

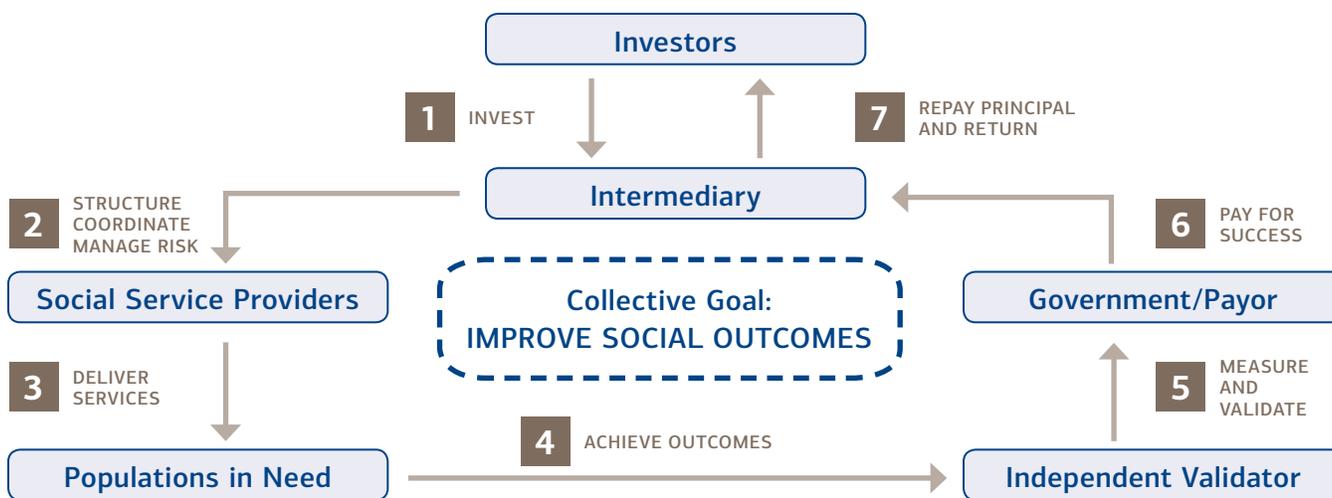
# Pay-for-Success (PFS) Financing

## Introduction

### What is Pay-for-Success (PFS)<sup>1</sup> financing?

Pay-for-Success financing mobilizes private investment capital to expand the operations of highly effective nonprofit social service providers. An outcomes payor (generally a government body) commits to making performance-based payments to compensate investors, if and only if a rigorous evaluation of the program’s results shows that the desired social outcomes were achieved.

Figure 1: Flow of capital in a PFS financing



### Why do we need Pay-for-Success?

PFS addresses important social issues by directing capital to programs with a track record of success. Its value proposition rests on two key observations:

- Highly effective social service providers have the capacity to generate meaningful value for various stakeholders, yet they are often underfunded and serve only a fraction of potential beneficiaries. Vulnerable individuals without access to these programs often require expensive safety-net services, which results in higher costs for both government and society.

- At the same time, growing demand from investors for investment options that reflect their values creates a need for financial products that actively create positive social impact.

PFS financing represents a unique solution, creating an uncommon partnership in pursuit of common goals. Ultimately, PFS helps service providers meet the needs of underserved populations while enabling government to direct funds to what works, and investors to pursue social as well as financial investment goals.



This presentation is co-authored by Merrill Lynch and Social Finance.



<sup>1</sup> Pay-for-Success financing is also known as a Social Impact “Bond,” Social Impact Partnership or Social Impact Financing.

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# What are the requirements for a successful PFS project?

