAL SUCCESS NOTE

Playbook

A blended finance tool
for social impact



Commissioned by



Supported by



KNOWLEDGE PARTNER



Asha Impact, founded in 2014 by Vikram Gandhi and Pramod Bhasin, is a pioneer in the Indian development finance landscape that operates an impact investment platform and think tank for some of India's most respected business leaders, family offices and philanthropists, to leverage their capital, networks and expertise to address major socio-economic challenges. The Asha Circle is a capital-on-call virtual fund that provides venture investment to for-profit social enterprises across sectors including financial inclusion, agribusiness, affordable education and healthcare. The not-profit Asha Trust provides thought leadership and convening power to build the market for impact investment and blended finance in India and unlock private capital for development. The Trust also works with government and civil society on partnerships to improve service delivery that address market and policy bottlenecks in specific areas like housing, waste management, education, skilling and employment.

SPONSOR



One of SAP India's CSR initiatives is to foster the social entrepreneurship ecosystem to promote economic development and address socio-development issues in India. The Aspen Network of Development Entrepreneurs' (ANDE's) strength and mission to convene stakeholders in the small and growing business ecosystem aligns with SAP India's mission to achieve the United Nations' Sustainable Development Goals, particularly the no poverty (SDG 1) and decent work and economic growth (SDG 8) goals. This report is one of the outputs from the Small and Growing Business (SGB) Finance Learning Lab that SAP India has provided support to the ANDE India chapter for and furthers the goal of bringing together impact investors, entrepreneurs, academia, and public and private sector players to stimulate action-oriented discourse and share learnings that we hope will improve understanding and collaboration in making more funding available for small and growing impact businesses in India.

PLATFORM PARTNER



The SDG Finance Facility is a multi-stakeholder platform that supports the incubation and design of SDG-aligned innovative financial instruments that will crowd-in additional capital to address the key development challenges in India. The aim is to strengthen the market infrastructure for innovative finance through actionable research and strategic partnerships.

The SDG Finance Facility is anchored by the United Nations Development Programme, the Swiss Agency for Development and Cooperation and is partnered by NITI Aayog and the European Union.

COMMISSIONED BY



Aspen Network of Development Entrepreneurs (ANDE) is a global network of organizations that propel entrepreneurship in emerging markets. ANDE members provide critical financial, educational, and business support services to small and growing businesses (SGBs) based on the conviction that SGBs can create jobs, stimulate long-term economic growth, and produce environmental and social benefits.

ACKNOWLEDGEMENTS

Research Team

The research and development of the playbook was conducted by NIITI Consulting Pvt Ltd and commissioned by the ANDE India SGB Finance Learning Lab.

Key Contributors

Following are the key contributors to the playbook.

Dell Foundation case study: Prachi Windlass and Sharvi Dubish of Michael & Susan Dell Foundation, Vishala G. and Tanaya Kilara of Varthana and Sowmya Velayudham of Gray Matters India.

Impact Water case study: Aarti Wig and Bastian Mueller of Yunus Social Business, Sietse Wouters of UBS Optimus Foundation, Tim Neville of Impact Water and Dina Lorentz of Dentons.

Overall guidance and knowledge inputs: Aparna Dua and Sanchi Khurana of Asha Impact.

Coordinating Team

The development of the playbook was coordinated by Sucharita Kamath, Saipriya Salla and Aditi Shankar of ANDE.

This report would not have been possible without the support of and inputs from the **ANDE India SGB Finance Learning Lab co-chairs**: Palladium Impact Capital (formerly Enclude), Stanford Seed and Asha Impact and our generous sponsor SAP. We thank our colleagues at these various organisations for their on-going encouragement and support. We are also grateful to the above mentioned key contributors and other thought leaders who participated in our interviews, served on our expert panel and provided critical reflections on our findings.

We thank all the contributors for their time and valuable insights.



PREFACE

To meet the SDG targets by 2030, countries across the world must annually mobilise US \$5–7 trillion. India's development finance gap stands at a tall US \$500–600 billion per year despite relentless efforts by government agencies, philanthropists, NGOs, social enterprises and many other ecosystem players to create a more economically, environmentally and socially equitable society. We continue to lag behind in the critical SDG goals of alleviating poverty, ending hunger, reducing inequality and ensuring decent jobs and economic growth.

Impact investing has been instrumental in catalysing philanthropic and commercial capital to identify and support impact businesses tackling critical social challenges. It has equipped India with the potential to tap into much larger pools of private capital available in global markets needed to rapidly scale and deepen the work of successful social enterprises delivering services to and increasing incomes of low-income populations. Initiatives like the Social Stock Exchange and amendments to CSR regulations that channel additional capital and enable results-based financing have increased and broadened pooled funds available to social enterprises.

Realising this potential depends not only on regulations but also on innovative structuring solutions that align the risk-return profile of different pools of commercial capital with the dual goal of profit and purpose. The past few years have witnessed the development of several blended finance structures, particularly social and development impact bonds. These instruments leverage philanthropic capital as outcome funding to mobilise return-seeking capital to underwrite the risk of social service delivery and channel it towards development outcomes by pricing social targets in terms of financial returns.

A blended finance innovation that has demonstrated considerable potential is the social success note. Social success notes are particularly suited to social enterprises that have the capacity to repay loans but are unable to afford the high cost of debt typically charged by commercial lenders. With interest subvention by philanthropic donors, upon achievement of impact targets by these enterprises, much greater debt funding can be utilised as working capital and capital expenditures to provide critical services to underserved communities (e.g. affordable housing, education, healthcare, waste management and sanitation, energy, agri-inputs and market linkage, mobility and logistics). Impact-linked debt enables social enterprises to rapidly expand their footprint in a financially viable manner. Also, the outcome payment for the philanthropic payer is much lower than in a typical pay-for-success instrument like a social impact bond or development impact bond.

Given this context, and to build the evidence base on the role of blended finance instruments in achieving social impact while unlocking significant growth capital for Small and Growing Businesses (SGBs), the ANDE India SGB Finance Learning Lab has collated the Social Success Note Playbook. The key objectives of this playbook are to create awareness about these instruments; demonstrate their use by leading organisations including Michael & Susan Dell Foundation, The Rockefeller Foundation, Yunus Social Business (YSB) and UBS Optimus Foundation; and distil the lessons and build a case for scaling the instruments. In light of the COVID-19 pandemic, the social success note takes on additional significance, given the catalytic role it can play for social enterprises who are facing a significant cash crunch and are in need of low cost capital. The instrument will not only enable financial recovery but also ensure impact remains at the centre of growth of businesses as they build back towards a more sustainable future. We hope this playbook serves as a useful guide and encourages further adoption of this financing innovation.

Co-chairs of ANDE India SGB Finance Learning Lab:



Asha Impact



Palladium Impact Capital



Stanford | Seed

Stanford Seed

HOW TO USE **THIS PLAYBOOK**

The Social Success Note Playbook has been developed for impact investors, social entrepreneurs, risk managers, outcome payers and other stakeholders in the impact ecosystem looking for consolidated information on blended finance in general and on the social success note in particular.

A social success note is a relatively new blended finance instrument with the potential to bridge critical funding gaps to realise large-scale social change. The first chapter deconstructs its key components and analyses its relative strengths and challenges. For readers who would like deeper insight, the playbook also contains links and references as additional support. Where information has not been referenced, it has been sourced through primary interviews.

Finally, we delve into two case studies that provide practical insights on the implementation of the concepts discussed. We endeavoured to create the playbook as a guide rather than a rulebook for stakeholders exploring the social success note as an instrument for social change.

●	Blended Finance	09
	An Innovative Approach to Fund Social Impact	
●	Social Success Note	13
	An Outcome-based Financing Instrument	
●	Case Study	23
	Social Success Note to Scale Up Water Purification Solutions in Schools	
●	Case Study	37
	Performance Linked Financing to Improve Learning Outcomes in Affordable Private Schools	
●	Key Questions	51
	Decoding Social Success Notes	



Blended Finance

An Innovative Approach
to Fund Social Impact

01



FUNDING DEVELOPMENT NEEDS OF INDIA

India is the third largest economy, and its contribution to global growth is projected to rise to 15.5 percent by 2024¹. Ironically, India is ranked 117 out of 166 countries on the 2020 SDG index². With a population of 1.2 billion, India accounts for one of the largest shares of global SDG performance gaps.

Developing countries, including India, need an estimated investment of US \$3.3–4.5 trillion per year to meet the stated SDG targets³. One way of meeting this challenge is through philanthropic funding, which in India grew from ~US \$2 billion in 2010 to ~US \$8.7 billion in 2018⁴. However, public finance and philanthropic capital have proven inadequate to bridge the investment gap.

There is a strong need for a multi-pronged strategy and collective action by governments, civil society, multilateral organisations and the private sector to accelerate the provision of funds needed to meet developmental challenges.

Collaborative approaches have been proposed to address critical funding gaps, creating new investment opportunities. Purpose-driven finance or impact investing has emerged as a new asset class in India since 2001. With ~US \$11 billion invested between 2010–19⁵, impact investing with the infusion of commercial capital has great potential as a sustainable funding source for developmental challenges.



**Developing countries need
US \$3.3–4.5
TRILLION
per year to meet their stated SDGs³**

BLENDING COMMERCIAL AND PHILANTHROPIC FUNDING

Many organisations focused on resolving critical development challenges are raising capital, albeit not at scale, including debt financing for impact, early stage venture funding and other forms of long-term capital, through blended commercial and philanthropic funds. This helps align the risk-return expectations of different capital pools and addresses the obstinate gaps in funding along the spectrum⁶. Investors interested in impact investing, for example, in education and financial inclusion, are working alongside incubators to create blended instruments aimed at sustainably scaling India's transformational social initiatives⁷. This shifting landscape, however, faces numerous challenges related to measurement and scale.

Definition of Blended Finance

Blended finance is a structuring approach that uses catalytic capital from public or philanthropic sources to attract commercial investments in development programmes. This approach improves the risk-return profile of commercial investments by managing or mitigating risks or by transferring them to public and philanthropic funders. The Organisation for Economic Co-operation and Development (OECD)⁸ describes blended finance as 'the strategic use of development finance for the mobilisation of additional finance towards meeting SDGs', where 'additional finance' refers to commercial finance that is not currently directed towards development.

Examples of blended finance

- Backstopping of capital loss to de-risk new innovation
- Different classes of investment such as junior debt to provide sufficient layers of risk capital
- Guarantees and credit wraps for investors so that they can offer loans to low-income individuals
- Funds at below market-rates to lower overall capital costs or to provide an additional layer of protection for private investors

Characteristics of Blended Finance⁹

Leverage: Use of public and philanthropic capital to *increase commercial capital* in development programmes

Impact: Investments drive *measurable* social, environmental and economic development goals

Returns: Opportunity for commercial investors to *earn financial gains* in line with market expectations depending on real and perceived risks

Blended finance is gaining ground in the international development community as an approach that has the potential to scale commercial financing for social impact with a diverse set of contributors, including individual and institutional donors, development finance institutions and foundations¹⁰.

Blended finance instruments have demonstrated scalable impact across sectors such as climate resilience and clean energy, education, agriculture, healthcare and infrastructure. Convergence's report, 'The State of Blended Finance 2019', covers over 500 blended financial transactions aggregating to US \$140 billion¹⁰.

Various blended finance instruments have been used to successfully fund small- and large-scale programmes across the world. Instruments mainly differ in the structure of returns and the nature of entities involved. Commonly deployed blended finance instruments that have been used in multiple forms by stakeholders include bonds, credit lines and commercial risk guarantees. Following, are some examples:

- The Lake Turkana Wind Power Project¹¹ aimed at providing clean, reliable and low-cost power in Kenya. The project exemplified innovative public-private financing. Several organisations signed a power purchase agreement that stipulated a fixed feed-in tariff for a 20-year period as per the project cost in 2010. However, the project encountered several delays owing to increasing costs. Consequently, the EU-Africa Infrastructure Trust Fund (AIF) stepped in with concessional funding, mobilising a public investor to invest non-concessional equity in the project. AIF rebalanced the risk-return relationship, boosting the confidence of commercial investors. Despite the complexities, the project was completed in July 2019.
- The Nature Conservancy¹² is helping 20 island nations through blue bonds for conservation, a unique financial instrument which leverages upfront philanthropy to catalyse as much as 40 times more additional return-seeking investment. The bonds

provide investors with the opportunity to partner with the World Bank to tackle the challenge of plastic waste in the oceans. The bond proceeds are used to help coastal African countries refinance their national debt at lower interest rates and with longer repayment periods. This enables their governments to invest the savings in marine protection efforts.

- The Water and Sanitation Pooled Fund¹³ in Tamil Nadu, India mobilized public donor agencies and private institutional investors for funds through pooled municipal bonds for 13 urban local bodies (ULBs). The objective of the fund was to improve water and sanitation services. The pooled nature of the fund enabled the ULBs to overcome high transaction costs. The debt was repaid from project cash flows and generated revenue. The fund helped spread credit risks and pool resources to meet collective funding requirements, thereby achieving economies of scale.

57 percent

social enterprises identify access to capital (debt or equity) as a constraint

50 percent

consider access to grant funding a constraint

33 percent

report cash flow is a constraint¹⁴

Despite the increase in innovative blended finance instruments over the past few years, there remains a prominent gap in the support for small and growing for-profit social enterprises. Organisations that aim to make a social impact while generating financial returns for their stakeholders often find their funding requirements too big for a single microfinance loan yet too small for a commercial investment. Moreover, large transaction sizes and high structuring costs prevent them from using blended finance instruments. Therefore, instead of traditional blended finance instruments, innovative tools specifically for SGBs need to be developed to bridge these gaps.

