



NEXT FRONTIERS

HOW OUTCOMES PARTNERSHIPS ENABLE
BETTER OUTCOMES AND BETTER VALUE

Input Paper to the Impact Taskforce
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Prepared by Bridges Outcomes Partnerships



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Bridges Outcomes Partnerships is a not-for-profit social enterprise. We work with governments, community groups, and specialist partners across the world to radically change human services and environmental initiatives to improve outcomes for people and the planet, and improve value for society.

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EXECUTIVE SUMMARY

- This paper argues for the broader adoption of outcomes partnerships, a type of results-based commissioning that is attracting more and more attention globally.
- Governments, donors, and broader outcome funders around the world find themselves dealing with increasingly complex, intractable social challenges – at a time when most are also grappling with significant spending constraints. This is forcing them to innovate and do more with less.
- Outcomes partnerships shift the focus of government and donor commissioning from paying for specific inputs or activities, to paying for specific, meaningful, person-centred milestones.
- They are proving to be particularly effective in complex areas of human services where individuals are facing multiple challenges simultaneously, and require more personalised, more holistic support.
- In this paper, we provide detailed case studies that show how these projects are already helping to improve lives and improve the effectiveness of public spending.
- We focus primarily on the UK (the most developed outcomes partnership market) and Japan (where the market is growing rapidly), with some additional examples of projects in Africa.
- Each case study outlines the problem the government was struggling to solve, then explains how the outcomes partnership tried to tackle it, what the results were, and what was learned as a result.
- The value of outcomes partnerships lies in their ability to align stakeholders around shared goals, and foster social innovation through collaboration, flexibility in delivery, and accountability.
- Despite the clear potential of outcomes partnerships, there are still some sizeable barriers to their broader adoption – cultural, practical, and political.
 - Overcoming these barriers will require systems change on three levels: At the programme level (the micro), it emphasises the importance of collaborative design, flexible delivery, and clear accountability.
 - At the structural level (the meso), it calls for reforms in areas like budgeting, data systems, and procurement practices.
 - Finally, at the macro level, it highlights the need for greater dissemination of knowledge, cultivation of champions, and management of political dynamics.
- In this paper, we provide practical recommendations on how to do this, drawing on our case study examples.
- By taking a systemic approach across these three levels, the paper argues that outcomes partnerships can drive enduring transformation in human services globally.

SECTION 1:

INTRODUCTION TO OUTCOMES PARTNERSHIPS

In an ever-changing world of growing populations, shifting demographics, and constant social upheaval, the challenge faced by governments of delivering high-quality 'human services' – broadly speaking, services that aim to meet human needs and improve overall quality of life – is getting larger and more complex every year.

External shocks like the Covid-19 pandemic and the war in Ukraine have intensified some of these challenges, while also putting even greater pressure on public spending.

As such, governments, policymakers, and delivery organisations often find themselves trying to achieve more with less. And the traditional approach to public service delivery – which typically involves prescribing a single standardised solution to a specific problem – is increasingly proving unfit for purpose, particularly in complex areas where individuals are dealing with multiple challenges simultaneously.

The net result is that all too often, we fail to provide the right support to some of those who need it most.

Over the last decade, however, a new approach to service delivery has emerged that can help to combat some of these challenges.

These programmes differ from traditional human service delivery in that they shift the focus from paying for specific inputs or activities, to paying for specific, meaningful, person-centred, milestones. Establishing a shared vision around particular outcomes enables better alignment and closer

collaboration between governments (and broader outcome funders), delivery organisations and other stakeholders; it allows for greater flexibility and personalisation in delivery; and it creates very clear accountability for improving people's lives. It has proved to be particularly effective in areas like health, labour and education, where a one-size-fits all approach is less effective.

In an era when the efficiency and effectiveness of public spending is under scrutiny as never before, these outcomes partnerships can be a transformative way of enabling innovation in public services and delivering both better outcomes for individuals and better value for public money.

This paper is intended to provide valuable insights to inform the global conversation about outcomes partnerships. Drawing on interviews with practitioners, detailed case studies (across multiple geographies) and an expanding data set, its goal is to provide practical, evidence-based recommendations on how to design and deliver outcomes partnerships, and how to implement this approach on a much wider scale.

Over time, this will help to mainstream the delivery of person-centred, strength-oriented services that tangibly improve people's lives – and utilise the state's finite resources in the most effective and efficient way.

UNDERSTANDING OUTCOMES-BASED APPROACHES

Outcomes partnerships are increasingly recognised as an effective way to unlock social innovation and align multiple stakeholders around shared goals, centred around improving people's lives.

Over the last decade, a number of different outcomes-based approaches have been trialled. These approaches – referred to variously as Social Impact Bonds (SIBs), Payment by Results, social outcomes contracts and outcomes partnerships – are all based on the same underlying principle: paying for the milestones and outcomes achieved for people served, rather than paying for inputs and services (as with the traditional model of commissioning and delivery). However, although these terms are often used interchangeably, they actually span a wide variety of delivery vehicles, payment structures, project outcomes, and sources of pre-financing funding – some of which have been more successful than others.

In this paper, we will be focusing exclusively on a specific type of outcomes-based approach that we call 'outcomes partnerships' (except for historical examples that were given a different name at the time).

Outcomes partnerships are grounded in several key principles:

By linking payment to milestones and outcomes that are fundamentally aligned with the stakeholders' vision of what they want the programme to achieve, instead of a defined set of inputs, everyone's focus shifts to achieving that shared vision and the desired impact. This sets the foundation for collaboration and accountability.

At the same time, it unlocks the capacity for social innovation in delivery – because without a prescribed set of activities, delivery consortia have the flexibility and the autonomy to innovate and adapt their delivery model as needed over time, drawing on their expertise (and the data they collect) to create individualised solutions that will enable them to achieve the desired outcomes.

An analysis of different outcomes partnerships around the world suggests three elements are key to their success: collaborative design, flexible delivery and shared accountability:

- Collaborative design: Instead of trying to design specific solutions to 'fix' narrow issues, working with local groups and expert partners to agree on an overall shared vision, grounded in clear, quantifiable metrics and milestones that represent genuine improvements in people's lives.
- Flexible Delivery: Instead of trying to impose standardised, clearly specified solutions, giving delivery teams the freedom to tailor their solutions to local and individual circumstances – then collect and analyse impact data dynamically, so they can learn from what works and keep iterating to make programmes more effective.
- Clear Accountability: Instead of focusing evaluations on short-term KPIs linked to activity or inputs, or on long-term goals that are distant and binary, agreeing clear metrics that correspond to tangible improvements in people's lives and reporting transparently against them – while also working to understand the broader systemic impact of each project, and teasing out the lessons learned to inform future projects.

Creating an environment that is conducive to these elements requires trust and collaboration between all parties involved. But ultimately, this approach can facilitate the creation of people-centred, strengths-based services – because the ecosystem and infrastructure of the partnership gives those closest to delivery the freedom to centre the process on individuals being served and to together identify the most effective solutions.

Another key component of outcomes partnerships is a focus on iterative learning and data-enabled decision-making. Robust data collection and analysis enable stakeholders to

track progress, evaluate effectiveness, and make informed adjustments to strategies and intervention. In other words, data is an essential tool for understanding which delivery approaches are effective and for affirming that the desired outcomes are being achieved – so carefully defining and tracking meaningful milestones that mark progress towards improving people’s lives is critical. Data collection must ultimately be targeted at measuring progress along the steps that are most critical in supporting the person’s positive journey. Done well, this should facilitate evidence-based decision-making and continuous improvement.

The ethos of these outcomes partnerships differs significantly from the earliest outcomes-based programmes, which were called Social Impact Bonds (SIBs). Here the focus was very much on the financing mechanism that allowed social investors to support projects – promoted as a way to mitigate risk and attract additional capital. Outcomes partnerships strive to improve the delivery of human services, first and foremost, building on existing knowledge and expertise, whilst fostering innovation in both delivery and funding. The legal structure is purely a means to an end: that is, to achieve better outcomes for individuals and improve the effectiveness of public spending.

WHY FOCUS ON OUTCOMES PARTNERSHIPS?

In the traditional human services model, funding is typically allocated based on the delivery of predefined inputs, such as the number of hours of therapy or the quantity of resources provided. So there is no real accountability for whether the programme actually succeeds in improving people’s lives.

It can also lead to a siloed approach to service provision, where each delivery organisation focuses solely on fulfilling their specific obligations, with no incentive to collaborate with other stakeholders or work towards shared outcomes. This makes it very difficult to coordinate or integrate services, which is especially problematic for complex social issues that require a more holistic approach.

For example, a person experiencing homelessness may

be in that situation for a multiplicity of reasons (an unstable family home, mental health issues, substance abuse, etc.). Depending on what those reasons are, each person may need a different combination of support services to help them move into (and sustain) more stable accommodation. Collaboration between the various stakeholders is critical to making this process as effective as possible.

In addition, the prescriptive nature of input-based models hampers innovation and stifles creativity in service delivery. When delivery partners are paid for a defined set of inputs, it is much harder for them to adapt their model – even if it transpires that the model is not working for certain individuals or communities. Without the flexibility to explore innovative approaches, they cannot tailor interventions to the unique needs of the individuals or communities they serve.

Furthermore, there is rarely a robust measurement of outcomes and meaningful milestones. So funders are left with limited insight into the effectiveness of their funding, making it challenging to determine whether they are getting good value for money.

