

New Impact-Linked Fund to boost inclusive and equitable education for vulnerable children and youth in MENA and West Africa

FIRST COMMITMENTS OF CHF 6 MILLION FROM JACOBS FOUNDATION AND THE SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC) KICK-START THE INNOVATIVE “IMPACT-LINKED FUND FOR EDUCATION” WHICH TARGETS HIGH-IMPACT ENTERPRISES IMPROVING LEARNING OUTCOMES

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Despite strong progress over the past decades, ensuring an inclusive, quality education (SDG 4) to vulnerable children and youth across the globe is far from reality. According to the UN, over 265 million children globally are currently out of school and 617 million lack minimum proficiency in reading and mathematics. The economic and social crisis caused by the Covid-19 pandemic aggravated this alarming gap, with the risk to further increase the already high financial disparities in the future.

Already before the pandemic, high-impact enterprises were important drivers of change, since they can contribute to bring education to scale, acknowledging that universal access to basic education must be free. Often, they identify unmet needs of students or teachers or lay open insufficient, low-quality services of existing providers. For example technology-enabled solutions, such as mobile-phone based learning or artificial intelligence assistance, have a great potential for reaching vulnerable and underserved groups such as rural youth or refugees.

“Over the years, we have seen high-impact enterprises and similar market-based social organizations struggle to tap into reliable and suitable finance. That is why Roots of Impact and iGravity have established the Impact-Linked Finance Fund (ILFF) as a platform to connect public and private sector investors and leverage resources and know-how to for the benefit of these important organizations, rewarding them directly with financial incentives for the impact they create”, explains Bjoern Struwer, Co-Chair of the ILFF and CEO of Roots of Impact.

The newest fund under the ILFF platform, the [Impact-Linked Fund for Education](#), will identify eligible organizations with a particular focus on the MENA and Western Africa Region. By applying innovative finance solutions such as [Social Impact Incentives \(SIINC\)](#) and [Impact-Linked Loans](#), these organizations will benefit from “better terms for better impact” and increase their chances to create educational impact at scale and help

improve access to inclusive quality and affordable basic education for thousands of children and young people.

The open-ended fund just secured first closing commitments of CHF 6 million from Swiss-based [Jacobs Foundation](#) and the [Swiss Agency for Development and Cooperation \(SDC\)](#).

“As a foundation dedicated to transforming learning and education around the world, we deploy financial capital to back evidence-based models that improve learning outcomes in different contexts. With this innovative partnership, we want to generate new evidence on what works in West Africa and MENA, unlock further capital for recipient organizations by lowering co-funding risks, and provide policy-makers with an efficacy-test on models that can be scaled by the state”, underlines Fabio Segura, Co-CEO of the Jacobs Foundation.

In addition to suitable capital for high-impact organizations, a substantial amount of the fund’s target volume will be reserved for technical assistance, research and advocacy measures, which will generate learnings and evidence of this innovative and promising approach. Sabina Handschin, Head Education Unit at the Swiss Agency for Development and Cooperation, clearly sees the potential of applying new ways to finance SDG 4: *“SDC acknowledges that sustainable development can only be achieved by joining forces with all relevant stakeholders, including the private sector. Therefore, we are delighted about our partnership with private foundations like the Jacobs Foundation and the piloting of this new initiative. We see this as a great opportunity of funding innovative approaches to advance SDG 4 and close the global education gap.”*

The Impact-Linked Fund for Education plans the second closing in 2022.

Press contact & information

For more information, please contact: [Lucas Tschan](#), Head Advisory & Partnerships iGravity, lucas.tschan@igravity.net, +41 79 654 93 08

For more resources around Impact-Linked Finance and the ILFF please visit www.ilf-fund.org

About the partners

The [Impact-Linked Finance Fund \(ILFF\)](#) provides finance to high-impact enterprises and directly rewards these for positive outcomes generated through their business activities. It was established by Roots of Impact and iGravity in order to pool their know-how and activities for implementing scalable Impact-Linked Funds. The Fund, set up as a Dutch non-profit foundation, is acting as a capital provider and knowledge hub for the practice of Impact-Linked Finance and advocates for embedding impact-related principles and terms in other areas of business, policy and finance. www.ilf-fund.org

iGravity is an advisory firm specialized in impact investment and innovative finance solutions with the mission of connecting disruptive ideas, visionary people, institutions and capital to address some of the most pressing social issues. Most of iGravity's research & advisory services center on the design and development of financing structures and partnerships that mobilize resources to achieve the SDGs. Under Investment Solutions, iGravity offers access to diversified impact investment strategies like for example the proprietary Impact Investment Index. Through its Impact Venture Investments, iGravity identifies, supports and invests in businesses that solve social issues with a disruptive and scalable model. www.igravity.net

Roots of Impact is a specialized advisory firm dedicated to making finance work for positive impact on people and planet. It collaborates closely with public funders and impact investors across the globe to scale high-performing enterprises and innovations with strong potential for impact. As pioneers of Impact-Linked Finance, Roots of Impact is passionate about the most effective use of public funds and catalytic capital and has the mission to maximize "impact leverage" by mobilizing private investment for high-impact opportunities and shaping innovative public-private investment partnerships. www.roots-of-impact.org

Headquartered in Zurich, **the Jacobs Foundation** is one of the world's leading foundations in the field of child and youth development. Established by entrepreneur Klaus J. Jacobs and his family in 1989, the foundation currently has an endowment valued at about \$7.7 billion. As an internationally active organization, the Jacobs Foundation commits an average annual budget of about \$60 million to support research and programs in the fields of learning and child and youth development. The Foundation is committed to scientific excellence and evidence-based research. <https://jacobsfoundation.org/en/>

The Swiss Agency for Development and Cooperation (SDC) is the agency for international cooperation of the Federal Department of Foreign Affairs (FDFA). The SDC is responsible for the overall coordination with other federal authorities of development cooperation and cooperation with Eastern Europe as well as for humanitarian aid delivered by the Swiss Confederation. <https://www.eda.admin.ch/deza/en/home/sdc/portrait.html>