



**Outcomes
Finance Alliance**

POST EVENT SUMMARY

OFA SUMMIT

**March 18-19, 2024
Zurich, Switzerland**



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra



Foreign, Commonwealth
& Development Office

UBS Optimus
Foundation



UBS

EXECUTIVE SUMMARY

The **Outcomes Finance Alliance (OFA)**, formerly known as the Impact Bonds Working Group (IBWG), held its fifth annual summit in **Zurich, Switzerland, from March 18-19, 2024.**

The Summit convened **over 120 organizations** to shape the strategic agenda, share knowledge, and engage in action-oriented discussions on outcomes-based financing (OBF). From multilateral organizations and partner governments to investors and implementers, the Summit brought

together a diverse array of practitioners and thought leaders to showcase the **notable advancements in outcomes finance**, while also deliberating on strategies to enhance its impact by **overcoming common barriers.**

The **core three themes of the Summit** included the integration and mainstreaming of OBF within institutional practices, amplifying the narrative on outcomes in policy discourse, and exploring next-generation approaches in OBF.

Breakout sessions facilitated **knowledge sharing** and discussion around policy areas including **education, employment, climate change and nature-based solutions, gender, health, migration, and fragility.** In addition, cross-cutting breakout sessions focused on emerging approaches such as **outcome funds, impact-linked finance, and social outcomes marketplaces** – as well as the **behaviors and strategies** needed for effective narratives and partnerships within OBF.

Several notable takeaways emerged from the two-day Summit:

- Since this community was formed in 2018, there has been **exciting growth in outcomes finance and tangible progress in building the ecosystem.** For example, the event featured the first Cohort of the [Outcomes Accelerator's pipeline acceleration program](#) and announced the [winners of the second cohort](#) – bringing the total Accelerator portfolio to **twelve projects** targeting multiple SDGs and countries.
- **Over 70 percent of the Summit participants were newcomers to the OFA** since its last convening in 2022. Additionally, **one third of participants** reported forging new potential partnerships on projects as a direct outcome of the event. Both are promising indications for **continued market expansion and collaboration.**



- The Summit underscored the **diverse range of outcomes-based approaches** within the OBF ecosystem, including but not limited to, impact bonds. This also reinforces the rebrand of the community to the ‘Outcomes Finance Alliance.’
- Donors and governments highlighted that the **narrative on outcomes finance** can be made more accessible for policymakers by focusing on how outcomes-based approaches can enhance **development effectiveness**. OBF is a tool that can be used to support **effective spending** and the **quality of impact** in development cooperation programs.
- To facilitate further growth of the market, the OFA Summit participants emphasized the critical importance for organizations to **integrate and institutionalize OBF as a core practice**. A high-level panel featuring SECO, SDC, FCDO, and Instiglio set the stage for this discussion on day 1, which was deepened amongst outcome funders and donors in a closed-door roundtable on day 2.
- A notable takeaway from the **outcome funder roundtable** was the recognition of the need for **global guidance on outcomes finance** to further institutionalize and scale outcomes-based approaches. To address this, the OFA highlighted an upcoming collaborative effort with the **OECD-DAC Results Community** to explore the development of internationally accepted guidance on OBF.

NEXT STEPS

- **Amplify the OBF narrative:** Continue collaborative work across the OFA to define effective strategies for amplifying the OBF narrative within policy discourse.
- **Advance institutionalization of OBF:** Continue efforts with outcome funders to deepen understanding of the barriers and possible solutions to institutionalizing OBF. This involves collaborating with the OECD-DAC Results Community to explore the development of globally accepted guidance on OBF, which would support outcome funders with integrating outcomes-based approaches into their operations.
- **Continuous community engagement and knowledge sharing:** Active engagement is encouraged amongst OFA members between in-person events to foster collaboration and continuous learning.
- **Outcomes Accelerator Cohort 3:** It is anticipated that the 3rd Call for Proposals for the Outcomes Accelerator will be launched in the summer of 2024 to support new and innovative OBF projects.
- **Planning for next OFA Summit:** Begin forward looking planning for the location and logistics of the next annual summit to continue the momentum and high level of engagement seen in the 2024 Summit.