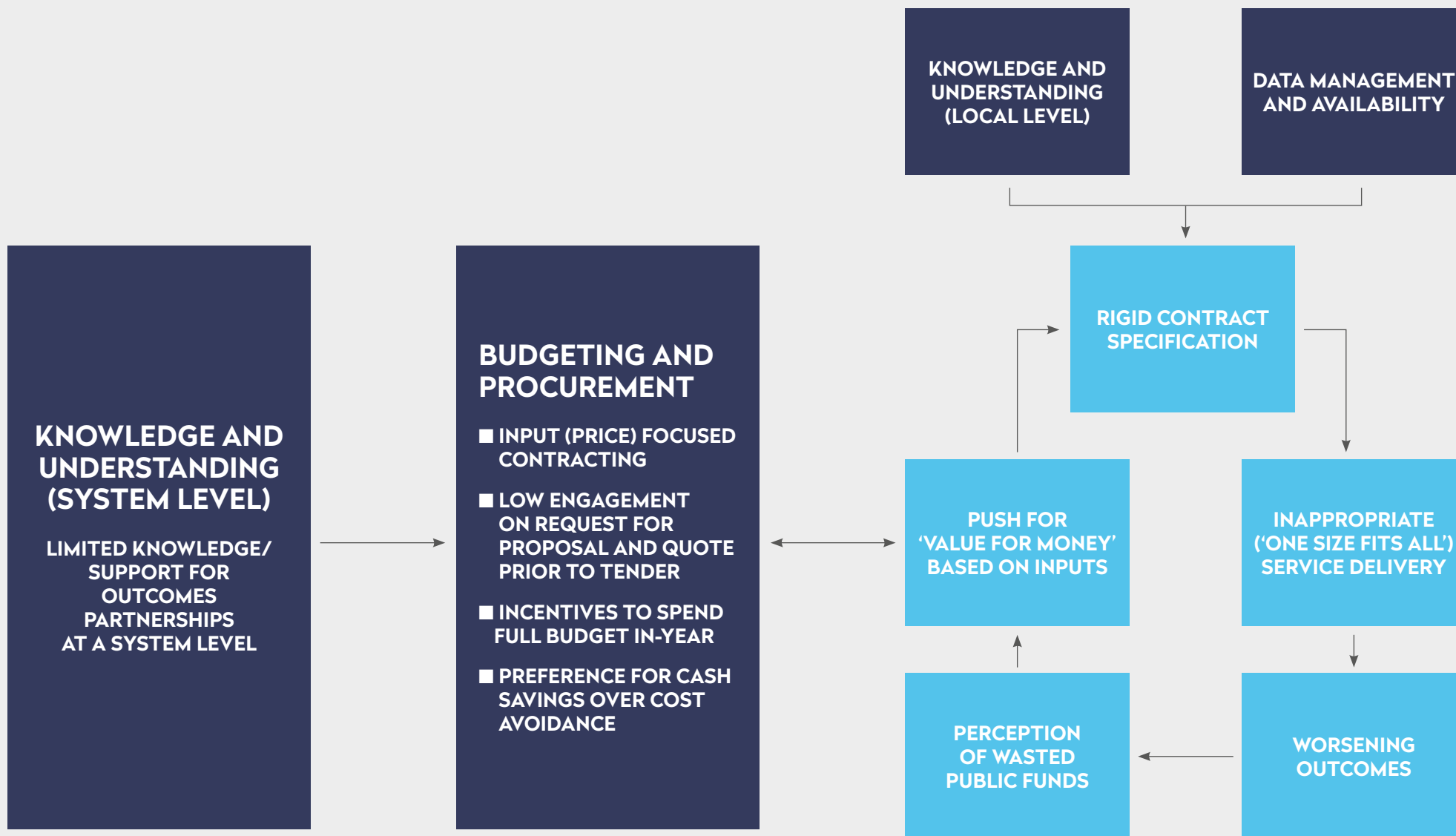
By contrast, outcomes partnerships offer a transformative shift – by focusing on delivering demonstrable improvements to people’s lives, measured through meaningful milestones along that journey. By fostering a culture of collaboration, innovation and adaptability, these partnerships can unlock the full potential of human services, enabling better outcomes for all.

BARRIERS TO MAINSTREAMING OUTCOMES PARTNERSHIPS

However, despite this clear potential for creating impact and fostering innovation, outcomes partnerships are not yet mainstream. So what are the key barriers hindering their broader implementation?

Clearly there are some legal and structural issues that are specific to particular countries. However, we believe that there are four core barriers that exist globally, creating a reinforcing cycle that those working in service delivery experience day-to-day (see *Figure 1, p.7*).

FIGURE 1: BARRIERS TO OUTCOMES PARTNERSHIPS



Budgeting and procurement

Budgets are usually designed for predictable spend, typically planning and spending within a given financial year. Public sector officials are often not rewarded for saving money in their allocated budget; indeed, they are even incentivised to ensure their budgets are fully spent in-year, to avoid budget reductions in the following year.

By contrast, outcomes partnerships typically require multi-year investment with a more uncertain payment profile. Whilst spend over the life of the contract is typically capped, providing certainty to government, the timing of payments is unpredictable. Due to the types of services delivered, there is often a gap between when a service is delivered, and when an outcome is achieved. In a homelessness prevention service, for example, the desired outcome might be that a person sustains accommodation for twelve months – so the payment will necessarily fall twelve months after the service has been delivered.

More flexible procurement practices at a local level are a key enabler of innovative approaches to commissioning (including outcomes partnerships). But procurement practices tend to be relatively rigid, primarily focused on procuring for highly specified inputs. Greater flexibility would enable greater participation from smaller, more local organisations, reduce the administrative burden for both commissioners and bidders, and encourage a more relational¹ approach to contracts.

Data management and availability

Data collection and analysis is at the core of any outcomes-based partnership. However, the traditional approach to human services has not required rigorous data collection on outcomes. So the necessary data management systems may not be in place; let alone systems that can ‘talk to’ each other, which is essential for greater collaboration. Often, we do not even have data on the baseline effectiveness of existing systems.

Leveraging existing systems and improving upon them is critical to mainstreaming outcomes partnerships. Encouraging

better data collection, both by governments and existing delivery organisations, would help provide a solid foundation for the establishment of outcomes partnerships in the future.

Knowledge and understanding

There are still many decision-makers in government who are unfamiliar with outcomes partnerships, or perhaps see them as expensive or risky (often based on misconceptions from alternative approaches to outcomes contracting). Analysis comparing commissioning for inputs-based versus outcomes-based contracts indicates that both required the same amount of time from outcome funders. So it is a misconception that paying for outcomes automatically increases the ‘transaction costs’ of launching a service². A critical part of scaling this approach is having increased knowledge and understanding of the features and benefits that outcomes partnerships can bring.

Political dynamics

Politics may also be a barrier to the widespread adoption of outcomes partnerships. Success often depends on securing support from a high-level champion in government, as well as support from a motivated civil service, informed by knowledge and technical expertise. As such, the multi-year nature of outcomes partnerships creates a degree of political risk. Changes of government or sudden shifts in the political landscape can hamper progress, either because previous champions are no longer in office, or because the current incumbents are unwilling to support initiatives that will not bear fruit until after their term. Similarly, organisational changes within government can lead to the stalling or even cancellation of initiatives. This instability undermines the sustained support needed for success.

Another potential issue is that certain policies might be seen as partisan, making opposition politicians reluctant or unwilling to support them (although this way of working has tended to achieve relatively widespread cross-party support in most countries where it has been attempted).

¹ Government Outcomes Lab, 2022: [“Partnerships with principles: Putting relationships at the heart of public contracts for better social outcomes”](#)

² Government Outcomes Lab, 2023: [“How much does ‘it’ cost? Developing an understanding of transaction costs for impact bonds and social outcome contracts”](#)



REAL WORLD EXAMPLES: ILLUSTRATIVE EXAMPLES OF OUTCOMES PARTNERSHIPS

To illustrate the nature and benefits of outcomes partnerships, there follows a series of case studies. These case studies show how outcomes partnerships are established, which parties they bring together, and how they have been able to achieve better impact than other approaches.

Spanning both high-income and low-/ middle-income countries, as well as the three sectors of focus (health, labour, and education), these real-world examples demonstrate the innovation and the remarkable societal and environmental outcomes that can be achieved through these collaborations.

We begin with two country-level case studies, in the United Kingdom and Japan. These analyses highlight the overarching policy frameworks and strategies that have supported impactful outcomes in a ‘high income country’ context, before zooming into specific examples of outcomes partnerships in these countries.

Subsequently, we review three distinct individual programme case studies in Nigeria, Uganda, and Kenya. These detailed examinations offer a nuanced account of the challenges and successes encountered in diverse low- and middle-income settings. By dissecting each programme’s design, implementation, and outcomes, we show the unique contributions of outcomes partnerships to societal and environmental progress in these areas.

Through this range of case studies, we hope to illuminate the diverse ways in which outcomes partnerships can enable positive change across the globe.

SECTION 2:

OUTCOMES COMMISSIONING IN THE UK

MARKET CONTEXT

The United Kingdom (UK) has a population of 67m, with GDP per capita of £36k (\$46k USD)³. Historically, the UK has had some of the best public services in the world, and a strong social safety net. Government currently spends around 45% of GDP (or £1.2tr pounds) on public services each year, with the highest proportion going on social protection, public education⁴ and universal health care through the National Health Service.

Over the last two decades, however, there has been a growing recognition that these services are most effective in situations where Government can find a solution that works, and do it to everyone (for example, rolling out a vaccine, or removing an appendix). Sadly, services tend to be less effective within deep-rooted social issues where ‘what works’ is different for everyone (like helping families stay together, management of chronic conditions, or homelessness prevention). In these areas, we need more personalised, adaptive solutions, and better collaboration across Government agencies.

KEY DEVELOPMENTS TO DATE

Successive UK governments have looked to catalyse innovation and collaboration from both the third sector and local government to address these more complex issues.

In April 2000, the then-Chancellor Gordon Brown launched the Social Investment Taskforce. In the subsequent years, multiple Departments set up their own innovation units, which were eventually brought together within the Cabinet Office in 2006 as the Office for Civil Society. When the Conservative government came to power in 2010, it also embraced social innovation through its white paper *Open Public Services*, and continued to seek ways to make service delivery more flexible, accountable, and local.

During this period, interest grew in outcomes partnerships as a potential way to:

1. Increase innovation in public service delivery, through outcomes-based commissioning
2. Improve cross-government working and encourage co-payment (and therefore joint accountability for success) across different areas of Government/ different ministerial portfolios
3. Increase early prevention of complex social problems (like chronic homelessness, recidivism)

As shown in Figure 2 (p.11), considerable progress has been made over the past decade. Since the launch of the first social impact bond (SIB), in Peterborough in 2010, there has been over £20b in funds committed by the UK Government to projects that have some element of payment tied to results (although just £0.5b would have been referred to as a SIB)⁵. Over the same period, at least £206m has been committed directly through various UK Government outcomes funds to outcomes partnerships⁶.