One such innovation in blended finance instruments is the social success note, which has enabled for-profit social enterprises to raise capital at a discounted rate to fund their scaling needs, if pre-agreed social outputs are achieved.



Social Success Note

An Outcome-based
Financing Instrument

02

INTRODUCTION

SGBs, particularly those with the dual objective of creating social impact and generating financial returns, find it challenging to succeed and sustain in a competitive market. In India too, as in other low and middle income countries, there is a dearth of enabling conditions such as credit access and market linkages.

Given their focus on low-income populations, social enterprises tend to have higher perceived risks and lower margins. These conditions make it increasingly difficult for them to raise funds at the prevailing market rates, while preserving their social mission.

Social enterprises must maintain both their social mission and the market's return expectations but often run the risk of mission drift. Pay-for-success models such as impact bonds help address this funding challenge by pricing social targets to attract greater return-seeking capital; however, these models are better suited for charitable organisations because they are grant-based models.

This chapter delves into the social success note (SSN), a blended finance instrument based on the principle of pay-for-success, that helps for-profit social enterprises access affordable debt to scale their operations and impact while tackling the issue of mission drift.

SSNs aim to expand affordable finance sources for enterprises driving social change and in need of capital to scale up. In the SSN model, an investor offers a concessionary loan to a for-profit, small or medium sized social enterprise that can service a low-cost debt and has a proven impact model. The impact outcomes of the social enterprise should be quantifiable and easily measurable for the model to succeed.

If the social enterprise (or investee) achieves the pre-determined social outcome, a philanthropic outcome payer offers the risk investor an additional incentive depending on the achieved outcomes. This ensures a competitive risk-adjusted rate of return for the risk investor, making the instrument attractive for private sector players. The outcome payer may also choose to provide an incentive to the social enterprise.

The first SSN was developed by YSB, with support from The Rockefeller Foundation and UBS Optimus Foundation¹⁵. In 2018, the organisations piloted

the SSN with the aim to provide clean water to ~2 million children, cumulatively, in Uganda via Impact Water. A similar pay-for-success tool is being tested by Michael & Susan Dell Foundation and Varthana to enhance the learning outcomes of children in affordable private schools in India.

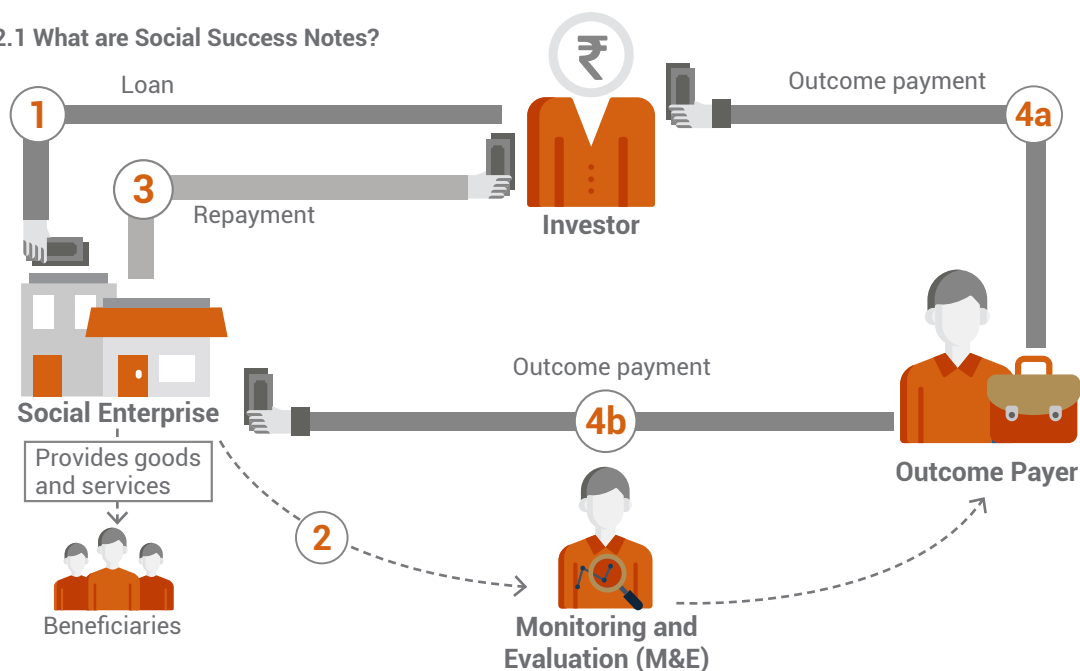
It is important to note that commercial capital and return-seeking capital have been used interchangeably in this playbook. However, till date, most risk investors in pay-for-success instruments have been philanthropic or impact investors. It is our hope that as these instruments scale, they become commercially viable to attract mainstream capital.



HOW DO **SOCIAL SUCCESS NOTES** DIFFER FROM OTHER IMPACT INVESTMENT MODELS?

- **Risk investors offer loans at an affordable rate of interest.**
- **Social enterprises or investees repay the loan.**
- **Donors/outcome payers offer incentives to the risk investor if the outcomes are achieved and donors may also choose to provide financial incentives to the social enterprise.**

Figure 2.1 What are Social Success Notes?



Step 1- A social enterprise acquires a loan at a discounted rate from a risk investor to sustain its business objectives

Step 2- An M&E partner verifies the achieved impact and reports it to the outcome payer

Step 3- The social enterprise repays the principal and interest to the risk investor

Step 4- The outcome payer offers incentives to the risk investor (4a) and social enterprise (4b) if the impact is achieved

*4b is optional and dependent on the outcome payer



Underlying Challenge

Social enterprises struggle to raise commercial capital and grow their businesses because of the inherently low margins resulting from their impact focus and serving underserved populations. Traditional capital sources may divert them from their social mission. For-profit social entities often find it difficult to access philanthropic capital, which is limited.



Target Group

SGBs whose products and services address critical social challenges and that intend to drive social impact through a proven and sustainable business model that needs capital to scale.



Proposed Solution

Fulfil capital needs of social enterprises through crowding in return seeking capital. Align incentives of various stakeholders to provide SGBs with mission-aligned affordable capital to help them scale up and become financially sustainable.



SOCIAL SUCCESS NOTE

- Aligns incentives across players and eases the path to impact
- Provides social businesses access to affordable mission-aligned debt funding
- Fosters sustainable impact by expanding reach to vulnerable populations at scale
- Makes impact investment attractive to commercial investors
- Utilises philanthropic donor capital in an efficient manner



EVOLUTION OF OUTCOME-BASED INSTRUMENTS

Social success notes have recently evolved as a blended finance instrument. Following are some examples of outcome-based instruments adopted in the past.

2010 United Kingdom

Crime

Instrument

Social Impact Bonds¹⁷

Features

Beneficiaries – Adult male prisoners of Peterborough
Aid – Funding to social impact partnership for a 7-year period
Outcome – Reduce reoffending
Partners – Ministry of Justice, One Service and commercial investors

2015 India

Education

Instrument

Development Impact Bonds²¹

Features

Beneficiaries – Out-of-school girls in rural areas
Aid – Grant to educate girls
Outcome – Increased enrolment in schools and improved learning outcomes
Partners – Children Investment Fund Foundation, UBS Optimus Foundation and Educate Girls

2016 Bangladesh

Hygiene and Sanitation

Instrument

Output based subsidy to microfinance institutions²⁰

Features

Beneficiaries – Rural households
Aid – Loan for constructing hygienic latrines
Outcome – Improved sanitation
Partners – World Bank and water and micro finance organisations

2007 Kenya

Water and Sanitation

Instrument

Output Based Aid (OBA)¹⁶

Features

Beneficiaries – Rural and peri urban communities
Aid – Low-cost loans
Outcome – Rehabilitate and expand small-scale piped water systems
Partners – K-Rep Bank (Kenyan commercial bank) and World Bank

2014 Kenya

Sanitation

Instrument

Output Based Aid (OBA)¹⁸

Features

Beneficiaries – Low income communities of Nairobi
Aid – One-off OBA subsidy
Outcome – Sustainable access to sanitation and water services
Partners – Nairobi City Water and Sewerage Company, works contractor and commercial investors

2014 Cambodia

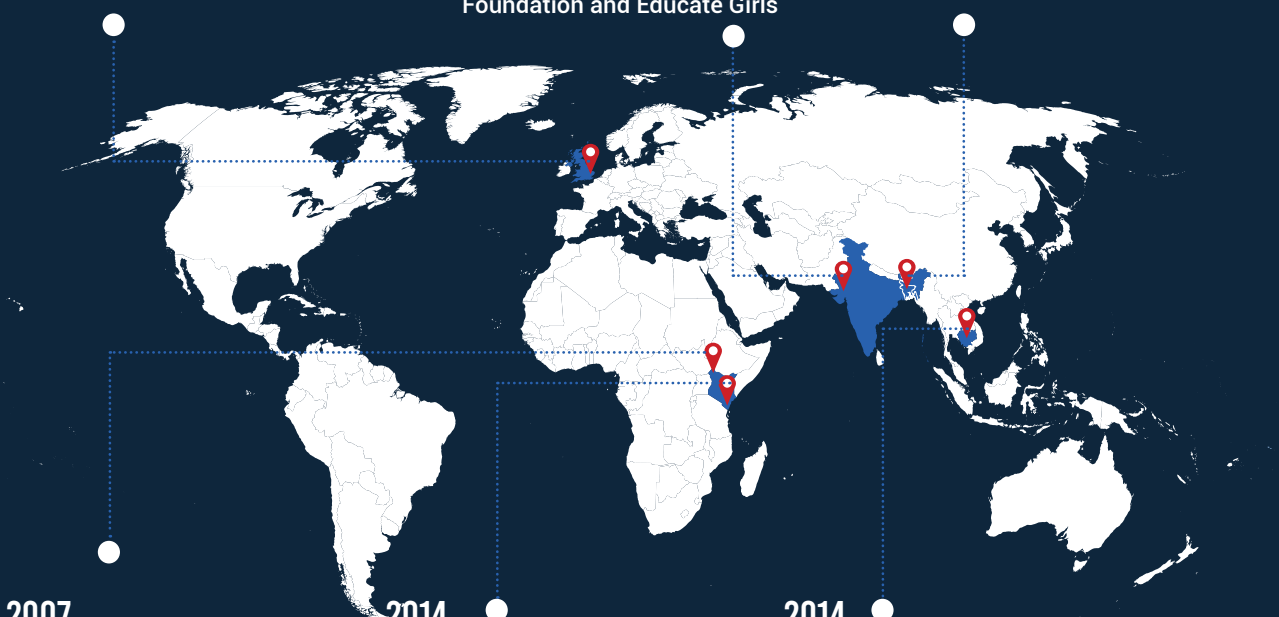
Water and Electricity

Instrument

Concessional line of credit and OBA grants¹⁹

Features

Beneficiaries – Rural and peri-urban communities
Aid – Loans to small- and medium-sized water service providers
Outcome – Improved service quality of water supply and water connections for the poor
Partners – European Union, Agence Française de Développement (AFD), Foreign Trade Bank and private water operators



FEATURES OF AN SSN



Aligns incentives across all stakeholders

The SSN helps provide access to mission-aligned, low cost capital to SGBs. Investors are able to support social enterprises that create adequate impact and financial returns. Outcome payers are able to leverage their limited philanthropic capital to create outsized impact.



Aids timely access to low cost debt capital

The path to financial sustainability and scaling is more difficult for social enterprises as they often struggle to access funding that meets their business requirements.

The SSN model aims to provide concessional, sufficient, timely and mission-aligned capital to SGBs to improve their risk-return profile by rewarding them for their social impact. The need for such timely, low cost capital is illustrated through the following example. Inspired by Amul's model, the founders of Osam Dairy personally invested ₹2 crore to set up a business that directly procures milk from farmers across 500 villages and sells it to retailers²². The enterprise uses innovative solutions such as cashless instant payments and training programmes to help the farmers improve milk quality and quantity and realise higher incomes. However, the business model failed twice because of challenges such as its inability to raise affordable mission-aligned capital for scaling up. The timely infusion of funding from impact investors like Aavishkaar and Lok Capital eventually helped the business increase its production capacity and expand distribution.



Offers verifiable and relevant performance metrics

The SSN model is sector agnostic and is a viable option for social enterprises that can **define, measure and quantify their social impact** in a cost effective manner. There is a need to develop sector specific metrics that can optimise evaluation costs and standardise measurement indices.



Mobilises additional return-seeking funding for social impact

The onus of driving social change thus far has squarely been on public and philanthropic capital. While commercial money has made its way through impact investing, it is generally channelled towards business models that offer a close to market rate of return. As previously mentioned, there is a need to mobilise considerably more commercial capital by leveraging philanthropic and public finances to achieve the SDG targets. **A key characteristic of the SSN is that it makes social impact investments attractive to commercial investors by financially incentivising the social impact created.** The model focuses on giving investors the opportunity to invest in under-invested sectors while ensuring the depth of social impact is not compromised. Michael & Susan Dell Foundation, for example, funded commercial NBFCs like Varthana and the Indian School Finance Company (ISFC) to extend credit to affordable private schools to improve students' learning outcomes. The model attracted additional investments over their initial funding.



