

## Development Impact Bond (DIB)

### A Results-Based Financing Instrument Helping Increase Youth Employment

#### At a glance

A Skills Matching and Employment **Development Impact Bond (DIB)** is a results-based funding mechanism which allows outcome funders – PIA/ F4J Project – to partner with socially-motivated investors and high-performing service delivery organizations to help address youth unemployment.

The DIB will fund interventions that enable young people to obtain and sustain employment. This will include interventions which match employment opportunities and suitable employees and train job seekers in employer-demanded skills. Service delivery organizations will also be compelled to adjust delivery of the program to economic opportunities and evolving market needs over time.

#### DIB Methodology

Partners in the DIB will agree on a set of outcomes – in particular, the number of employment outcomes – that they will seek to achieve as well as the evaluation method and metrics that will be used to verify them. Investors will select service providers to deliver interventions aimed at achieving the pre-agreed results and provide the working capital required to cover the delivery costs. If the pre-agreed results are independently verified, outcomes funders will repay investors, with returns linked to the results achieved.

Investors will contract with a DIB Manager who will oversee the program on a day-to-day basis and will coordinate with a consortia of service providers to ensure that the program is performing well.

#### Target beneficiaries

Palestinian youth aged 18 to 29, with a minimum of 30 percent female representation.