A key development was the Government’s launch in 2012 of the impact wholesale bank Big Society Capital (BSC), with a remit to build the impact investment market and provide funds for outcomes partnerships. Since then, BSC alone has helped to fund 90 outcomes partnerships, spanning issues of child and family welfare, education, employment and training, health, homelessness, and criminal justice. These projects have involved over 180 commissioners, 220 social sector delivery partners, and ultimately benefited over 55,000 people across the UK. BSC’s 2022 report *Outcomes For All* found that for every pound spent on outcomes payments to date, these projects have generated £10.12 total benefit (and £2.85 in direct fiscal savings or cost avoidance)^{7,8}.

³ World Bank. 2023. “Data Catalogue - United Kingdom.”

[Data Commons - Place Explorer. 2023.](#)

⁴ Clark, D. 2023. “Budgeted Public Sector Expenditure on Services in the United Kingdom in 2023/24, by Function”

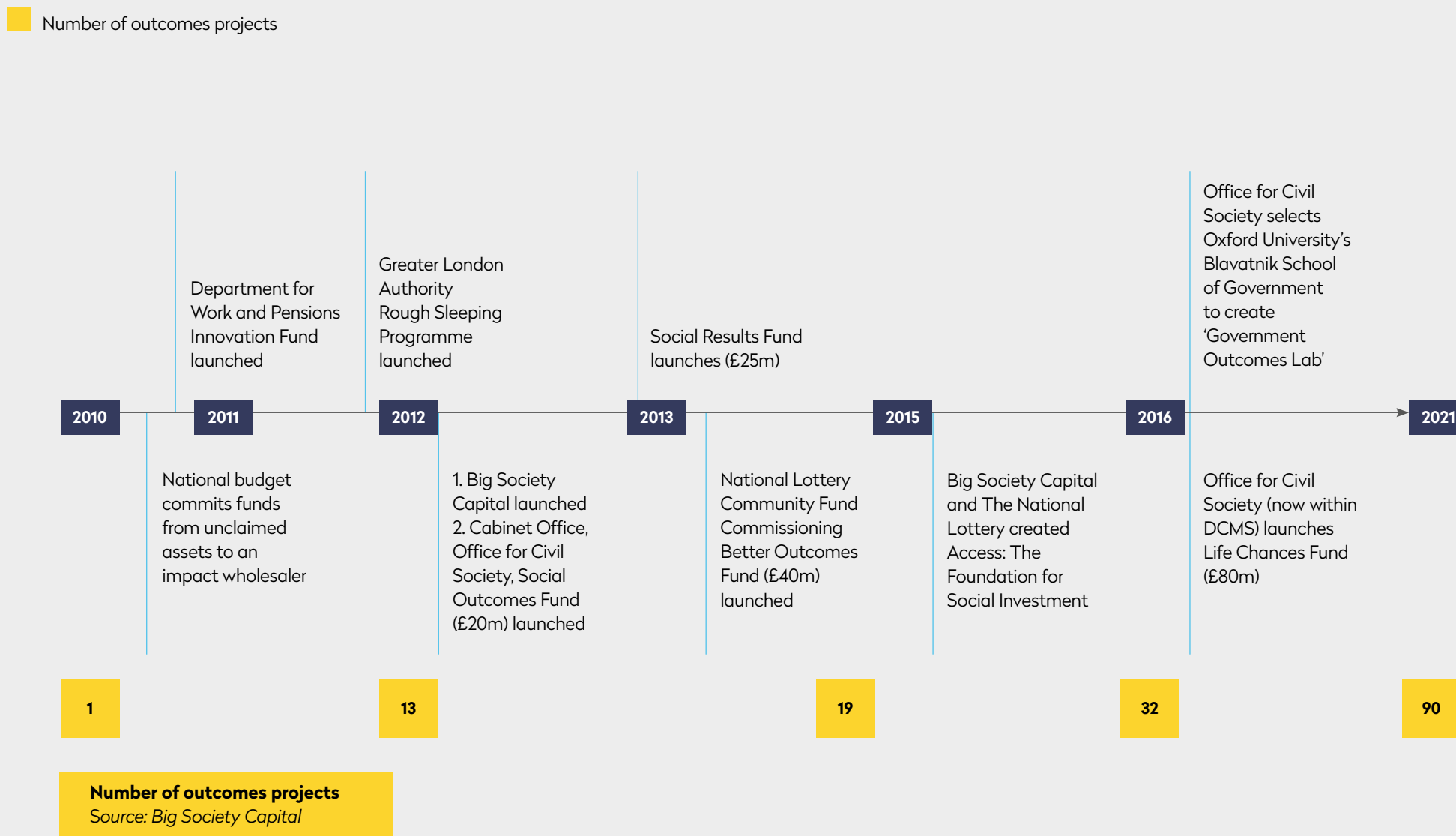
⁵ Manchester Metropolitan University and USC Price, Sol Price School of Public Policy, 2021: “Outcomes Partnerships Offer Rare Combination of Three Blessings”

⁶ Government Outcomes Lab, 2022

⁷ Big Society Capital, 2022: “Outcomes for all: 10 Years of Social Outcomes Contracts”

⁸ Stanworth and Hickman, 2022: “The value created by social outcomes contracts in the UK”

FIGURE 2: TIMELINE OF KEY DEVELOPMENTS, 2010 - 2021




LESSONS LEARNED

With over a hundred outcomes-based projects now launched, impacting thousands of people, there has been a significant evolution in understanding what these partnerships can achieve, and how they should be set up for success.

From cashable savings to measurable impact

Much of the early dialogue on outcomes projects focused on ‘cashable savings’ – linking outcomes payments to the value of that outcome to Government, usually in terms of how much money it would directly save. This model, which was deployed across several projects, encountered multiple challenges, particularly around setting a baseline, attributing causation, and quantifying cost avoidance.

An alternative model arose with the influential Greater London Authority Rough Sleeping Programme (London Homelessness SIB), launched in 2012. In the words of Tim Gray, a key architect of the contract:



This SIB moved away from the notion of cashable savings, a feature of the Peterborough SIB and an issue that has dogged SIBs. We acknowledged that more money needed to be spent on [people experiencing chronic homelessness]. They deserved better than they had experienced. The impact bond was designed not, as a first principle, to save money. Rather, the SIB was intended to ensure that funding was spent effectively to achieve what this difficult-to-reach group needed. At the very least, it would be better than spending in ways that clearly had not worked well previously⁹.

Rather than focusing on saving money and/or securing alternative sources of finance, this approach was more about making sure that the money Government (and broader donors) invested in services was spent as efficiently and effectively as possible. This SIB identified outcomes that made a difference to those experiencing chronic homelessness, like sustained accommodation, employment and education, and paid for those as they were achieved. It established an alternative model, now used widely, where payment is linked to achievement of progress milestones and outcomes most relevant to the individual.

As a result, the focus of outcomes partnerships today is not the financing model, but the impact they can have on the lives of some of the UK’s most vulnerable people.

A central team with clear strategy ownership and sponsorship helps to bring stakeholders together

In the UK, an absolutely critical enabler was the establishment of a central team with responsibility to bring these different stakeholders together, pool funding (both in terms of pre-financing and outcome funding), agree shared goals, distribute the funding, track performance, and analyse impact and learnings through commissioned evaluations. In the UK, this was achieved through the creation of a specialist team within the Cabinet Office’s Office for Civil Society.

Government has a key role to play, for example by pre-financing social sector organisations to deliver these programmes

Although much of the early dialogue around outcomes partnerships focused on catalysing private sector investment, in practice a wide variety of funding sources and structures have been employed across different projects. Some Government funds (like the Futurebuilders fund) offered loans directly to charities, whilst others (like the Life Chances Fund) paid only once outcomes were achieved.

Where investment has earned a return, it has typically been at close to the cost of Government borrowing. It has

⁹ Manchester Metropolitan University and USC Price, Sol Price School of Public Policy, 2021, [“People deserve better - that’s the key point about SIBs”](#) p.4

also typically been managed through a pooled fund of pre-financing, for three reasons:

- To **reduce fundraising and other transaction costs** of individual projects
- To **reduce investor risk premium** by spreading exposure across a portfolio of projects
- To **create market infrastructure** (e.g. development of a standardised template contract)

The reasons that Government chose to be a founder investor (*pari passu* with all the others) were:

- To receive full **transparency**, every three months, of all investment activity
- To attract **external funding and expertise** alongside Government, from other partners
- To **share the cost** of managing the investments with other organisations
- To ensure the **risk appetite of the fund encouraged genuine innovation** and offered **more flexible options** that were currently available across the market
- To **share equally in any gains** made from successful investments (as per Mariana Mazzucato’s subsequent recommendations in “The Entrepreneurial State”)

For example, the first fund to launch in 2008, Social Entrepreneurs Fund, was created by the Cabinet Office as a founder investor, then raised matching funds from a range of social investors¹⁰. It offered pre-financing to delivery consortia to design, deliver and innovate during service delivery, until the outcomes payments are achieved (and paid for by the Government). Over its lifetime, the fund earned a net break-even position on outcomes projects.

Subsequently Government created BSC, which has taken on this pre-financing role.

Another important role for Government is pooling of funds for outcomes from different departments

Since these projects typically require coordination and collaboration between multiple Government agencies, one of the most fundamental issues is how to spread the costs (and benefits) across different departmental budgets.

In the UK, the most effective way of doing this has proved to be the creation of co-commissioning and shared outcomes funds, which recognise that benefits sit across different departments and funding needs to be pooled, while helping to align different agencies around shared goals. This makes the process of commissioning and managing these projects significantly easier.

Creation of external expert body to help Government develop an infrastructure which supports outcomes and impact-based funding allocation

In the UK, Cabinet Office’s Office for Civil Society created an external advisory body to help Government launch more outcomes-based contracts. It ran an open public procurement process, and selected Oxford University’s Blavatnik School of Government, who were expected to raise matching funding. The newly-created Government Outcomes Lab (GO Lab) identified three objectives for outcomes-based approaches: to improve Collaboration, Prevention, and Innovation across Government. As identified above, many parts of Government identified that they did not get good enough data on any public service projects to inform future funding decisions effectively. So the GO Lab built a specialist team to collect and share data on outcomes-based projects, while encouraging better data on all types of projects.

