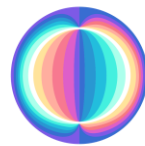


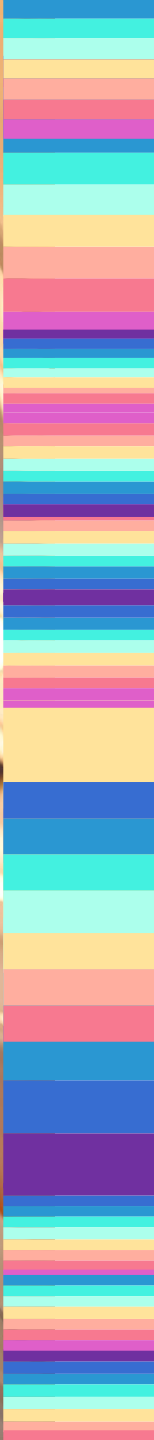
Outcome-based financing (OBF) ecosystem for Hong Kong & China

Guest Lectures – Summary (Public)

CENTUM
CHARITAS
FOUNDATION



Outcomes
Lab



OBF Scoping Meeting Introduction

Date: August 21, 2024

Time: 3:00 PM to 6:00 PM

Venue: Mira Hotel, Tsim Sha Tsui, Hong Kong

Background of the Meeting:

- Centum and Outcomes Lab announced their strategic partnership to advocate for and build an OBF ecosystem in Hong Kong and Asia.
- The partnership aims to establish a model in Hong Kong that can be replicated in Mainland China.
- Attendees included:
 - Major intermediaries of the Social Innovation and Entrepreneurship Fund (SIEF) including Oxfam and HKCSS
 - Charity foundation and impact investors including Chow Tai Fook Charity Foundation & Gravity Capital Partners etc.
 - OBF professionals such as Social Value International, Climate Finance Asia & Tri-Sector
 - Service providers delivering OBF projects such as Dialogue in the Dark, Save the Children and Let's talk ADHD etc.

OBF Scoping Meeting Introduction

Objectives of the Meeting:

1. Review the progress and current status of Outcomes-based financing (OBF) in social innovations, comparing it to the developments in Singapore and Europe.
2. Assess market readiness and willingness to participate in a upcoming OBF projects in Hong Kong across sectors and segments.
3. Raise Excitement, Confidence, and Commitment in driving OBF in Hong Kong.

Follow up Actions of the Meeting:

1. Summarize key consensus points from participants and produce a presentation deck combining the day's insights for communication with the government.
2. Forming a task force to kickstart planning for the next immediate OBF project with key service provider – Dialogue in the Dark Foundation (DIDF), Save The Children, including defining roles and responsibilities. Intermediary and impact measurement experts, such as Oxfam, HKCSS and SVI are willing to assess pipelines and contribute to market advocacy. And potential funders have expressed commitment to support upcoming OBF deals.

Our Run-down today

Session 1	Centum x Outcomes Lab's vision on Outcome-based financing (OBF) for Hong Kong & China	1500-1530
Session 2	OBF from HK to global landscape and innovation	1530-1605
Break		1605-1615
Session 3	Our OBF initiatives pipeline	1615-1700
Break		1700-1710
Session 4	Round Table - The next steps	1710-1735
Summary		1735-1745
Dinner		1800-2000

OBF global landscape and innovation

1. HK's 1st PFS - review, successes and learnings (Oxfam)

2. Latest OBF model innovations and market trends (Tri-Sector)

3. Social outcomes & roadmap to mainstream system (Social Value International)



SHARING ON PAY-FOR-SUCCESS

Oxfam Hong Kong
21 August 2024



樂施會
OXFAM
Hong Kong

無窮世界
World
Without
Poverty

Key stakeholders in the Pay-for-Success Project



樂施會
OXFAM
Hong Kong

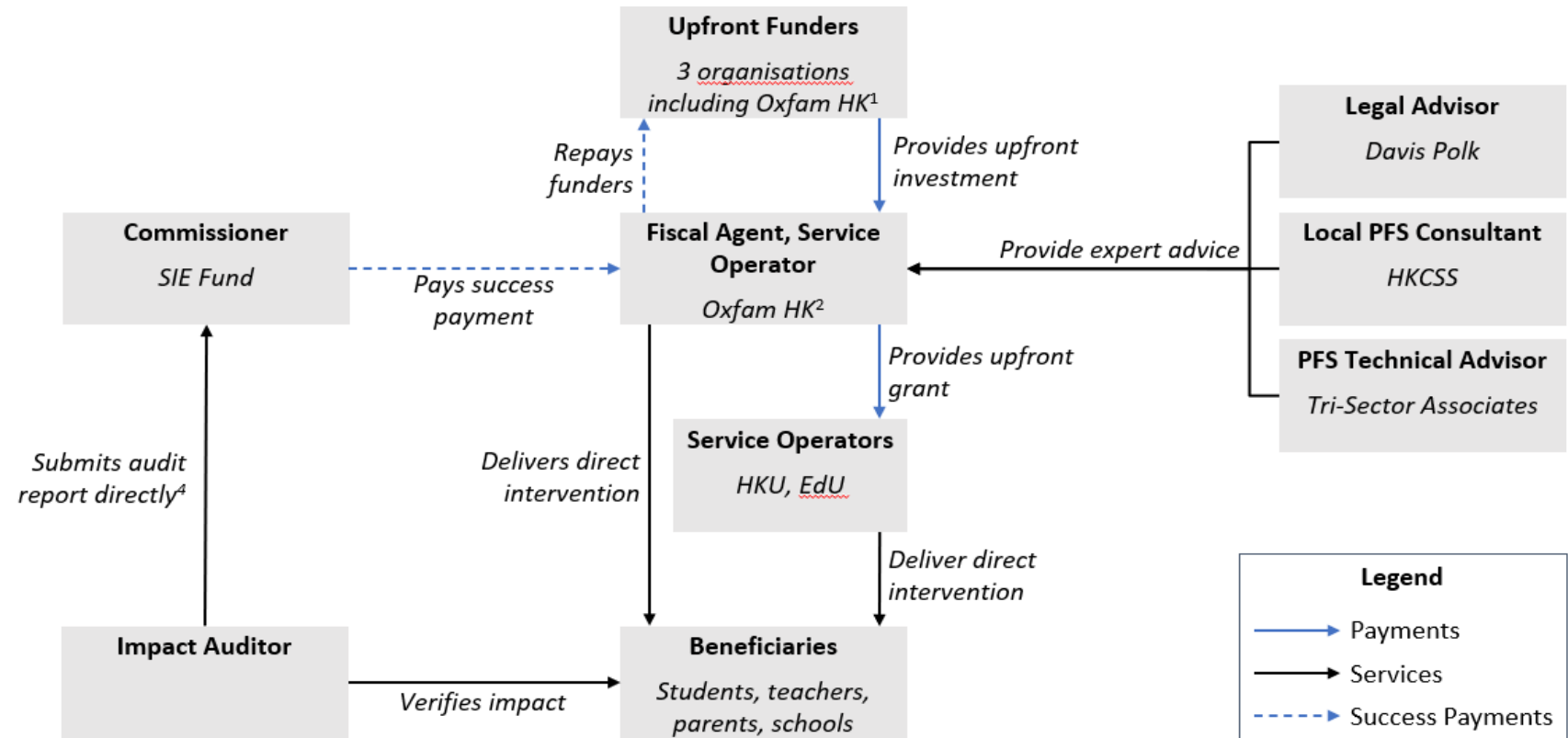
無窮世界
World
Without
Poverty

Benefits:

- Clear governance structure
- Monetary and non-monetary support

Cons:

- Expensive consultant fee



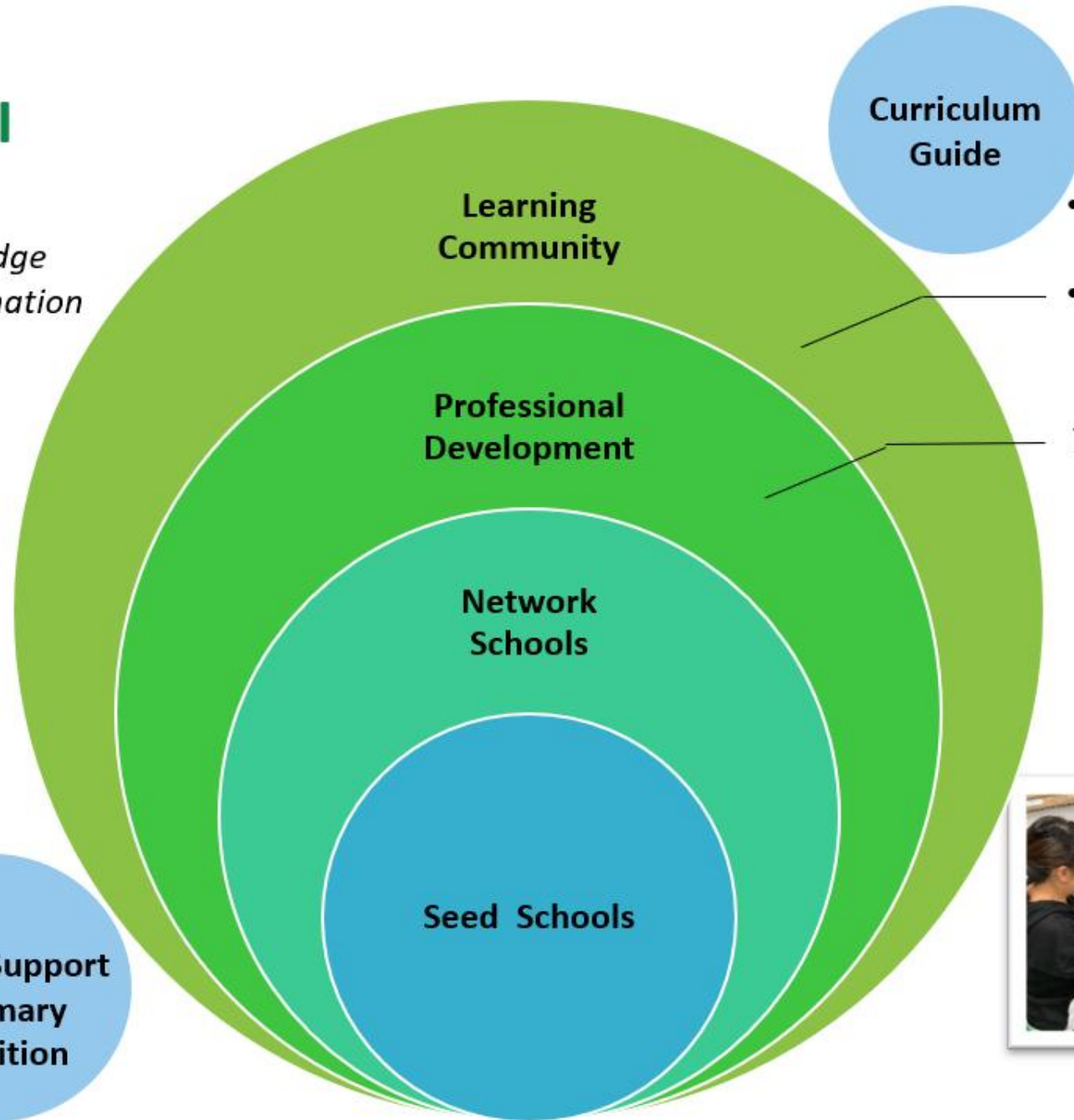
Notes: 1. Upfront Funders include Wu Jieh Yee Charitable Foundation, Lee Hysan Foundation and Oxfam; 2. Oxfam HK is the Principal Applicant in this Project; 3. Caritas Institute of Higher Education (“CIHE”); 4. To mitigate potential conflict of interest, the Impact Auditor will submit the audit report directly to the SIE Fund while keeping HKCSS informed in the process.