DAY 1 PLENARY HIGHLIGHTS

The Summit commenced with a warm welcome and inspirational opening remarks from SECO and UBS Optimus Foundation, followed by insights from the OFA Secretariat (Levoca) into the **latest developments, emerging trends, and innovations in the OBF ecosystem** since the last Summit. The main takeaways from the opening session highlighted the exciting, tangible **progress in the market**, including more **evidence generated, new outcomes-based approaches being utilized, and growth in the OFA as a community**. Despite the steady wins, there is more to be done on institutionalization of outcomes-based approaches and developing a structured narrative around OBF, which are two barriers to more widespread adoption.

The opening plenary featured insights from outcome funders and highlighted key lessons and actionable strategies for integrating outcomes-based approaches into development institutions. A presentation by Instiglio set the stage for the discussion, showing that adopting OBF can be viewed as a journey with organizations at different places in their respective journeys. There are also often common institutional drivers and barriers to institutionalizing OBF **including evidence, internal buy-in, institutional incentives, building capacity and experience, and policies and procedures**. Working collectively as the OFA community to address these common barriers can help facilitate the growth of the OBF market.

The presentation was followed by a robust panel discussion among SECO, SDC, and FCDO. The panelists also noted that while few have made the full institutionalization journey, many lessons from early experiences have already been generated. This includes concrete approaches to mainstream OBF, including how to **strengthen internal buy-in, codify OBF practices, invest in capacity building/staff training, and compile evidence and lessons from existing projects that utilize results-based finance**. One important observation was that each outcome funder may have their own definition of what scale means, and it is important for each organization to develop their own “theory of scale” when starting on the journey of institutionalizing or mainstreaming OBF.



The closing plenary provided an update on the Outcomes Accelerator's progress, highlighting the three winning projects from the [inaugural cohort](#). These projects are aimed at advancing health outcomes in developing countries, including Cote d'Ivoire, Nigeria, Angola, and Vietnam. A key highlight from the projects was the **diversification of OBF approaches**, extending beyond traditional impact bonds. The presentation also featured some of the early learnings

and market insights from the Outcomes Accelerator.

Finally, the day concluded with a roundup of the day's highlights from OFA participants. The discussions highlighted the crucial role **of centralized resources for OBF** which would significantly enhance collective learning, enabling more effective replication and scaling of initiatives, and the importance **of transparency and knowledge sharing** in driving success. Participants also highlighted the importance of communities such as the OFA to facilitate knowledge sharing and learnings from both successes and failures in a constructive and productive way.

DAY TWO PLENARY HIGHLIGHTS

The second day got off to a lively start with an engaging Keynote Address by [Dr. Adina Rom](#) from ETH Zurich, a leading Swiss research university. Dr. Rom underscored the opportunity for organizations to **harness high-quality data to amplify their social impact**, emphasizing the criticality of evidence-based practices such as impact evaluations. She noted that while rigorous impact evaluations may not fit every program, using insights and learnings from previous randomized controlled trials can still be useful in fine-tuning OBF strategies. Key discussions among participants focused on the positive challenge of **balancing generating evidence with the effective allocation of resources for implementation** in advancing SDG goals.



The keynote address was followed by the announcement of the **next generation of OBF projects** recently been approved for [Cohort 2 of the Outcomes Accelerator's pipeline acceleration program](#). The **nine Cohort 2 winning projects** were showcased through short videos. These projects not only demonstrated the **growth of the Accelerator** since its inception in 2022 (with 12 projects total now in the Accelerator portfolio) but also the **breadth of OBF instruments being tested** and the **geographical diversity** of the projects, which include multiple countries in Africa, South and East Asia.



Day 2 of the Summit also hosted a **closed-door Outcome Funder Roundtable** to further unpack the discussion **on concrete steps to institutionalize OBF as a mainstream practice for organizations**. During the roundtable, the OFA Governing Committee provided an update on the start of a new collaborative effort with the **OECD-DAC Results Community** to work towards developing internationally accepted guidance on OBF. There was consensus from the roundtable participants that some type of global guidance on OBF (for example, principles, guidelines, or best practices) could support further mainstreaming of OBF approaches within their respective organizations.

