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A closer look: Employment (SDG 8)

Key Data Points—Employment

▸ **Employment is one of the most important and advanced topics in the OBF landscape**

- 81 employment-focused impact bonds have been launched to date, including 8 in LMICs (Source: GOLab). This is a larger share than any other SDG.

- In the 2022 Pipeline Report, SDG 8 tied SDG 4 (Quality Education) for second most common SDG (SDG 1 – No Poverty was the first).

- SDG 8 was also the most common SDG in the 2024 pipeline survey

- SDG 8 was also a leading topic within both Accelerator cohorts.

  - We received 30 employment projects in the first Accelerator cohort (second only to SDG 5 – Gender, often selected as more of a cross-cutting/secondary SDG).

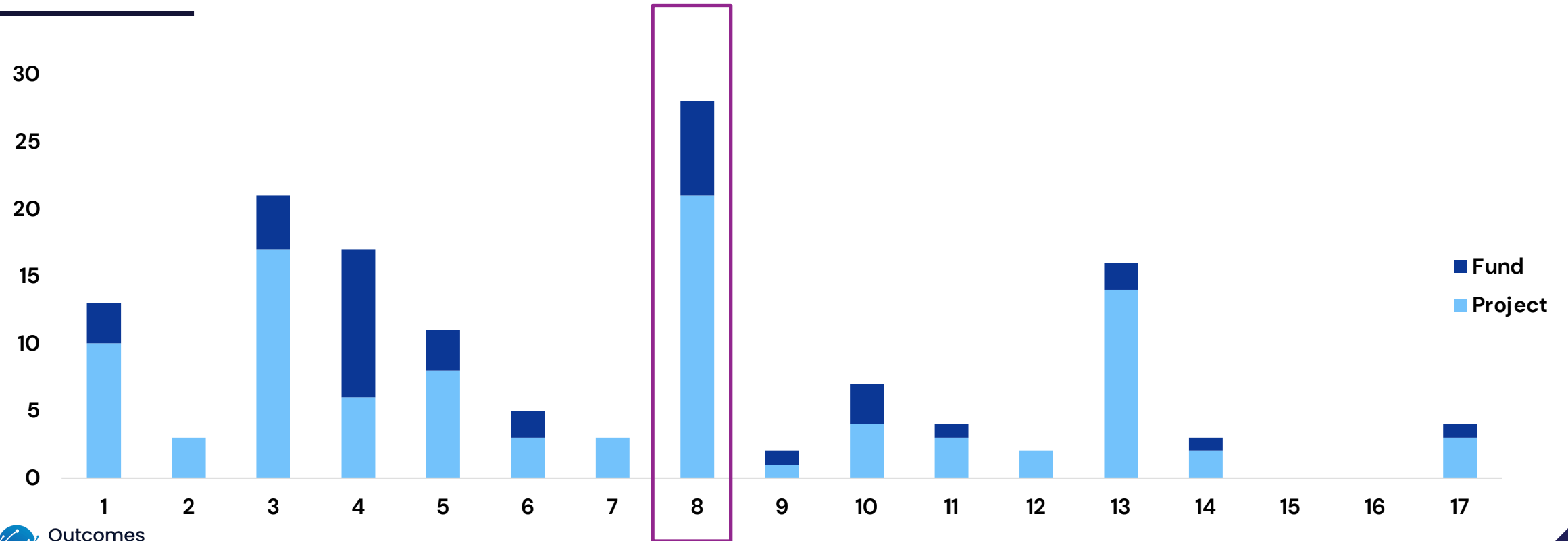 - In the second cohort, 45 employment projects were submitted.

