UNDERSTANDING THE ROLES AND EXPERIENCES OF KEY STAKEHOLDERS INVOLVED IN THE DESIGN OF THE NOVEL IMAGINE SOCIAL OUTCOMES-BASED CONTRACT IN SOUTH AFRICA

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DECLARATION

I, Gillian Pryadarshini Moodley declare that this Research Report is my own, unaided work. It is being submitted for the Degree of Master of Public Health at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination at any other University.

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ABSTRACT

The Imagine Social Outcomes-Based Contract (SOBC) is an innovative health financing mechanism in South Africa applied to sexual and reproductive health outcomes of adolescent girls and young women. The Imagine SOBC is led by the South African Medical Research Council (SAMRC) and supported by other stakeholders. Its uniqueness stems from the role played by the SAMRC, as an intermediary on behalf of the South African government.

Eleven semi-structured interviews were held with stakeholders who played intermediary, technical advisor, and implementation service provider roles during the Imagine SOBC design phase. Interviews were transcribed and analysed using the six steps of thematic analysis. The thematic findings of this study are the dynamics of working together, politics and processes, challenges and looking to the future. Despite internal collaboration and alignment among interviewees, the biggest challenge during the design phase of the Imagine SOBC was obtaining approvals from the government departments due to complex approval processes in the public sector.

The lessons generated are important as the SAMRC intends to replicate the outcomes-based contract model for other disease priorities. These findings are valuable for policymakers and future outcomes-based contract practitioners who are considering a transaction of this nature and its application to public health. The findings will also assist in the development of a guiding practice note for policymakers and government officials who grant approvals.

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In memory of Rexi Moodley

2015-2022

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ABBREVIATIONS AND ACRONYMS

AGYW: Adolescent Girls and Young Women

ANC: Antenatal Care

ART: Anti-retroviral treatment

GBV: Gender-Based Violence

HIV: Human Immunodeficiency Virus

NCDs: Non-Communicable Diseases

PrEP: Pre-Exposure Prophylaxis

SAMRC: South African Medical Research Council

SDG: Sustainable Development Goal

SIB: Social Impact Bond

SOBC: Social Outcomes-Based Contract

Chapter 1: Introductory chapter

1.1 Social Impact Bonds

A Social Impact Bond (SIB), also known as a Social Outcomes Based or pay-for-performance contract, is an innovative finance tool (Abdullah et al. (2019). According to the World Health Organization (WHO), innovative financing for health is defined as tools or mobilisation of funds for health from non-traditional sources (World Health Organization, 2010). An SOBC is one example of an innovative finance tool focused on performance or the achievement of outcomes (Abdullah et al., 2019; FitzGerald et al., 2020; Galloway, 2014). Outcomes-based contracting arose from the need to impact beneficiaries positively rather than focusing on the volume or quality of outputs through the service provision (FitzGerald et al., 2020).

A SIB usually consists of a commissioner or government department who seeks to provide a public service but who does not want to assume responsibility for the programme's potential failure (Fraser, Tan, et al., 2018b). The government department sets aside outcomes funding for the achievement of prescribed outcomes and targets (Fraser, Tan, et al., 2018b). This is followed by a private investor providing the working capital for a service provider to implement and deliver services (Fraser, Tan, et al., 2018b). Only upon successful and verified achievement of targets and outcomes, the commissioner provides the investor with a financial return on their investment (Fraser, Tan, et al., 2018b).

One of the main benefits of SIBs is the focus on outcomes rather than the inputs of a service (FitzGerald et al., 2020). Impact bonds have the potential to address complex social and health problems, providing an opportunity for collaboration among public and private sector partners (FitzGerald et al., 2020). SIBs can also: enhance innovation in service provision from service providers; prioritize prevention efforts; scale promising interventions that have an impact; encourage collaboration of government and service provider organisations; diversify the public sector supply chain (FitzGerald et al., 2020); strengthen data for decision-making (Tan et al., 2019); crowd-in private funding from sources who may never have invested in healthcare previously and lastly, contribute to effective service delivery (Strid & Ronicle, 2021). SIBs hold the promise to improve the efficiency and effectiveness of finance and mobilize funds from the private sector through voluntary or philanthropic contributions (World Health Organization, 2010).

To understand the flow of a Social Impact Bond, Appendix B: Social Impact Bond mechanism illustrates the relationship and process involved between various SIB stakeholders (Abdullah et al., 2019). All parties involved agree to enter an outcomes-based contract; the social investor provides the working capital for the programme which is transferred to the implementer; the implementing service provider delivers the programme to meet prescribed targets; independent agents verify the performance against prescribed targets; and if or once targets are met, the outcomes payer repays the investor's working capital with a return on investment.