PFS projects represent an exciting advancement in public-private partnership, one that aligns performance-based contracting with innovative financing to drive social progress. There is no one-size-fits-all model, but a strong PFS opportunity should have the following foundational elements in place:

- **Dedicated payor(s).** Government (or other payor) must be committed to mitigating an identified social problem via PFS financing. This commitment requires the ability to allocate sufficient funding to make success payments and buy-in and dedicated resources at a senior level. The payor(s) must be willing to provide investors with a rate of return tied to estimated budgetary savings generated by the project as well as, potentially, value realized by the payor and/or society.
- **Social issue or need.** PFS projects should be designed to address a clearly articulated social issue or need. This social issue must have desired outcomes that can be quantified and rigorously measured within a reasonable time frame and produce economic benefits to the payor and/or society.
- **Evidence-based intervention.** An effective evidence-based program that addresses the specific social issue or need is the foundation of any PFS project. The ideal evidence base includes at least one randomized controlled trial (RCT), considered the “gold standard” of valuation methodologies, or at least one robust quasi-experimental evaluation.
- **Service provider(s) with scalable operations.** Service providers should have a strong, multiyear track record of administering the evidence-based program. Additionally, service providers should be able to demonstrate management and operational capacity to scale.

# Who are the key parties in a PFS project?

PFS projects typically involve a number of critical parties who perform important and overlapping roles, as summarized below. The specific set of activities is provided in detail for each party, beginning on page 6.