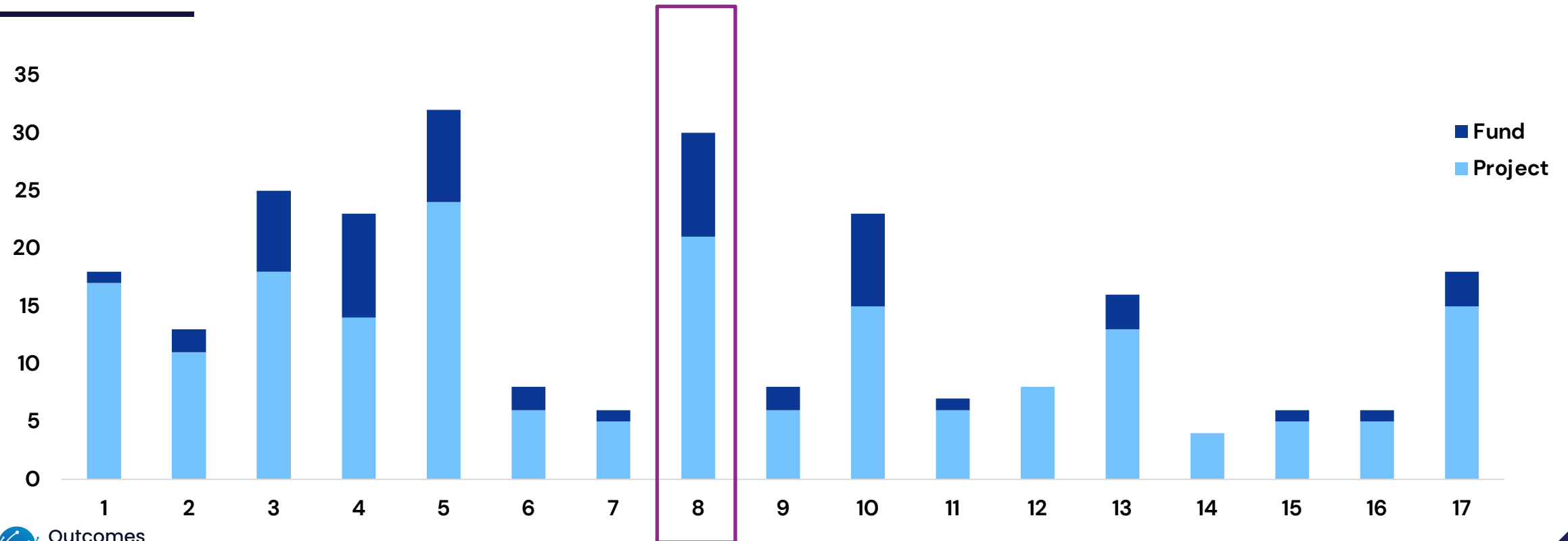Outcomes Accelerator

Project Pipeline by SDG, 2022
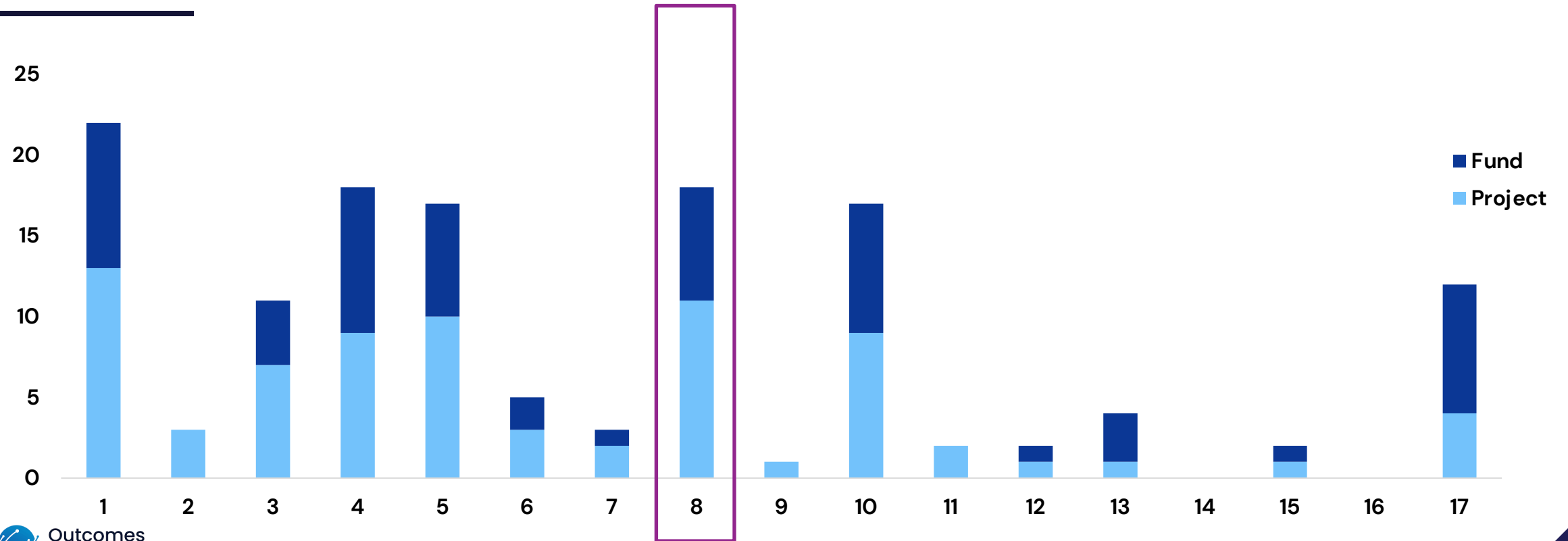
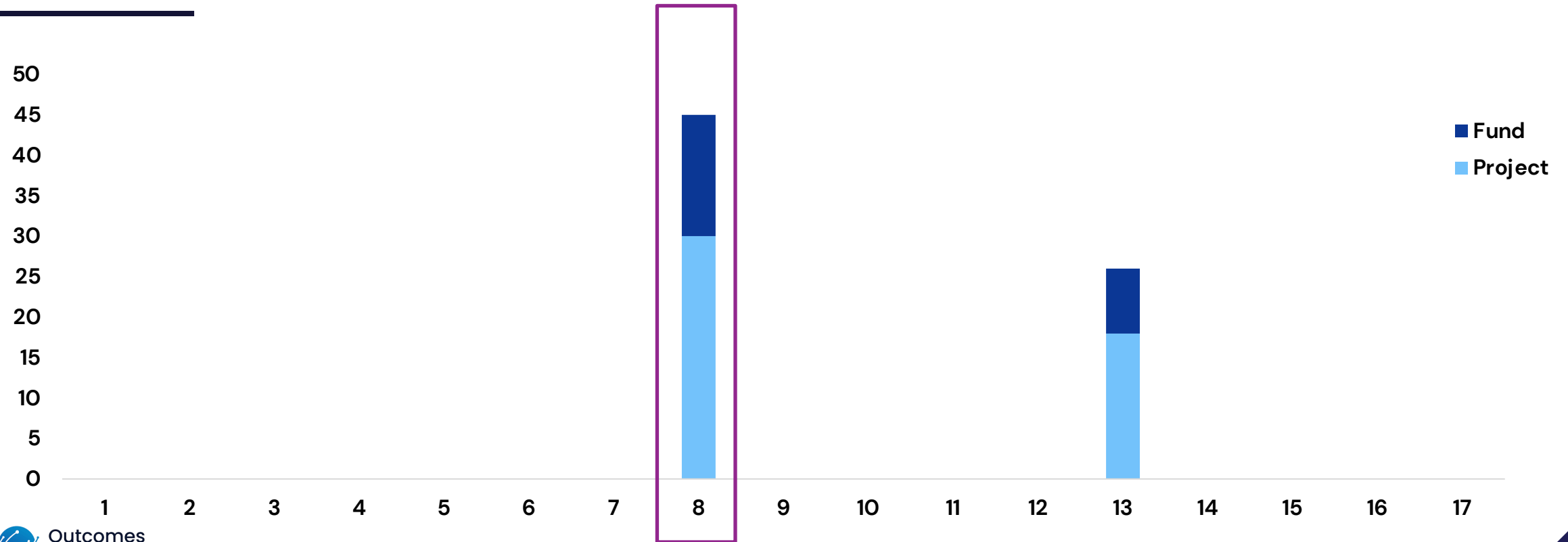# Project Pipeline by SDG, 2024

Project Pipeline by SDG, Accelerator Cohort 1

Project Pipeline by SDG, Accelerator Cohort 2

Some takeaways

➢ **Compared to projects with other thematic focuses:**

- Employment projects are more likely to be impact bonds

- Employment projects in the pipeline tend to be more mature

- Employment projects in the pipeline tend to concentrate in middle income countries (ie. countries with more dynamic labor markets and challenges related to skills mismatches)

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Group Discussion

Work in 4 groups around 4 questions grouped along the project cycle of RBF in employment: Discuss what has worked? What has not worked? What could be a way forward/next frontier to solve as a community in view of further standardization? (40min)

1. Which **RBF instrument to choose** for employment under which circumstances? And what does which RBF instrument help to put increased focus on? (E.g. role of training vs. intermediation; sector focus vs. sector-agnostic; collaboration with the private sector; what type of investors bring value added beyond pre-financing?)

2. How to **define and price employment results**? (E.g. quantitative vs. qualitative – price differentiation for wages gender etc.; share of paying for outputs vs. outcomes; pricing models etc.)

3. How to **measure and verify employment outcomes efficiently**? (E.g. what are good indicators in which context? Data availability? Pros and cons of using social insurance data; payment for vs. tracking of indicators etc.)

4. How to learn through RBF and contribute to improved **labor/employment policies**? (E.g. foresee a learning agenda early on, include relevant ministries, build evidence and share knowledge etc.)

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