Pays for performance

Pay for performance or impact incentives are a distinctive feature of SSNs. Payments are linked to the achievement of social or environmental targets and this acts as an incentive for all stakeholders including outcome payers, risk investors and social enterprises. If the predetermined targets are achieved, the outcome payer pays the investor over and above the lending rate. Financially rewarding investors when social impact objectives are met implies that their interests fully align with those of the social enterprise, which contributes to maximizing social impact. **The mechanism incentivises commercial investors to consider businesses and sectors that were previously deemed unprofitable or risky.**

OPERATIONALISING SSNs

The primary objective of the SSN model is to attract commercial capital to achieve social and environmental outcomes. It is, therefore, important to carefully consider associated risks when deploying resources in viable projects.

Blended finance models are often used²³ to distribute risks between philanthropic and commercial capital. Philanthropic funds cover the initial high-risk phase and commercial capital is introduced at a later stage when the solution offers sufficient evidence of commercial viability. Redesigning Development Finance Initiative's (RDFI's) survey on blended finance investments vehicles²⁴ concluded that 'mature investment opportunities were more successful in






attracting commercial capital at scale, suggesting a significant role for development funding at the earliest stages of the investment life cycle'.

Commercial investors are more likely to invest if the instrument clearly outlines the incentives and the model is easy to implement. Thus, an approach to co-funding development outcomes is to offer a partial guarantee or outcome payment to commercial investors that reduces risk exposure or increases the return potential, thus rebalancing the risk-return profile of an investment.

A key challenge in developing an SSN is identifying the right partners and defining their roles in operationalising the model.

Table 1

KEY PLAYERS AND THEIR ROLE IN OPERATIONALISING SOCIAL SUCCESS NOTES

Players	Role	Risk	Return	Types of Organisation
 Outcome Payer	<ul style="list-style-type: none"> Pays for performance to risk investor and/or social enterprise Initiates design and development of SSN Sets impact targets and incentives Assigns monitoring and evaluation partner 	Negligible <ul style="list-style-type: none"> Liable to make payments only if outcomes are achieved 	<ul style="list-style-type: none"> Higher impact to be achieved at lower costs Can leverage own funds to attract commercial funding by ensuring payments are made only for achieved targets 	<ul style="list-style-type: none"> Philanthropic foundations, multilateral institutions, government bodies, Indian corporations offering CSR funding
 Risk Investor	<ul style="list-style-type: none"> Lends funds to high-performing social enterprises to scale operations Sets terms and conditions for loan repayment by social enterprise 	High <ul style="list-style-type: none"> Debt servicing Lack of incentives if targets are unmet by social enterprise 	<ul style="list-style-type: none"> Repayment of loan by borrower and receipt of outcome payer's incentive resulting in returns close to prevailing market rate 	<ul style="list-style-type: none"> Non-banking financial organisations, venture capital firms, banks, commercial lending organisations, impact funds
 Social Enterprise (SGB)	<ul style="list-style-type: none"> Develops products or services for social impact Implements program in the selected geographies and communities Repays investor loan Reports to outcome payer and evaluation partner 	High <ul style="list-style-type: none"> Inability to generate revenue to service debt Implementation risks owing to social, political or environmental factors 	<ul style="list-style-type: none"> Revenue generated by selling product and services Outcome-based payments if impact targets are met (optional and dependent on the outcome payer) 	<ul style="list-style-type: none"> Small and growing for-profit social enterprises offering solutions for a social issue
 M&E Partner	<ul style="list-style-type: none"> Develops logic model and defines metrics in collaboration with outcome payer Monitors and collects data for impact metrics Measures and reports outcome 	Medium <ul style="list-style-type: none"> Manipulation of indicators used during evaluation 	<ul style="list-style-type: none"> Payment per service contract for monitoring and evaluation services 	<ul style="list-style-type: none"> Monitoring and evaluation agencies in the respective sector
 Intermediary/ Program Manager	<ul style="list-style-type: none"> Oversees development and execution of model design Manages and coordinates the SSN model 	Low <ul style="list-style-type: none"> Costs may increase as model may take longer than expected to become operational and replicable 	<ul style="list-style-type: none"> Payment by outcome payer/ risk investor for SSN management 	<ul style="list-style-type: none"> Project management consultant or collaborator in the social sector

Note: Intermediary/program manager is optional to the SSN model as outcome payer/risk investor may design, manage and execute the instrument.

POLICY AND LEGAL FRAMEWORK FOR SSNs IN INDIA

Social enterprises generally strive to achieve the dual purpose of positive social or environmental impact and the generation of financial returns. Nobel laureate Professor Muhammad Yunus defines a social enterprise as an entity that is created and designed to address a social problem. It is a no-loss, no-dividend company that is financially self-sustainable and that reinvests profits realised by the business in itself to maximise social impact²⁵. Few countries have specific legal structures that support the creation of social enterprises such as benefit corporations in the United States or community contribution companies (C3) in Canada.

A country's legal and policy structure also impacts the cost of a financial instrument. While there is no specific regulation for blended finance instruments in India, several compliance frameworks may become applicable given the type of transactions or legal entities involved.

This section offers an indicative list of key regulations that may influence the structuring and functioning of the SSN model.

A social enterprise in India could either be a non-government organisation or a for-profit entity. The enterprise can be registered in many forms, as shown below.

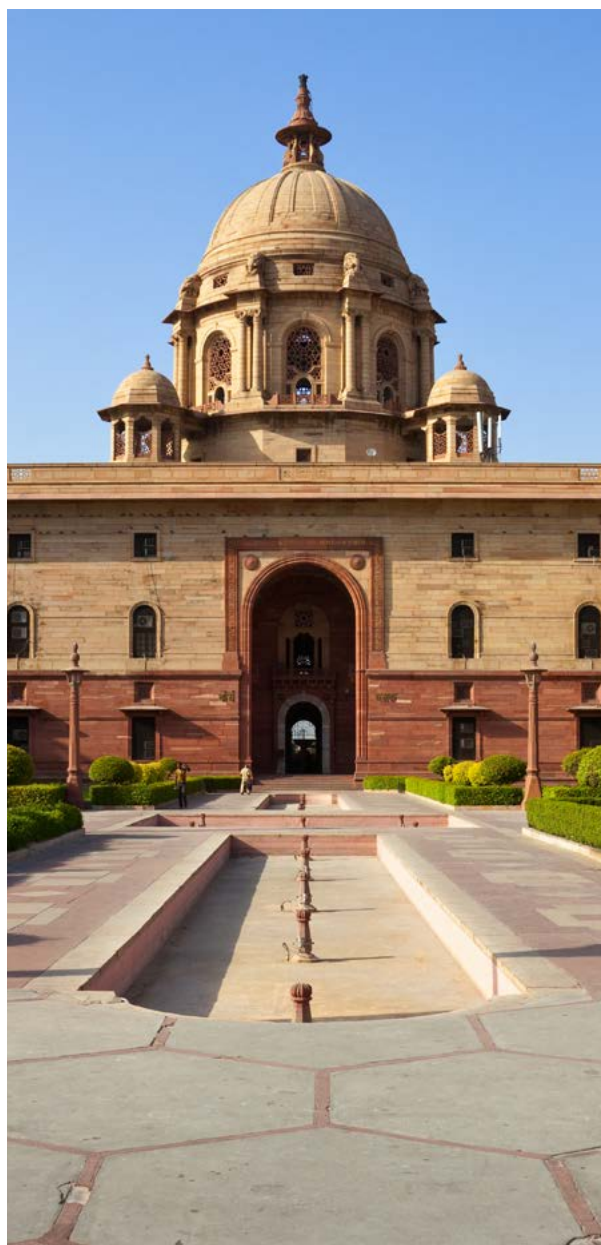
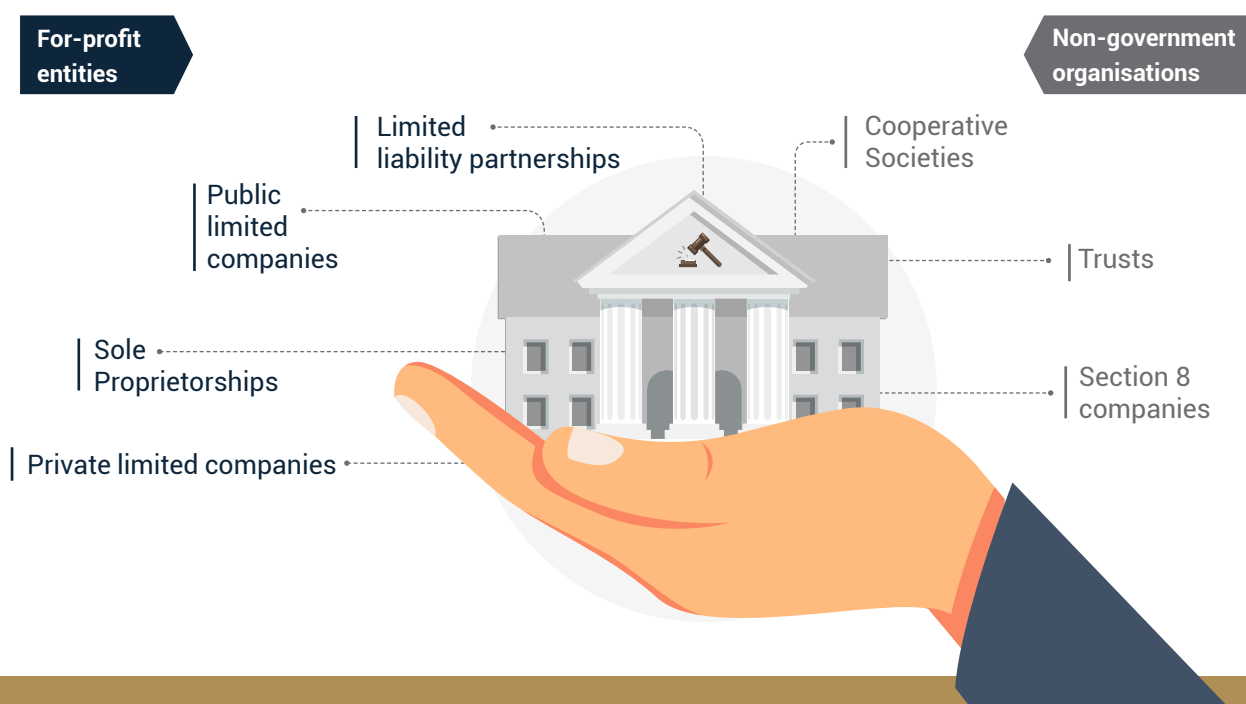


Figure 2.2 Types of legal entities in India



Financial transactions are governed and regulated by the Reserve Bank of India (RBI), which regularly stipulates related rules under various acts. The SSN model includes debt servicing and the transfer of funds between entities. Rules for foreign currency transfers apply if one of the entities is a foreign entity. We list some applicable compliances for reference.

Foreign Investment Reporting and Management System



Procedure, RBI

Applicability

- All Indian entities receiving foreign exchange or Indian rupees in the form of foreign domestic investment (FDI)

Compliances

- Registration with RBI using the entity master and single master forms
- Submission of annual reports on foreign investments

Foreign Exchange Management Act (Borrowings and Lending) Regulations, 2018 (FEMA)



Legislation, RBI

Applicability

- All branches, offices and agencies within and outside India owned or controlled by an Indian resident
- Capital account transactions
- Borrowing or lending in foreign exchange of all forms or under any name
- Deposits or borrowing or lending in Indian rupees or foreign exchange between an Indian resident and a non-resident Indian

Compliances

- Prior government approval for funds transferred to Indian entity (automated transfers may apply if investments are made through NBFCs)
- Residents should have a Permanent Account Number (PAN) and Form A2 should be filed to make remittances for transactions

External Commercial Borrowings (ECB)



Guidelines, RBI

Applicability

- All entities eligible to receive FDI under FEMA
- Overseas investor who is a resident of a country that complies with the Financial Action Task Force (FATF) or International Organisation of Securities Commission (IOSCO)