The first SIB, Peterborough, which was designed to reduce prisoner recidivism in the United Kingdom, proved to be a success (Abdullah et al., 2019; Oroxom et al., 2018). This SIB was introduced as part of welfare policies and austerity measures for economic recovery after the global economic recession of 2008 (Schinckus, 2018). The target population consisted of 3,000 male prisoners (or 1,000 prisoners in 3 cohorts) older than 18 years with a prison sentence of less than one year (Schinckus, 2018).

The intermediary in the Peterborough SIB was Social Finance UK, a technical advisory organisation, and the project duration was a total of five years (Disley et al., 2015; Schinckus, 2018). The outcome of interest was between a 10% and 13% reduction of recidivism in each cohort of 1,000 prisoners or by 7,5% overall (Schinckus, 2018). At the end of the period, there was a 9% reduction in prisoner recidivism and all investors received a return on their investment (Disley & Rubin, 2014). The service provider for this specific SIB was called One Services which worked with prisoners for one year after their release (Disley et al., 2015). Achievement of the targets triggered outcomes payments by the United Kingdom Ministry of Justice and the United Kingdom's Big Lottery

Fund (Schinckus, 2018). Since the introduction of these types of transactions, over sixty SIBs have been established globally (Oroxom et al., 2018).

SIBs and other forms of Innovative health finance have the potential to contribute to closing the funding gap required to achieve the third Sustainable Development Goal of health (SDGs) (World Health Organization, 2010). Impact Bonds in the health sector have focused on childhood asthma, poor birth outcomes, diabetes care, mental health in-patient care, obesity, and chronic diseases among others (Galloway, 2014; Hulse et al., 2021). Other examples include the Utkrisht Impact Bond to improve maternal and newborn health outcomes in India, the Rollback Malaria Partnership in Mozambique and Kangaroo Mother Care in Cameroon (Oroxom et al., 2018).

However, SIBs in low-middle-income countries are largely still under development (Oroxom et al., 2018). The Imagine SOBC is the first to focus specifically on improving health outcomes in South Africa (Abdullah et al., 2019). With the state entity the South African Medical Research Council (SAMRC) facilitating the SOBC, the organisation is uniquely positioned to provide oversight on behalf of the government while building institutional knowledge of innovative health financing options (Abdullah et al., 2019). Appendix C**: Imagine Social Outcomes-Based Contract structure** shows the structure of the SAMRC Imagine SOBC for Adolescent Girls and Young Women (AGYW).

The novel Imagine Social Outcomes-Based Contract is the first in a pipeline of outcomes-based contracts applied specifically to health in South Africa (Abdullah et al., 2019).

1.2 Imagine Social-Outcomes-Based Contract

The Imagine SOBC was proposed by the SAMRC, a state entity with a mandate to strengthen the health of the country's population. The Imagine SOBC was conceptualised by the SAMRC, which also plays the role of intermediary. The target population for the Imagine SOBC are members of the AGYW population in two rural districts in the North West province and Kwa-Zulu Natal (NACOSA, 2021). AGYW between the ages of 15-19 across 14 schools in two districts are the intended beneficiaries of the Imagine SOBC. 3,874 and 2,374 learners in Newcastle (Amajuba district) and Moretele (Bojanala district) respectively will receive the package of sexual and reproductive health services. These geographies were chosen due to a lack of donor funded programmes providing similar services. AGYW are a vulnerable group as they face high HIV incidence, unintended pregnancies, poor outcomes during pregnancy, school absenteeism or dropout and Gender Based Violence (GBV) (Abdullah et al., 2019).

The Imagine SOBC proposes a comprehensive approach to improving the health and social outcomes of the AGYW (Abdullah et al., 2019). This package includes testing and treatment of HIV-positive AGYW, pre-exposure prophylaxis (PrEP), contraception and safe pregnancy through antenatal care referrals (Abdullah et al., 2019). The comprehensive Imagine SOBC package aims to achieve four outcomes:

1. Increase the number of AGYW initiated on Pre-exposure prophylaxis initiation (PrEP).
2. Increase the number of AGYW enrolled for Antiretroviral treatment (ART) enrolment.
3. Increase the number of AGYW who use a modern hormonal contraceptive method.
4. Increase the number of pregnant AGYW who attend their first antenatal care visit before 20 weeks' gestation.

Table 1 AGYW targeted in the Imagine SOBC interventionshows the estimated number of girls that will be reached.