Outcomes partnerships have three key advantages over traditional projects:

As outcomes partnerships have matured, it’s become clear that their real value lies in their capacity to enable more

¹⁰ Cabinet Office, 2013: “[Achieving social impact at scale: Case studies of seven pioneering co-mingling social investment funds](#)”, p.10, 17

individualised fit-for-purpose, service delivery for complex issues – which results in better lives, better services, and better value for public money.

The model adopted by Bridges Outcomes Partnerships, which builds on learnings from Tim Gray’s work, involves partnering with and funding social enterprises and charities to deliver services according to three key principles: collaborative design, flexible delivery, and clear accountability.

Collaborative Design

All these projects aim to bring together civil servants, experts, design practitioners and (critically) the people they are serving. Those responsible for commissioning services are incentivised to work across Government in the interests of those they serve, breaking down traditional barriers between policy areas and departmental siloes. There are different ways to achieve this collaboration.

Initially, SIBs were often established through an intermediary (for example, Social Finance for the Peterborough SIB), who worked with the commissioner to design the SIB, source investors, and plan for implementation upfront.

As the model has matured, however, this has become a more direct, iterative process. A commissioner works directly to procure a design partner or a delivery consortium (typically with existing social investors), and the consortium then works to implement the contract over the length of the contract. This enables a more relational, agile approach between commissioners and delivery partners¹¹.

Where the partnership requires deep place-based system change, a ‘backbone’ organisation to coordinate the partnership may be created (as for the Greater Manchester Homes Partnership, below).

Flexible Delivery

Without the restrictive specifications of a fee-for-service contract, outcomes partnerships enable organisations to be

much more responsive to the needs of the people they serve, and the input of their own staff. They can shift budget to improve services based on user feedback, and revise services that are not working. Perhaps as importantly, they can make investments in staff – like improving surge capacity, investing in training, and changing supervisory ratios – so that staff are properly supported, improving their effectiveness and reducing attrition.

Clear Accountability

The third key element of outcomes partnerships is their clear accountability for improving lives – usually measured in terms of the impact on those who access the service. Because payment is linked to outcomes, there is an incentive to collect meaningful data on what is and isn’t working on the service user’s own terms, and to improve the service based on those findings.

Impact evaluations in outcomes partnerships are typically more user-centred, as they seek to understand the complex drivers of the outcomes, rather than (as is so often the case in public services) isolate the efficacy of a single intervention. This shift towards transparency and accountability in outcomes partnerships has broader system benefits, since data on what has and hasn’t worked can be shared to inform future projects.

CONCLUSION

In an environment of macroeconomic uncertainty and tightening fiscal resources, a key priority of any UK Government in the next decade will be shaping world-class public services fit for the 21st century.

The UK’s decade of investment in outcomes partnerships makes it well placed to take advantage of these benefits of **collaborative design, flexible delivery, and clear accountability**, to innovate and test new ideas; collaborate across Government; and invest in early prevention **at scale**.

¹¹ Bridges Fund Management, 2017: “[The evolution of the SIB market in the UK](#)”

IN FOCUS

COLLABORATIVE DESIGN
GREATER MANCHESTER HOMES PARTNERSHIP**CHALLENGE:**

When Andy Burnham was elected Mayor of Great Manchester in 2017, his highest-profile pledge was to eliminate rough sleeping in the region. But to have any hope of turning this promise into reality, professionals realised that services would need to be designed and delivered in a very different way.

PARTNERSHIP:

A new organisation was established, **Greater Manchester Homes Partnership** (GMHP), to drive collaboration across disparate parts of the system:

- **Housing associations:** GMHP brought together 20 separate housing associations, led by One Manchester and Trafford Housing Trust, making over 300 properties available to rough sleepers. Through GMHP, the associations collaborated to set aside the allocations policy (which excluded many rough sleepers due to a poor tenancy history), and establish a process for 'managed moves' in the event of an issue, rather than eviction.
- **Mental health services:** GMHP seconded a specialist mental health nurse to the

delivery to enable direct support for mental health and drug addiction issues, in a format which suited the rough sleepers' needs.

- **The justice system:** Once a vulnerable individual was successfully housed, and registered for support services and welfare benefits, a court summons would sometimes arrive for a minor offence committed in the past, as the criminal justice system caught up with them. So GMHP worked with the justice system to change its interactions with rough sleepers. Often, it was able to agree that continued engagement with the programme would be deemed acceptable in lieu of custody.
- **Public agencies and banks:** Navigating official bureaucracy can be hugely challenging for those experiencing homelessness, because they often lack formal identification. That can be a big barrier to living independently, because they cannot access bank accounts, employment, income and housing. GMHP worked with banks and public agencies to create a biometric ID system that could, for example, serve to open accounts and access income.

OUTCOMES & KEY LESSONS:

By working across different agencies to address all of the barriers to sustained accommodation for rough sleepers, **GMHP reduced homelessness in the Manchester City region by 60%, at a price that was 30% of the cost of comparable services.**¹²

Following the success of GMHP, a new partnership (Greater Manchester Better Outcomes Partnership, GMBOP) was set up to tackle homelessness – this time with a focus on prevention, through the Youth Homelessness Prevention Pathfinder programme. Building on the success of the GMHP programme in placing those being served front-and-centre of the programme, GMBOP now works with the young people to develop and self-report their own outcomes, to better reflect their strengths, aspirations and circumstances. This new partnership has already helped over 500 young people who were at risk of becoming homeless.

¹² Big Society Capital, 2022: "[Outcomes for all: 10 Years of Social Outcomes Contracts](#)" p.11

IN FOCUS

FLEXIBLE DELIVERY
FAMILY THERAPY

CHALLENGE:

In the UK, the number of young people in care is large and growing: more than 90 are taken into care every day. This is expensive for local authorities, and typically results in poorer life outcomes for the young people in areas including education, health and employment. So there is a strong case for helping some of these young people to achieve more stability within their families.

PARTNERSHIP:

Positive Families Partnership is a programme that offers therapy to families at risk of breakdown. A version of the model was first implemented in Essex; with 10 London boroughs following suit; it is now also operating in Norfolk and Suffolk.

The therapy itself is not new; it is based on two well-established, evidence-based programmes. The success of this project has come from its flexibility to re-design delivery – and re-budget accordingly – at various points in the delivery process.

Brigitte Squire, the delivery's clinical director, explains: "I have supervised the delivery of quality family therapy in a wide range of geographies around the country over the last 30 years, since these highly effective therapies were first introduced in the UK. They rely on extraordinary

commitment from the most able therapists. **If families receive it, some of the most difficult situations can be turned around. But the interventions represent a big ask of some of our finest therapists."**

KEY LESSONS:

Recruiting, retaining, and managing therapists isn't easy. The work is intense and draining; teams are at risk of being understaffed because of turnover and recruitment delays. Resourcing gaps put more pressure on the remaining therapists, which is often reflected in increased sick leave. **On paper, a team of therapists should support 40 families a year. In fact, they often help only 25 families because of under-staffing and poor utilisation.**

For these projects, **additional funds were made available to invest in extra therapist resource.** Day to day, each of the teams had four full-time equivalent therapists. But an extra, unbudgeted therapist was also hired to ensure teams were always working at full capacity. **Senior clinical psychologists were also recruited to improve supervision, efficiency and overall cost-effectiveness.** And financial support was provided to ensure that therapists stayed until the project's completion, rather than leaving for another job in the final year (as often happens).¹³

OUTCOMES:

All in all, this flexible budgeting was hugely effective. It helped to build well-motivated, high-performing, award-winning teams, who achieved quality ratings and family satisfaction feedback that far exceeded comparable teams elsewhere. They **worked with more families per team than any other service – about 50 per cent more than is usually achieved** each year – without over-stretching individual therapists.

And success rates rose dramatically: over three years, **90 per cent of the families remained together.** So the value of this extra investment is clear. An independent evaluation found that these projects have already created over **£200m** of value to the public purse, of which over **£50m** is direct short-term cost avoidance to local children's placements budgets. **And they have only cost £20m to deliver.** By contrast, non-outcomes contracts consistently under-achieved potential and were **30% to 120% more expensive.**

¹³ Bridges Outcomes Partnerships, 2023: "People-powered Partnerships" p. 25

IN FOCUS

CLEAR ACCOUNTABILITY
WAYS TO WELLNESS

CHALLENGE:

Over 15 million people in the UK suffer from long-term health conditions (LTC's) such as diabetes, asthma and heart disease, most experiencing poorer health outcomes and reduced quality of life as a result. They are also proportionately higher users of health services: 70% of national NHS spend is on patients with these conditions.

PARTNERSHIP:

Ways to Wellness is a 'social prescribing' programme. A person experiencing a long-term health condition that puts them at risk of social isolation is matched with a link worker, who works with them to understand their holistic needs in a strengths-based way – spanning medical factors, job, family, finances, or other priorities – and develop an action plan for support.

As Professor Chris Drinkwater, a retired local GP and a founder-chair of Ways to Wellness, puts it: "The link worker is a motivational interviewer, helping the person to think through what and how they want to change. The link worker will help someone, for example, to eat better, to re-establish relationships in their support circle, and to be involved in health-enhancing activities, such as a walking group."

KEY LESSONS:

Holistic data tracking and secure data linkage is key to the programme's success. Data is used to:

■ **Improve the patient experience:**

The investment in sophisticated, secure data-matching enabled GPs to refer patients to the service seamlessly. Once the patient was referred, the link worker could access relevant history, and was able to focus the first conversation on building relationships (rather than a duplicative history and assessment).

■ **Reduce the administrative burden:**

All wider 'administrative data' which such teams are normally required to collect was captured automatically through the automated referral form and the data-matching software.

■ **Understand the longer-term impact:**

Having worked out an action plan together, the person and the link worker measure progress using the scale of a systematised well-being tool, which encourages continuous learning and improvement. This data can be seen by the GP, who can review a person's situation, both in terms of the social

determinants of their health and their medical indicators. A bespoke, secure IT system tracks validated progress milestones (and undertakes a deep exploration of patients' experiences). However, it also measured appointments taken by GPs across the region, and securely compared data on hospital spend by condition over the next 7 years with the local NHS Clinical Commissioning Group – to build a broad, rich picture of the longer-term impact.