Major components and services of Stage III

Knowledge dissemination



**Parent Support
+ Primary
Transition**



**Curriculum
Guide**

- *Online Learning Platform*
- *Professional development network*
- *Train-the-trainer*



Our Result of Pay-for-Success



樂施會
OXFAM
Hong Kong

無窮世界
World
Without
Poverty

GOVERNMENT OUTCOMES LAB

Home > Knowledge bank > INDIGO > Impact Bond Dataset > Start from...

The basics Knowledge bank Toolkit Community

Start from the Beginning - Chinese Supporting Scheme for Non-Chinese Speaking Students (NCS) in Kindergarten

Key Successful Outcomes:

Improvement in teacher's Chinese teaching	3 times more than expected effect size
Increase in Chinese language ability	K1: 52.4% ↑ K2: +96% ↑ K3: 80.3% ↑
Mental lexicon task 聯想字：	Very significant improvement at 409% ↑
Character naming task 字音測試：	Very significant improvement at 308% ↑



TRI-SECTOR
ASSOCIATES

**Solving complex societal issues through
cross-sector innovation collaboration**

Prepared for OBF Scoping Meeting in Hong Kong

August 2024



We have launched some of the first projects in Asia and supported the growth of the impact ecosystem

Launched Projects

Outcomes Amplifier for income stability

Social Impact Guarantee for school dropouts & at-risk youths

Outcomes-Linked Loan for autism employment

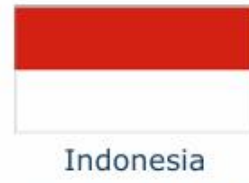
Recyclable grant fund for small charities

Outcomes Fund for social compact

Outcomes-Linked Loan for education in Hong Kong

Early childhood education in Thailand

Ecosystems Supported



Featured by



03| Innovation in Outcome-based Financing Models

Pay for Success (PFS) is one form of innovative giving to incentivise better outcomes through structured collaboration

PFS models typically comprise 2 key components

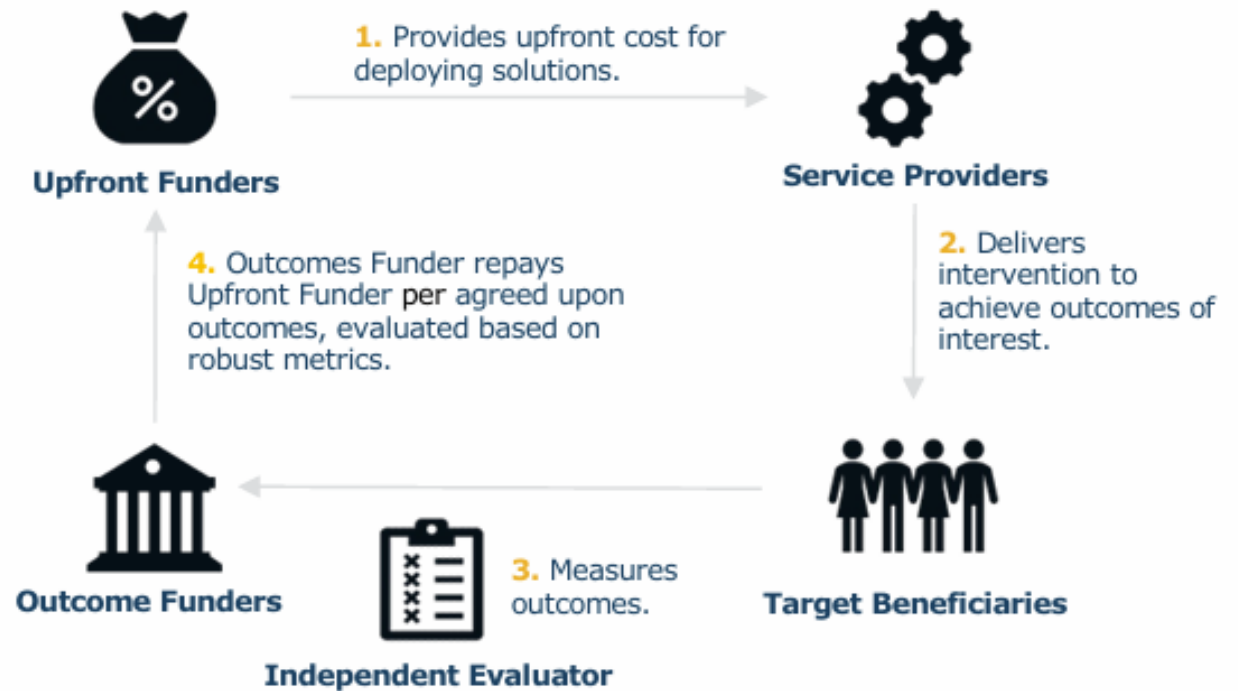
Results-Based Finance

Results-based financing that rigorously measures long-term impact & pays only if those are delivered.

Upfront Financing

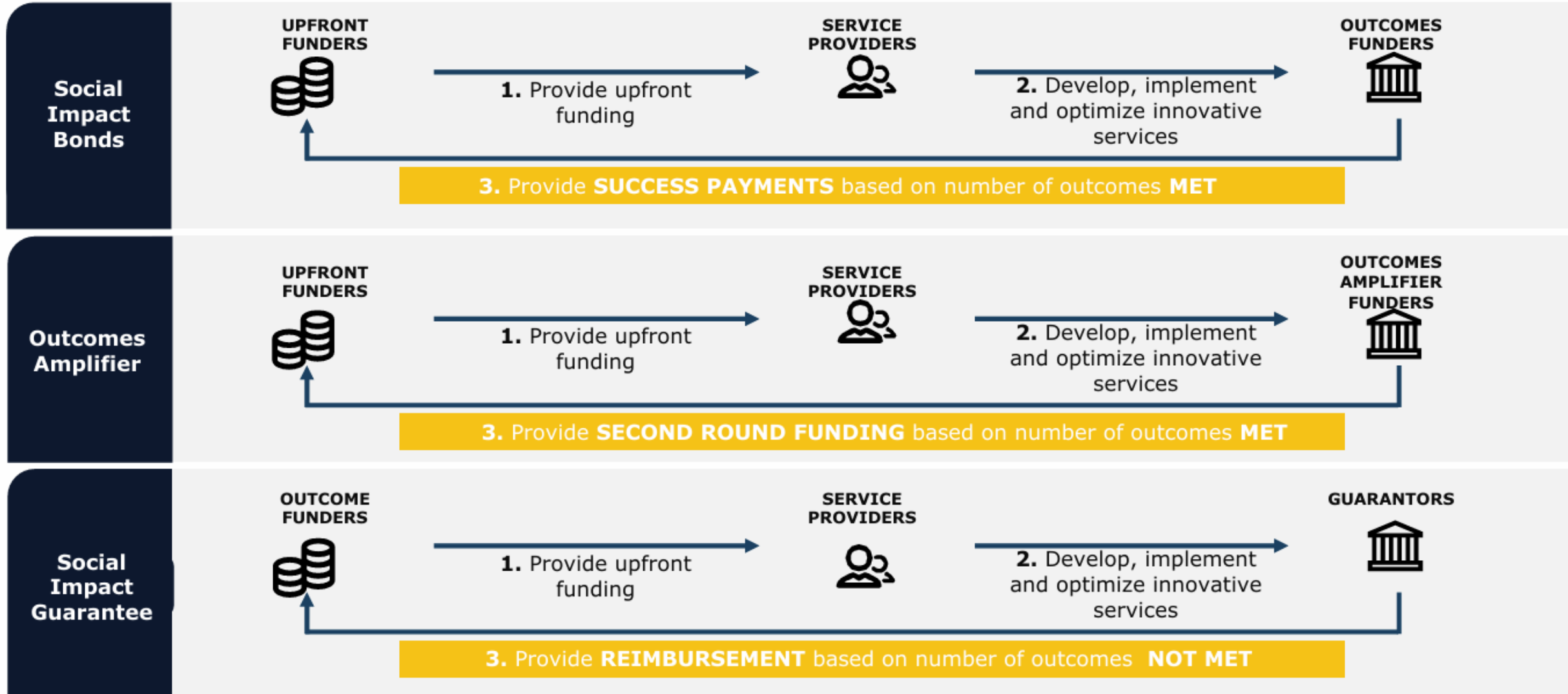
Financing that helps solve cash-flow, risk, and capability-building issues to achieve the outcomes of outcomes-based contracting.