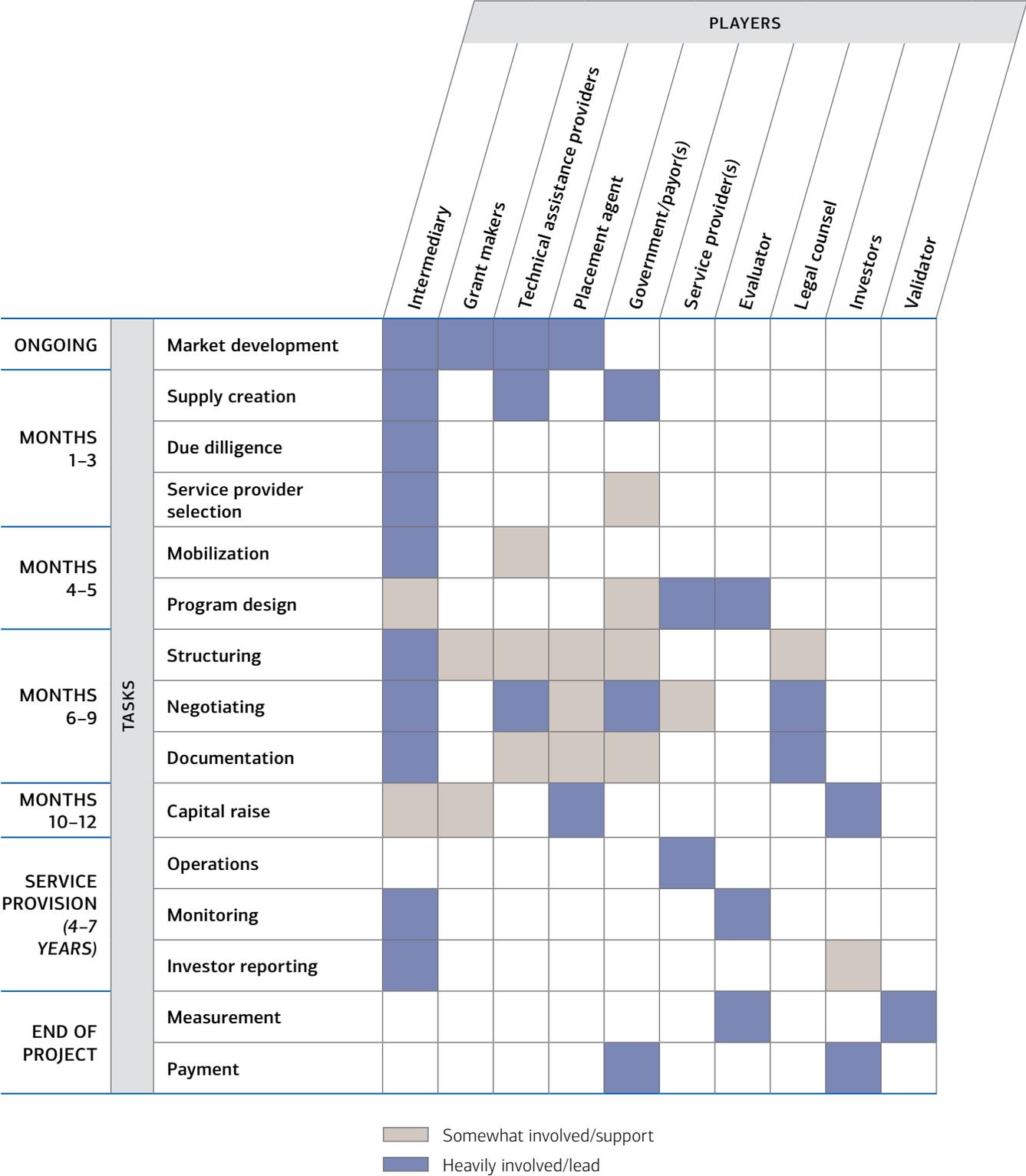
<b>Intermediary</b>	<ul style="list-style-type: none"> <li>▪ The intermediary acts as a coordinator and project manager, driving the design, structure and negotiation of the contract among government, service provider and investors.</li> <li>▪ An intermediary may also provide ongoing investor relations and performance management services.</li> </ul>
<b>Grant makers</b>	<ul style="list-style-type: none"> <li>▪ Grant makers provide funding to catalyze the development of a robust and sustainable PFS marketplace. In some cases, grant makers may invest philanthropic capital in the transaction or provide a principal guarantee to investors.</li> </ul>
<b>Technical assistance providers</b>	<ul style="list-style-type: none"> <li>▪ Technical assistance providers advise and educate governments on the benefits of PFS, as well as program design, cost benefit analysis and evaluation design for specific projects (e.g., Harvard Kennedy School Social Impact Bond Technical Assistance Lab).</li> </ul>
<b>Placement agent</b>	<ul style="list-style-type: none"> <li>▪ The placement agent liaises with potential investors and secures capital commitments to the transaction. The placement agent also represents the investors' interests during the structuring phase.</li> </ul>
<b>Payor</b>	<ul style="list-style-type: none"> <li>▪ The payor (typically a government entity) provides the outcomes-based payments. The payor advocates for public and taxpayer interests throughout from project initiation to finalization.</li> </ul>
<b>Service provider</b>	<ul style="list-style-type: none"> <li>▪ Service providers deliver program services to the target population of individuals to achieve agreed-upon outcomes.</li> </ul>
<b>Evaluator</b>	<ul style="list-style-type: none"> <li>▪ The evaluator designs a robust evaluation methodology and executes the agreed-upon plan to determine whether outcomes were achieved.</li> </ul>
<b>Legal</b>	<ul style="list-style-type: none"> <li>▪ Legal counsel provides legal expertise during the negotiating, structuring and documentation process.</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>▪ Investors provide the up-front capital necessary to bring the intervention to scale, often with the dual objectives of achieving financial and social returns.</li> </ul>
<b>Validator</b>	<ul style="list-style-type: none"> <li>▪ The validator provides independent substantiation that outcomes were measured according to the agreed-upon evaluation methodology.</li> </ul>

# What are the critical tasks to execute PFS financing?

Executing PFS financing requires the completion of a series of critical activities summarized below. While these activities are listed in relative order of operations, many may occur in parallel.