OUTCOMES:

So far, over 6,500 patients have engaged with the service. **Ways to Wellness' cohort costs per head were 27 per cent lower than comparable areas, and 14 per cent of GPs' time has been released to treat other people¹⁴.**

These sophisticated approaches are now being expanded into two even more ambitious collaborations across public services: Spring in Northamptonshire and Thrive North East Lincolnshire, which build on the successes of Ways to Wellness.

¹⁴ Drinkwater, Moffatt, and Bromhead, 2021. "[Ways to Wellness – The First Six Years](#)" p.9

SECTION 3:

OUTCOMES COMMISSIONING IN JAPAN

MARKET CONTEXT

Japan is facing unique demographic challenges, characterised by a rapidly aging population and a declining birthrate. As the proportion of elderly citizens increases, the demand for healthcare, elderly care services, and social support programmes has surged. Japan spends c.22% of GDP on social spending (versus the UK at c.21%),¹⁵ so this demographic transition is placing considerable strain on the public finances – underscoring the need for innovative solutions.

KEY DEVELOPMENTS TO DATE

In 2013, the Japanese government, as part of the G7 task force on impact investment, expressed an interest in exploring impact investing – particularly social impact bonds (SIBs) – as a way to address some of these societal challenges.

The Japanese government started this journey with three priorities: improving the quality of public services; leveraging public/private partnerships (PPPs) to help enable more effective and efficient resolutions to complicated social issues (in part due to the lack of capacity in the Japanese social sector); and the realisation of ‘wise spending’ including fiscal cost savings.

Since then, the cumulative number of SIB and Pay for Service (PFS) projects has risen, slowly at first to 66 in 2019, and then more swiftly, reaching 179 by 2022¹⁶.

In a similar way to the UK, projects are typically contracted by local governments. Thematically, the overwhelming majority of projects have been health-related (over 70%) in areas such as elderly care¹⁷. The majority of projects in Japan are on a single year term. 32% of projects are sized at > £50k, with almost all (of those for which there is data) >£1m¹⁸. Since projects are typically smaller and shorter than in other countries, some services are standardised rather than tailor-made for individual participants.

In the early stages of the market, there was a lack of alignment between central and local government priorities. Initiatives were executed at the local authority prefecture level – but they were deemed too small in scale to effectively leverage resources for addressing national health priorities.

In response, a second iteration of the national strategy aimed to better coordinate the efforts of central and local government. This involved selecting a subset of local priorities that would be elevated to the national level, such as technology-assisted care for people to manage diabetes¹⁹.

The aspiration was to establish national-level SIBs, supported by entities like the Development Bank of Japan (DBJ). This institution dates back to the end of World War II, where it was established to help reinvigorate Japan’s economy and revamp its infrastructure. Since 2008, it has been focused on supporting Japanese enterprises and venturing into uncharted financial territories – which has included an effort to introduce and then mainstream SIBs in Japan.

This change in the national strategy led to a diversification of providers. Since some of the local social sector providers did not have the capacity to deliver on a more national scale, larger consulting firms and private sector entities also entered the market (in line with the Government’s original priority to boost public/private partnerships).

Sometimes, this led to confused messaging, as the Government tried to promote this approach to the private sector primarily in financial or economic terms.

However, over time, the focus has switched back to focusing on social innovation and improving wellbeing and lives for people being served – since ultimately this helps all stakeholders (across Government, social and private sectors) coalesce around shared goals.

¹⁵ OECD, Social protection - Social spending - OECD Data, 2021

¹⁶ Internal DBJ data

¹⁷ Internal DBJ data

¹⁸ Internal DBJ data

¹⁹ Hoong, Chih, 2021: [“Social Impact Bonds 2.0? China watches neighbours develop home-grown SIBs for well-being and innovation”](#)

IN FOCUS

THE MINISTRY OF JUSTICE TARGETS RECIDIVISM

CHALLENGE:

The Japanese government was keen to experiment with innovative approaches to tackling the persistent challenge of youth recidivism.

PARTNERSHIP:

The Criminal Justice SIB, known as “Learning Support for Juvenile Delinquents,” is a pioneering initiative sponsored by the Ministry of Justice (MoJ) and operated under the direct control of the Government. The project was designed to address the critical issue of recidivism among young offenders by providing targeted learning support.

A consortium of stakeholders is collaborating to implement this innovative project.

- **DBJ:** As an investor and supporter of the project, DBJ has been actively involved since November 2020. Its role includes attending monthly monitoring meetings, providing third-party insights, and facilitating effective communication between stakeholders.
- **Ministry of Justice (MoJ):** The MoJ, as the government sponsor of the SIB, played a crucial role in setting the

objectives and framework for the project. Its focus is on reducing recidivism rates and promoting successful reintegration of young offenders.

- **KUMON:** KUMON, the delivery partner, offers tailored learning support that addresses individual needs and goals – reflecting the significance of education in preventing youth crime,

The primary objective was to reduce reoffending rates among young offenders by offering educational support to 80 individuals at a training centre. The project has an implementation period of 2.5 years, running from August 2021 to March 2024. It involves a total investment of 71 million JPY (approximately £0.4 million).

OUTCOMES

Key performance indicators (KPIs) include the support continuation rate, target achievement rate, recidivism rate, and re-delinquency rate. The project addresses not only academic goals but also personal milestones such as language exams and vocational qualifications.

- To date, around 30 young people have participated in the programme, achieving

positive outcomes in both process and outcome KPIs.

- The programme’s holistic approach encompasses not only learning support but also communication and learning environments tailored to individual backgrounds.
- DBJ’s role in monthly monitoring and advisory sessions contributes to the achievement of project outcomes.

LESSONS LEARNED

Some key lessons emerge from the development of outcomes partnerships in Japan:

A government-backed fund has again performed an important market-building role:

The **Next Rise Social Impact Fund** represents a collaborative effort between the DBJ and Dream Incubator, a Japanese private consulting firm. This 4.2 billion JPY (approximately £25 million) fund is dedicated to supporting outcomes models, and aims to address societal challenges within the elderly care, facility management, and recycling sectors. It is a 10-year fund with a 7-year investment period, and has so far supported one project: a healthcare programme for senior citizens, with the local government paying fees based on project performance outcomes.

Although still in its infancy, the Next Rise Social Impact Fund has made some notable strides. It has attracted new investment from life insurance companies and regional banks. And it has sought to raise awareness within local governments: DBJ and Dream Incubator have co-hosted events intended to bolster understanding and recognition of the SIB model.

However, the Next Rise Social Impact Fund has encountered certain challenges. The limited number of cities capable of launching projects has been a hurdle. Convincing various departments within local governments, as well as parliamentary bodies, demands substantial time and effort, adding complexity to project initiation and implementation.

Ultimately, the DBJ hopes to play a similar role to the one Cabinet Office (and subsequently DCMS) outcomes team plays in the UK, helping to build the market. This fund is a vehicle through which they can help achieve this goal.

Social investment fund intermediaries' role:

Social investment fund intermediaries can also play an important role by facilitating system education, bridging gaps, and ensuring alignment with system-level objectives.

Align partners around innovation and outcomes:

These projects are most effective when they retain a clear focus on social innovation and improved well-being – even if the argument for this approach sometimes needs to be framed in different terms to align with the motivations of different stakeholders.

Building the ecosystem is crucial:

A successful outcomes-based ecosystem requires more than just the supply of finance. Government plays an essential role in facilitating and enabling the growth of the ecosystem through legislation, evidence-sharing, and capacity building.

System-level objectives:

Projects should be designed with clear system-level objectives in mind. Identifying how a project contributes to broader system change and policy improvement is crucial for sustained impact.

CONCLUSION

By identifying system-level objectives, building strong ecosystem collaborations, and weaving the narrative of social innovation and well-being into broader priorities, Japan has made real strides toward a more structured and effective outcomes-based contracting framework. Lessons from Japan's experience provide valuable insights for other jurisdictions seeking to embark on similar journeys of innovation and impact.

SECTION 4: CASE STUDIES FROM AFRICA



IN FOCUS

VILLAGE ENTERPRISE

SUMMARY

- Village Enterprise, collaborated with a number of partners to establish an outcomes-based partnership in sub-Saharan Africa focused on poverty alleviation through entrepreneurship.
- The partnership engaged key stakeholders, including the UK Foreign, Commonwealth & Development Office (FCDO), the United States Agency for International Development (USAID), Instiglio, ID Insight, Global Development Incubator (GDI) and social investors, to ensure effective implementation.
- The programme helped individuals in extreme poverty set up and sustain micro-enterprises through training and a cash grant.
- The outcome targeted was an increase in household income, measured by consumption, expenditure, and asset growth, with the aim of uplifting impoverished communities.
- This focus on data-driven decision-making at all levels of delivery was a significant development from previous programmes and enabled continuous improvement of the delivery, enabling better results.
- Despite various challenges, including the impact of COVID-19, the programme was estimated to have sustainably improved the livelihoods of 95,000 East Africans, with 4,766 businesses started and 14,100 first-time entrepreneurs trained, of whom 75% were women²⁰.



²⁰ <https://villageenterprise.org/what-we-do/development-impact-bond/>

IN FOCUS

(VILLAGE ENTERPRISE CONTINUED...)

CHALLENGE:

Village Enterprise is a non-governmental organization (NGO) that equips first-time entrepreneurs with resources and skills to start climate-smart businesses and savings groups. It works with the most vulnerable women, refugees, and youth in rural Africa, equipping them to adapt to shocks such as drought and displacement, trying to alleviate poverty through entrepreneurship.

In pursuit of innovative solutions for poverty alleviation in sub-Saharan Africa, Village Enterprise, worked with outcomes funders and Instiglio to establish an outcomes-based partnership in sub-Saharan Africa through the (at the time) innovative framework of an outcomes model.

The goal was to establish an outcomes-based partnership in sub-Saharan Africa through the innovative framework of a Development Impact Bond (DIB).

PARTNERSHIP:

Village Enterprise's track record of positive outcomes; its capacity and readiness to scale, and its capability to conduct randomised controlled trials (RCTs; which were required by the outcomes payers for verification) made it the preferred delivery partner.

The partnership included the Global Development Incubator (GDI), the British

FCDO and USAID (alongside an anonymous donor) as outcomes payers, plus Instiglio, social investors (including the Delta Fund and Bridges Impact Foundation), and ID Insight. Each played a critical role.