Table 1 AGYW targeted in the Imagine SOBC intervention

Estimated number of female learners: (2022 Grades 8-11)	**Estimated number of HIV positive female learners (6,1% prevalence)**	**Estimated number of females age >18**	**Estimated number of females >15 that have ever had sex (40,7%)**	**Estimated pregnancy in females age >15 (5,4% rate)**

6,248	381	4,373	1,780	236

Other stakeholders in the design of the project include the private investor, the service provider who is experienced in the delivery of programmes at the ground level and four partner organisations providing technical advisory services to the SAMRC.

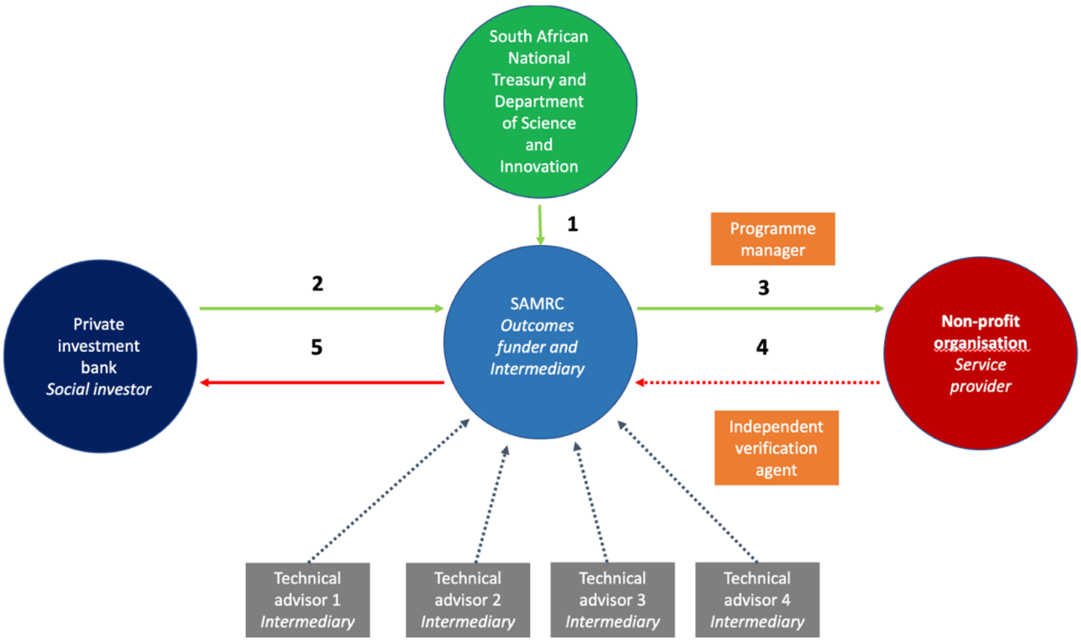

Figure 1 Diagram of the Imagine Social Outcomes-Based Contract

Figure 1 shows the concept of the Imagine SOBC. The flow of funding is as follows:

1. The National Treasury provides an amount of outcomes funding and transfers these funds to the SAMRC, a state entity, through a National Department of government. In this case, the funding will be channelled through the National Department of Science and Innovation in year 1 and the National Department of Health in Year 2. These funds were earmarked by the National Treasury and because the SAMRC complies with the Public Finance Management Act, the National Treasury agreed to provide the outcomes funding through a special arrangement.
2. A private investor in the form of a private investment company transfers the working capital amount to the SAMRC.

3. The SAMRC transfers the working capital to the service provider non-profit organisation, which will deliver the package of services. A programme manager will provide oversight during implementation.
4. The service provider provides progress reports which are verified by an independent verification agent who communicates the final performance to the SAMRC.
5. Based on the achievement of prescribed targets, the SAMRC pays back the investor capital and a small return on their investment.

Designing this innovative SOBC has brought together some stakeholders and partners who typically have never worked together. However, the Imagine SOBC design process has been a costly and complex one. The SAMRC received grant funding from the Global Fund for the development and design phase and use this funding to contract technical advisors and consultants. This funding was also used to conduct a baseline study of sexual and reproductive health among the target group AGYW. Imagine was conceptualised in 2016 and planned for launch in 2021, where the contracts were meant to have been signed and final approvals obtained, yet there were lengthy delays in receiving the necessary government approvals. Owing to the long design and pre-launch phase, it is necessary to explore the experiences of the stakeholders involved.

