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Innovative Finance  
for Education

## Global circulation and its complexities: an approach to the case of *Proyectá tu futuro* in Argentina

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# Overview

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COFER - IFE



Innovative Finance in Education



Travelling Policies



Proyectá tu futuro – Case study



Conclusions

# I. COFER Consortium

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# COFER- IFE Program Overview

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## Goal

Develop a post-graduate or executive education course, with blended learning format (e-learning), and case-study method about *Innovative Financing Mechanisms*

## Rationale

- Funding gap
- Knowledge and capacity gap: education development professionals and finance professionals
- Research gap: evidence-based analysis and documenting experience

## Outputs

- Blended learning course modules
- 6 in-depth, multi media case studies (developed with field work)
- 4-6 desk based short case studies
- Systematic literature review and typology of innovative financing mechanism
- 1 -2 academic publications

SOURCE  
Reference (picture, text...)

# Introduction Course Modules

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Developing an introduction course to be offered on FutureLearn platform

- Learning Outcomes:
  1. **Understand** – Demonstrate an understanding of facts and ideas of global education finance and the application of innovative financing approaches in the education sector.
  2. **Analyse** – Analyse the opportunities and challenges grounded in evidence when applying innovative financing in education. Examine the perspectives and relationships between key actors in the education finance space.
  3. **Evaluate** - Assess the relevance of specific innovative finance mechanisms in addressing global commitments in education. Substantiate judgements and decisions on education resource management.
- Modules:
  - Introduction to innovative financing in education
  - Private sector engagement
  - International aid agencies
  - Domestic resource mobilization
  - Philanthropy in education

SOURCE  
Reference (picture, text...)

# Field Based Case Studies

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## India

- Corporate Social Responsibility Law – Wipro Ltd CSR programming in education
- Venture Philanthropy – N/CORE education non profit organization incubator model
- Impact Investment – Zaya Learning Labs, investment in education technology
- Outcomes based financing – India Education Outcomes Fund, philanthropy and government partnership

## Argentina

- Social Impact Bond - Proyecta Tu Futuro, vocational education program

## Sub-Saharan Africa

- Results based financing for Technical and Vocational Education

SOURCE  
Reference (picture, text...)

## II. INNOVATIVE FINANCE IN EDUCATION

US\$2.7 trillion by 2030

LOW & MIDDLE INCOME COUNTRIES PUBLIC  
EXPENDITURE IN EDUCATION

4 to 6 per cent of gross  
domestic product (GDP) to  
education

10 per cent in 2009 to 6.9 per  
cent in 2015

GLOBAL AID TO EDUCATION

# II. Innovative Finance in Education (?)

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- No clear definition of Innovative Finance, or an established field/topic of inquiry
- Better understood as an “umbrella concept”, with a recurrent narrative:
  - Policy problem: insufficient funds for education
  - Policy solution: new ways of collaboration between public and private actors

## Key argued benefits

- Improving financing for education
- Reform policies according to market practices
- Encourage innovation and focus on outcomes in education

## Key argued challenges and limitations

- Little /no evidence of efficacy and additionality
- Implementation challenges (regulations, lack of data or management capacity)
- Potential harm to the right to education and social justice

SOURCE  
Reference (picture, text...)

- Avelar & Ternway, 2019



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## III. TRAVELLING POLICIES

- TRANSFER (PHILIPS & OCHS, 2004)
- POLICY TRANSFER (COWEN, 2018)
- POLICY BORROW AND LENDING (STEINER-KHAMSI, 2010)
- POLICY DIFFUSION AND ADOPTION (VERGER, 2016)
- EXTERNALIZATION (SCHRIEWER, 2010; STEINER-KHAMSI, 2011)
- CIRCULATION (SCHRIEWER, 2010; ALARCÓN, 2016; CENTENO, 2017)
- IMPOSITION, HARMONIZATION, DISSEMINATION, STANDARDIZATION, INTERDEPENDENCE (DALE, 1999)

# TRANSFER IN EDUCATION

« a) transfer is the movement of an educational idea or practice in supranational, transnational, or international space: the “space-gate” moment, with its politics of attraction and so on; b) translation is the shape-shifting of educational institutions or the reinterpretation of educational ideas, which routinely occurs with the transfer in space: the “chameleon process”; and c) transformations are the metamorphoses imposed on the initial translation by the compression of social and economic power into education in the new context: that is, a range of transformations that cover both the indigenization and the extinction of the translated form » (Cowen, 2006, p. 566).