Compliances

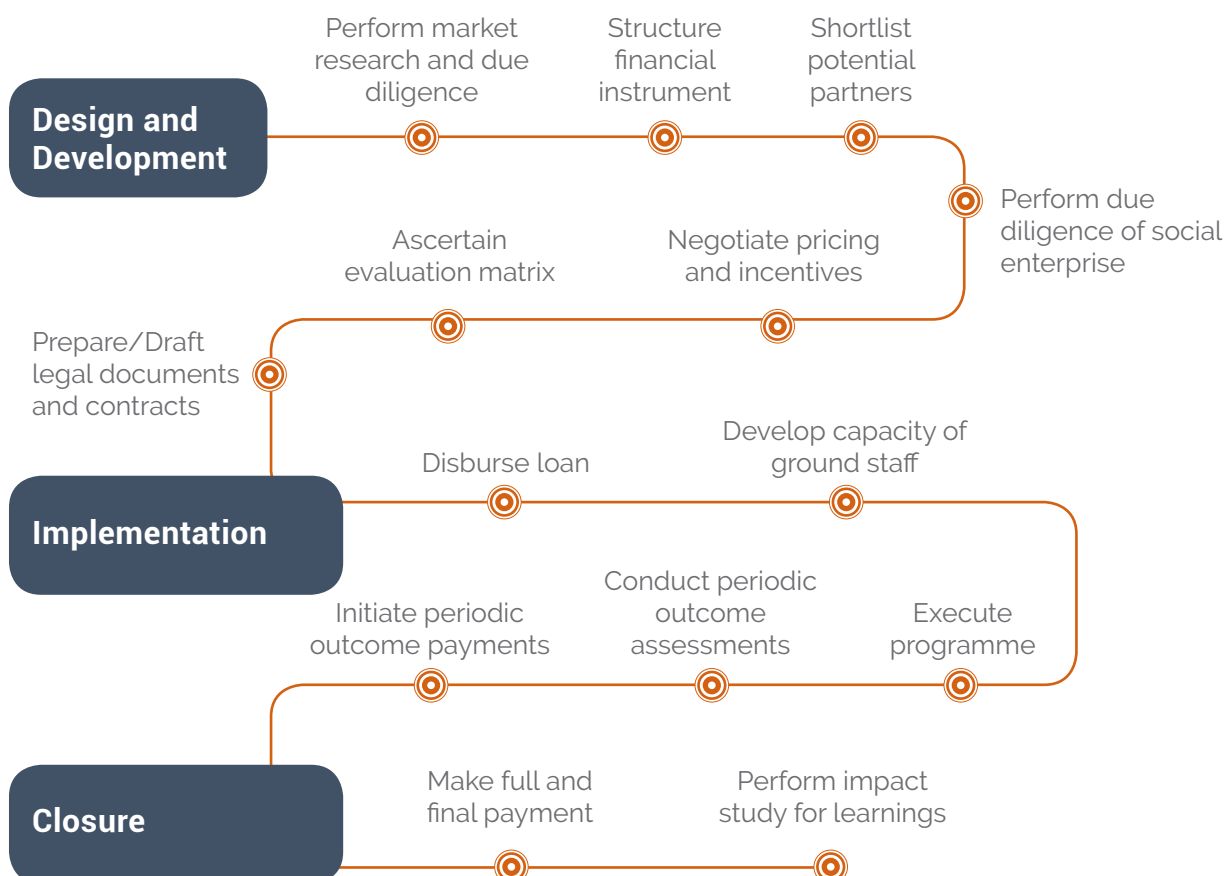
- Minimum average maturity period for all types of ECBs is 3 years (5 years if investors are foreign equity holders)
- Purpose of fund utilisation should not feature in the negative list
- All-in-cost ceiling: credit proceeds should not be used for payment of interest or charges
- Loans should be within the borrowing limits of a given sector
- Ratio of ECB liability to equity is limited to 7:1 for foreign currency ECBs
- All reporting requirements of ECB framework are fulfilled
- Borrower is primarily responsible for compliance with applicable guidelines

IMPLEMENTATION OF SSNs

A key characteristic of an SSN is the flexibility that it offers with respect to who initiates the structuring process; any of the parties involved, namely a social enterprise or outcome payer, can initiate the instrument individually or jointly with an intermediary. The implementation of an SSN depends on the approach,

policy, state legislations and other economic, political and cultural factors. A model initiator structures the instrument such that it incentivises all partners while driving social impact. The implementation broadly follows three steps: design and development, implementation and closure.

Figure 2.3 Implementation Steps



- Outcome assessments and subsequent payments of outcome incentives may be periodically done as mutually decided.
- The scope of the social issue and the potential of the proposed solution should be assessed to effectively design an instrument. Assessments that can be conducted at this stage are listed below:



Market
landscape



Social demographics of
target population



Demand study



Risk
analysis



Legal and political
environment



03

Case Study

**Social Success Note to Scale Up Water
Purification Solutions in Schools**

.....



BACKGROUND

Improved sanitation at schools, and health and hygiene programmes are instrumental in promoting long-term behavioural changes among children. Several studies show that the presence of toilets, safe drinking water, clean surroundings and basic information on hygiene enhance children's learning abilities. These factors also contribute towards improving health and attendance records, especially of girls attending school. Additionally, this has an overall positive impact on the community as school children are 'change agents' and influence the behaviours of both their family and the community as a whole.

“An estimated 440 children die per week of waterborne diseases in Uganda. A much higher number suffer health issues because of contaminated water, resulting in lower school attendance²⁷.”

PROBLEM STATEMENT

51 percent of Uganda's population lacks access to safe drinking water and 81 percent does not have access to improved sanitation facilities²⁶. An estimated 440 children die per week of waterborne diseases. A much higher number fall sick and suffer health issues because of contaminated water, resulting in lower school attendance²⁷.

Schools in Uganda often resorted to boiling to provide their students with safe drinking water. However, they struggle with the cost of firewood and the hours lost to the chore of boiling water. The market lacked affordable water purification strategies.

This inspired Impact Water, a social enterprise to install its first water purification system in Uganda in 2013. By 2015, Impact Water was providing safe drinking water to over half a million students in Uganda.

Impact Water needed a working capital loan of about US \$500,000 to fulfil its aim of deploying 3,600 water systems for ~2 million students over a 5-year period. However, early-stage social businesses with

limited collateral and profitability history, that serve the bottom-of-the-pyramid find it difficult to access flexible and mission-aligned capital. Moreover, such enterprises struggle to acquire a low-interest loan. In Uganda, the interest rate was about 25 percent.

PROPOSED SOLUTION

Outcome-based and blended finance models have the potential to unlock new pools of capital and align financial and impact incentives. YSB finances and supports social enterprises in developing economies and seeks to develop models that address critical financial gaps. In March 2018, the venture philanthropy fund piloted an SSN model with the support of The Rockefeller Foundation and UBS Optimus Foundation to fulfil Impact Water's financial needs.



US \$500,000 towards



3,600 WATER SYSTEMS

in schools to provide clean drinking water to



~2 MILLION CHILDREN*

*Subject to individual school size

UBS Optimus Foundation provided Impact Water a working capital loan of US \$500,000. This enabled Impact Water to continue selling, installing and maintaining affordable water purification systems in Ugandan schools.

The Rockefeller Foundation offered an outcome payment of US \$200,000, which would be divided between the upfront funder (UBS Optimus Foundation) and social enterprise (Impact Water) if the predetermined targets were achieved.

YSB manages monitoring and evaluation (M&E) for a 5-year period along with a local M&E partner, Socio-Economic Data Centre (SEDC), a leading private consulting firm in Uganda (currently ongoing).

FIVE KEY PLAYERS



UBS Optimus Foundation

was established in December 1999. The foundation focuses on environmental and social returns, particularly social outcomes that benefit vulnerable children. Their initiatives to achieve social impact vary from traditional charity to sustainable investments²⁸.



Impact Water

was founded by Impact Carbon, an NGO based in San Francisco. Impact Water delivers reliable, low-cost water purification technologies to schools²⁹. Thus far, the enterprise has installed its systems in over 30,000 schools and provided clean drinking water to more than 12 million students across Uganda, Kenya and Nigeria.



Yunus Social Business

is a philanthropic fund for social businesses and venture builder for corporate social businesses³⁰. Co-founded in 2011 by Nobel Peace Prize Laureate Prof. Muhammad Yunus, YSB's mission is to promote social business as a sustainable alternative to long-term aid, bridging the gap between business and philanthropy. Today, YSB's social businesses already serve over 13 million people in emerging and developing countries.



The Rockefeller Foundation

was founded in 1913 and aims to promote the well-being of humanity across the world. The foundation has been advancing new frontiers of science and accelerating breakthrough solutions to global challenges related to health, food, power and economic mobility³¹.



Socio-Economic Data Centre

was founded in 1996 and is a leading private consultancy firm in Uganda that offers research and consultancy services. The centre's mission is to assist public, private and civil sector organisations in undertaking high-quality research, M&E and capacity building for better service delivery³².



IMPLEMENTATION PROCESS



2015

The social success note was developed after consultation with various partners.



2018

All partners consented to the instrument in principle. Legal documents and contracts were drafted amongst the partners. UBS Optimus Foundation disbursed the loan to Impact Water.



2014

YSB sought a model suitable to serve the financing needs of growing social businesses while preventing mission drift. It employed a blended finance approach and pay-for-outcomes elements with the potential to scale. The research phase lasted about 3–6 months.



2016

The role of each key player and terms such as expected outcomes, outcome payments, stakeholders' fees and interest rates were defined. The structuring, design and negotiation process can last between 6 months and 2 years depending on the complexity and uniqueness of the transaction and legal requirements of the involved parties.



2018

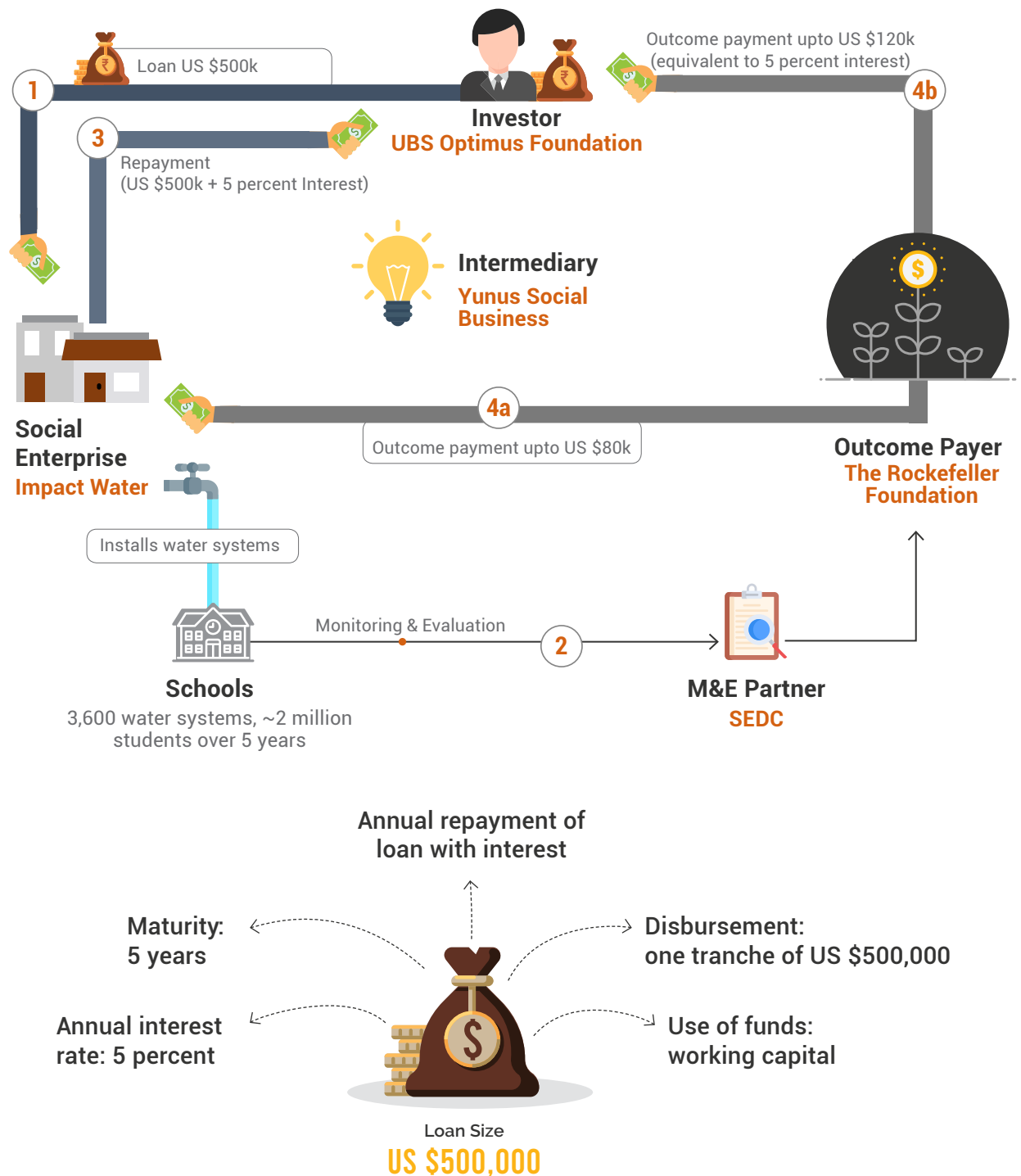
Impact Water initiated expansion and installation of 3,600 systems in Uganda with the aim to reach over ~2 million children over a 5-year period.

Milestones

- 2015 – YSB and The Rockefeller Foundation structured the instrument framework
- 2016 – Impact Water (social enterprise) and UBS Optimus Foundation (risk investor) were on-boarded
- 2017 – Terms and conditions as well as modus operandi were finalised
- 2018 – Legal documents were executed, and implementation was initiated

Figure 3.1

IMPLEMENTATION MODEL



EXPECTED OUTCOME

Reduce the occurrence of waterborne diseases by providing safe drinking water

Note: Intermediary/program manager plays an important role, however is optional as the risk investor or outcome payer may design and manage the instrument.

FUNDING STRUCTURE

Debt

In September 2018, UBS Optimus Foundation disbursed a working capital loan of US \$500,000 at 5 percent (below market rate) in a single tranche to Impact Water for a 5-year period. Impact Water was issued a loan considering its financially sustainable business model through which it could service the principal and repay the interest (below market rate). It would use these funds to scale up its operations to achieve the predetermined targets.

Rationale: Early and growing social businesses require appropriate financing options to achieve their full potential. However, few options unlock capital without endangering their social mission or focus on the base of the pyramid. With the so-called 'missing middle', later-stage capital also remains out of reach with banks and commercial investors requiring extensive collateral and quoting high interest rates that cannot be serviced by the social enterprise.

Low-cost debt enables social enterprises to scale their footprint and serve the neediest in an affordable manner. The loan sanctioned should be appropriate to meet the organisation's scale intention and projected repayment capacity.