- **Market development:** Provide general market education, thought leadership, research, advocacy and analysis to support the development of a robust and sustainable PFS financing market.
- **Supply creation:** Identify high-potential issue areas. Develop and pass enabling legislation (if needed). Advise on, initiate and participate in formal procurements, including selection of candidates (service provider[s] and/or intermediary) for inclusion in PFS projects.
- **Due diligence:** Identify and vet high-potential interventions, including initial assessment of evidence and economics; find, evaluate and engage suppliers of social services and/or intermediary services with capacity to deliver outcomes for a target population. Examine social services provider(s) against alternative options before making a selection. Key aspects include evaluating the organization's evidence base and track record, ability to collect data, operating model and outcomes, cost effectiveness and potential return on investment (ROI), and leadership team.
- **Service provider selection:** Choose the social services provider(s) best suited to achieve the selected outcomes for the target issue area and population in the given jurisdiction.
- **Mobilization:** Bring together all stakeholders to design, structure and negotiate a transaction. Manage deal to shared timeline and contract provisions.
- **Program design:** Design and structure key project components, including details of service provision to specific target populations and geographies, service delivery timeline, duration and intensity of services, and evaluation design.
- **Structuring:** Develop investment structure and term sheet, including outcomes pricing, capital structure and payment schedule.
- **Negotiating:** Discuss and finalize key economic (investment structure, pricing, payment scheduled) and contract (termination, appropriation, duration, representations, etc.) terms. Draft key contracts between stakeholders.
- **Documentation:** Finalize all contracts and supplementary documents, including offering and/or loan documents as relevant.
- **Capital raise:** Market the transaction to investors and attain required capital commitments necessary to fund the given project and related transaction costs.
- **Operations:** Ramp up and deliver social services per the program design.
- **Monitoring:** Actively monitor key program milestones, analyze interim program and outcome data as available, problem-solve, and make real-time course corrections if needed.
- **Investor reporting:** Inform investors of project progression, including overview of the program to date, key milestones, course corrections required and analysis of interim operating data. Provide investors with timely and relevant financial and tax-related reports as required.
- **Measurement:** Measure success of program per evaluation design, calculating payment (if any) due to investors.
- **Payment:** Provide outcome payments to investors upon determination that payment is due, according to the relevant contract terms.

Figure 2: Critical tasks and party involvement for a PFS financing\*



\*Note that the timing and party involvement is illustrative and may differ by project.

# Key party descriptions

## Intermediary

The intermediary acts as a coordinator and project manager, driving the design, structure and negotiation of the various contracts among the payor, service provider and investors. An intermediary may also provide ongoing investor relations and performance management services.

### Main tasks

#### Task 1: Market development

- Provide educational services, thought leadership, research, advocacy, and analysis to support the development of a strong and sustainable PFS financing market
- Facilitate (or execute) cohesive communications strategy to publicize deal upon launch; maintain effort to drive messaging to benefit stakeholders and PFS financing industry
- Demonstrate in-depth, up-to-date knowledge and share experience in PFS financing and social issue areas
- Educate potential participants about transaction process from origination to close

#### Task 2: Supply creation

- Assess and vet high-potential opportunities and provider(s) via initial research and analysis, including an evaluation of the potential economics for payors and capital providers.
- As needed, support state and local governments in drafting legislation to enable states to enter into multiyear, outcomes-based contracts
- Assist state and local government/payor(s) in identifying high-potential interventions by responding to government requests for information, proposals and/or qualifications

#### Task 3: Due diligence

- Conduct rigorous analysis to evaluate possible interventions
- Examine service provider(s) via a quantitative and qualitative assessment of a service provider's track record, operating model, outcomes, cost effectiveness and leadership team
- Evaluate the quality of experimental and nonexperimental evaluations of potential providers or interventions; conduct proprietary analysis of historical data to the extent possible

- Ensure that chosen social service program is compatible with PFS financing mechanism (e.g., measurable outcomes, scalable, replicable)

#### Task 4: Service provider selection

- Select service provider(s) best suited to achieve the selected social outcomes for the target issue area and population in the jurisdiction based on the results of due diligence

#### Task 5: Mobilization

- Bring together the public and private sector parties that constitute the partnership
- Develop timeline and manage project according to a predetermined and agreed-upon timeline
- Forge and maintain strong relationships with relevant stakeholders

#### Task 6: Structuring

- Complete financial modeling, including scenario analysis on payment terms and deal structure
- Work with government/payor(s), lead investors, legal advisors and placement agent (as relevant) to develop an entity structure that provides sufficient risk/return for both payors and investors, mitigates key risks, and establishes positive incentives