# FROM TRANSFER TO TRAVELLING POLICIES IN EDUCATION

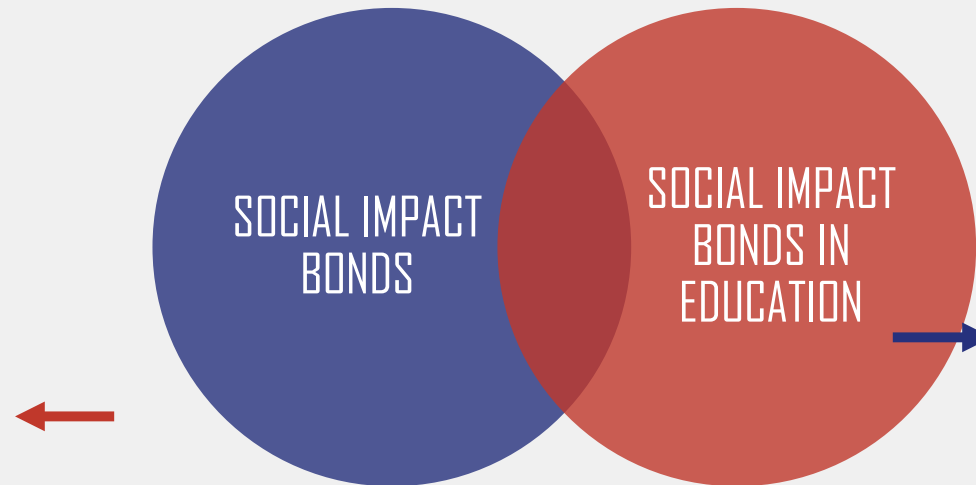
Steiner-Khamsi (2000) suggests 'turning the normative, practice oriented question 'what can be learnt [from other educational systems]?' into the descriptive, research-oriented question 'what has been learnt?' (p. 171). Thus, she recommends that comparative education research should address questions such as 'Why did transfer occur? How was transfer implemented? Who were the agents of transfer?' (p. 170).

« Two distinct features of each field are particularly relevant for our research topic: while comparative education is transnational in orientation, policy studies is transsectoral. In other words, the focus on understanding local policy contexts against the backdrop of larger transnational or global developments should be considered a prominent feature of comparative education » (Steiner-Khamsi, 2012, p.4).

# TRAVELLING POLICIES + IFE

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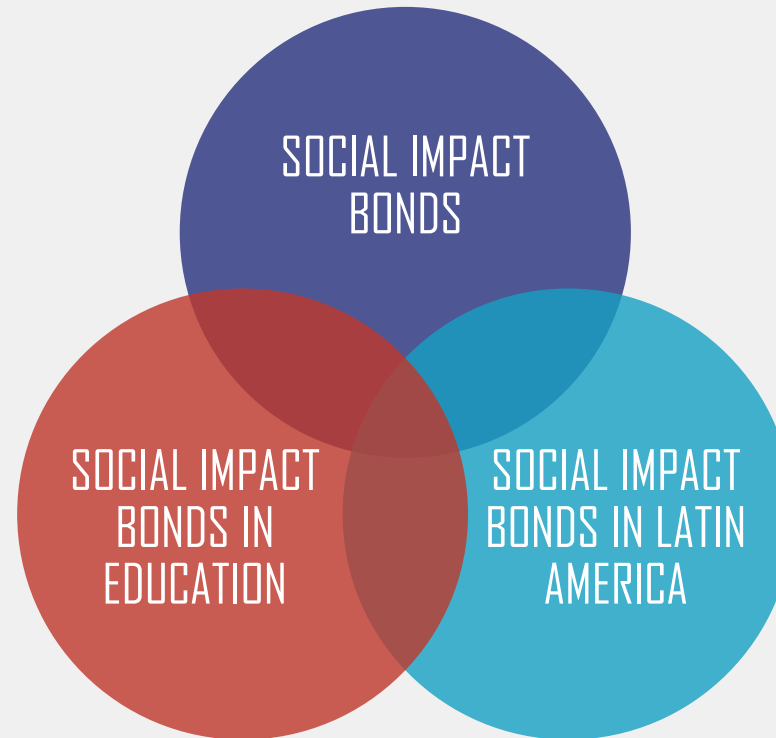
SIBs are a new form of performance-pay contracts for public services, where the government collaborates with private for-profit investors, or social investors to fund interventions to tackle social problems (Tan et.al. 2019).



SIBs are in design and implementation around the world. In the education sector, there are thirteen SIBs around the world related mostly to childhood education, girl's education, and vocational education (Bloomgarden et al., 2014; Social Finance).

One of the largest SIB in the education sector is "Educate Girls" in India

# TRAVELLING POLICIES + IFE + *PROYECTÁ TU FUTURO*



Aiming to more effectively tackle the growing social challenges at the region, The Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB) launched in 2014 the \$5.3 million FOMIN facility, nowadays called IDB LAB, aiming to facilitate the implementation of Social Impact Bonds in Latin America and and the Caribbean (LAC) (Perakis, 2014).