- GDI managed the outcome fund and financial flows, ensuring due diligence and accountability.
- FCDO, USAID and an anonymous donor served as outcomes payers, paying Village Enterprise for the achievement of agreed meaningful milestones over the course of the project.
- Instiglio undertook the role of project manager and process evaluator, overseeing project execution.
- IDinsight conducted the RCT to measure impact and outcomes.
- Bridges Impact Foundation was one of the social investors and part of the quarterly stakeholder working group, providing expertise in this outcomes-based financing model, and helping set up an adaptive management system to help ensure delivery of outcomes.

The outcomes partnership funded a microenterprise development programme in Kenya and Uganda. The target was to start 4,200 small businesses and train 12,000



people. Village Enterprise was measured against two outcomes: the increase in income of those households targeted (measured as an increase in consumption and expenditure), and any increase in their assets. This metric was carefully chosen, since people in extreme poverty might struggle recording income, so it made sense to measure the increase in consumption and expenditure within the household.

Each business was given three months of training, then provided with a grant of \$150 (some received \$400 to test increased grant size), plus a further nine months of coaching. After one year in the programme, businesses 'graduate' and are expected to continue operating independently.

The total programme comprised seven cohorts of 10 businesses, each of which was run by three individuals within a village classified as being in extreme poverty. A new cohort started the programme every three months, with the first beginning in November 2017.

This was the first DIB targeting poverty alleviation in sub-Saharan Africa. So the partners wanted to rigorously evaluate the impact of the programme through a real focus on data – and thereby demonstrate the viability of outcomes partnerships in this area.

IN FOCUS

(VILLAGE ENTERPRISE CONTINUED...)

KEY LEARNINGS:

Micro (programme-level) recommendations

- **Collaborative Design:** Collaboration with recognised outcomes payers strengthened organisational governance, with regular stakeholder meetings and data-enabled quarterly reviews enhancing transparency and accountability. Establishing these regular touchpoints to ensure continued alignment around goals and delivery methods – particularly in the face of external shocks – was critical to the project's success.
- **Flexible delivery:** Focusing on outcome data measurement and delivery flexibility created innovative solutions that clearly benefited those on the programme. For example:
 - It led to a revamp of the training curricula, when it became clear the business mentors needed more time to make their monthly mentoring visits.
 - Village Enterprise was able to invest in a roll-out of mobile banking for the delivery of grants, thanks to the upfront working capital provision.
 - An adaptive management system was

introduced that tracked progress via business 'health indicators' during the 9-month coaching period; this enabled targeted mentoring and coaching for businesses not doing well.

- **Clear Accountability:** Choosing the appropriate measurement methodology is an important part of project design. In this project, the use of data was absolutely key, and allowed the project to develop a really granular view of the impact it was able to achieve.
 - However, the use of an RCT as the evaluation method – a stipulation of the outcomes payer – caused issues. It substantially added to Village Enterprise's workload (and therefore took time away from supporting the cohorts). If outcomes partnerships are to scale in low- and middle-income countries, moving toward measuring intermediary indicators and/or a rate card approach may be a more sustainable and cost-effective way of measuring outcomes.

Meso (structural) recommendations:

- **Data management and availability:** The Village Enterprise project underscores the critical importance

of robust data management and availability systems in outcomes-based partnerships. Village Enterprise aimed to rigorously evaluate the impact of its poverty alleviation programme, which required collecting, analysing, and reporting on a wide range of data. This was crucial for demonstrating the project's success and ensuring accountability to outcomes payers. Establishing effective data management systems, including data collection, storage, and analysis, is essential. Reliable data not only helps in tracking progress but also in making evidence-based decisions to adapt the project to changing circumstances. It also enhances transparency and credibility, which are vital for maintaining trust among all partners involved in the collaboration. If the public sector could invest in similar levels of data collection, the impact of Village Enterprise would be easier to replicate.

OUTCOMES:

Covid-19 posed a serious challenge to the project, as lockdowns began at around the time the first set of evaluations was due to take place. This meant that when measurement was finally possible, some of the outcomes were being assessed for businesses that had graduated 2.5 years earlier, and had subsequently had to manage the shock of Covid-19.

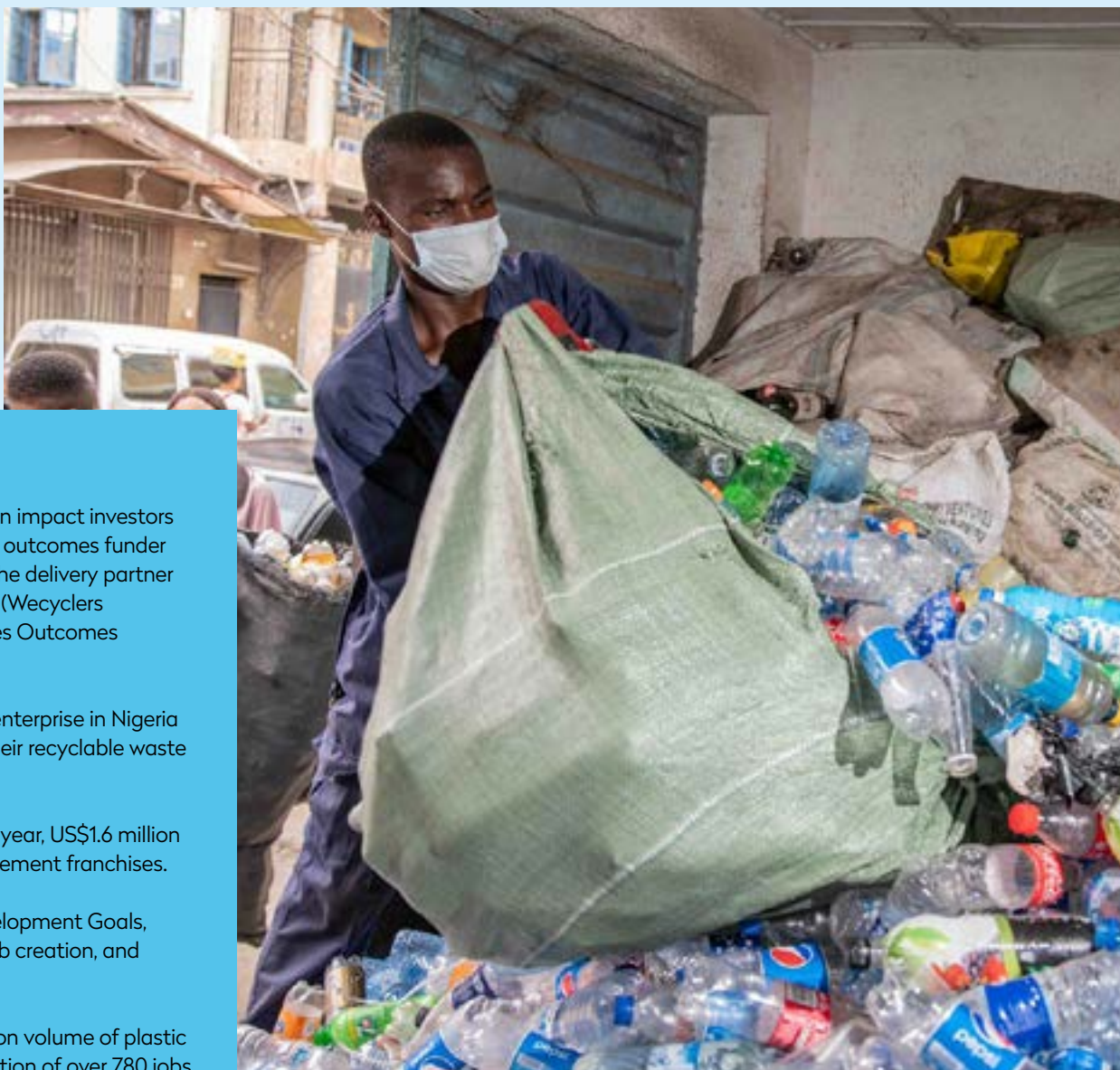
So it is a real testament to the success of the programme that despite these challenges, [it was estimated](#) to have sustainably improved the livelihoods of 95,000 East Africans, with 4,766 businesses started and 14,100 first-time entrepreneurs trained, of which 75% were women.

This was demonstrated through a 6.3% increase in household spending on food, health, education and other expenses, and 5.8% increase in assets, such as livestock, housing, savings and business supplies. The results were statistically significant and sustained across cohorts, regardless of start date.

These results are expected to generate lifetime impacts with a value of over \$21m, roughly four times the overall cost of the project.

IN FOCUS

WECYCLERS



SUMMARY

- The project is a unique partnership between impact investors (via the SDG Outcomes Fund), a corporate outcomes funder (Unilever), a specialist social enterprise as the delivery partner (Wecyclers), and a partnership coordinator (Wecyclers Outcomes Partnership managed by Bridges Outcomes Partnerships).
- Wecyclers is a waste management social enterprise in Nigeria that helps low-income people exchange their recyclable waste for cash and other rewards.
- This outcomes-based partnership is a five-year, US\$1.6 million commitment to establish 26 waste management franchises.
- Objectives align with the Sustainable Development Goals, focusing on plastic waste management, job creation, and higher wages.
- Milestones linked to payment are centred on volume of plastic waste collected and recycled, and the creation of over 780 jobs paying 25% above minimum wage.

IN FOCUS

(WECYCLERS CONTINUED...)

CHALLENGE:

Plastic waste is one of the biggest environmental challenges facing our planet today. As SDG 12 (Responsible Consumption and Production) highlights, we urgently need to find better ways to reduce and recycle plastic waste, particularly in emerging markets and developing economies.. However, innovative solutions are emerging that not only help us to tackle this pressing environmental threat, but do so in a way that creates jobs and boosts local economies (in line with Goal 8, Decent Work and Economic Growth).

In Lagos, Nigeria, a social enterprise called Wecyclers has been tackling this urgent issue for over two decades. They serve as a crucial link between communities in need of waste management solutions, and companies looking to transform waste materials into useful products.

Over the years, Wecyclers' capacity has grown, to an impressive 3,000 tonnes of recyclable material collected across Nigeria. However, like many organisations operating with a strong impact focus, it faced ongoing challenges of securing funding through grants, which often came with programmatic limitations or conditions.