#### Task 7: Negotiating

- Play a central role in negotiating the transaction with social service provider(s), investors/placement agent and government/payor(s) to determine timing, levels and triggers for success payments to investors
  - Key economic terms include investment structure, pricing, payment schedule, investment term, underwriting terms
  - Key contract terms include termination, appropriation, duration, representations, financial terms, evaluator metrics

### **Task 8: Documentation**

- Facilitate and/or manage finalization of all contracts and supplementary documents, including (as relevant) subcontractor contracts, offering and/or loan documents
- Provide central management, organization and sequencing of key documents to ensure consistency across documents and timely closing

### **Task 9: Monitoring**

- Provide ongoing performance management, including data analysis and monitoring of interim operating and outcome data
- Facilitate course corrections when appropriate

### **Task 10: Investor reporting**

- Provide timely and meaningful updates on program progress and interim performance to investors

### **Additional tasks**

#### **Task 11: Program design**

- Advise service provider(s) on designing key project components (e.g., target population, duration, intensity and suite of service offering)

#### **Task 12: Capital raise**

- Raise working capital for project in conjunction with placement agent
- Assist placement agent in educating sales force and investors (as needed) on the transaction structure and broader mission of PFS projects

#### ***Tips for success***

- Convene all parties early and often and highlight shared goals
- Develop shared timeline, shared vocabulary and joint principles of success
- Articulate importance of controlled messaging around the PFS financing space, especially when announcing project

#### ***Resources***

- Social Finance and the Rockefeller Foundation's *A New Tool for Scaling Impact: How Social Impact Bonds Can Mobilize Private Capital to Advance Social Good*
- U.K. government's *Social Impact Bonds—Detail Guidance*

## Grant makers

Grant makers provide funding to catalyze the development of a robust and sustainable PFS marketplace. In some cases, grant makers may invest philanthropic capital in the transaction.

### Main task

#### Task 1: Market development

- Provide educational services, thought leadership, research, advocacy and analysis to support the development of a strong and sustainable PFS financing market
- Support communications efforts and public interest in the market and specific projects
- Support operating costs for key players (e.g., intermediary or service providers) during market development, PFS project development such as development of robust data systems or evaluations, and/or structuring period
- Work with intermediary and provide technical assistance to bring together interested parties in early stages of PFS project development

### Additional tasks

#### Task 2: Structuring

- In certain cases, provide a credit enhancement to the project, covering a portion of investors' principal should the project fail to repay 100% of the principal (e.g., a first loss guarantee)
- Aid in discussions on outcome payment structuring, contract terms and financial structure of deal, where appropriate
- Provide input on areas such as selection of outcome metrics and determination of payment schedule

#### Task 3: Capital raise

- Provide up-front working capital to service provider(s) via grants, loans and/or purchases of interest, if applicable, to structure
- In certain cases, invest in the PFS financing (e.g., provide early investment in the deal, to signal investment strength to other investors, or serve as a "matching" investor)

### Tips for success

- Identify opportunities to leverage issue area or programmatic expertise
- Work closely with intermediary, placement agent and service provider(s) to align messaging around social and systems impact potential

### Resources

- Social Finance's *Foundations for Social Impact Bonds: How and Why Philanthropy Is Catalyzing the Development of a New Market*
- Grant Makers for Children, Youth & Families' *Social Impact Bonds/Pay for Success Projects*

## Technical assistance providers (e.g., Harvard Kennedy School SIB Technical Assistance Lab)

Technical assistance providers advise and educate governments on the benefits of PFS, as well as program design, cost-benefit analysis and evaluation design for specific PFS projects.