The Summit concluded with several participants sharing their main highlights and takeaways from the two-day event. Each speaker remarked on the high level of optimism, enthusiasm and energy from the Summit, and the value of engaging in-person. One call to action for the OFA was how to best **sustain engagement amongst community members in-person events to drive continuous progress**. Another speaker remarked that to facilitate further market growth, the OBF narrative should **be straightforward yet compelling for both internal and external stakeholders**. Some inspiring closing words from the OFA Governing Committee emphasized that since the last event, **over 70 percent of the Summit participants were new**, which is a positive sign for the future of the OBF ecosystem. The call to action for the OFA community is clear – we need to continue to **strengthen the OBF narrative** and to enhance our **collective efforts for institutionalizing OBF**.

HIGHLIGHTS: THEMATIC BREAKOUTS

- **Navigating the Future of Outcomes-Based Finance in Employment Ecosystems**

Host: SECO

Speakers: Bridges Outcomes Partnerships; Fundación Corona; Secretary of Economic Development, City of Bogota

Employment-focused projects in OBF make up the largest share of both launched and pipeline OBF projects. The discussion covered issues ranging from measurement to capacity building to how to approach employment projects holistically while integrating different ministries and technical departments. The session concluded that as one of the more advanced sectors, it may be good timing to come together on a common learning agenda for OBF in employment.

- **Driving Impact: Scaling Outcomes-Based Education Solutions for SDG 4**

Host: UBS Optimus Foundation

Speakers: Education Finance Network (Dalberg), Education Outcomes Fund

Experiences from Kenya, Ghana, Sierra Leone, and India have highlighted the potential for enhancing education quality through outcomes-based financing. The discussion demonstrated early successes in this sector, which indicate that scaling up can be effectively achieved by enhancing systems architecture and optimizing operations. While measuring learning outcomes can present challenges, these obstacles also offer opportunities for innovation. The session concluded that it is crucial for outcome funders to encourage stakeholders to adopt strategic measures to track OBF impact, and to disseminate best practices widely.

- **Beyond Carbon Credits: Financing Outcomes from Nature-Based Solutions (NBS)**

Host: UBS Optimus Foundation

Speakers: Federal Office for the Environment, Switzerland; Global Environment Facility (GEF)

The session discussed the urgent need for a consolidated agreement on frameworks, regulations, and technological advancements to finance NBS. Speakers also discussed that stable structures are better for creating markets, and highlighted the challenge that governments may sometimes move slowly but we need to enable markets to move fast.

- **Navigating Migration Challenges through OBF**

Host: Social Finance

Speakers: Instiglio; Danish Refugee Council

The discussion demonstrated that addressing migration challenges involves various complexities including data limitations, and issues tying funding to outcomes in certain contexts. As a result, there is a need for flexibility in OBF models when tackling migration. The session concluded that it is crucial to clearly define priorities and focus on what we aim to achieve through OBF as part of broader strategies that involve multiple financial instruments.



- **Fragile and Conflict-affected situations: Delivering Results When Needed the Most**

Host: IDB Lab

Speakers: World Bank; Sustainable Organic Integrated Livelihoods (SOIL)

The session highlighted that there is a need for flexible governance and implementation arrangements when investing in projects in fragile and conflict-affected regions. However, as early experience has demonstrated, OBF has the potential to make a real impact where past interventions have failed or under-performed. As a result, there is a need for more resources to be allocated to exploring the unique opportunities presented by OBF projects in these contexts.

- **Closing the Gender Gap through Outcomes-Based Finance**

Host: KOIS Invest

Speakers: Tiko; Children's Investment Fund Foundation (CIFF)

The focus of the discussion revolved around the importance of maintaining simplicity in outcome targets, especially regarding indicators. This approach is viewed as a means to bolster efficiency and minimize evaluation expenses. By simplifying these targets within OBF initiatives, not only can processes be streamlined, but impact can also be maximized.