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# IFE AS A TRAVELLING POLICY IN EDUCATION?

- TRANSNATIONAL & TRANSECTORAL
- Policy transfer within, and between, both world-systems: the wealthy, and the impoverished
- International convergence of should be interpreted as a direct result of cross national lesson-drawing, or other, more coercive, forms of policy transfer
- LOCAL CONTEXT
  - One-size fits all fallacy
  - Political instability
  - Actors' commitment
  - Consistent data
  - Need for technical support

# IV. *Proyectá tu futuro*: IFE in Argentina



# How did we find out?

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Cómo funciona el bono que rinde si los jóvenes pobres estudian y trabajan



**Silvia Stang**

LA NACION

SEGUIR



Terminar el ciclo educativo, uno de los objetivos que se evalúa para el pago del bono de impacto social



# SIB *Proyectá tu futuro*

## Description

1

Designed in 2017 by the Autonomous City of Buenos Aires (CABA) and other areas of government with the support of two specialized consulting partners, a team of lawyers and the assistance of the Multilateral Investment Fund (MIF) and the Inter-American Development Bank (IADB).

2

## Motivation

Average unemployment rate in Buenos Aires, which was 9.5% and as high as 15.5% for young people, and 24.9% among young people in South Buenos Aires

## Main objective

3

The main objective of *Proyectá Tu Futuro* is to improve the employability of moderately to extremely vulnerable youth age 17 to 24 in the Buenos Aires, especially those from the southern area of CABA

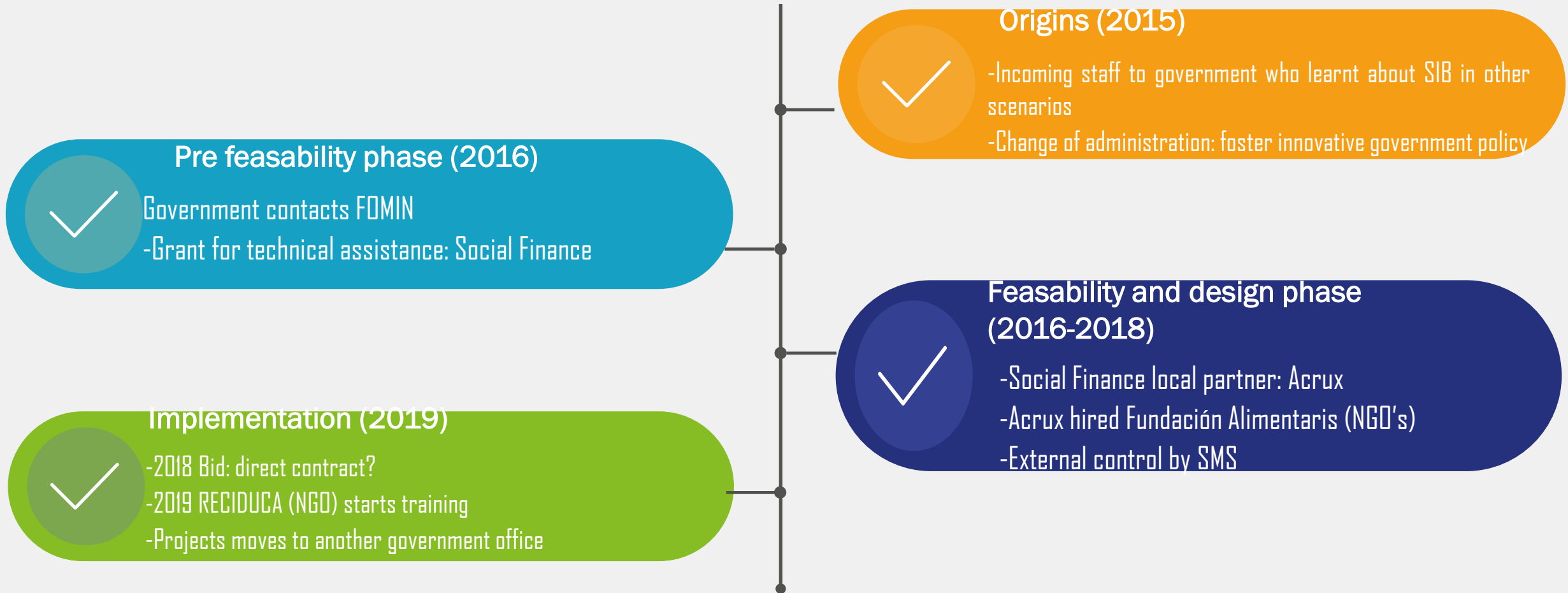
4

## Main results

(i) To train about 728 young people from the most impoverished communities of Buenos Aires, and that 459 of these find employment; and (ii) to pilot an innovative and replicable financing facility