### **Main tasks**

#### **Task 1: Market development**

- Conduct research on how governments can foster social innovation and improve the results of social impact spending
- Engage students and other pro bono resources to provide experiential learning
- Publish academic papers and/or policy briefs based on learnings

#### **Task 2: Supply creation**

- Assist state and local government/payor(s) in selecting issue areas, interventions and service providers (if applicable), including:
  - Advising on and supporting the passage of required legislation, as needed
  - Determining which policy domains are the most appropriate for a PFS project
  - Helping structure a request for information process or other procedure for soliciting ideas from the public
- Help government coordinate its assessment of potential opportunities and perform any necessary technical analysis (e.g., matching and analyzing state administrative data)

#### **Task 3: Negotiating**

- Assist government/payor(s) in developing contract terms that provide appropriate incentives to intermediaries and service provider(s) while also providing sufficient protection for taxpayers and target populations

### **Additional tasks**

#### **Task 4: Mobilization**

- Work with intermediary to bring together interested parties during early stages of PFS project development

#### **Task 5: Structuring**

- Provide key input and technical assistance to structure of PFS project, particularly as it relates to cost-benefit analysis and evaluation methodology

#### **Task 6: Documentation**

- Provide assistance and guidance as government/payor(s), service provider(s) and intermediary finalize all contracts and supplementary documents, including (as relevant) offering and/or loan documents

### **Tips for success**

- Knowledge sharing among technical assistance providers will help facilitate efficient contract structuring process and on-time deal completion.
- Ensuring that all parties understand rigorous statistical methods is critical to success.
- Collaborate to establish expectations up front and maintain a realistic timeline for deliverables.

### **Resources**

- Harvard Kennedy School's Social Impact Bond Technical Assistance Lab

## Placement agent

The placement agent liaises with potential investors and secures capital commitments to the transaction. The placement agent also represents investors' interests during the structuring and negotiating phase.

### Main tasks

#### Task 1: Market development

- Educate potential investors about the value proposition of PFS investments through avenues such as industry conferences
- Develop and maintain keen understanding of the social issue areas in which potential investors may be interested; communicate these priority issue areas to intermediary organizations and/or payors as appropriate

#### Task 2: Capital raise

- Market interests in the offering to suitable potential investors; may be on a private-placement basis to existing qualified private wealth and institutional clients
- Identify and assess different platforms (e.g., donor-advised funds) through which PFS vehicles could be distributed

### Additional tasks

#### Task 3: Structuring

- Work with intermediary and legal advisors to structure appropriate, attractive PFS financing transactions based on the needs and demands of potential investors
- Engage in negotiations with intermediary and government/payor(s) to determine timing, levels and triggers for success payments to investors and other key contract terms

#### Task 4: Negotiating

- Develop contract terms that represent investors' economic interests by providing sufficient risk/return and incentivizing service provider(s) to achieve social outcomes
- Engage in negotiations with intermediary and government/payor(s) to determine key contract and economic terms

### Tips for success

- Ensure that financial advisors understand nuances of PFS financing and are equipped and committed to communicating the terms, risks and potential social benefits of an investment
- Maintain an investor database of individuals and/or institutions that have expressed interest in PFS investments
- Can be helpful to identify and work with potential lead investors early in the process to ensure that client needs are represented and that the offering is attractive to a broader investor base
- Leverage expertise to inform the development of scalable investment vehicles for PFS transactions

### Resources

- Merrill Lynch Private Banking and Investment Group's *Viewpoint on Impact Philanthropy*

## Government/payor(s)

The government/payor(s) is an advocate for public and taxpayer interests from project initiation to outcome determination. The government/payor(s) ultimately provides the outcomes-based payment.

### Main tasks

#### Task 1: Supply creation

- Determine which policy priorities and critical social needs can be best addressed by PFS financing (may include undertaking a request for information process or other procedure for soliciting ideas from the public)
- If serving as payor(s), pass any required legislation to enable multiyear, outcomes-based financing contracts
- Develop a procurement strategy, such as a request for proposals and/or qualifications
- Rate responses to solicitation process and make final selection of candidates for inclusion in PFS project according to specified criteria

#### Task 2: Negotiating

- Develop contract terms that provide appropriate incentives for intermediaries and provider(s) and sufficient protection for taxpayers and target populations
- Engage in negotiations with intermediary and investors/placement agent to determine key contract and economic terms