Example of a traditional PFS model where upfront financing is a loan



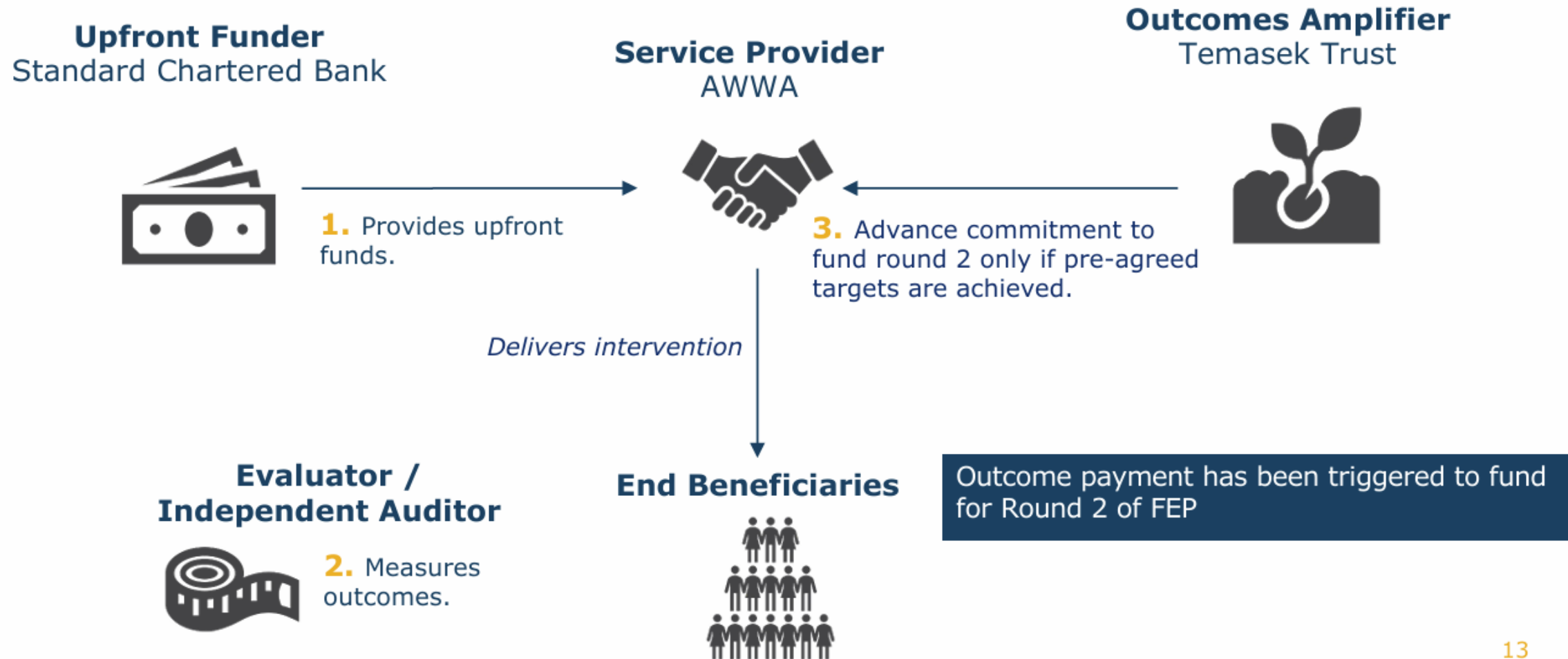
PFS first started in the UK (recidivism) and the US (homelessness) but developed Asian geographies such as Japan have adapted it for the purpose of whole-of-nation problem solving.

We have been innovating with different OBF models



The FEP is funded via the Outcomes Amplifier, where Outcome Funder is committed to funding Round 2 if outcomes are met

Outcomes Amplifier Model



04| Towards an Impact Market Place

To date, the predominant way of enabling efficient buying of outcomes have been Outcomes Funds



Outcomes Funds **pool funding** to incentivize the successful delivery of outcomes and reduce overhead costs

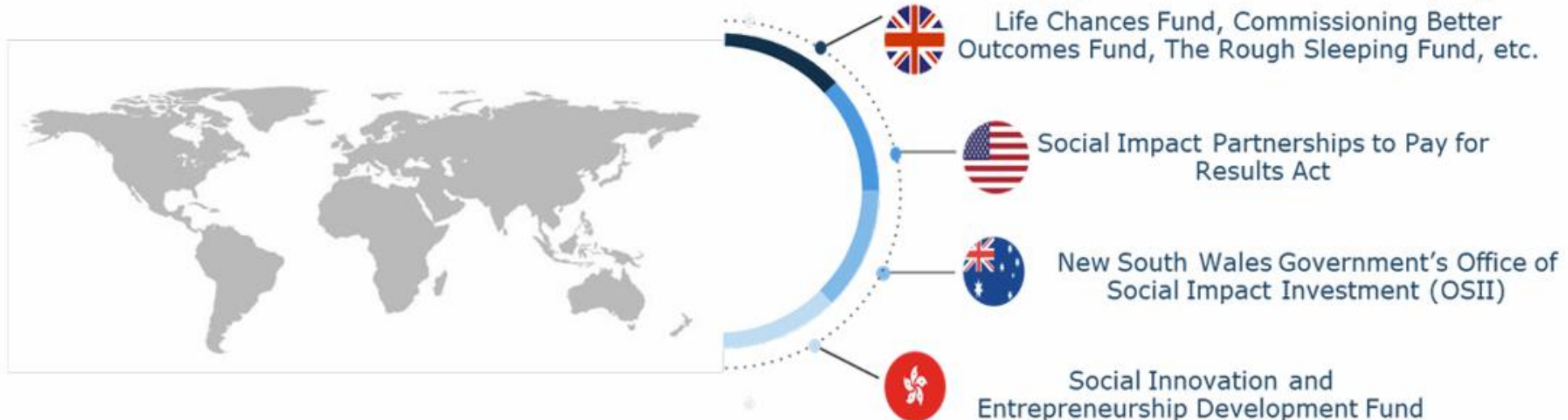


Outcomes Funds use standardized **rate cards** based on policy priorities and the monetary value of each outcome



Outcomes Funds can be **set up by centralized agencies** and/or **large foundations**

At least **17 outcomes funds** were launched worldwide **2011- 2021, up to USD 100M in size, e.g.:**



There is an opportunity to localise such platforms to Asia's context to drive adoption and scale up outcome-based models

Strengths

Tailored for corporates: Polished interface and report generation accelerates corporate uptake

Powerful analytical tool: Ability to aggregate and analyse data that impact organisations upload

Global comparators: Extensive database of comparable organisations

Examples include:

Outcomes 

Opportunities

Need to tailor to government: Largest buyers of impact in Asia are government, requiring tailoring to procurement systems

Capacity building: Nudges impact organisations in Asia to build up their capacity in data collection

Establishing Asian benchmarks: Encourages government and local foundations to share data



HKI-SIA

Hong Kong Institute of
Social Impact Analysts

SOCIAL VALUE

HONG KONG

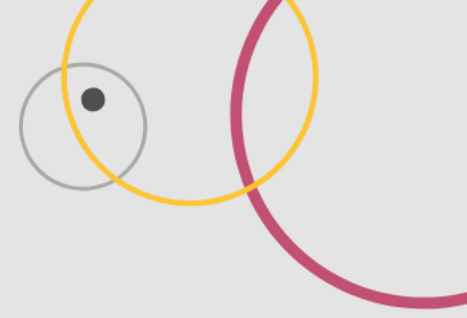
Managing for Impact

Trends on Impact Valuation and Impact Verification

Member Network of

SOCIAL VALUE

INTERNATIONAL



Impact Valuation & Impact Verification Trends / Global Developments

- Global Collaborations: Impact Management Platform (previously Impact Management Project IMP) and Value Accounting Network
- International Foundation for Valuing Impact (IFVI) & the Value Balancing Alliance
- Value Commission and Public Consultation on the development of “Value Factors” (global standardization of outcome valuation)
- Valuation Methodology: From Wellbeing Valuation to Wellby (Wellby – a variant of QALY – as the new “gold standard”?)
- Impact Verification: UNDP SDG Impact Standards and the forthcoming ISO 53001 Management Systems for UN SDGs

Evolution of Sustainability Standards, Assurance Schemes & Frameworks: Beyond the Assurance of Impact Performance



WELLBY (new Gold Standard?)