FACTORS INFLUENCING SIZE AND PRICING OF THE INSTRUMENT

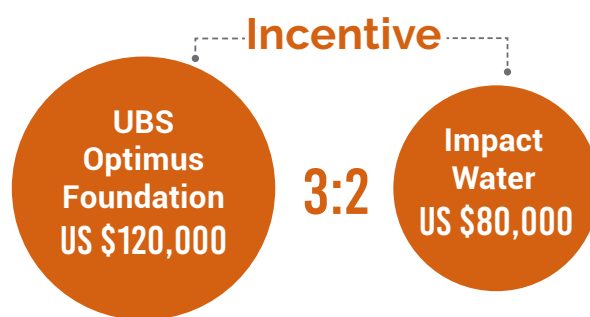
- Cost of **debt**
- Funds needed to **scale**
- Ability of SGB to **service** debt
- **Outcome** rate cards
(if information is available on how much each outcome unit should cost)

Outcome Payment

The Rockefeller Foundation agreed to a maximum outcome payment of US \$200,000 at a cumulative target of 3,600 performing water systems over 5 years. Meeting the targets would increase UBS Optimus Foundation's returns and reduce Impact Water's cost of debt. Outcome payments are made annually on a sliding scale for each installed and functional water purification system subject to independent verification.



The SSN allows philanthropic and public institutions to leverage their limited grant capital with abundant commercial capital. It also ensures that the capital offered by investors and outcome payers fully aligns with social outcomes.



Rationale: SSN-based funding is a viable option for outcome payers if they realise significant savings over traditional grant funding models. This model reduces the burden on outcome funding as the social enterprise repays the principal to the risk investor (unlike in impact bonds).

The outcome payer only provides funding if the pre-defined social outcomes are achieved. Thus, their capital subsidises only effective business models with a positive social impact.

The impact of a social enterprise outlives the life of a grant, and by funding financially sustainable social enterprises, outcome payers contribute to significantly increasing social impact.

Outcome payers can also multiply the impact of their scarce philanthropic funding by mobilising additional commercial capital. By crowding in additional return-seeking capital, The Rockefeller Foundation leveraged its philanthropic grant by 2.5 times

Monitoring and Evaluation Costs

YSB collaborated with SEDC to evaluate the performance of the water filters installed in schools by Impact Water. SEDC has a strong local presence and the proven ability to assess and evaluate social impact. The Centre was engaged following the structuring phase. In the case of an SSN, evaluation findings are a key determinant in the disbursement of outcome payments. Therefore, the role of an M&E partner and indicator selection is critical. Key features of effective M&E are as follows:

- The M&E partner is an independent, third-party organisation financed by an outcome payer or intermediary.
- M&E costs are directly proportional to the extent of monitoring and the method of assessment. Lowering costs could reduce the assessment quality.
- The outcomes are directly attributable to the indicators.

Design and Development Costs

YSB initiated the SSN structuring to tackle the issue of clean and safe drinking water in Ugandan schools. The development and design steps are as follows:

1. Concept and Design:

- Adapt the facility to local market needs
- Identify potential intervention sectors with strong social enterprises
- Define outcome metrics
- Design a robust economic model and investment strategy for financially self-sustainable vehicles depending on target enterprise and investor base
- Develop outcome payment mechanism

2. Setup and Structure:

- Identify a funding structure and appropriate financing vehicle
- Establish appropriate contractual relationships among various parties
- Assemble a board of sector experts and advisors

3. Funding:

- Create a pool of potential investors and outcome payers for eligible sectors
- Secure grants and raise investment funds and outcome payment funding

4. Implementation:

- Source more investible opportunities and conduct due diligence for first-time investment cases

YSB undertook the design and development and was funded by The Rockefeller Foundation. The transaction cost of developing such instruments can be high, and they are meant to be scalable and replicable to generate economies of scale.

The development phase also entails the following costs.

Market research and feasibility costs:

It is important to establish a clear understanding of various factors that impact the implementation of a solution. Thus, considerable research was conducted during this stage to determine the following:

- Available market solutions for safe drinking water, particularly their price and sustainability for comparison
- Market landscape to identify schools willing to install the filtration systems
- Contingent valuation of schools' ability to pay for the systems
- Risk adjusted rate of return for Impact Water



Documentation and contracting costs:

YSB and The Rockefeller Foundation's legal department was faced with the challenge of structuring the grant and fund flow in compliance with the local legal guidelines. Outcome payments that subsidise for-profit social enterprises must be carefully structured, particularly when offered by a foundation with a mandate to fund charitable causes. However, given that blended finance interventions are a relatively new phenomenon, they are yet to be reflected in traditional financial legal and structures. This not only inflates the processing costs but also prolongs the duration of contract finalisation to 3–5 months or longer.

Due diligence costs:

Performing due diligence of a social enterprise is integral to the model. Due diligence generally covers business constitution, model, market potential and financial prudence. All partners may participate to ensure the safety of their investment in terms of time and money.

SELECTION CRITERIA FOR SOCIAL ENTERPRISES

- **Social Impact:** the product offered is suitable and provides a holistic and sustainable solution to a pressing social challenge
- **Business Model:** a reliable business model, that generates revenue and is able to service debt
- **Potential:** an easily scalable business
- **Team:** driven and experienced entrepreneurs with natural leadership skills

The following table is an illustrative due diligence checklist:

Table 2

Due Diligence Checklist Example

- ✓ **Competence of business organisation**
 - **Capacity, expertise and years of experience in geography under consideration**
- ✓ **Identity**
 - **Number of years** the implementation partner has been in **existence**
 - **Registration certificate** or **legal document** of identity such as incorporation certificate or partnership deed
 - **Affiliation** with governments, local administration and international bodies (e.g. FCRA and ECB)
 - Record of on-going **litigations** or lawsuits against or by the organisation
- ✓ **Management**
 - **Number of board members and advisors** and board renewal procedures
 - **Biographies of board members** including their experience, operations statement for the past of 2 years as reflection of their work and relevant achievements
 - **Mission and strategy** outlined by management
 - **Experience** of management personnel overseeing daily activities
 - **Conflict of interest** among board members, advisors and management personnel or with local governments
- ✓ **Transparency**
 - **Awareness of disclosure and transparency requirements** for all stakeholders (including regulators and funders) such as periodic reporting, external audits and ratings
- ✓ **Financial Capability**
 - Audited **financial statements** and **income tax returns** for the **past 3 years**
 - **Statement of accounts** annually compiled and submitted to authorities
 - Ratios indicating **financial health** of organisation
- ✓ **Operational Capability**
 - Reports indicating organisation's **operational efficiency**
 - Disclosure of **funding details** (i.e. funding sources and annual revenue including operations and maintenance)
- ✓ **Human Resources**
 - **Team size, qualifications and experience** to ascertain adequacy of personnel needed to implement the intervention
- ✓ **Risk Management**
 - **Ownership details** to ascertain accountability and decision makers. The level of 'skin in the game'

#For due diligence criteria prescribed by YSB, visit their website.



Table 3

KEY PLAYERS AND THEIR ROLES

YUNUS SOCIAL BUSINESS	IMPACT WATER	UBS OPTIMUS FOUNDATION	THE ROCKEFELLER FOUNDATION	SOCIO-ECONOMIC DATA CENTRE
Intermediary (Knowledge Partner) Not needed in a scale up model	Service Provider (Social Enterprise)	Risk Investor	Outcome Payer	Monitoring and Evaluation Partner
Functions				
Conduct market research for the instrument Create program structure and design Perform due diligence of social enterprise Identify and on-board players Manage project Oversee evaluation	Install water purification systems in schools Maintain purification systems Provide credit facility to schools for payments Repay loan Report periodic progress Engage with beneficiary continuously	Perform financial due diligence of social enterprise Price debt instrument Finalise legal structure and documentation Disburse loan to Impact Water Administer debt	Determine outcome price in consultation with other players Define threshold for outcomes payment if targets are not met Appoint and pay M&E partner Pay outcome incentives for achieved targets Manage project through intermediary	Recommend outcomes and indicators for impact measurement Conduct and report baseline, midline and endline assessments Engage with beneficiaries for periodic assessments
Binding instrument				
Tripartite contract between parties Service agreements (bilateral)	Loan agreement (bilateral) Terms and conditions for project implementation, milestones, disbursement schedule and reporting Outcome agreement	Loan agreement Outcome agreement	Outcome agreement (tripartite) Service agreement for M&E (bilateral) Service agreement for intermediary (bilateral)	Service agreement for M&E (bilateral)
Reporting and Analysis				
Report progress to outcome payer	Report quantitative and financial periodic assessments to intermediary and risk investor	Submit disbursement schedule for annual interest and outcomes payments	Analyse assessment reports to make outcomes payments	Submit assessment reports
Risks				
Instrument unable to attract commercial investment Instrument is expensive and players are unable to scale up	Unable to achieve targeted outcomes Incapable of servicing debt Revenue streams do not materialise as expected	Debt is not fully or partly recovered Impact targets are not achieved, leading to non-payment of outcome funding	Loss of time and model implementation costs if desired impact is not achieved	Assessments lack credibility Assessments are not rigorous enough to provide attribution
Mitigation				
Risk investor and outcome payer negotiate to arrive at an incentive threshold during the structuring stage, thus setting realistic expectations	Targets are set as per market landscape Focus on product affordability and relevance	Termination or dispute resolution clauses added to contract, accounting for risks that cannot be anticipated or mitigated	Project selection is based on theory of change Implementing a proven solution to the social issue	The process of measurement is approved by the outcome payer Theory of change and indicators are well aligned to the desired impact
Engagement with beneficiaries				
Indirect	Direct	Indirect	Indirect	Direct

WHY PILOT AN SSN

YSB observed that by structuring an instrument that caters to the various needs of partners, it is possible to mobilise commercial capital to fulfil the objectives of the development sector.



Impact Water

Impact Water delivers safe drinking water to institutions such as schools and health facilities. Their social business model involves selling, installing and maintaining water purification systems. The systems use established technologies (i.e. ultrafiltration and UV treatment) designed to perform efficiently for 10 years or more, with relatively simple, preventive maintenance. Impact Water was too big an enterprise for a single microfinance loan but too small for a large-scale commercial investor. The SSN provided Impact Water with impact-linked working capital at a moderate interest rate of 5 percent that could ultimately drop to 0 percent if the pre-determined outcomes were achieved. The SSN was designed to be sustainable as Impact Water was expected to break even, repay the loan, and continue improving access to clean water.



UBS Optimus Foundation

UBS Optimus Foundation chose an SSN instead of a conventional grant to fund Impact Water considering

its proven business model and capacity to service debt. From a risk perspective, the SSN model poses a 'typical' credit risk since the lower interest rate offered to Impact Water is compensated by outcome payments by The Rockefeller Foundation. Investors receive financial returns only if the enterprise achieves social success, indicating their interests fully align with those of the social enterprise and thus, creating the potential to maximise social impact. The mechanism incentivises commercial investors to consider businesses and sectors previously deemed unprofitable or risky.



The Rockefeller Foundation

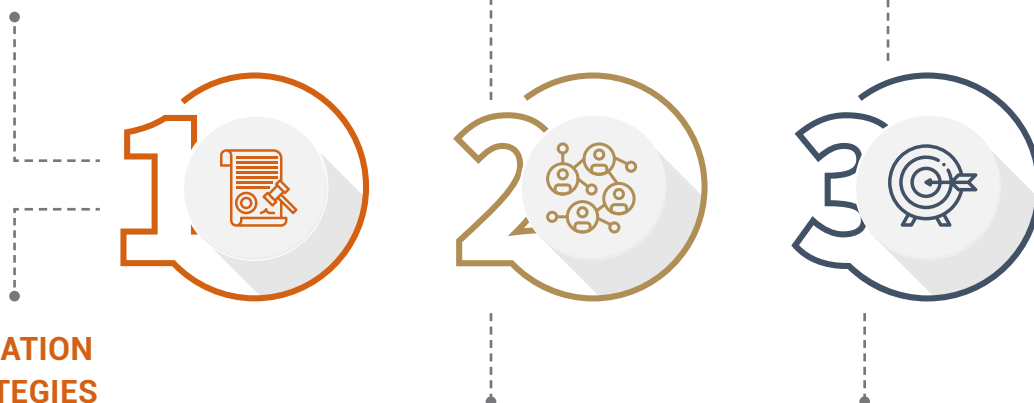
The SSN reduces the burden of outcome funding for the outcome payer since the social business is able to repay its own principal amount. Outcome payers are required to make payments only if the stipulated social outcomes are met. This way, they can achieve the same level of impact by leveraging their capital to mobilise return-seeking capital. The Rockefeller Foundation significantly leveraged its capital ~2.5 times the amount paid as outcome payments. This allows the foundation to efficiently use its philanthropic capital to augment its mission and considerably scale its impact. Overall, the model ensures that the investor's capital and the outcome payer's capital are fully aligned with the social mission of Impact Water.



CHALLENGES AND MITIGATION STRATEGIES

CHALLENGES

- Traditional financial and legal structures do not reflect blended finance interventions, resulting in inflated processing costs
- Investment structures must adhere to local and global compliances to ensure legal implementation
- Outcome indicators are not verifiable, timely or cost effective
- Transaction cost per deal is considerably high for one-time implementation



KEY OBSERVATIONS

- The instrument structure should be simple to understand and implement.
- Determining outcome payments can be complicated: the instrument must meet the risk-return spectrum threshold for the risk investor but not overcompensate for the risk.
- The transaction costs should not exceed the leverage sought by the outcome payer.
- The output/outcome indicators should clearly align with the intended impact.
- The evaluation partner should be involved as early as the planning stage.
- A mismatch between expected targets and ground realities may affect final outcomes. Therefore, targets should be periodically reviewed and have inbuilt flexibility.



Case Study

Performance Linked Financing to Improve
Learning Outcomes in Affordable Private Schools

A young girl with dark hair in a braid, wearing a white school uniform, is writing on a chalkboard. The chalkboard has some faint, illegible writing on it. The girl is looking down at the board as she writes.