#### Task 3: Payment

- Repay investors based on the program's success in achieving predetermined outcomes

### Additional tasks

#### Task 4: Service provider selection

- Work with intermediary to select service provider(s) best suited to achieve the selected social outcomes for the target issue area and population in the jurisdiction; this may occur during the procurement phase

#### Task 5: Program design

- Work with service provider(s) and intermediary to ensure that the program design creates the appropriate incentives for key stakeholders
- Ensure that program design includes protections for at-risk population and “does no harm”

#### Task 6: Structuring

- Work with intermediary and legal advisors to structure appropriate, attractive PFS opportunities
- Develop contracts according to finalized negotiations

#### Task 7: Documentation

- Provide input while finalizing all contracts and supplementary documents with service provider(s) and intermediary

### Tips for success

- Ensure the availability of future funding for target social services upon completion of program for continuity of public service (i.e., minimize appropriations risk)
- Champion collaboration across government agencies and with the private sector
- Commit early to a realistic and speedy timeline

### Resources

- Harvard Kennedy School Social Impact Bond Technical Assistance Lab's *Social Impact Bonds: A Guide for State and Local Governments*
- Center for American Progress' *Social Impact Bonds and Government Contracting*

## Service providers

Service providers deliver program services to the target population of individuals in order to achieve agreed-upon outcomes.

### Main tasks

#### Task 1: Program design

- Leverage expertise in serving target population to inform evidence-based intervention and operating model, including target population, referral, recruitment, service delivery, data collection, monitoring and follow-up.
- Program design should be informed, where possible, by an organization's historical track record, available data and internal/external evaluations. Key program design decisions include:
  - Program model and intervention design
  - Duration and intensity of services
  - Selection of target population
  - Selection of target geographies
  - Service delivery timeline
- Work with evaluator and intermediary to design evaluation methodology that protects against program modifications and/or perverse incentives for treatment

#### Task 2: Operations

- Ramp up selected intervention, including hiring and training additional personal, to ensure sufficient capacity to serve agreed-upon target population and geographies
- Deliver services to target population
- Cooperate and communicate with intermediary and evaluator to monitor operations, analyze interim program and outcomes data, and make course corrections as necessary

### Additional tasks

#### Task 3: Negotiating

- Provide input on key areas, including outcome metric selection and determination of payment schedule relative to outcomes
- Ensure that contract terms provide appropriate protection for target populations and do not offer perverse incentives

### Tips for success

- Be prepared to demonstrate that the operating model and intervention is successful and scalable, how an injection of investment capital is key to enabling this scaling, and that the organization desires and is able to handle this growth
- Be prepared for a robust discussion around selection of the outcome metrics—where possible, connect the conversation back to the organization's theory of change and historical performance

### Resources

- MaRS' Centre for Impact Investing's *Social Impact Bond Technical Guide for Service Providers*
- Social Finance and the Rockefeller Foundation's *A New Tool for Scaling Impact: How Social Impact Bonds Can Mobilize Private Capital to Advance Social Good*

# Evaluator

The evaluator designs a robust evaluation methodology and executes the agreed-upon evaluation plan to determine outcomes. In some cases the intermediary or government/payor(s) may perform this role.

## Main tasks

### Task 1: Program design

- Work with service provider(s) to design rigorous evaluation of program and outcomes appropriate for PFS context. Specific areas for input and consideration include:
  - Evaluation metrics
  - Evaluation methodology
  - Timing of measurement
  - Complexity

### Task 2: Monitoring

- Provide active monitoring of key program milestones, including collecting and analyzing interim program and outcome data as needed and available
- Provide sufficient information to intermediary and service provider(s) to allow operating parties to identify and make real-time course corrections as needed

### Task 3: Measurement

- Measure success of program in accordance with evaluation design
- Provide interim and final program and outcome data to validator for independent analysis

### Tips for success

- Develop sufficient resources and capacity to collect, monitor and measure data
- Be able to balance achieving rigorous analysis with understanding that adaptation and flexibility may be required to meet financial considerations; results must be able to be clearly communicated to a variety of parties

### Resources

- MDRC's *More Than a Job: Final Results From the Evaluation of the Center for Employment Opportunities Transitional Jobs Program*
- Nonprofit Finance Fund and McKinsey & Co.'s *Rapid Suitability Questionnaires*

## Legal counsel

Legal counsel provides professional legal expertise during the negotiating, structuring and documentation process.