Meet the speakers:

PROF. PAUL FRIJTERS
Visiting Professor in Wellbeing Economics at the London School of Economics

LIZZIE TROTTER
Head of Social Impact and Wellbeing at State of Life

MATT WHITTAKER
Chief Executive Officer at Pro Bono Economics

MATT HAWORTH
Co-Founder & Director of Impact Reporting at Reason Digital

NANCY HEY
Founding Director of the What Works Centre for Wellbeing

WILL WATT
Founder & Director at State of Life

CATHERINE MANNING
Operations Director of Social Value UK

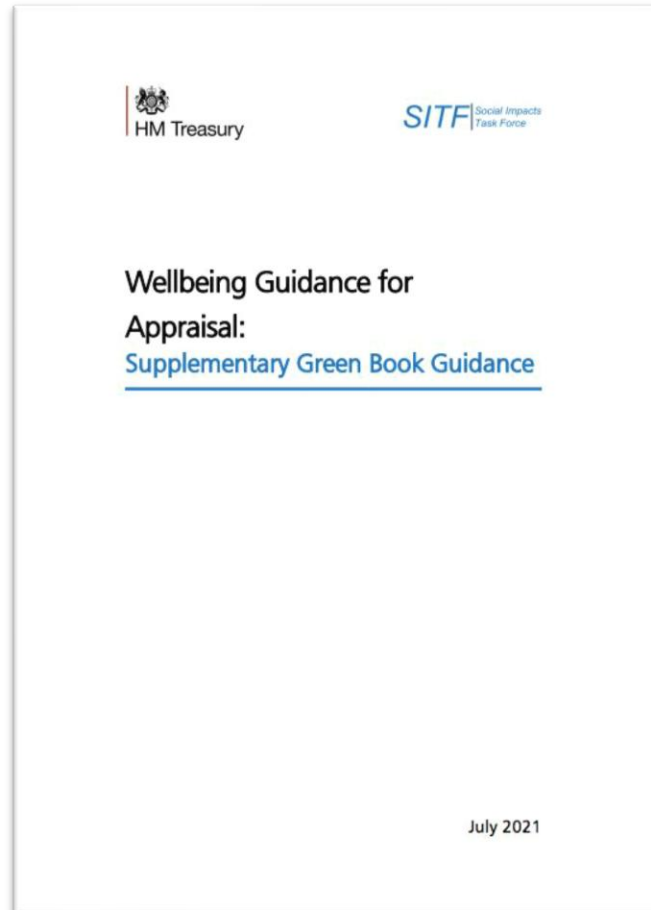
A New Dawn in Wellbeing Valuation
Friday 24th Sept, 10-11:30am

SOCIAL VALUE UK **STATE OF LIFE**

- A breakthrough in measuring wellbeing: The WELLBY approach

<https://loop.org.uk/a-breakthrough-in-measuring-wellbeing-the-wellby-approach/>

HM Treasury Green Book Guidance on Wellbeing Valuation



The WELLBY Value Guide. Priorities aligned to the 10 domains of wellbeing from the 2021 Guidance

Figure 2: The ten dimensions of wellbeing



Source: Office for National Statistics (*Measures of National Wellbeing Dashboard*)

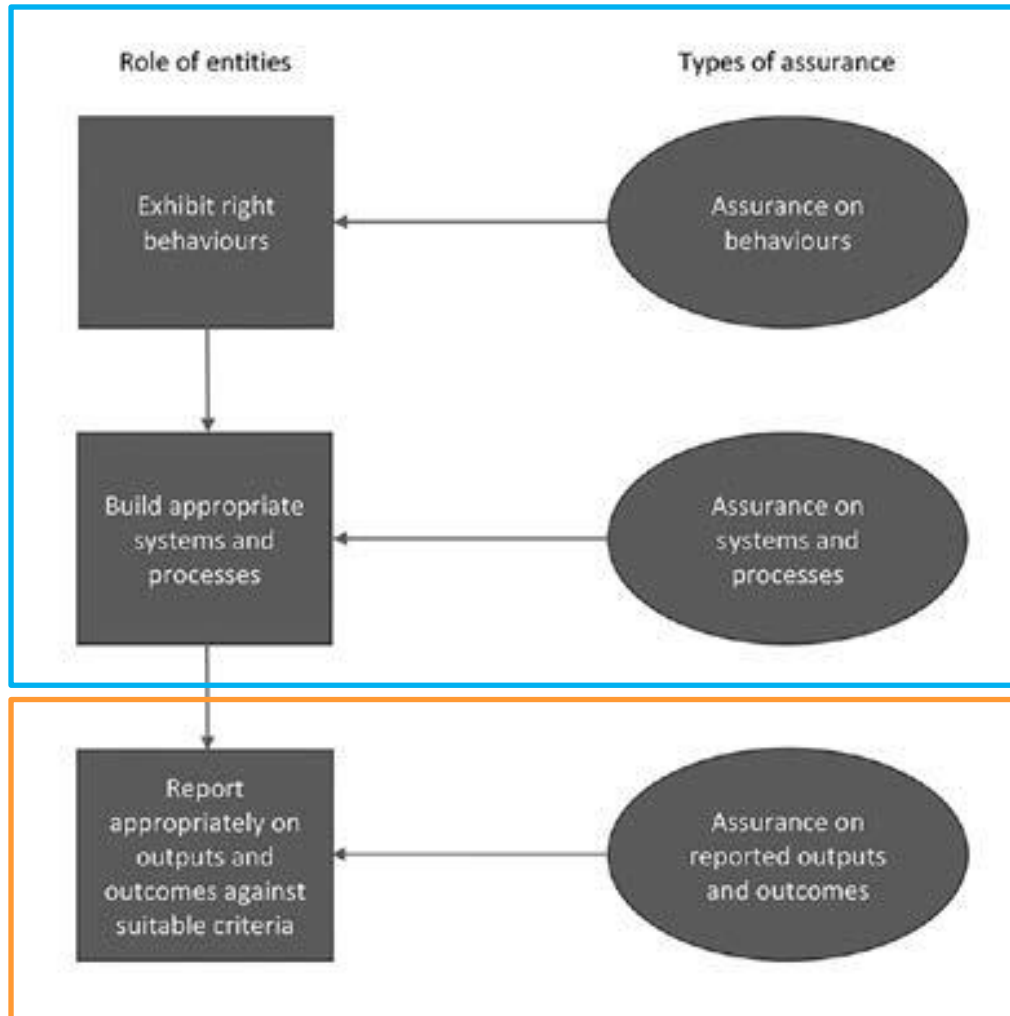
Evolution of Sustainability Assurance Schemes & Frameworks: Beyond the Assurance of Impact Performance



Pathway to ESG disclosure going mainstream



Impact Washing and Sustainability Assurance: Three Types of Assurance (Simnett, Zhou, & Hoang 2022: p.243)



Our OBF initiatives pipelinec

1. Dialogue in the Dark – Empower

2. Let's Talk ADHD – Brainbloom

3. Save the Children



A Look At The Empower Program :

In The Past and The Future Prospects

21 August 2024
Dialogue In The Dark (HK) Foundation

Milestones

Empower Programs up to now

240+ PoDs trainees



2016 DE Empower



2019 Dialogue Academy



2020 WISEmpower



2023 Inclusive 100 and Job Shadowing

2017 DE Empower

2020 WeCare

2022-2024 Youth of Differences Ambassador

2024



Served **8000+** isolated elderlies

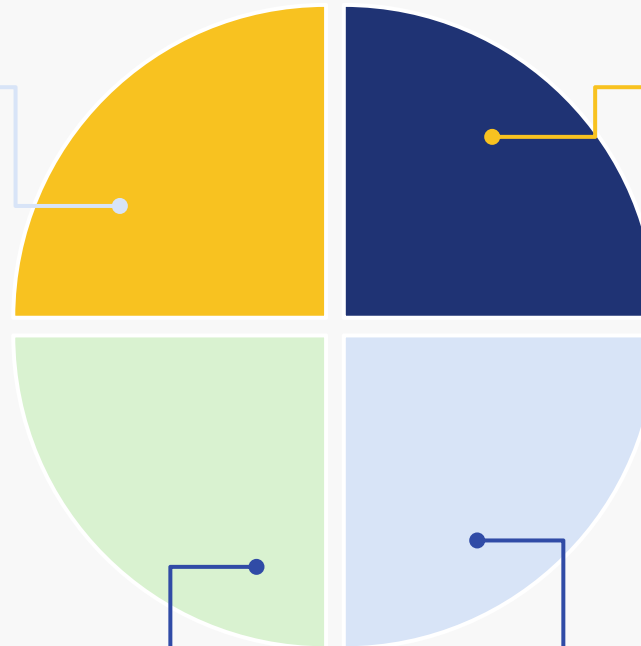
Basic Form of Empowerment Program

Purpose of the Empowerment program:

*Liaise and prepare both the **trainees** and the **companies** to enable successful PoDs employment with value propositions for all stakeholders.*

**Business Relevant Training,
Work Practice,
Coaching**

for both trainees and companies



Immersive Training

1 - 3 months

I&D Awareness Programs

for companies

Internship Placement

1 - 3 months

Achievement

Employment Statistic

Survey from **DE Empower** and **WISEmpower**
graduates

80.5% are currently employed

HKD 13,000 average wage

8% are currently studying

100%

Work over 6 months

83%

Work in the same job for over a year

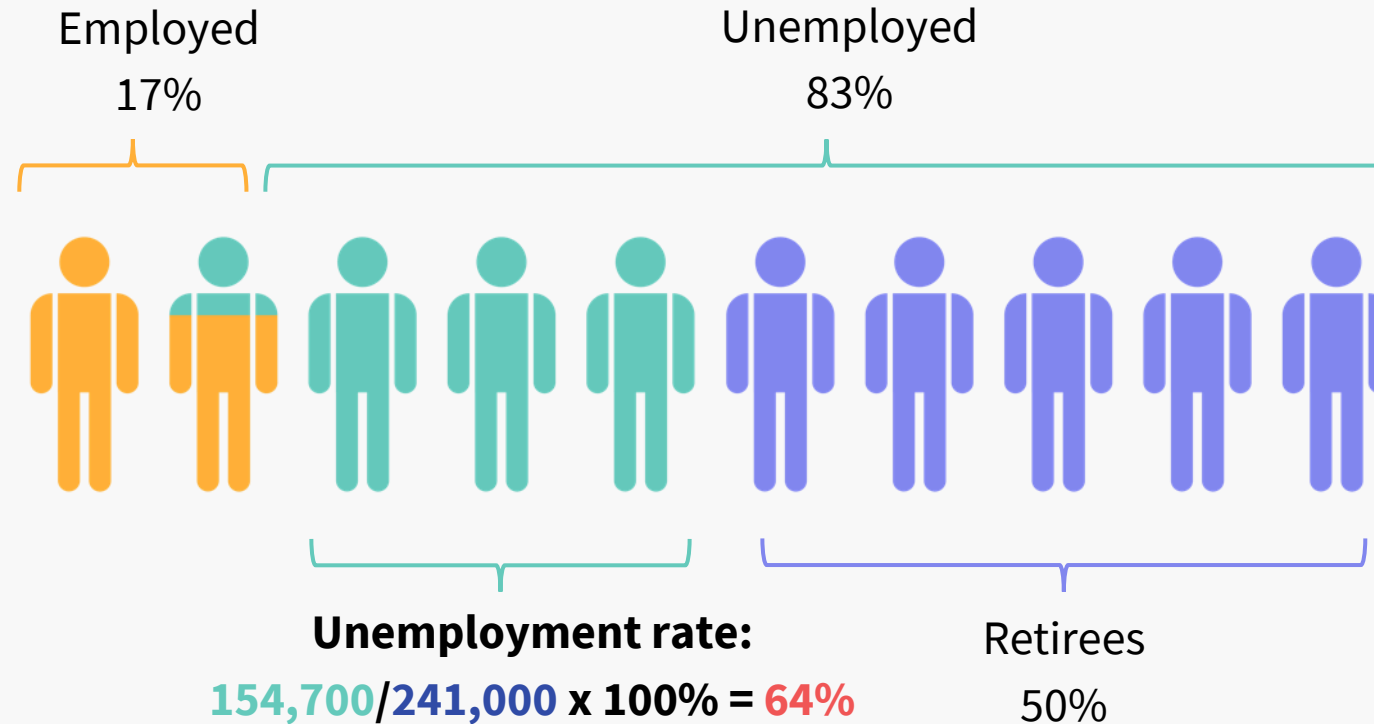
Loyal employees



Opportunity & Market size

High unemployment rate

PoDs' unemployment rate is still very high. According to **2020 census**:



Total 490,800 aged 15 or above with disability in HK

Success Case – YT Chung (2016 DE Empower)

Working in KPMG for 8 years, transited to another financial institute in 2024



Scheme for Trainees – Empower

5 features to well equip PoDs



Soft Skills Training

Useful for work



Practical Experience

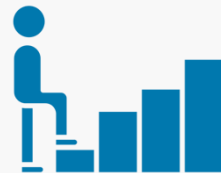
For writing on the resume



Leverage AI

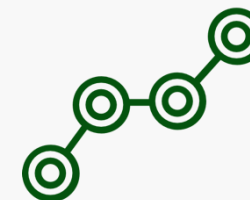
(As a game changer)

Open up more sustainable jobs



Step by Step

More predictable for Champions



Multi-Track

Regular Track & Early intervention

Value Proposition – Inclusive 100

What each company gets



Certificates

ESG credits



Candidates

Quality PoDs



Systematic Program

Build inclusive culture



Mentoring Training



Recognition

Bronze, silver and gold award after complete the requirements



Being Considered

For the best inclusive employer award



Engagement

Participate in Annual Inclusive 100 Fair

WeCare Project

Empower VI Hope Ambassadors to care for Isolated Elderlies or PoDs Retirees



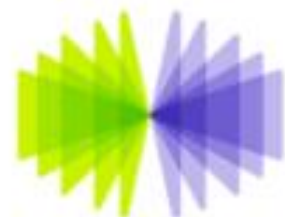
- **Caring Call for isolated elderlies in the community**
- **Nursing Home for isolated elderlies in nursing home**
- **Bright Ageing for PoDs Retirees**





腦躍飛翔 (BrainBloom): 全人ADHD神經發展與福祉計劃竹

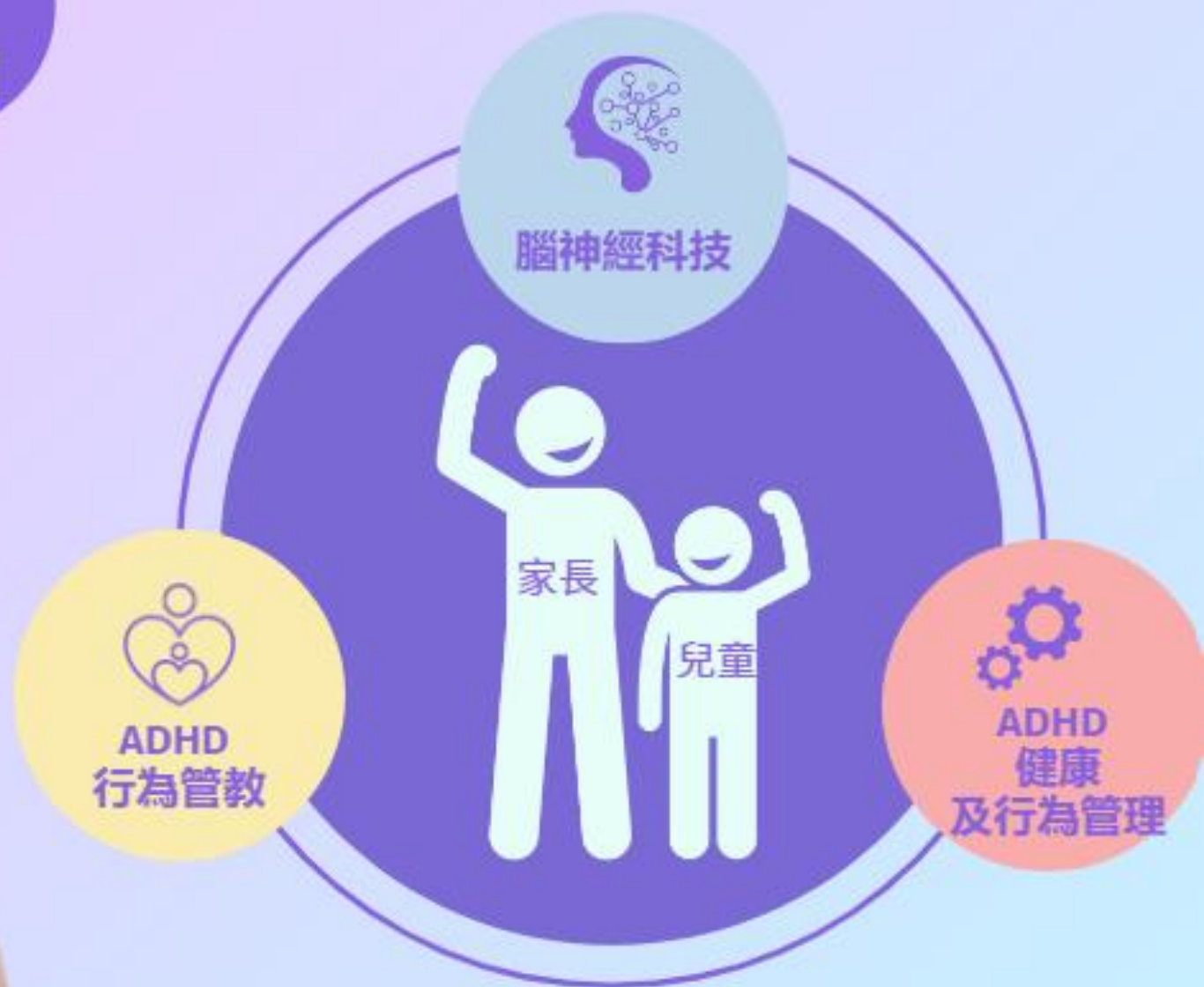
改變低收入 ADHD 兒童家庭命運



BrainBloom

腦躍飛翔計劃

革新的全人ADHD神經發展與福祉計劃



項目創新性

引進國際嶄新醫療級科技

- 神經認知訓練 (NCT)
- 專注力評估方案 (MOXO test)

運用有研究基礎的全人健康管理策略

- DHA 營養介入
- 運動提升大腦功能及多巴胺
- 冥想提升專注力及減低衝動

以家庭為單位

- 兒童及家長同樣受到重視
- 為持續管教及生活提供知識及技巧基礎

成果主導融資模式 (Outcomes based)

- 引入成果導向的商界和私人基金
- 按專案成果回饋服務提供方，並讓更多基層家庭受惠
- 提供專業可驗證的社會影響數據，協助提升企業ESG / CSR 報告表現。

ADHD治療方法

傳統ADHD治療



"媽媽，可不可以不食藥？"



神經認知訓練



行為治療



- 偏集中兒童
- 缺乏非藥物支援
- 非一站式
- 費用高昂



醫院管理局



藥物治療



私家醫生

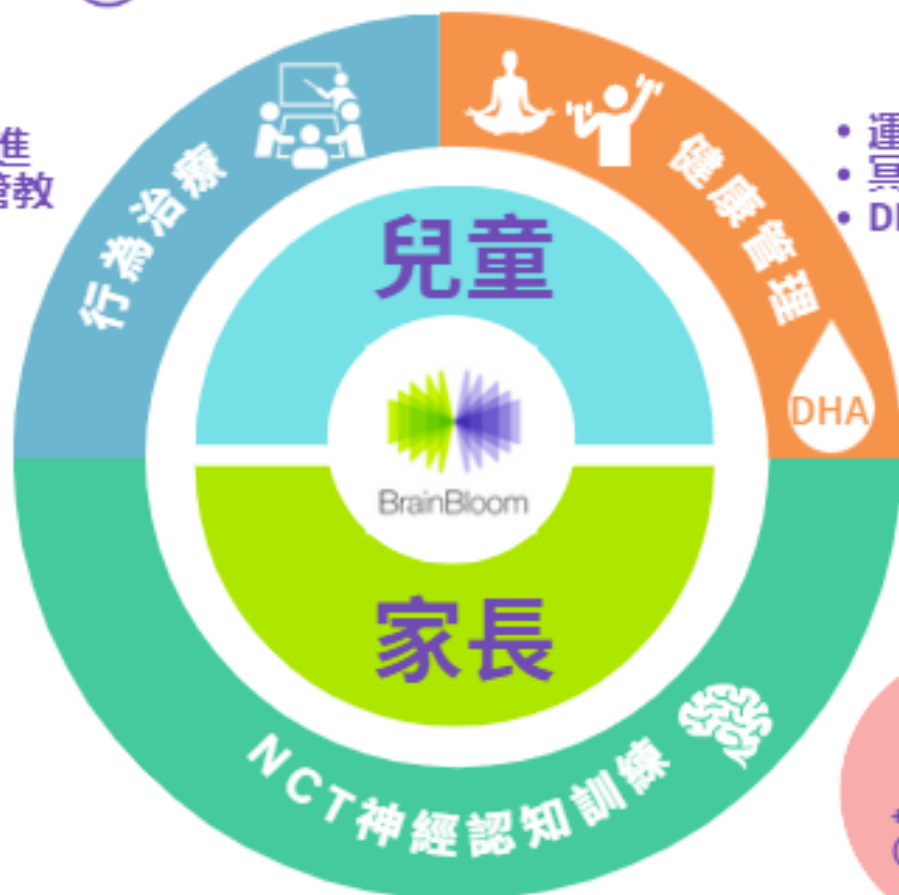


全人ADHD神經發展及健康管理



"放心，不食藥也可以好起來"