"90
percent

of over 200 million
children in India perform
below their grade level"
as reported by Gray
Matters India in 2018³³

BACKGROUND

The affordable private school (APS) market in India is flourishing with an increasing number of urban poor families sending their children to these schools to provide them with a better education. The market ecosystem is also maturing with a diversified set of social enterprises, investors, content providers and infrastructure companies. However, several studies show that over 75 percent students enrolled in APSs demonstrate learning outcomes below their grade-level³⁴.

India's APS lending market has dramatically grown over the past years, with two leading players, Varthana and ISFC, reporting a combined portfolio of ₹1,600 crore and 5,000 schools, as of April 2020.

PROBLEM STATEMENT

India's growing APS market represents a paradox of opportunities and challenges. On the one hand, APSs are supported by a vibrant network of social enterprises that see an opportunity to participate in a fast-growing education market. The FSG report, 'Understanding the Affordable Private School Market in India', states that this highly competitive market in India is estimated to be ~US \$5.2 billion. On the other hand, the APS segment continues to underperform in terms of learning outcomes, depriving a large section of children from urban poor families of relevant and meaningful education. It is, therefore, critical to engage with APSs and construct program pathways that can enhance learning outcomes³⁴. A key factor stifling the growth of APSs is the limited access to timely and reliable debt-financing. Banks and other formal financial institutions have largely ignored the APS market, but the gap is being bridged by school-financing companies.



PROPOSED SOLUTION

The Michael & Susan Dell Foundation's vision is to transform the lives of children living in urban poverty by improving the quality of education and health and the economic stability of their families. Every year, the foundation creates opportunities for over 3 million low-income students across the world to attend high-quality schools³⁵.

Dell Foundation realises the need for high-quality and hands-on support, periodic assessments to maintain a feedback loop and connections with content providers to improve learning outcomes. This strategy aligns well with their strategic roadmap for transforming the APS ecosystem in India.

The proposed APS excellence program represents a continuation of Dell Foundation's pay-for-performance funding strategy, initiated in 2015 with a variable-rate loan to the Indian School Finance Company (ISFC).

“

Performance-linked financing pilots like Varthana and ISFC can help make great strides in establishing concrete and widely accepted quality metrics for affordable private schools. We are confident that the improvement in learning outcomes, as demonstrated by the pilot, will spur new and sustained demand for quality education within these communities. Such demand has the potential to create a compelling economic incentive for school owners to continue on their journey towards school improvements.

”

Prachi Windlass
Director,
Michael & Susan Dell Foundation

Figure 4.1

KEY DRIVERS OF SOLUTION DESIGN

Michael & Susan Dell Foundation's experience with ISFC helped them identify the various gaps APSs face. They were keen to build on these lessons and launch a larger program to leverage mainstream risk capital with focus on improved learning outcomes in the APS segment.

Informed School Leadership

Learning outcomes and high-quality assessments are not yet the norm in the APS market. There is a need to educate school leaders about the importance of learning outcomes and tools to improve the quality of classroom learning.

Continuous and Meaningful Mentorship

APSs need hands-on support to improve learning quality. However, the schools often lack access to skilled educators or education specialists who can act as trusted advisors and mentors.

Opportunity to crowd-in mainstream capital

An increasing pool of loan financing is becoming available to APSs. Commercial investors are demonstrating strong interest by participating via school-financing companies. There is a strong opportunity to accentuate the impact of this capital by linking incentives with learning outcomes.

Curated relationships with vendors

The APS segment has a wide range of education companies that offer products and services to schools. However, school leaders struggle to fully understand their own needs and identify appropriate vendors that drive quality.

Drawing on the lessons from the ISFC pilot, Dell Foundation proposed a larger program focused on improving learning outcomes in the APS segment. Dell Foundation designed and developed a pay-for-performance instrument along with its implementation partner Varthana, whose mission is to improve educational quality and focus extends beyond providing loans to schools.

The objective of the program was to use financial incentives to nudge school owners to prioritise quality learning. Dell Foundation offered Varthana a loan to mobilise smaller loans for 337 schools across 11 cities in India. The schools availing these loans signed up for the School Transformation Programme (STP) conceptualised by Beyond Loans, a separate business concern of Varthana that works towards improving learning outcomes. The STP follows an assess-design-measure framework that helps teachers design and execute customised lesson plans. The lesson plans are based on student feedback, which in turn, influences learning outcomes.

Dell Foundation agreed to incentivise the participating schools and Varthana if the learning outcome targets

were met. Dell Foundation partnered with Gray Matters India (GMI), an education assessment company, to monitor and evaluate the learning outcomes.

KEY PLAYERS

In addition to Dell Foundation, the program involves two key players: Varthana and Gray Matters India.



Thirumeni Finance Private Limited, also known as Varthana

Thirumeni Finance Private Limited or Varthana is an NBFC dedicated to transforming affordable private schools in India since 2012. The Bengaluru-based company offers both secured and unsecured loans to schools that range between ₹4 lakh and ₹2 crore. Varthana had raised ~US \$20 million in equity capital by 2016³⁶. Varthana has raised capital in the past from leading investors, including Asha Impact, Omidyar Network, Elevar Equity, LGT Venture Philanthropy, ChrysCapital and Kaizen Private Equity, among others³⁷.

Beyond Loans, a business unit of Varthana was established to transform APSs and provide wrap-around services that extend beyond loans.

These services include

- High-quality assessments
- Education specialists
- Access to a qualified vendor network



Gray Matters India (GMI)

GMI has pioneered models to develop modern measurement techniques in education that are actionable on the ground and contextualised to India. The company is actively involved in assessing the quality of schools and has championed the metric of learning outcomes for progressive educational interventions across the country³⁸. Since 2012, GMI has worked across India, assessing 500,000+ students in 3,000+ government and private schools and providing actionable feedback to drive improved learning outcomes. GMI's test instruments have been developed according to class-specific learning objectives defined in the National Curriculum Framework (NCF, 2005).



Affordable Private Schools (APS)

Schools were considered APSs if they met the following criteria:

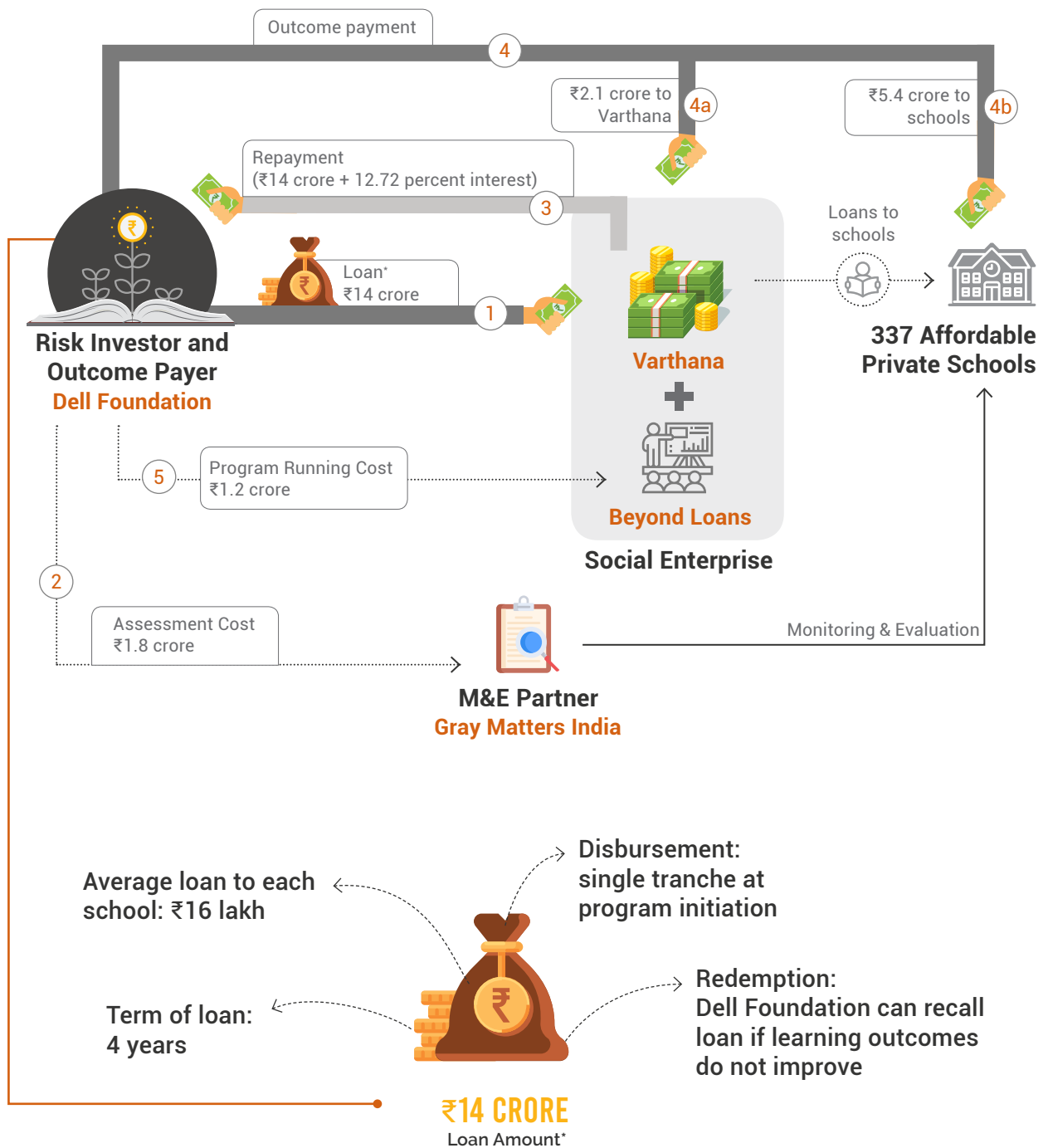
- Student fee: ₹1,500 or less per month
- Enrolment rate: 300 or more children
- Years since establishment: 3 years or more
- Proven ability to make timely EMI payments

Accordingly, 337 schools were selected and offered financial support to implement the STP.



Figure 4.2

IMPLEMENTATION MODEL



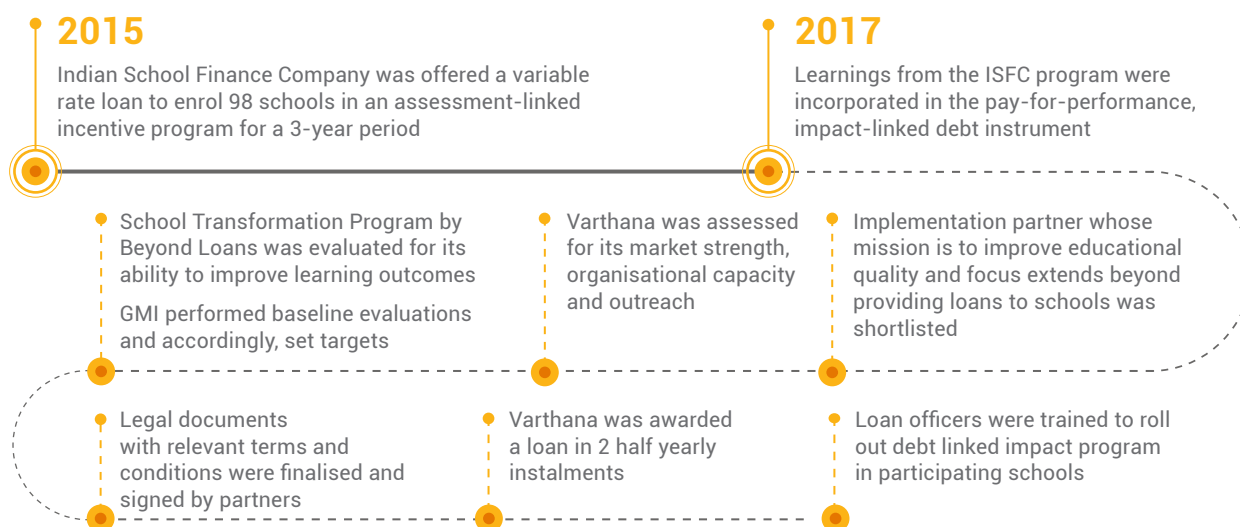
*In addition to the loan from Dell Foundation, Varthana mobilised other commercial capital.

EXPECTED OUTCOMES

Improvement in learning outcomes of APS students in grades 3, 5 and 7

Figure 4.3

IMPLEMENTATION PROCESS



FUNDING STRUCTURE

Debt

Dell Foundation's loan gave 337 APSs the opportunity to avail incentives if they met their learning outcome targets, and thus, reduce the cost of their debt. The Foundation also incentivised Varthana to drive the schools towards achieving their targets by offering them 33 percent of the incentives paid out to the schools. In August 2017, Dell Foundation disbursed a loan of ₹14 crore at an interest rate of 12.72 percent, which could be lowered to as little as 3.07 percent depending on the number of schools that met their target, for a duration of 4 years. The debt helped Varthana lower its cost of funds provided as loans to all APSs enrolled in the program.

Rationale: The instrument was designed to crowd in mainstream private capital in addition to philanthropic capital, which would be used to drive learning outcomes across schools. This enabled Dell Foundation to recycle part of the philanthropic funds and increase the level of achievable impact through the financial incentives offered to the schools.

Outcome Payments to Schools

Schools are eligible to receive a maximum of 10 percent of their loan principal or ₹3 lakh per school upon the achievement of targets. The incentive has the potential to significantly reduce the interest paid out by the schools to Varthana. The payments incentivise

the schools to improve learning outcomes. This also makes the schools popular in their regions, increasing their student enrolment rate.