### Main tasks

#### Task 1: Negotiating

- Provide legal expertise and advise service provider(s), investors/placement agent and government/payor(s) in discussion of economic terms. Key areas for input include entity and investment legal structure and contract (termination, appropriation, duration, representations) terms.
- Draft and negotiate key contracts between stakeholders.
- Draft private placement memorandum or prospectus, including clear identification of the risks, as well as the investment terms, of the offering.
- Determine method of offering (e.g., private placement or otherwise) and relevant legal and regulatory restrictions

on the offering and the required investor qualifications.

#### Task 2: Documentation

- Finalize all contracts and supplementary documents, including (as relevant) offering and/or loan documents

### Additional tasks

#### Task 3: Structuring

- Provide legal expertise to intermediary during development of investment structure and term sheet, including outcomes pricing, capital structure and payment schedule

### Tips for success

- Leverage a variety of types of legal expertise (e.g., nonprofit, program-related investments, capital market, tax) since all are relevant to PFS finance structuring.
- Choose counsel conversant in the terms of PFS financing.
- As the market grows, standardizing contracts and language may help facilitate future PFS partnerships.

### Resources

- Social Finance UK's *A Technical Guide to Developing Social Impact Bonds*
- Community Development Investment Review's *Social Impact Bonds: Lessons Learned So Far*
- Center for American Progress' *Inside a Social Impact Bond Agreement*

## Investors

Investors provide the up-front capital necessary to bring the intervention to scale, often with the dual objectives of achieving financial and social returns.

### Main tasks

#### Task 1: Capital raise

- Provide up-front working capital to service provider(s) via purchases of security after:
  - Evaluating investment risk/return, including service provider's evidence base, track record, operating model, outcomes and leadership team; expected return; and transaction risks, including appropriation, execution and counterparty
  - Comparing transaction with alternative investment options on basis of potential financial and social returns, relative risk of the opportunity, and likelihood of delivering social outcomes

#### Task 2: Payment

- Receive payment, if any, from payor(s) upon completion of program, as determined by validator and contingent upon contract terms

### Additional tasks

#### Task 3: Investor reporting

- Receive and review updates on program progress and interim performance from intermediary

### Risk considerations

- Social impact investing is a new and evolving investment opportunity which is highly speculative and involves a high degree of risk. An investor could lose all or a substantial amount of their investment. There is no secondary market nor is one expected to develop for these investments and there may be restrictions on transferring such investments. The specific terms of any individual offering may provide for substantial or total loss in the event that specific targets are not met and must be carefully reviewed with the various potential outcomes carefully considered.

### Tips for success

- Evaluate the historical track record and previous success of the service provider, including ability to scale to new level facilitated by project.
- Communicate social issue areas of interest to placement agents, intermediaries and other parties early and often.

### Resources

- The Rockefeller Foundation's *Building a Healthy and Sustainable Social Impact Bond Market: The Investor Landscape*
- Merrill Lynch Private Banking and Investment Group's *Viewpoint on Impact Philanthropy*

## Validator

Validator provides independent substantiation that outcomes were measured according to the predetermined rigorous evaluation methodology.

### **Main task**

#### **Task 1: Measurement**

- Independently verify the results of the intervention by analyzing outcomes for program participants (ideally compared with a control group) using data from evaluator
- Calculate outcome payments to investors (if any) based on results of the intervention

#### ***Tips for success***

- Engage all parties in relevant outcomes discussions

#### ***Resources***

- Deloitte's *Paying for Outcome—Solving Complex Societal Issues Through Social Impact Bonds*
- U.K. government's Centre for Social Impact Bonds' *A Measurable Outcome*