- 教練跟進
- ADHD管教



- 運動
- 冥想
- DHA 營養補充



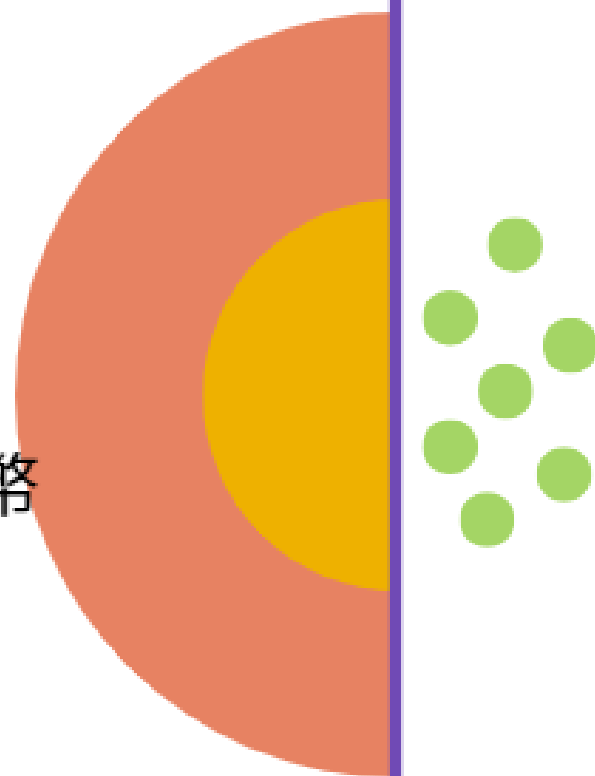
+/- 藥物治療
(自選 / 輔助)

我們預算100個ADHD家庭每年的社會成本為~1000萬

1000萬

社會成本(100家庭)

平均每家10.3萬港幣
一年*



● https://www.deloitte.com/content/dam/assets-zone1/au/en/docs/services/economics/deloitte-au-economic-social-costs-adhd-australia-270919.pdf?trk=public_post_comment-text

● <https://www.tandfonline.com/doi/full/10.1080/13696998.2022.2032097>

● apply PPP and exchange rates from 2022 (OECD PPP calculator)

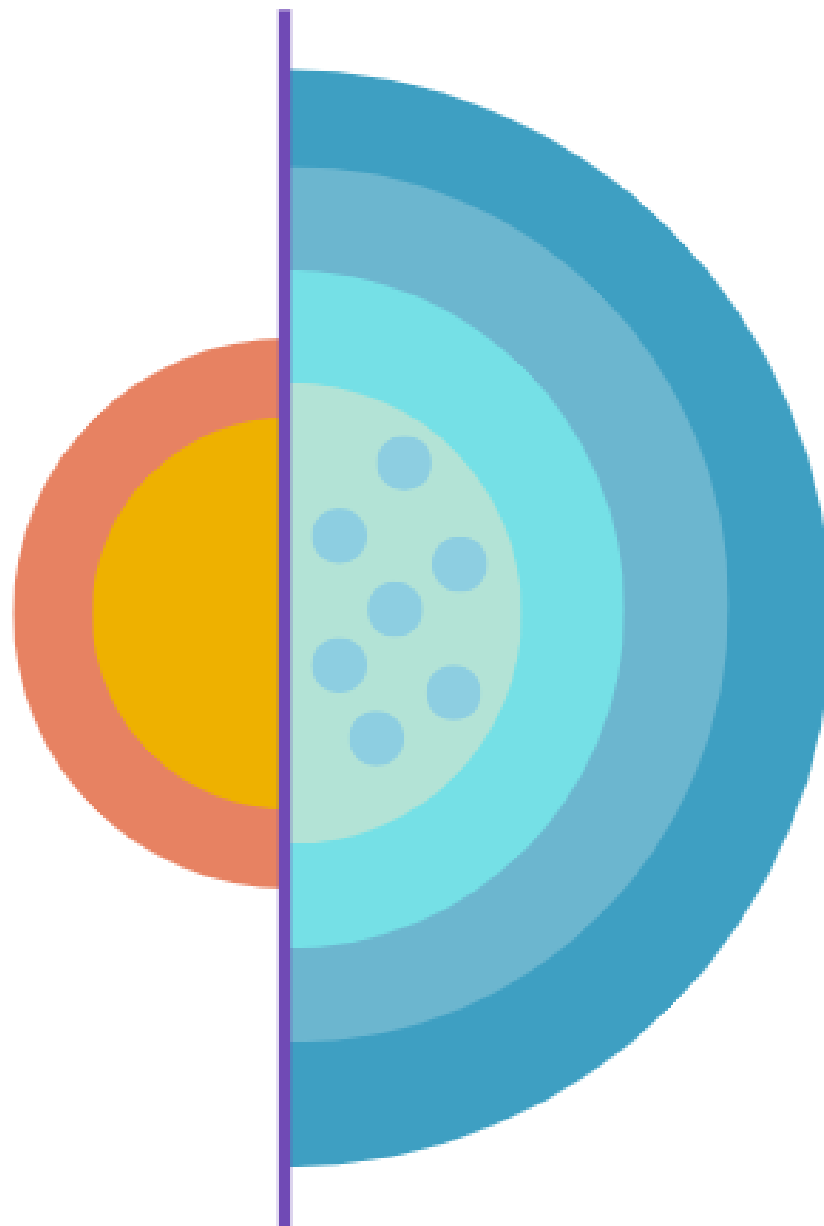
再繼而產生1,000萬以上的非經濟社會效益

1000萬

非經濟社會效益 (non-financial social returns)

~8x SROI

項目的社會回報



> 80%
改善專注力和執行功能

> 65%
信心增強，情緒平衡，能彈性地面對困難



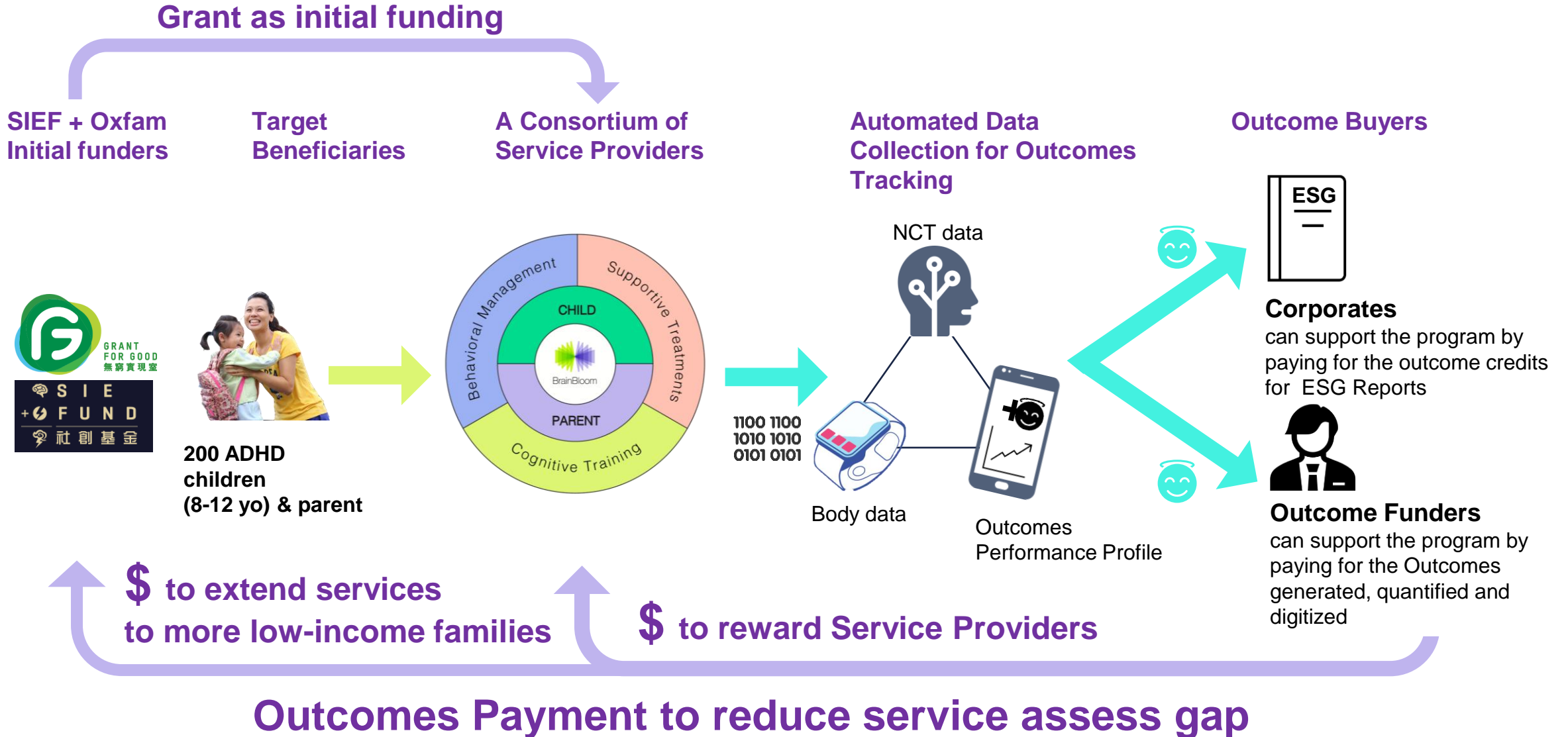
> 70%
家長享受與孩子積極及建設性的關係

> 70%
家長擁有技巧、策略及支持，以維持和管理與孩子的關係



> 75%
社會大眾對於ADHD相關事宜有強烈的公眾意識和參與

Outcomes-based Financing (OBF) is currently being trialed as a hybrid funding mechanism to reduce service gaps for low-income families