# TIMELINE

(based on Acevedo, Carballo & Scanavini, 2019)



# Actor's perspective

Government: SIB is too complicated and time-consuming, and thus a performance based contract would be simpler and faster: "If I wanted to make this simpler and faster, I would go with a performance based contract"

IADB Lab Specialist: a key take away was the capability to adapt the expertise they acquired from the experiences in USA and Europe into a different context

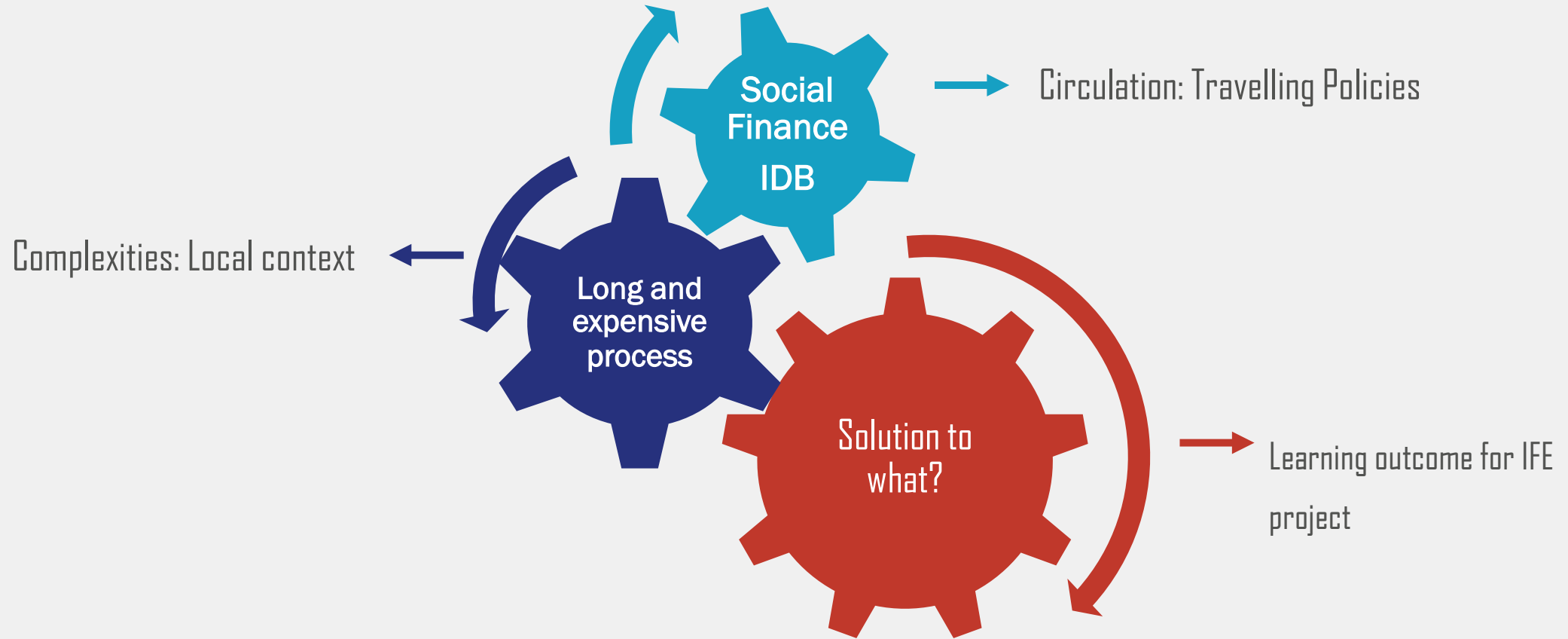
Organización Roman, one of the main investor in PtF: the act of bringing together actors with different mindset worked well in the SIB. On the other side, the process was very long and very complex especially in legal terms. Adjusting local structures and creating the mechanism in way that was not illegal was a real challenge

Social Finance: an aspect that they would repeat in a new SIB is the high engagement in the project of the government and the investors.

Fundacion Alimentaris: if taking part in a new SIB in the future, certainly simplify the metrics for the outcomes' achievement

Reciduca: lack of alliance between the Secretary of Education and the NGOs. "Another problem was that the CABA ministry itself did not allow us to work with our program in the schools, which is implemented directly on a counter-shift basis. This took us two or three months (...) training ended up starting in very cold times, three weeks before the vacations, we will see what happens after vacations

# V. Global circulation and its complexities



# Thanks