Employment and Work
Breakout session

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Decent Work

Work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

Source: ILO, World Employment and Social Outlook: Trends 2020
Many challenges remain to achieve Decent Work for All

- 2 billion: Number of workers informally employed, or 61% of global workforce

- 20 million: Net positive jobs created as a consequence of transitioning to energy sustainability and a circular economy by 2030

- 36%: Proportion of persons with disabilities of working age in employment (vs 60% for persons without disabilities)

- 4 billion: Number of people not covered by any social protection benefit

- 152 million: Number of children victims of child labour (half of them in hazardous conditions)

- 16%: Gender pay gap, with significant variation across regions

- 1 in 5: Proportion of workers in working poverty (earning less than USD 3.20 PPP per day)

- 21%: Young people worldwide not in employment, education or training (NEET)

- 27 p.p.: Difference between female and male labour force participation (47% vs 74%)

Sources (ILO):
- World Employment and Social Outlook: Trends (2020)
- Skills for a greener future: A global view (2019)
Decent work and the SDGs

Decent work for all, including social protection, is the main route out of poverty for individuals, communities and countries.

Agriculture employs more people than any other sector, and most people in extreme poverty live in rural areas.

Healthy workers and decent and safe working conditions increase the productive capacity of the workforce.

Education (including lifelong learning) is also a means to getting a decent job, especially for young people.

Closing gender gaps in employment, ensuring decent work for all women and equal pay for work of equal value is key to achieving gender equality.

Decent work is a direct means to reduce inequalities in income, wealth and economic influence.

Transitions to sustainable economies can become a strong driver of job creation, job upgrading, social justice and poverty eradication.

Income
Social Protection
Working conditions
Equality of opportunity
Freedom of Association

1. No Poverty
2. Zero Hunger
3. Good Health and Well-Being
4. Quality Education
5. Gender Equality
6. Clean Energy
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Life on land
13. Climate Action

Income
Social Protection
Working conditions
Equality of opportunity
Freedom of Association
Impact Bonds in numbers and geographies

Distributed across both developing and industrialized countries

- Countries where services are provided through impact bond structures include:
  - Developing countries in Africa, South America, and Asia
  - Industrialized countries in North America, Europe, Asia, and Australia

- Out of total 171 SIBs since 2010…
  - 76 are focused in UK,
  - 27 in USA,
  - 11 in the Netherlands

- Location of investors, service providers and payers are more diversified for each impact bond

*Number of impact bonds in both completed and ongoing status since 2010

Source: The Government Outcomes Lab, Database, February 2020
Impact Bonds themes

- Agriculture and environment: 8%
- Poverty reduction: 1%
- Criminal justice: 16%
- Education and early years: 16%
- Health & wellbeing: 16%
- Homelessness: 11%
- Child and family welfare: 19%
- Employment and training: 28%

Total # of IBs: 171
Total amount of capital: 395 million USD

Impact Bonds in “Employment and Work”

- Most impact bonds in Employment and Training support youth employment and skills training for disabled or disadvantaged people
- Duration: Median 36 months (av. 41 months)
- Invested Capital: Median US$1.1 million (av. US$2.1 million)

Cumulative Investment of IBs in Employment and Training

Source: The Government Outcomes Lab, Database, February 2020
### Impact Bonds in “Employment and Training”

#### Number of IBs in “Employment and Training” by Country from 2012 to 2019

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Source: The Government Outcomes Lab, Database, February 2020

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Why is the number of Employment and Training related IB so high?

1. **UK** launched a bulk of **DWP Innovation Fund projects** in 2012
2. IBs in Employment resonate in a **wide range of geographies** (≈17 countries); other IB themes have an average of 6 countries.

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### Duration of IBs in “Employment and Training” from 2012 to 2019

- **Median**: 36 months
- **Average**: 41 months (average distorted by outlier of single 120 month bond)

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3. Average duration of the IBs in “Employment and Training” is **41 months** / median is 36 months (average distorted by outlier of single 120 month bond)
Some thoughts on IB in Employment and Work

**Strategic Framework / Pre-design**
- Problem to address
- What strategy to solve it?
- Feasibility studies available?
- Target group
- Is an Impact Bond the best approach? Why?

**Design Phase**
- Intervention model and theory of change
- Defining outcome metrics
- Defining duration
- Who are the right partners?
- Are ALL stakeholders involved in the design process?
- Do LOCAL service providers have capacities?

**Implementation**
- Monitoring and reporting
- Adjustments
- Intermediate outcomes

**Evaluation**
- Final outcome evaluation
- Lessons learnt?
- Scaling up, integration into government interventions?
- What is the price of the outcomes?

**Outcome Metrics**

**Outcome Funder**

**Outcomes**

**Special Purpose Vehicle (SPV)***

**Intermediary**

**Investor**

**Beneficiaries**

**Unions, employers**

$$
\text{Outcome Funder} \rightarrow \text{Investor} \\
\text{Outcome Evaluator} \rightarrow \text{Service provider} \\
\text{Beneficiaries} \\
\text{Outcome Metrics}
$$
Thank you!

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