茗智生活

Marigot Smart Living

全方位長者家居優化服務計劃

有效實踐居家安老

基本家居優化服務



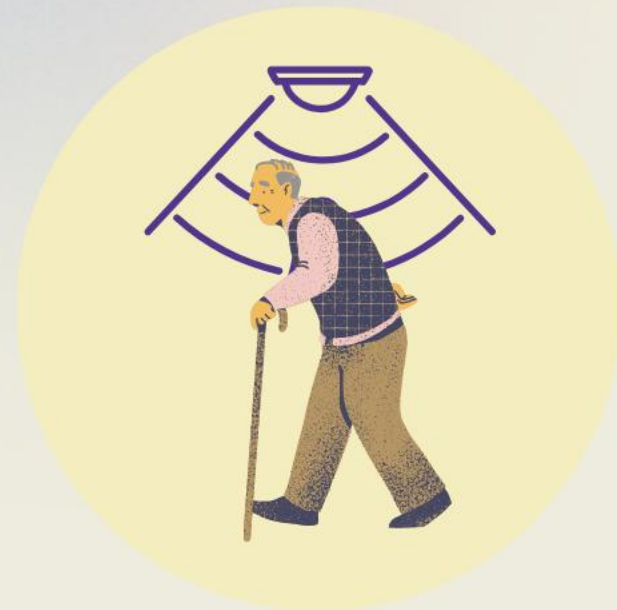
安全扶手配置及安裝

按受惠長者家居狀況，
提供適切配置



地方防滑工程

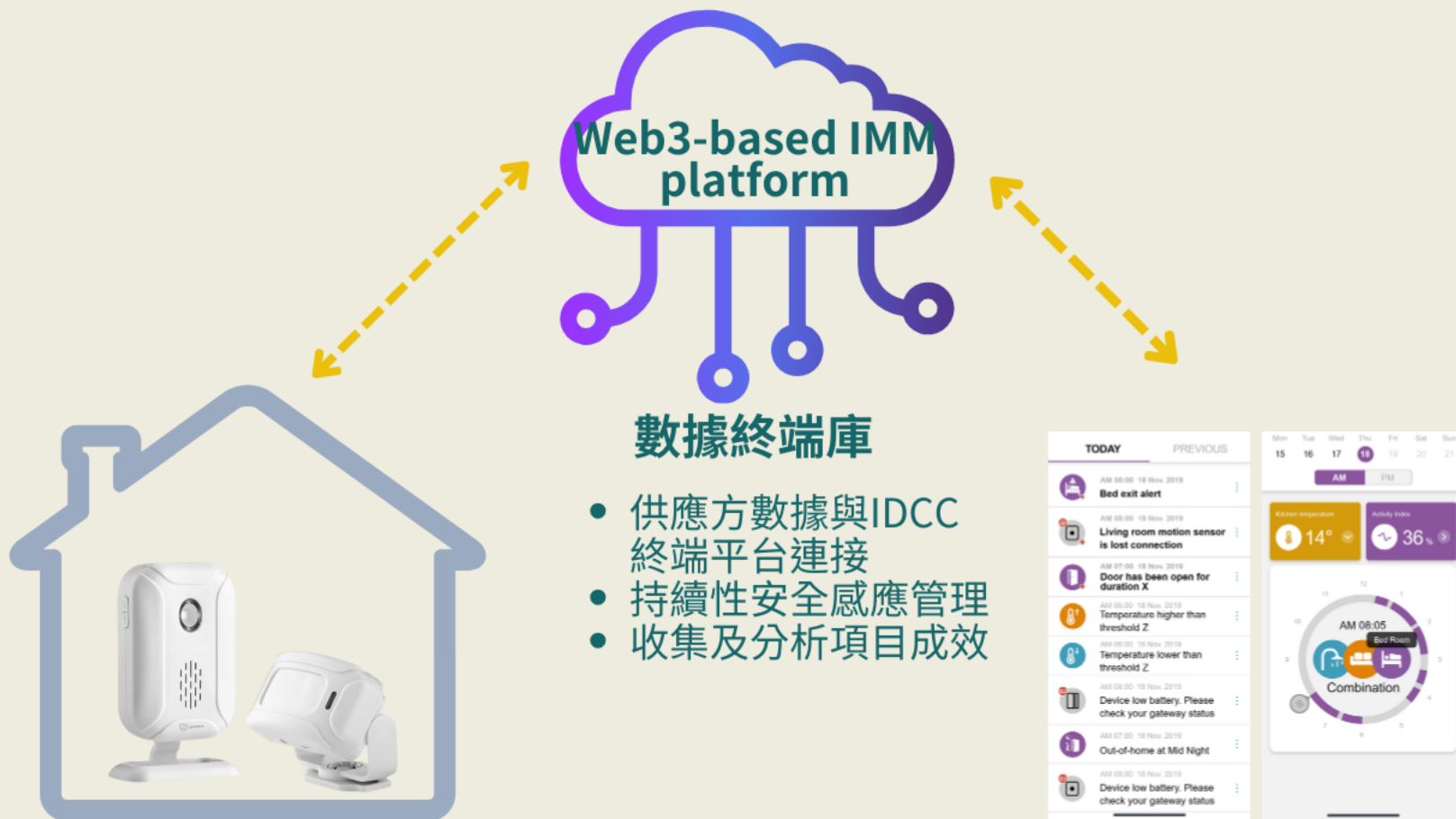
評估每戶意外高危地方，
提供地面防滑工作服務



安全感應系統

預設防跌倒及
防遊走等安全管理裝置，
提高及時支援效能

安全感應及成效數據管理系統



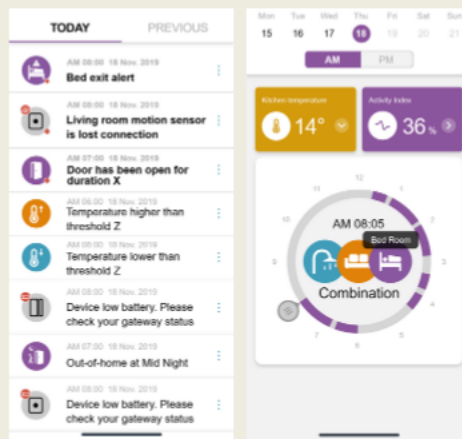
Web3-based IMM platform

數據終端庫

- 供應方數據與IDCC終端平台連接
- 持續性安全感應管理
- 收集及分析項目成效

感應及數據收集裝置

- 行動覆蓋及頻率
- 跌倒偵測
- 防遊走機制
- 睡眠頻率分析



照顧者應用介面

- 即時接收跌倒/靜止活動/遊走通知
- 定時接收活動數據報告及預防性跟進建議

保障數據隱私和安全措施:

- 按照《個人資料(私隱)條例》有關條文處理*
- 與供應方簽署合乎香港法例要求之保密協議
- 用戶和及服務方需通過雙重驗證
- 採用加密機制確保數據安全

*source:

https://www.pcpd.org.hk/tc_chi/data_privacy_law/ordinance_at_a_Glance/ordinance.html