PARTNERSHIP:

Bridges and UBS OF SDG (Optimus Foundation Sustainable Development Goals) Initiative, partnering with Unilever, [introduced an outcomes-based financing model](#) to enable meaningful environmental and social outcomes. This innovative partnership aimed to scale Wecyclers' franchise model and tackle plastic waste while fostering sustainable employment opportunities.

Intrigued by the outcomes-based model, Unilever took the lead in driving this initiative. Wecyclers was identified as the ideal delivery partner, with Bridges Outcomes Partnerships (BOP) as partnership coordinator and investment manager.

Unilever played a pivotal role initially in coordinating all parties, with Société Générale assisting in structuring the contract. BOP is providing oversight, support and rich data to help facilitate delivery innovation to ensure the outcomes are achieved.

The programme will run from May 2023 to May 2028, committing a total of US\$1.6 million over five years to establish 26 franchises. Local social entrepreneurs will run the franchises, with a focus on engaging local collectors and employing

balers and sorters.

The project has two key impact goals. The first is to collect and successfully recycle 34,000 tonnes of plastic waste, reflecting the core mission of environmental sustainability. The second is the creation of sustainable employment – specifically, 780 jobs, paying at least 25% above the minimum wage, with a focus on underprivileged individuals. These measurable outcomes became the basis of the outcomes contract.

Clearly, agreeing the right set of milestones on which to base the outcomes payments was vitally important. Fortunately, Wecyclers had comprehensive data on its delivery. This is a good starting point to work from in achieving the outlined goals – even though they are much more ambitious than anything Wecyclers had previously achieved via grant funding.

KEY LEARNINGS:**Micro (programme-level) recommendations**

– **Collaborative Design:** Successful outcomes partnerships require effective collaboration and stakeholder alignment. The involvement of all parties in the establishment of the contract facilitated open dialogue and

IN FOCUS

(WECYCLERS CONTINUED...)

ensured all parties were aligned on the contract objectives and terms..

- **Flexible delivery:** Building a foundation of trust among partners allows for flexibility in delivery and effective implementation. Trust between Wecyclers, Unilever, and BOP allowed for an ultimately successful design and negotiation process, aided by Société Générale, and an understanding that adjustments may be required over the course of the partnership. BOP's role as a partnership coordinator has added capacity and focus on ongoing adaptive management and with the aim of using learnings and data to adjust delivery.
- **Clear Accountability:** Selecting easily measurable milestones which are relevant for different stages of delivery ensures transparency and accountability.
 - The selection of milestones in this case could be directly tied to the core impact goals of environmental sustainability (tonnage of plastics collected and successfully recycled) and social impact (well-paying job creation for disadvantaged individuals).
 - Prioritising data collection and analysis is crucial for setting meaningful and impactful outcomes.

- Wecyclers' strong database of information on collections and its analytical approach enabled the identification of meaningful milestones. It gave all the partners' confidence that the organisation both had a strong starting point, and the means to step up its delivery in order to achieve the project's ambitious goals.

Meso (structural) recommendations:

- **Budgeting and Procurement:** Wecyclers highlights the impact that corporate organisations can have in funding outcomes partnerships and the value of bringing them into outcomes partnerships' key stakeholders.
 - In this partnership, Unilever took the lead as the outcomes funder, demonstrating that corporate organisations can drive meaningful environmental and social outcomes. Corporate organisations often have the financial resources, expertise, and innovative solutions to address complex social and environmental challenges.
 - Corporate organisations should be actively engaged as key stakeholders in outcomes-based partnerships particularly in areas where public funding

- is limited. Their involvement can not only provide funding but also bring valuable insights, technology, and industry-specific knowledge to enhance the success and impact of such partnerships.
- Collaborating with corporate organisations as partners, and emphasising the positive impact outcomes projects can have on Corporate Social Responsibility goals, can expand the reach and effectiveness of outcomes-based initiatives.

- **Data management and availability:** Wecyclers' comprehensive data on historical performance played a crucial role in creating outcomes goals for the future delivery (which were an improvement on historical delivery).
 - This data-enabled approach enabled Wecyclers to set meaningful milestones and measure impact accurately. The availability of such data was a strong asset in the outcomes-based partnership.
 - Organisations and governments should prioritize data collection and analysis to set impactful outcomes. A strong database of information not only supports the initial design process but also provides a solid foundation for long-term success in achieving outcomes.

IN FOCUS

**KENYA ADOLESCENT
SEXUAL AND REPRODUCTIVE
HEALTH PROJECT**

SUMMARY

- A collaborative outcomes-based partnership to address sexual and reproductive health challenges amongst adolescent girls in Kenya.
- The aim of the programme is to reduce teenage pregnancy and enhance HIV prevention by providing accessible sexual reproductive health services, education, and support via Triggerise's app.
- The United Nations Population Fund (UNFPA) and The Children's Investment Fund Foundation (CIFF) are the outcomes funders, with Bridges Outcomes Partnerships (BOP) as partnership coordinator, Triggerise as delivery partner, and KOIS as an advisor. One success element has been the involvement of a joint SDG fund via UNFPA (which pools contributions from multiple countries) to pay for the outcomes, in partnership with CIFF.

IN FOCUS

(KENYA ADOLESCENT SEXUAL AND REPRODUCTIVE HEALTH PROJECT CONTINUED...)

CHALLENGE:

Adolescent sexual and reproductive health is a serious challenge in Kenya. Of all HIV infections occurring among adolescents in Sub-Saharan Africa, 80% are in girls ages 15-19 years old. Only 47% of 15-19-year-old girls in Kenya have knowledge about HIV prevention, and 53% of 15-19-year-old girls in Kenya have never tested for HIV. In addition, 22% of currently married and 35% of sexually active unmarried 15-19-year-old girls have an unmet need for family planning²¹.

The Government of Kenya has recognised the gravity of this issue and is committed to the SDG agenda to end teenage pregnancy and new HIV infections among young people by 2030. This aligns with SDGs 3 (Good Health and Well-Being), 5 (Gender Equality), and 17 (Partnerships for the Goals).

Triggerise, a non-profit organisation and tech platform, founded in 2014, works to address these issues in six sub-Saharan countries. It uses innovative tech to promote access to sexual reproductive health and wellbeing for adolescents and young people. Young people sign up to its app Tiko; they can then receive Tiko services at clinics or pharmacies, rate their experience, and with each rating receive rewards that can be

used in local shops for necessities.

Triggerise operated as the delivery partner in an initial outcomes-based pilot programme for 18 months from 2020-2022. The stipulated goal of the partnership was to reduce teenage pregnancy. The outcomes funder was the UK Foreign Commonwealth & Development Office (FCDO), and the investor was Children's Investment Fund Foundation (CIFF), an independent philanthropic organisation, with the latter also providing operational support and advice.

PARTNERSHIP:

Following on from the success of this initial programme, Triggerise wanted to continue the strong impact it was already having. So it led the development of a second outcomes-based partnership for adolescent sexual and reproductive health in Kenya, this time with outcomes funding from CIFF and the United Nations Population Fund (UNFPA), and BOP as the partnership coordinator.

Each partner played a critical role in the success of the outcomes-based partnership:

- UNFPA, the outcomes funder using the UN Joint SDG Fund funding, also brought expertise around HIV

and health policy, helping shape the outcomes around HIV and providing guidance on the laws in Kenya and the right things needed to incentivise action. UNFPA also helped open the doors to the public sector clinics, through its knowledge of which actors to reach out to for government engagement.

- CIFF, the other outcomes funder, served as a bridge between the delivery partner and other stakeholders, having worked with them in the same capacity in the earlier partnership. CIFF brings extensive knowledge of family planning, as well as how to reach hard-to-reach locations, and how to think about analysing the data; for example, it helped to design the survey to identify girls living in multidimensional poverty. CIFF is also able to leverage its project management team to provide operational guidance, such as safeguarding policies.
- BOP represents the investors as the manager of the SDG Outcomes initiative and is providing upfront funding to the programme on behalf of the social investors. It also provides assistance in helping identify shared goals and helping design an outcome framework.



²¹ UNICEF, HIV Statistics - Global and Regional Trends - UNICEF DATA, 2023

IN FOCUS

(KENYA ADOLESCENT
SEXUAL AND REPRODUCTIVE
HEALTH PROJECT CONTINUED...)

This partnership differs from the first due to its additional focus on HIV prevention. Operationally, access is provided through public sector clinics, which has required bringing in the public sector as a supportive stakeholder.

The outcomes were agreed via a collaborative process. The outcomes funders laid out broadly what they wanted the programme to achieve: an impact on family planning, an impact on HIV services, and to reach more girls in poverty. A series of analyses was conducted to generate a list of possible outcomes measures to evaluate this impact.

Finally, external evaluation experts gave opinions on which metrics would be feasible to measure, as well as suggesting good proxies for the desired impact. These included: number of contraceptive services received by adolescent girls, number of HIV services received, number of repeat service users for both cases, and equity, i.e., the percentage of adolescent girls receiving services that live in multidimensional poverty.

Targets were set by observing what Triggerise had achieved historically and the resources available, with input from the outcomes funders as to the level of ambition they wanted to see. As a tech platform, Triggerise is extremely data-driven:

this makes it well-suited to an outcomes-based approach, and enabled it to provide a good baseline for target setting.

KEY LEARNINGS

Micro (programme-level)
recommendations

- **Collaborative Design:** Having all stakeholders come together and align on the outcomes vastly improves the programme's ability to succeed:
 - Triggerise as the delivery partner was very motivated to carry out a second outcomes-based partnership following the success of the first.
 - Having a champion within the outcomes funder who could provide the necessary motivation for UNFPA to commit to paying for outcomes was critical. UNFPA then became an involved outcomes funder, and was highly motivated to help coordinate with public officials - which was necessary for the involvement of public clinics.
 - Both CIFF and BOP brought expertise in the programme's operational design, such as the number of people needed on the ground, which are areas where Triggerise, the delivery partner, had less expertise.

– **Flexible delivery:** Observing performance and adapting as needed along the way is a critical part of an outcomes-based partnership:

- CIFF's project management experience helped give Triggerise the necessary support to deliver impact and to be held accountable.
- With BOP as a partnership coordinator, this gave Triggerise more freedom to focus on delivery, which is their area of expertise.
- **Clear Accountability:** Choosing the appropriate measurement methodology is an important part of project design:
 - Triggerise is successful because it puts data at the centre of what it does, which is extremely helpful for an outcomes-based partnership. It only had 18 months to deliver the first contract, and was able to achieve results precisely because data was not a barrier.