Due to the strong learning emphasis of the Imagine SOBC, this research project will inform efforts to replicate and scale the mechanism for other health priorities in the country. Future stakeholders interested in projects like the Imagine SOBC need to understand what the impact bond process entails. With Imagine SOBC's focus on learning lessons through the introduction of a new method of financing healthcare, a unique opportunity to explore the roles and experiences of the stakeholders involved is presented.

1.3 Literature review

1.3.1 Social impact bonds

Social Impact Bonds generate interest among policymakers because they offer a risk-free way to experiment with innovative interventions and focus on the accountability of stakeholders (Tan et al., 2019). SIBs contain a package of evidence-based interventions provided by service providers and are characterised by a complex financial and organisational structure (Hulse et al., 2021). SIBs can be framed as a pro-social programme to improve public services, which are driven by collaborative, cross-sector expertise or as a financial innovation that delivers social and financial returns for investors (Tan et al., 2019). The combination of actors from the state, business and non-profit sectors also contributes to the appeal of a project of this nature (Joy & Shields, 2013).

These innovative finance tools can be applied to development priorities and can be tailored specifically for beneficiaries (FitzGerald et al., 2020; Fraser et al., 2020; Tan et al., 2019). The contracts of impact bonds enforce tight cost controls on implementing organisations, present an opportunity to pilot an untested intervention and promote opportunities for generating evidence (Tan et al., 2019). This means that implementing partners are forced to seek more efficient methods of service delivery which experimenting with different models and building knowledge around the best practices, considering that this type of financing for health in South Africa is unprecedented.

However, SIBs require strong political will from government officials who view impact bonds as a tool to bring about policy reform (Strid & Ronicle, 2021). Furthermore, SIB stakeholders advocate for change in public policies pertaining to public service, shifting to a results-based focus and creating an enabling environment to innovate (Strid & Ronicle, 2021). There is considerable enthusiasm for SIBs and they are still a relatively new area of work that requires further evidence (Alenda-Demoutiez, 2020).

When applied to health, SIBs are proposed as a tool to improve patient outcomes. Yet, a scoping review on the use of SIBs to improve the health system response to non-communicable diseases (NCDs) found a lack of empirical evidence for the use of impact bonds (Hulse et al., 2021). Furthermore, there are concerns regarding whether SIBs are successful in delivering on their promised benefits (Fraser et al., 2020). Through the lens of public health, SIBs have been criticized for blurring the lines between public and private sector responsibility for health service provision (Katz et al., 2018). Another study found that despite the numerous challenges and criticism that SIBs face, there is still potential for its contribution to improving population health (Iovan & Lantz, 2018).

Another study found that conflicts of interest and a lack of public disclosure were key issues that emerged during a SIB (Hulse et al., 2021). However, this review was limited to high-income countries and SIBs with non-medical preventive interventions (Hulse et al., 2021). Practitioners and policymakers are cautioned against the financialization of government services (Alenda-Demoutiez, 2020; FitzGerald et al., 2020; Katz et al., 2018) and SIBs have been criticized for manipulating service providers in the social economy (Alenda-Demoutiez, 2020). Learning SIBs are accompanied by process, impact and economic evaluations to mitigate unintended consequences and ensure the programme's contribution to health equality and equity (Iovan & Lantz, 2018).

1.3.2 Costs of SIBs

Despite SIBs being promoted to increase government savings, decrease the prevalence of diseases, and reduce mortality and costs associated with inaction, few SIBs have proven to be entirely effective (Hulse et al., 2021). There is limited evidence on whether impact bonds produce better outcomes or are more cost-effective than public sector-funded interventions and programmes (Tan et al., 2019). Without policies and regulations that encourage sharing of cost data, it is difficult to forecast savings from SIBs in the public sector (Galloway, 2014; Katz et al., 2018).

The expertise of SIB stakeholders contributes to the design of SIBs, which is also costly and can create conflicts of interest among the different parties (Katz et al., 2018; Roy et al., 2018). There are considerable development costs that go into a SIB (Katz et al., 2018): facilitating the SIB consists of administrative, intermediary and legal costs which may accumulate higher costs than traditional contracting methods (Hulse et al.; Katz et al., 2018; Tan et al., 2019). These high costs are counterintuitive to the cost savings initially promised by the SIB structure (Hulse et al., 2021; Katz et al., 2018).

Another gap is that the development and implementation costs of SIBs are not always documented or recorded, which means that the true cost of a SIB cannot be determined and therefore decreases the transparency of the tool (Hulse et al., 2021; Tan et al., 2019). SIBs can also generate costs unrelated to service delivery and require considerable investment in systems and policies to facilitate the development (Katz et al., 2018; Warner, 2015). SIBs should not be considered a panacea to all social priorities and they are intended to complement public sector financing rather than be a replacement thereof (Jackson, 2013).