和諧
粉彩

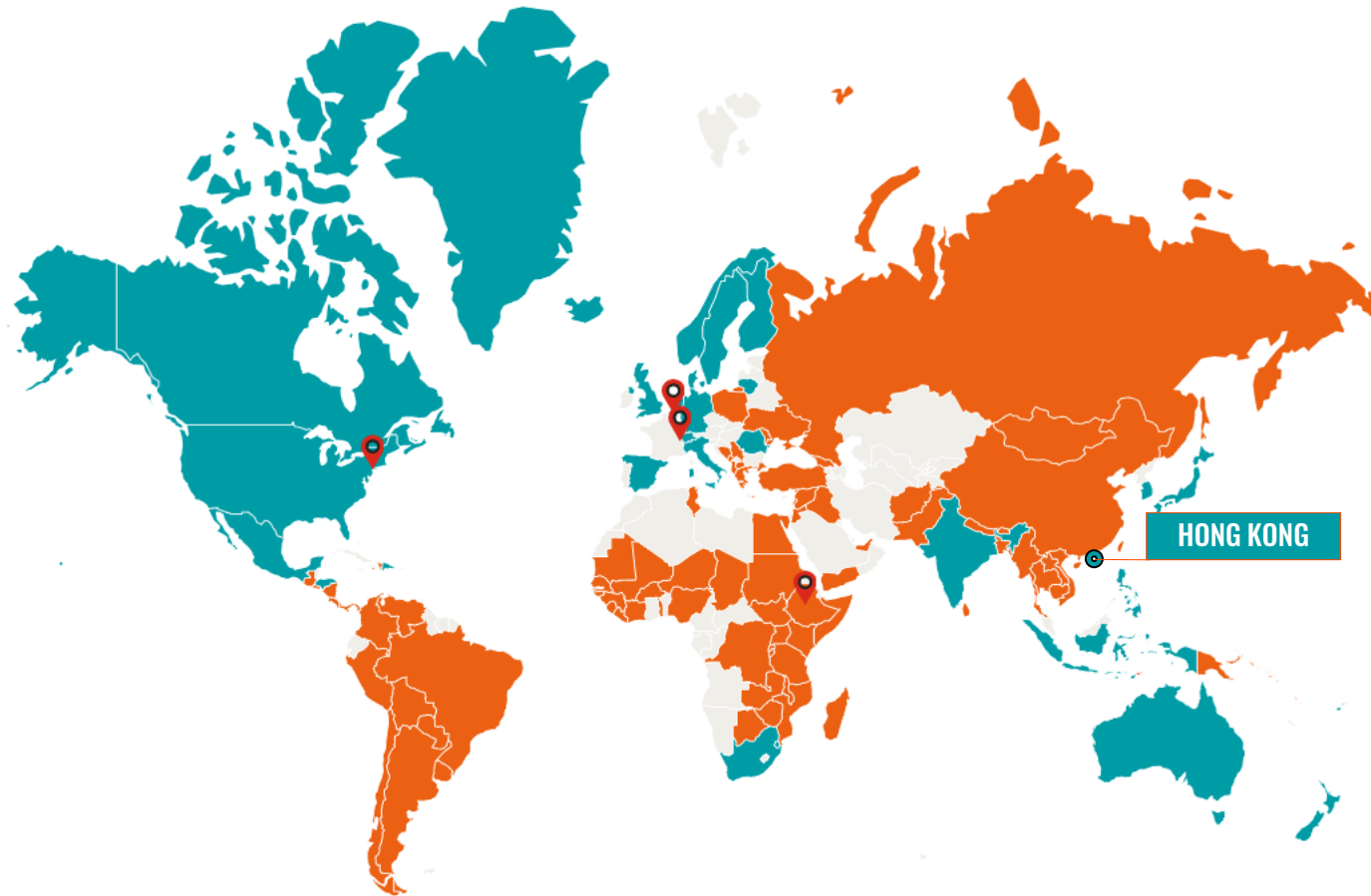


Outcomes based Financing

Experience and Ambition

Our Global Movement

TOGETHER WE ARE STRONGER



● MEMBERS

● INTERNATIONAL PROGRAMMES

📍 ADVOCACY OFFICES



Save the Children Hong Kong, established in 2009, is part of the Save the Children global movement which is made up of 30 member organisations and operates in almost 120 countries.

– working in 113 countries

Drive strong, measurable outcomes for children

Activity-based funding

A donor designs a **detailed 'specification'** for the service activities



Delivery organisations compete to bid on **who can meet the specification most closely**



Delivery audits focus on ensuring that **nothing has changed from the original specification (regardless of whether it is working or not)**



Donor **pays** for the activities delivered, **irrespective of the outcomes actually achieved**



Process **rewards 'box-ticking'** and standardization, but prevents innovation and incremental improvements

Outcome-based funding

Donor describes the **outcomes** it wishes to achieve from the service



Delivery organisations **compete on achieving the most outcomes**, at the best price per outcome



Partnership meetings **understand what is working, what must be improved**, and how to achieve most outcomes for best total cost

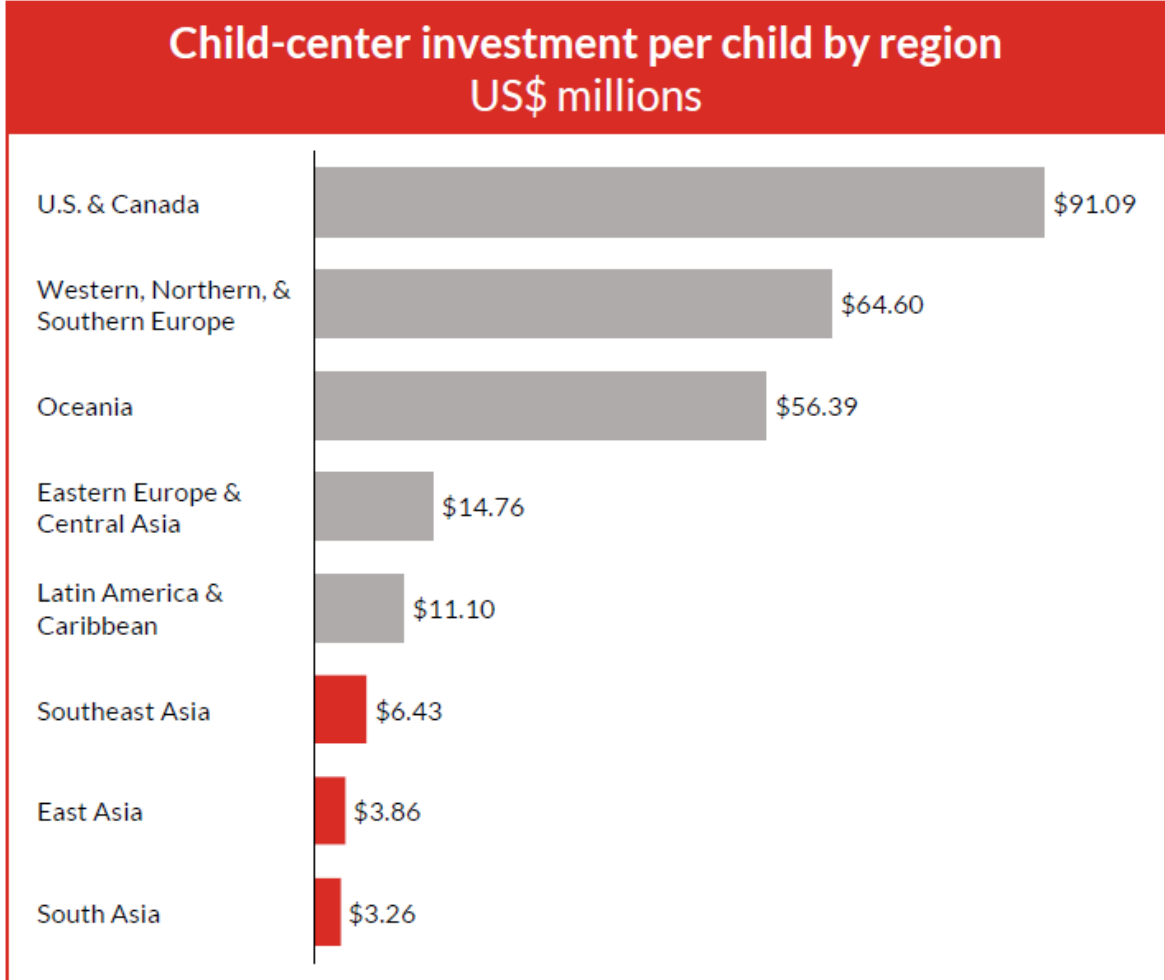


Donor **pays** for all the **outcomes which are successfully achieved**



Process **rewards all innovations** which achieve better outcomes and **better value for money**

In Asia / Pacific, targeting markets where social need meets strong impact investing opportunities



Note: Child-centered sectors include healthcare, education, and water, sanitation & hygiene under the impact investing activities
 Source: SCGV/Kaizenvest analysis, GIIN; Insight-impact investing allocations, activity & performance, GIIN 2023; OECD Database; Child poverty; Framework, UNICEF, 2023



INDICATORS:

Sub Themes

Cross-Cutting Themes



Child Poverty:
Adolescent Skills for
Successful
Transitions



Child Poverty: Child
Sensitive Social
Protection



Child Poverty: Food
Security and
Livelihoods



Child Protection:
Appropriate Care



Child Protection:
Protection of
Children from
Violence



Child Protection:
Strengthening Child
Protection Systems



Education: Basic
Education



Education: Early
Childhood Care &
Development



Health & Nutrition:
Child Health

[Home](#)[About](#)

About

This Indicator Library, developed by Save the Children International, consists of a list of quality assured Global Indicators. Global Indicators are the indicators that measure the key results from our projects globally, which we have prioritized to develop tools to support our work in countries and to enable cross-project analysis.

Each indicator in the Indicator Library contains detailed guidance, including means of verification, measurement guidance, and definitions.

What are the Global Indicators?

The Global Indicators are a rigorously vetted, ready to use resource for countries. Using these tried and tested indicators and the measurement tools that come with it provides the below benefits to countries:

- **Save time for country staff**
 - Reduce rework in designing logframes and measurement – and over time, automate common analyses
- **Drive cultural shift towards outcome focus**
 - Orient our focus toward the outcomes we most care about as an organization, to drive more impact for children
- **Use data more effectively and tell our impact story**
 - Improve management of design, delivery, and portfolio, automate strategy reporting, and inform our advocacy and resource mobilization and allocation

The recommendation is to use at least one Global Outcome Indicator per outcome, where they are relevant and feasible to use, i.e. where they are a relevant outcome for the intervention being undertaken and where there is no limitation from the donor on what indicator to use.

More information including detailed FAQs can be found on our internal Save the Children [OneNet page here](#).

Drive cultural shift
towards outcome focus

Orient our focus toward the
outcomes we most care about
as an organization, to drive
more impact for children

Use data more effectively
& tell our impact story

Improve management of
design, delivery, and
portfolio, automate strategy
reporting, and inform our
advocacy and resource
mobilization and allocation

Shifting towards outcomes

Most of the indicators should be relevant for member domestic programmes

Examples of Global Outcome Indicators

% of children 6-23 months of age who consumed a minimum acceptable diet during the previous day ("MAD" - Minimum Acceptable Diet)

% of children aged 1-17 years who experienced any physical punishment and/or psychological aggression by caregivers in the past month

% of adolescent and youth who are in employment, education or training

% of targeted children who achieve foundational levels in literacy in-line with appropriate curricula

We can achieve these through multiple routes

We can express these as % and are exploring through modelling as # of children

Child Situation in Hong Kong

Child Protection

- There is a 53% increase of child abuse cases from 2020-2022 from 940 to 1439
- Top 2 risk factors relating to lack of parenting skills and emotional/psychological problem
- Mandatory Reporting of Child Abuse Bill passed Legislative Council in July 2024 expected to be effect after 18 months
- Child safeguarding within organizations have no local minimum standard or requirement
- Limited public education about child protection to parents and children in general



Mental Health

- High (~25%) rate of mental health issues identified among children of all ages
- Student suicide rate is increasing
- Lack of capacity and system to support teachers to apply EdB's mental health guidance/toolkits
- Lack of Social Emotional Support and SEN skills by teachers/parents to tackle children's behaviors
- Government's mental health plan pertains mainly to actions of government services with limited cover on community mental health and its development



With your support, we can work together to create a brighter future for the most vulnerable children.