Meso (structural) recommendations:

- **Data management and availability:** Triggerise, being a tech platform, leveraged its data-driven approach to set meaningful targets and monitor progress effectively. This data-centric

mindset enabled the organisation to provide a strong baseline for target setting. Organisations engaged in outcomes-based partnerships should prioritize data collection and analysis. Comprehensive data not only aids in setting achievable outcomes but also ensures that data is not a barrier to achieving results, especially in time-constrained projects.

- **Shared Outcomes Funds:** The case study demonstrates the importance of shared outcomes funds in creating impactful outcomes-based partnerships. UNFPA pooled funding via the UN Joint SDG Fund and CIFF for its second partnership. These shared outcomes funders helped shape the programme's objectives around family planning and HIV services. They provided guidance on policy matters and incentivised action in the health sector. Shared outcomes funds can also facilitate collaboration between various stakeholders looking to support shared goals. This not only diversifies funding sources but also brings a wealth of knowledge and resources to address complex societal challenges comprehensively.

SECTION 5:

SUMMARY & RECOMMENDATIONS

To unlock the innovation needed to address some of our world’s most persistent and complex challenges, we have to think about systems change on three levels: “the micro, the meso, and the macro”²². We must work in a new way at the programme level (the **micro**), adapt the structures that underpin our systems (the **meso**), and ultimately shift cultures and mindsets (the **macro**).

The case studies presented above – coupled with the growing body of evidence globally from organisations like the University of Oxford, Social Finance^{23,24}, and the G20 – give rise to recommendations at all three levels.

²² Leadbeater, C & Winhall, J (2020), *Building Better Systems: A Green Paper on Systems Innovation*, The Rockwool Foundation

²³ Savell, L (2022) *Social outcomes contracts and systems strengthening*, Social Finance. Working Paper

²⁴ Thorat-Shah, Parekh & Jacob (2023), *Improving Female Labour Force Participation Through Outcomes-Based Financing*, T20 Policy Brief Accelerating SDGs: Exploring New Pathways to the 2030 Agenda

PROGRAMME-LEVEL RECOMMENDATIONS (THE MICRO)

Aimed at: delivery consortia and outcome funders of all kinds (donors, governments, corporates, foundations)

Collaborative Design

Effective partnerships hinge on stakeholder alignment, achieved through proactive involvement of all parties, and draw from the individual strengths of each:

- **Make the most of each partner's strengths;** for example, allowing delivery teams to lead the technical design and execution, centred on the individuals, while programme managers focus on the higher-level organisational aspects
- Foster **strong links with the local community** and **maintain institutional knowledge** by having multiple champions (given that staff can be transient)
- Cultivate a **collaborative culture among stakeholders** throughout the programme via open, consistent communication with regular touchpoints, promoting shared accountability and collective efforts toward achieving outcomes

Flexible Delivery

A focus on outcomes, measurement and innovation facilitates better adaptation to changing circumstances and local specificities, better data on performance, and better experiences for people being served:

- Design **contracts that are adaptable to changing circumstances** and unexpected events, particularly in regions more susceptible to uncertainties
- **Review progress at regular intervals** and be **open to changing processes** or metrics being used if the existing ones are not driving the programme towards the stated goal

- **Promote transparency and honesty** in case outcomes are initially not as expected - encouraging timely adjustments to address challenges, while ensuring that communication around targets not being achieved is inquisitive not punitive – focusing on what more can be done to help people or communities better progress towards the desired outcome

Clear Accountability

A precise measurement methodology facilitates clear accountability. In the dynamic landscape of outcomes partnerships, it's essential to select measurable milestones and outcomes relevant to different stages of delivery:

- **Tailor outcome measurement and data collection to align with the whole partnership's long-term visions,** incorporating input from all stakeholders from the outset.
- **Design flexible rate cards** that accommodate multidimensional outcomes and meaningful milestones, rather than defining outcomes as a single binary measurement. Single measurements may well be too challenging to measure to the correct degree of sensitivity; it may be too hard to create an appropriate counterfactual; and they may be too limited to capture the actual improvement on lives that an intervention has had.
- **Consider participant or community perspectives** in terms of what they feel is most important for them.
- Collect data that is crucial for understanding progress toward the long-term vision, but **do not create an unnecessary burden of data collection.**
- **Create a shared accountability dashboard** to facilitate knowledge sharing and improvement.

STRUCTURAL RECOMMENDATIONS (THE 'MESO')

Aimed at: outcome funders (donors, governments, corporates, foundations) and development finance institutions

The system-level recommendations below will not apply universally, since different countries are at different stages of development in terms of their governmental structures and legal frameworks; they need to be tailored to the specific circumstances of each context. We have structured them around the major barriers to the mainstreaming of outcomes partnerships, as outlined above:

Budgeting and procurement

Overcoming the challenges posed by traditional budgeting and procurement practices requires a shift towards multi-year budgeting models with adaptable payment profiles. Recognising that outcomes partnerships often require extended funding periods, governments should incentivise officials to focus on achieving long-term impact rather than exhausting budgets within a single financial year. This shift in mindset can be facilitated by introducing performance-based incentives tied to achieving outcomes over the life of the partnership. Furthermore, embracing more flexible procurement approaches, such as allowing local organisations to participate outside rigid frameworks, will help to foster innovation and collaboration – as the shift in focus away from specifying and monitoring inputs and compliance minimises the administrative burden for all stakeholders.

Data management and availability

A collaborative effort is required to establish robust data collection and sharing mechanisms. Governments should prioritise the development of comprehensive data management systems that encompass outcome measurements, baselines, and existing system effectiveness. Leveraging existing data infrastructure can expedite this

process, though cross-agency coordination is paramount to ensure compatibility and interoperability of various data systems. Governments should proactively engage with service providers to encourage data collection and establish a common understanding of the data needed to evaluate outcomes effectively. Investing in capacity-building initiatives for both data collection and analysis will bolster the foundation for outcomes partnerships.

Pooled fund of pre-financing

Development finance institutions can play a catalytic role by anchoring pooled working capital investment funds. Pooling funding in this way:

- **Reduces fundraising and other transaction costs** of individual projects
- **Reduces investor risk premium** by spreading exposure across a portfolio of projects
- **Creates market infrastructure** (e.g. development of a standardised template contract)

Shared Outcomes Funds

To promote the mainstreaming of outcomes partnerships, governments and other outcomes funders should explore two models—an independent central outcomes fund within government, and collaborative partnerships with non-public entities for shared outcomes funding.

- Establishing a central outcomes fund within government can streamline funding processes and promote cross-sectoral coordination. This fund can serve as a dedicated resource pool for outcomes-based initiatives, allowing for consistent, long-term funding commitments aligned with multi-year budgeting models. It provides stability and predictability in funding for outcomes projects initiated or supported by the government.

■ Governments should also encourage collaboration with independent outcomes funders, including philanthropic organisations and private companies. These collaborations can diversify funding sources and bring in specialised expertise. Governments should facilitate mechanisms for outcomes funders to coordinate their efforts, share best practices, and align objectives. This model leverages the innovation and specialisation of independent funders while ensuring learning in the outcomes funding ecosystem.

Establish a central coordinating body within the government

■ The UK has shown that it is much easier to effect these changes if there is a central delivery unit with ownership of this strategy that can coordinate the various stakeholders across the government. This would typically be located in the central Treasury or Cabinet Office department (or equivalent), although it could also be located within donor organisations to support governments and other commissioners.

■ These ‘Outcomes Delivery Units’ can assess the effectiveness of current spend and can help create infrastructure and support for future outcomes models. These teams can also help set strategy for pooling of funds on the pre-financing and outcomes funding.

Establish an external expert body to improve data quality and support impact-based funding allocation

As with the GO Lab in the UK, an external advisory body (in this case established by Government) can help to build the market by, for example, sharing knowledge and providing access to better data on costs and outcomes to inform future funding decisions.

KNOWLEDGE AND MINDSET RECOMMENDATIONS (THE MACRO)

Aimed at: outcome funders (donors, governments, corporates, foundations), delivery consortia, and development finance institutions

Knowledge and understanding of outcomes partnerships

To promote broader acceptance of outcomes partnerships, efforts should focus on disseminating accurate and comprehensive information about their benefits. Establishing a network of champions who understand the key features of outcomes partnerships and their potential impact is crucial.

Governments, in collaboration with partners and experts, should implement educational campaigns to dispel misconceptions and increase familiarity with the concept. These campaigns can emphasise success stories, showcase tangible benefits, and highlight the alignment between outcomes partnerships and broader policy objectives. The cultivation of a shared understanding and enthusiasm for outcomes partnerships will enhance their mainstream adoption.

Political dynamics

Navigating the political dynamics necessitates strategic planning and alignment with both political and civil service leaders. Governments should endeavour to secure sustained support from a champion within the political leadership, who can drive outcomes partnerships strategies beyond electoral cycles. Establishing mechanisms for continuity, such as incorporating partnerships into policy frameworks rather than individual mandates, can mitigate disruptions caused by changes of government. Moreover, governments should introduce knowledge-sharing platforms to ensure the transfer of expertise and institutional memory across transitions.

Integrating outcomes partnerships into core government strategies and fostering collaboration across agencies will also mitigate the risks posed by organisational changes (e.g. agency restructuring).

Prioritising partnerships that align with long-term policy objectives can create resilience against short-term political fluctuations and enable the achievement of enduring impact.

CONCLUSION

The immense potential of outcomes partnerships to reshape the landscape of human and environmental service delivery, while enhancing the effectiveness of public spending, is emphatically evident.

Clearly there are challenges to overcome, in terms of conventional practice, data limitations, knowledge gaps, and political dynamics.

But if governments, civil society, the private sector, and all those with a vested interest in societal progress can join hands in a collaborative endeavour, with each party playing their unique role, we have a real opportunity to overcome these challenges –and accelerate the adoption of outcomes partnerships as a tool to design, fund and deliver more impactful services.

By doing so, we chart a course towards a future where we can not only change the lives of individuals for the better in the short term, but also create an enduring legacy of public service transformation for generations to come.

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