- **Moving to scale: Innovations in Results-based Finance for Climate Action**

Host: Levoca

Speakers: Klik Foundation; The World Bank Treasury; Instiglio

There are several roles for stakeholders to promote outcomes and drive capital to climate finance. Blended finance can de-risk investments, as in the Rhino Bond case. Institutions can be proactive in



setting target outcomes that they are willing to buy and attract demand. The session concluded that it is also possible to work with outcomes as an additional financial incentive to shift mindsets in decarbonizing sectors in the economy.

- **Navigating the Path to Health Equity: Outcomes-Based Finance in Action**

Host: The Brookings Institution

Speakers: South African Medical Research Council; MSD for Mothers

The discussions highlighted that the role of government and institutions are pivotal in advancing health outcomes through OBF as they not only test innovations and provide crucial services like school health programs but also ensure the sustainability and scalability of interventions. Streamlined digital measurement and performance management systems are crucial to managing complex data demands and enhancing health outcomes. More than just improving health in the short term, this approach drives substantial policy and systemic changes. Additionally, this session also highlighted the adaptability of financing mechanisms to broader challenges, including climate change and healthcare quality improvements, showcasing the innovative potential of outcomes-based finance to extend beyond immediate health outcomes.

HIGHLIGHTS: BREAKOUTS EXPLORING THE OBF ECOSYSTEM

- **Exploring the Potential of Marketplaces for Social Outcomes**

Host: University of Oxford, Government Outcomes Lab

Speakers: OutcomesX; Common Good Marketplace

Outcomes marketplaces have great potential to create linkages between high impact service providers and funders. Marketplaces are starting to create partnerships that drive meaningful change. The concept is still very new and cutting edge for many stakeholders, so there is still a need to socialize marketplaces to unlock new pools of funding and scale the projects currently on marketplaces.

- **Harnessing Impact: Lessons from the Frontlines of Outcomes Funds**

Host: Foreign, Commonwealth and Development Office (FCDO)

Speakers: Ministry of Education, Ghana; IDB Colombia; Education Outcomes Fund

Experience from outcomes funds so far has shown that there are important potential benefits to utilizing an outcome fund approach. These benefits include driving down costs (verification costs were highlighted in particular), shared learning, sustainability, and increased efficiencies. However, an important lesson has been that none of these benefits will happen naturally – outcomes funds require dedicated centralized leadership in order to capitalize on the full range of potential benefits and efficiency.

- **Crafting Compelling Narratives for Outcomes-Based Financing**

Host: Marlow Global

OBF leverages innovative mechanisms to drive social impact, but effectively communicating these initiatives demands compelling narratives that go beyond technical presentations. Crafting these narratives requires simplifying complex information to make it accessible and engaging for a diverse range of stakeholders. Embracing this challenge opens opportunities to refine advocacy campaigns and build impactful stories that resonate widely and inspire meaningful change.



- **Enabling Personalized Outcomes in Complex Contexts**

Host: Bridges Outcomes Partnerships

Speakers: Education for Employment

There is a need for agility in project funding, design, and implementation to effectively utilize OBF in complex contexts. Learnings from past projects highlight the necessity for personalized approaches where standard methods are insufficient, especially in situations where there is limited evidence or underperforming services. Integrating solid research with on-the-ground experiences is crucial for advancing OBF practices, ensuring that projects are both innovative in measuring outcomes while also capable of delivering significant benefits to communities in a way that is comparable to the more standardized models.

- **Exploring the intersection of Outcomes-Based Finance, Impact-linked Finance and Blended Finance for Sustainable Development**

Host: British Asian Trust

Speakers: iGravity; Social Finance UK

The discussion focused on approaches that integrate outcomes-based finance with blended finance to attract private sector investments towards achieving sustainable outcomes that can be measured against returns. At the same time, the discussion highlighted that there may be a need to simplify financial terminology, focusing less on the names of instruments and more on which approach is most effective for addressing specific development challenges. This approach aims to streamline discussions and improve strategies for mobilizing private sector capital and expertise in support of sustainable outcomes.

