

Social Impact Bonds

“The World is on the brink of a revolution in how we solve society’s toughest problems. The force capable of driving this revolution is ‘**Impact Investing** which harnesses **entrepreneurship, innovation** and **capital** to power social improvement” - Social Impact Investment Task Force, UK. Globally, till date more than 200 Impact bonds have been designed for social sectors such as Employment, Social welfare, Health and Education.

The **National Skill Development Corporation (NSDC)** launched the first-of-its-kind and the largest '**Impact Bond**' for skilling in India in 2021, in collaboration with global partners. It involves a **\$14.4 million fund** which will benefit 50,000 young people in India over four years by making them employment-ready. We at **Tata STRIVE** are proud to be a part of this initiative as one of the **training partners** under the programme.

Along with the NSDC, the global coalition comprises HRH Prince Charles's British Asian Trust, the Michael & Susan Dell Foundation (MSDF), The Children's Investment Fund Foundation (CIFF), HSBC India, JSW Foundation, and Dubai Cares, with FCDO (UK Government) & USAID as technical partners.

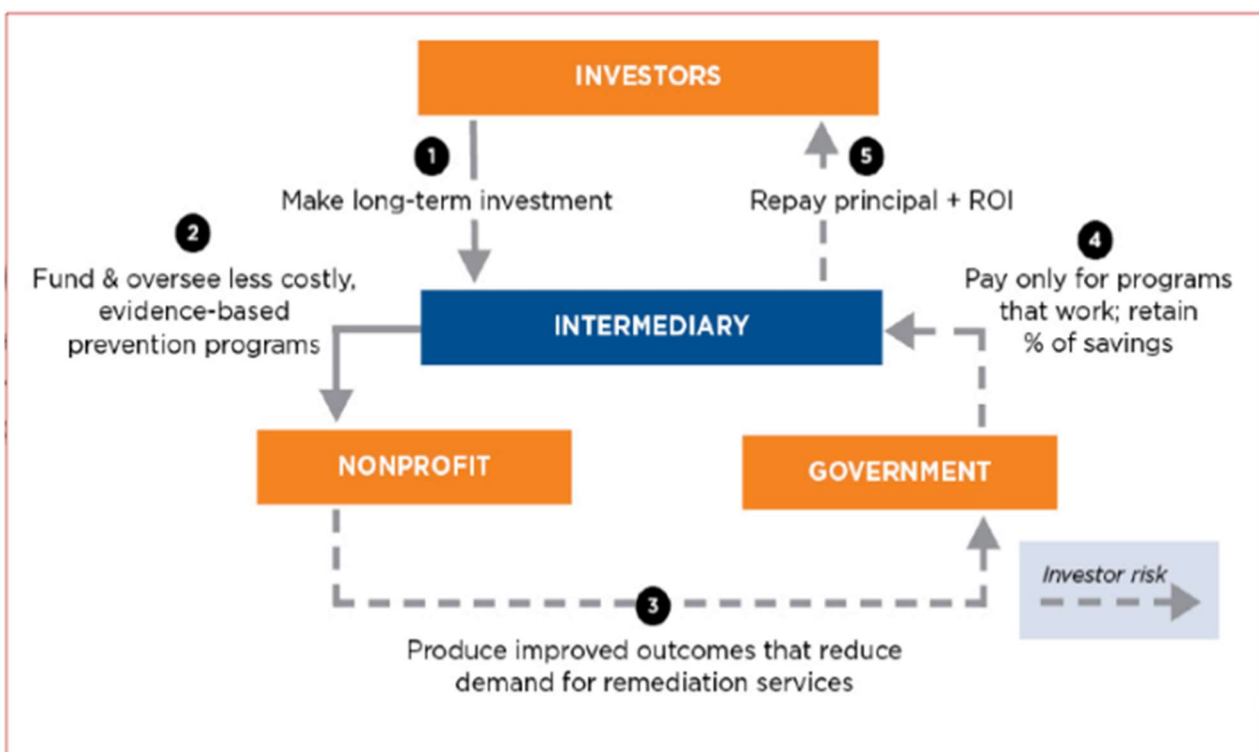
The target group includes 60 percent women and the objective is to provide vocational training that results in wage employment in high demand sectors including retail, apparel, healthcare and logistics.

Tata STRIVE will train 680 youth under this programme in a span of six months and the success of the programme will be determined by improved transition rate from enrollment to 3-Month retention in a job. Tata STRIVE will train youth under IT/ITES, BFSI, Retail, Hospitality, Telecom and Healthcare sectors with a special focus on women beneficiaries.

What are Social Impact Bonds (SIBs):

Impact bonds are innovative financing instruments that leverage private sector capital and expertise, with a focus on achieving results. It shifts the focus from inputs to performance and results. In an SIB, governments or commissioners enter into agreements with social service providers for delivery on ground, and investors pay for the delivery of pre-defined social outcomes. These funds are distributed to service providers to cover their operating costs. If the measurable outcomes agreed upfront are achieved, the government or the commissioner proceeds with payments to the bond-issuing organisation or the investors. In reality, the term “bond” is more of a misnomer. In financial terms, SIBs are not real bonds but rather future contracts on social outcomes.

How it works?



Impact Bond Landscape: India

Concerned with the quality of education, the Tata Trusts in 2018, with group of global philanthropic foundations, including UBS Optimus Foundation, British Asian Trust and Michael & Susan Dell Foundation, announced a 'development impact bond' (DIB) worth \$11 million and promised to double the fund size in the coming days to improve the education outcome of 300,000 students in Delhi and Gujarat. The overall vision is to enable a market for innovative financing in India to support improvements in the quality of education with a focus on programmatic outcomes and designed programmes that are scalable, measurable and impact education outcomes.

4
IMPACT
BONDS

~837,300
BENEFICIARIES
TARGETTED



Name of the Bond	Size (INR Cr)	Year of launch	Sector	Parties
Skill Impact Bond	130	2021	Skilling and Employment	NSDC, MSDF, CIFF, Dubai cares, JSW Foundation, HSBC, BAT
Quality Education Bond	80	2018	Education	UBSF,MSDF,BAT
Utkrisht	35	2018	Health	UBSF, Palladium,USAID,MSD
Educate Girl	2	2015	Education	UBSF, CIFF, Educate Girl