Rationale: Dell Foundation set aside ₹5.4 crore for the schools and an additional ₹2.1 crore for Varthana if 100 percent of the targets were met. Since Varthana would repay the loan along with interest (depending on the number of schools that met the target), this would serve as an incentive to magnify the achievable impact.

Outcome Payments to Varthana

Dell Foundation committed 33 percent of the outcome payments to schools to Varthana as an additional incentive. If 100 percent of the schools meet their target, the payment would amount to ₹2.1 crore (inclusive of taxes).

Rationale: Varthana's core business is to provide loans to schools. This structure helped Varthana raise funds at a cost significantly lower than the market rate. It also helped crowd in commercial capital, thus increasing the pool of money available to be lent out. To ensure the schools met their targets, Varthana offered the STP to schools, which was also funded by Dell Foundation over and above the previously mentioned incentives.

STP Implementation Costs

Varthana incurs a direct cost of ₹3.32 crore through Beyond Loans for the STP. Dell Foundation agreed to bear part of the cost in the form of a fixed fee amounting to ₹1.2 crore. The implementation costs of the STP include hiring education specialists. The specialists are recruited via a fellowship program by Beyond Loans and deployed in the schools to provide hands-on support and mentoring.

Rationale: APSs, undoubtedly, need financial support to run their daily operations. The loan amount was likely to be invested in infrastructure and capacity development. However, targeted interventions like the STP are needed to improve learning outcomes. By splitting the program cost with Varthana, Dell Foundation ensured that improvement in learning outcomes remain the primary objective of the model. Consequently, Dell Foundation bore only 36 percent of the STP costs.



Monitoring and Evaluation Costs

Assessments are conducted as per the impact evaluation plan stipulated in the agreement between GMI, Varthana and Dell Foundation. Dell Foundation would bear a total evaluation cost of ₹1.85 crore over a 4-year period.

The programme uses the assessment framework of a diagnostic assessment, a statistical methodology that allows periodic comparisons of data collected between various assessment cycles.

It was imperative for the evaluation methodology to be objective since the outcome payments would be based on the evaluation results. GMI adopted a bi-level target approach. The schools would receive outcome payments on an annual basis.

Figure 4.4
Assessment and Incentive Framework

	Level 1 Target	Level 2 Target
12 Months	5 Points increase over baseline	10 Points increase over baseline
24 Months	5 Points increase over midline	10 Points increase over midline
INCENTIVE percent	5 percent of outstanding for secured loans	10 percent of outstanding for secured loans
	5 percent of loan amount for unsecured	10 percent of loan amount for unsecured
<p>*Cap on incentives amount - 10 percent of loan or ₹3 lakh whichever is higher</p> <p>*School may earn the incentive at 12 or 24 months or both, upto ₹3 lakh or 10 percent of loan, whichever is higher</p>		

Table 4

THREE ASSESSMENT CYCLES FOR TARGET SETTING AND PERFORMANCE MEASUREMENT

Baseline Year 1	Midline Year 2	Endline Year 3
1 Base Line Assessment Grade 3, 5 and 7 take a standardised test in English and Maths	4 Midline - Post 12 months Same cohort takes standardised tests in English and Maths designed for grades 4, 6, and 8	6 Endline - Post 24 months Same cohort takes standardised test in English and Maths designed for grades 5, 7 and 9
2 Scores Analysis The mean of individual scores in every class is calculated by subject	5 Decide Eligibility for Incentives Eligibility 1: A school that achieves the level 1 target during the midline year is eligible to receive 5 percent of its loan amount A school that achieves the level 2 target during the midline year is eligible to receive 10 percent of its loan amount or ₹3 lakh, whichever is higher	7 Decide Eligibility for Incentives Eligibility 2: A school that fails to achieve target 1 or 2 in the midline year, and achieves it in the endline year is eligible to receive incentives in the same way The upper cap on combined incentives received at the midline and endline assessments is ₹3 lakh or 10 percent of the loan, whichever is higher
3 Target Setting Two target test scores are set: Level 1 target (increase of 5 points) Level 2 target (increase of 10 points)		

OTHER COSTS

- Design costs** include all costs incurred in designing the instrument and conducting background research. For this project, Dell Foundation designed the instrument with the help of Varthana and a legal agency. All design costs were borne by Dell Foundation.
- Legal costs** are those incurred to set up a structure for the financial instrument. Continued advisory is needed given that India remains in the nascent stage of blended finance instruments.
- Due diligence costs** cover competence assessments of implementation partners (e.g. past records, affiliations, litigations and legal identity), management and execution of vision/mission. Due diligence criteria for evaluations are necessary when empaneling social enterprises, establishing partnerships and engaging in joint projects.
- Training costs** incurred for the capacity development of loan officers account for a small but important percentage of total costs (~0.5–1 percent). This percentage may vary with the nature and stage of project implementation.



Table 5

KEY PLAYERS AND THEIR ROLES

MICHAEL & SUSAN DELL FOUNDATION	VARTHANA		GRAY MATTERS INDIA
	Lending business	Beyond Loans	
Risk Investor and Outcome Payer	For-profit Financial Organisation	Implementation Agency for the STP	Monitoring and Evaluation Partner
Functions			
Initiate program design and instrument Select partners Conduct due diligence Execute legal documents Disburse loan to Varthana Offer grant to Beyond loans for STP costs Pay for program M&E Issue outcome payments to participating schools and Varthana if targets are achieved Coordinate and monitor program implementation	Disburse loans to 337 schools Enrol eligible APSs in the STP and disburse loans Incur partial costs of the STP	Hire and deploy education specialists in participating schools Conduct workshops and interventions with students, teachers and parents	Conduct baseline evaluations Perform midline and endline assessments Analyse midline and endline data and finalise assessment report
Binding instrument			
Loan agreement Grant agreement	MoUs , including all program details and the incentive process, with APSs for the STP Loan agreement with APSs citing school property as Collateral		Service agreement
Reporting and analysis			
Financial reports by Varthana Programmatic reports by Beyond Loans Assessment reports by GMI Compliance reports by Dell Foundation	Quarterly financial reports, audited financials, and annual business plans to be submitted to Dell Foundation	Monthly operational parameters (actuals vs. targets) Programmatic reports to Varthana and Dell Foundation	Baseline: base year Midline: end of year 1 Endline: end of year 2 Comprehensive reports with students' assessment results to Dell Foundation
Risks			
Varthana is unable to repay the debt to Dell Foundation Improvement in learning is not achieved as planned	Schools are unable to service debt Schools do not implement the STP	Intervention is ineffective in improving learning outcomes	Manipulation of assessments
Mitigation			
Stable credit rating of BBB assigned by ICRA to Varthana Partial STP costs are funded by Varthana Exit or termination clause in the agreement enables Dell Foundation to pre-close instrument No incentives to be paid if targets not met	Due diligence of funded schools is performed before selection Coordinators are appointed to pitch the program to APSs	Engagement levels are determined as skill and will matrix Workshops are conducted depending on GMI reports	Assessment process is verified Assessment is independently conducted by GMI
Engagement with beneficiaries			
Indirect	Direct		Direct

WHY DID DELL FOUNDATION LAUNCH A PAY-FOR-PERFORMANCE SSN-LIKE INSTRUMENT?

Dell Foundation

Dell Foundation has a long-term vision to improve the learning outcomes of school children. Their initial experience with ISFC highlighted three critical observations:

1. APSs struggle to sustain their operations because of financial constraints.
2. Schools are not motivated to adopt innovative teaching techniques.
3. Regular touch points with APSs are necessary. Schools cannot be expected to maintain the same engagement level if interim check-ins are missing.

To overcome these challenges, Dell Foundation chose a dual approach of offering schools low interest loans and incentivising them for adopting the STP through outcome payments. This approach is yielding promising results in its early stages.

Varthana

Varthana designed a robust learning outcome programme through Beyond Loans, but it was unable to motivate schools to incur implementation costs. An SSN-type instrument embedded with an incentive component enabled Varthana to overcome this challenge, generate market returns and scale up their programme in a time-efficient manner.



COMPARISON OF IMPLEMENTING COST FOR THE STP IN 337 SCHOOLS

Table 6

OPTION 1 PAY FOR PERFORMANCE



What Dell Foundation pays	
Partial STP cost	₹1.2 crore
Outcome payments	₹7.5 crore
Assessment Cost	₹1.85 crore
Total	₹10.55 crore
What Dell Foundation gets	
Interest on loan	₹7.12 crore
Net payout	₹3.43 crore
Payable only if 100 percent targets are achieved	

Table 7

OPTION 2 GRANT

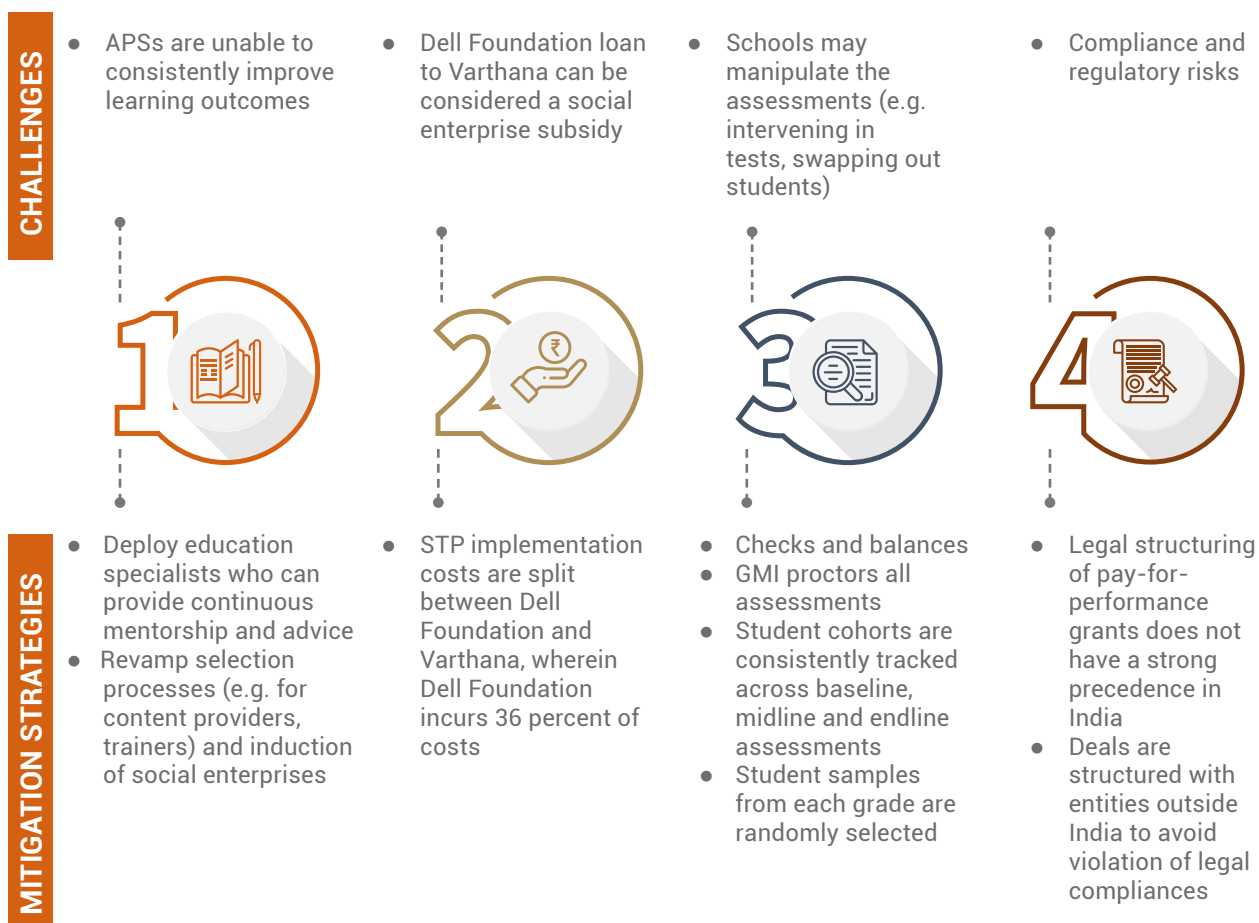


What Dell Foundation pays	
Total cost of STP	₹3.32 crore
Assessment Cost	₹1.85 crore
Total	₹5.17 crore
What Dell Foundation gets	
Net Payout	₹5.17 crore
Payable even if targets are not met	

The comparison given above does not account for the interplay of design and other costs, which may be significant in the case of SSNs for initial programs.

Nevertheless, the comparison shows that the blending model has the potential to reduce impact costs. The administration costs of the instrument may be higher during the pilot project considering the design and legal structuring requirements. These costs can be amortised in the long run by furthering investment in the sector. Dell Foundation believes this is an opportunity to crowd-in mainstream capital to drive impact in the education sector.

CHALLENGES AND MITIGATION STRATEGIES



KEY OBSERVATIONS

- Numerous organisations in the education sector are working to improve student learning outcomes. However, few are currently eligible for such instruments given their inadequate outcome measurements and inability to service debt. This restricts the scaling up of the instrument and hinders the economies of scale in design costs.
- It is imperative to engage with beneficiaries at regular intervals for a program to succeed.
- The pay-for-success model yields better results vis-a-vis philanthropy towards beneficiaries.
- Financial incentives need to be thought through carefully for the intervention to work. In this instance, low cost loans had to be supplemented with further financial incentives to nudge schools to improve learning outcomes.





05

Key Questions

Decoding Social
Success Notes



The SSN has emerged as a viable financial instrument for driving sustainable social change by leveraging commercial capital. Collaborative consultations with relevant stakeholders can help strengthen this instrument and develop it into a powerful tool for achieving development outcomes.

ARE **SSNs** SIMILAR TO DEVELOPMENT IMPACT BONDS?

There are a range of instruments that are based on outcomes like development impact bonds (DIBs) and SSNs. The two instruments mainly differ in structure. While SSNs have the potential to support for-profit,

small and growing businesses that have the capacity to service debt, DIBs are better suited to non-profit social organisations, that cannot service debt.

Table 8 Comparison of DIBs and SSNs

Development Impact Bonds		Social Success Notes
Outcome payer, investor, implementation partner (generally non-profit organisation), M&E partner	Key Players	Outcome payer, investor, implementation partner (e.g. for-profit SGB), M&E partner
Grant to implementing organisation to achieve results	Structure	Low-cost debt to implementing organisation to achieve results
Outcome payer pays investors the principal amount and interest thereon if targets are achieved	Who Pays Whom*	Social enterprise repays loans to the investor, and outcome payer offers incentives to investor if targets are met
Principal plus interest is paid to investor if outcomes are achieved	Outcome Payer's Contribution*	Incentives are paid to investors if outcomes are achieved
Outcomes	Criteria for Payment by Outcome Payer	Outcomes

*Payments to the social enterprise are optional and can further reduce their burden of debt

Key elements of Social Success Notes

1. Risk investor offers capital at a discounted rate of interest.
2. Outcome payer pays incentive to risk investor upon achievement of outcomes, and may also choose to offer financial incentives to the social enterprise.

ARE INTERMEDIARIES ESSENTIAL IN DESIGNING AND **DEVELOPING SSNs**?

While having an intermediary is not mandatory, they can play a critical role in bringing together key players and facilitating the efficient functioning of an intervention, especially in the pilot phase. Organisations such as YSB, Palladium, Instiglio, KOIS, British Asian Trust, Social Finance and Dalberg have been involved in multiple capacities including structuring innovative finance instruments, monitoring the intervention progress, providing feedback to implementation partners and have served as a bridge between development aid organisations, investors and implementation organisations. In several instances, intermediaries have played the role of aggregators to crowd fund large-scale programs. However, it is important to note that after the pilot, as in any scale

up model, these roles may be taken over by other partners to reduce complexity and costs.

“

Intermediaries can play an important role when piloting unique models like SSNs for the first time, especially in terms of finding pilot partners and playing a neutral role aligning the incentives. In any scale up model, these roles are ideally taken over by the other parties.

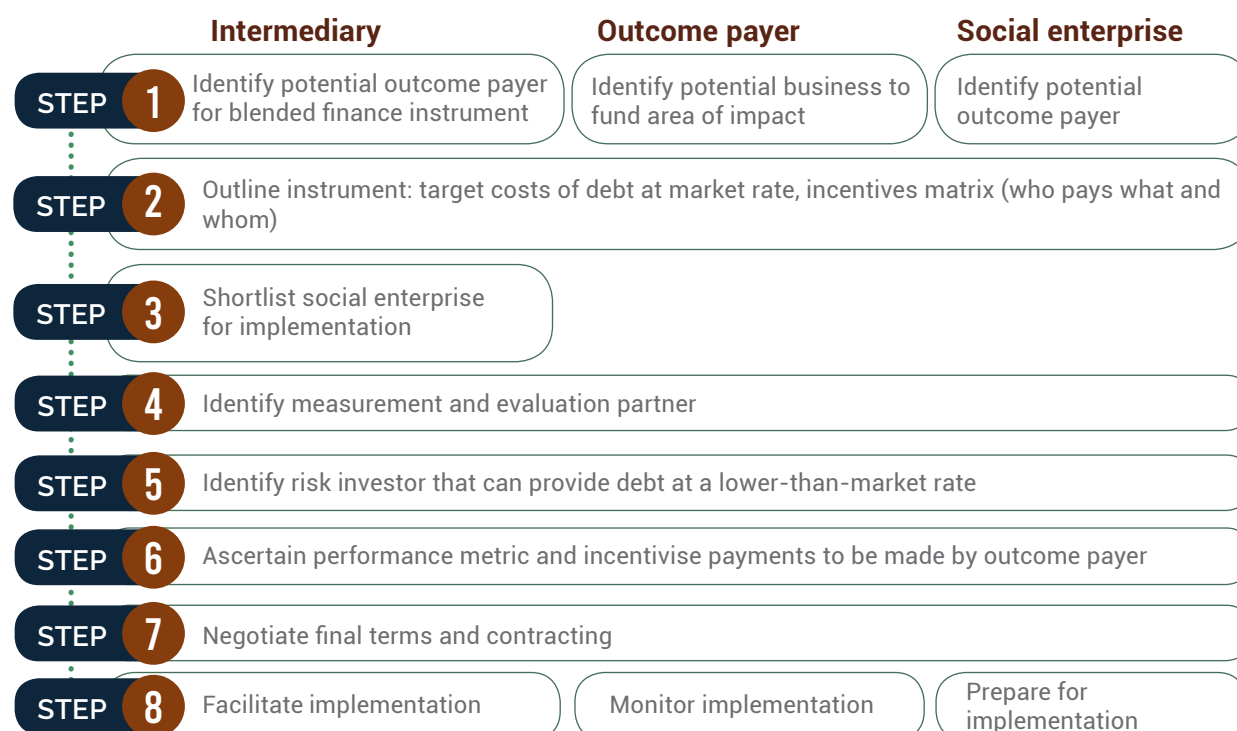
”

Bastian Mueller
Director Partnerships and
Investor Relations, YSB Global

WHO INITIATES THE DEVELOPMENT OF **SSNs**?

In the two case studies discussed in this playbook and the following table, any one key player intermediary, outcome payer or social enterprise can initiate the SSN development process. The infographic shows

how players may participate in the SSN development and execution. The boxes common across steps indicate scope for flexibility.





HOW ARE OUTPUT AND OUTCOME METRICS CHOSEN FOR **MONITORING AND EVALUATION?**

The definition of key performance metrics is an essential feature of any pay-for-performance instrument. The process of identifying output and outcome indicators is well defined; however, the selection of performance metrics depends on the measurability of the outcome metrics over the life of the intervention, cost and effort of measurement.

Outputs are relatively short term, easier and cost effective indicators to measure, which is important for quick payouts. Outcomes that determine the intended long-term effects of an intervention are more effort intensive and expensive.

A balance between the M&E costs and ensuring the reliability of performance metrics can be achieved by determining a mix of more frequently measured output targets and a selected set of outcome targets.

Independent impact evaluations can help programme designers make course corrections and determine more reliable outcome indicators for the future.

Identifying the appropriate set of indicators is a consultative process when adopting instruments embedded with outcome payments such as SSNs. As such instruments mature, developing standardised measurement metrics will benefit various sectors. In addition, enhancing evaluation capabilities among all ecosystem players is critical. These steps will improve the overall quality of both financial instruments and related measures.

Factors for effective M&E

- **Mix of ambitious and achievable performance metrics**
- **Robust and cost-effective evaluation design**
- **M&E at regular intervals to provide feedback for mid-course correction**

ARE SSNs BENEFICIAL EVEN IF **RISK INVESTMENTS ARE NOT FROM COMMERCIAL SOURCES?**

The overarching goal of most blended finance instruments is to mobilise commercial capital from private sources into the development sector. However, pure-play commercial investors are still wary of investing in this space.

The structure of an SSN leverages impact capital by extending it as serviceable debt to a for-profit social enterprise, thus enabling the investor to recycle funds. While the participation of commercial capital is currently limited, once scaled and templatised, these instruments will have the potential to unlock commercial capital.

“

The SSN can be an effective structure for a profit social business to raise much needed capital at rates that are affordable while also providing the investor an appropriate risk adjusted return. However, going beyond pilots and achieving scale will require advocacy, the reduction of transaction costs through fund structures that allow for economies of scale and policy changes. For example, CSR as outcome funding has the potential to leverage 2.5 times more funding towards social businesses. However, CSR money currently cannot be channeled into for profit social businesses except through government approved incubators.

Aarti Wig
CEO, YSB-India

”



KEY RECOMMENDATIONS FOR THE SSN MODEL TO WORK IN THE INDIAN SCENARIO

● Social Enterprise Selection

SSNs should be structured for SGBs that offer products and services that drive social change and have a proven ability to service debt.

● Regulatory Compliances

Legal documents should be carefully structured to avoid compliance issues at a later stage, particularly if risk capital or incentive payments are offered by a non-Indian entity. Recent changes in RBI policies have led to an increase in debt costs.

● Administration

SSNs should be structured at scale and templatised to the extent possible to realise economies of scale and to justify structuring, management and evaluation costs.

● Feasibility

The solution should be tested for effectiveness and scale and documented before the SSN is designed to finance it.

● Outcomes Definition

Adequate efforts should be made to align output and outcome indicators with desired impact.

● Monitoring and Evaluation

Evaluation agencies must be independent and engaged at the design stage. While they may provide guidance on outcome targets, the final decision on what to set as targets solely rests with the risk investor and outcome payer.

● Engagement of Key Partners

Key players must be continuously engaged to ensure timely course corrections, business model modifications to achieve desired results and the identification of improvements.

REFERENCES

1. The Hindu Business Line. India's Contribution to Global Economic Growth May Exceed US' by 2024, Bloomberg, Washington, 21 October 2019.
2. Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. Sustainable Development Report 2020, June 30, 2020.
3. Technology and Action for Rural Advancements. Achieving the Sustainable Development Goals in India—A Study of Financial Requirements and Gaps, August 2015.
4. Bain & Company and Dasra. India Philanthropy Report, 2020.
5. Impact Investors Council and Asha Impact. The India Impact Investing Story, June 2020.
6. Mahua Acharya. Opinion | Blended Finance for Meeting the SDGs, Livemint, 4 October 2018.
7. Varsha Roysam. 11 Incubators that are Shaping Social Entrepreneurs into Powerful Changemakers, YourStory, 28 July 2017.
8. Martin Wolf, Chief Economics Commentator, Financial Times. Making Blended Finance Work for the Sustainable Development Goals, OECD Library, 2018.
9. Redesigning Development Finance Initiative. Blended Finance Vol. 1: A Primer for Development Finance and Philanthropic Funders, September 2015.
10. Convergence Report. The State of Blended Finance 2019, 24 September 2019.
11. OECD. Making Blended Finance Work for Sustainable Development Goals, OECD Publishing, Paris, 2018.
12. The Nature Conservancy. Blue Bonds: An Audacious Plan to Save the World's Ocean, 16 April 2019.
13. World Bank. Pooled Municipal Bond Issuance in Tamil Nadu (India), Case Studies for Blended Finance for Water and Sanitation, August 2016.
14. British Council. The state of social enterprises in Bangladesh, Ghana, India and Pakistan, 2016.
15. Yunus Social Business. We have launched an innovative new financing solution: The Social Success Note! April 2018.
16. World Bank. Scaling Up Blended Financing for Water and Sanitation in Kenya, August 2016
17. RAND Corporation. Evaluating the World's First Social Impact Bond, Accessed on 7 November 2019.
18. World Bank. Nairobi Sanitation OBA Project, August 2016.
19. World Bank. Facilitated Access to Finance for Domestic Private Water Operators in Cambodia, Case Studies for Blended Finance for Water and Sanitation, August 2016.
20. World Bank. Bangladesh OBA Microfinance Sanitation Project: Evaluation Report, August 2016.
21. Instiglio. Educate Girls Development Impact Bond, Accessed on 15 April 2020.
22. Rishabh Mansur. These Jharkhand-based Founders who Almost Went Bankrupt Twice Now Clock Rs 120 Cr Revenue from their Dairy Brand, YourStory, Accessed on 13 August 2019.
23. Neil Gregory. Five High Impact Approaches to Blended Finance, Medium, 21 March 2016.
24. Redesigning Development Finance Initiative. Insights from Blended Finance Investment Vehicles & Facilities, January 2016.
25. Kay, Roy & Donaldson. Re-imagining Social Enterprise, 2016.
26. Water.org. Uganda's Water and Sanitation Crisis, Accessed on 23 October 2019.
27. Muhammad Yunus. A World of Three Zeroes: The New Economics of Zero Poverty, Zero Unemployment, Zero Net Carbon Emissions, Hachette, 26 September 2017.
28. UBS Optimus Foundation. Who We Are, Accessed on 2 December 2019. <https://www.ubs.com/global/en/ubs-society/philanthropy/optimus-foundation/who-we-are.html>
29. Impact Water. Our Story, Accessed on 2 December 2019. <http://www.impactwater.co/about>
30. Yunus Social Business. About Us, Accessed on 2 December 2019. <https://www.yunussb.com/about-us>
31. The Rockefeller Foundation. About Us, Accessed on 2 December 2019. <https://www.rockefellerfoundation.org/about-us/>
32. Socio-Economic Data Centre. About Us, Accessed on 2 December 2019. <https://www.sedcug.org/>
33. Aditi Pandey, Chahal Vaid, and Ashok Subramanian P. Nudging Education: Disrupting the Learning Ecosystem for Masses, ConveGenius Education Solutions Private Limited, August 2018.
34. Rahil Rangwala. How can Financial Incentives Improve Student Learning Outcomes? Wise Qatar Foundation, 24 May 2018.
35. Michael & Susan Dell Foundation. About Us, Accessed on 2 December 2019. <https://www.msdf.org/about/>
36. Nikkei Asian Review. Indian lender to private schools plans new funding round, September 2019.
37. Varthana. Team, Accessed on 21 July 2020.
38. Gray Matters India. Who We Are, Accessed on 2 December 2019. <https://www.graymatters.in/who-we-are>

Designed by