1.3.3 Critiques of SIBs

SIBs or SOBCs have been criticised for the financialization of the public services (Tan et al., 2019). In addition to the high transaction and development costs, SIBs are usually limited in scope, small in scale and entrench inequality, especially in the health and fragmenting policymaking (Katz et al., 2018). These issues raise questions of scalability, replicability, and sustainability (Hulse et al., 2021; Katz et al., 2018). SIBs have developed slowly and still present the challenge of aligning government, investor and other stakeholder ideologies (Fraser et al., 2020; Tan et al.).

Public sector practitioners may question the need to enter into an outcomes-based contract when they can achieve the same levels of success through conventional contracting (Fraser et al., 2020). SIBs are criticized for creating competitive environments between stakeholders which discourage collaboration and cooperation (Katz et al., 2018). Furthermore, there is a risk of perverse incentives to inflate reported outcomes for the private sector investor to receive a higher return (Fraser et al., 2020).

1.3.4 Legal, regulatory, risk and compliance aspects of SIBs

On account of the novelty of SIBs, there are legal and regulatory processes that protect the public sector and ensure that all processes related to the SIB are compliant (Iovan & Lantz, 2018). From the commissioner or intermediary perspective, a key challenge is to develop the justification for a SIB and establish agreement among all contracted parties (Ronicle et al., 2014). Investors are faced with the challenges of failure risk, accountability of parties and policy uncertainty in the SIB focal area (Ronicle et al., 2014). Challenges for service providers include their capabilities of working within a SIB model and adapting their services to achieve prescribed targets (Ronicle et al., 2014).

In general, all stakeholders can expect to experience challenges such as balancing risk, working within the complex SIB arrangement, dedicating time and financial resources and generating evidence proving impact (Ronicle et al., 2014). One of the recommendations for improving SIBs is to engage all stakeholders, especially the beneficiaries, in a participatory process (Jackson, 2013). Other recommendations are tracking and assessing each intervention, ensuring that impact is sustained over the long term as well as generating evidence and sharing lessons (Jackson, 2013).

1.3.5 Steps necessary for the success of first-time SIBs

The first SIB launched in any country needs to have a strong learning component and build the capacity of all stakeholders involved (Strid & Ronicle, 2021). Generating evidence through an evaluation of the process and measuring the impact of the SIB programme offers learning opportunities (Drew & Clist, 2015; Strid & Ronicle, 2021). Other requirements for the success of a SIB include sufficient government appetite, enabling regulatory frameworks, favourable economic and political contexts and a data-driven focus (Strid & Ronicle, 2021). Stakeholders are interested in whether SIBs are worth funding, especially when they are highlighted as a tool to overcome public sector service challenges (Strid & Ronicle, 2021).

SIB stakeholders need to have a shared understanding that SIBs are a tool for innovation and therefore participation and collaboration are essential for success (Strid & Ronicle, 2021). There needs to be a willingness to use the impact bond tool and commitment from all stakeholders (Strid & Ronicle, 2021).

In addition, SIBs must have clear objectives capable of being translated into a defined set of measurable outcomes for a target population (Strid & Ronicle, 2021).

There are three possible scenarios for developing a SIB market proposed by Drew and Clist (2015): In the worst-case scenario, the excitement for SIBs could be coupled with misunderstandings from some parties, which could derail the project (Drew & Clist, 2015). Another scenario is the small number of SIBs which continue to generate high transaction costs and dependency on philanthropic or grant-funder support which limit the scalability of the tool (Drew & Clist, 2015). Lastly, the best-case scenario would be to have a successful and scaled market for social outcomes which appeals to all stakeholders (Drew & Clist, 2015).

1.3.6 SIB stakeholder roles

SIBs bring together a variety of stakeholders and offer strategic opportunities for charitable organisations to innovate and collaborate (Fitzpatrick & Thorne, 2010; Griffiths & Meinicke, 2014). However, obtaining multi-stakeholder buy-in and securing SIB development funding proves to be a challenging exercise as some funders are not willing to support all aspects of the project (Oroxom et al., 2018). The root of the hesitation to participate is the novelty of an impact bond and a lack of resources or guidance on the process of developing this type of programme (Oroxom et al., 2018). Forming a united, innovative partnership between all stakeholders is crucial to provide a solution to a social issue and contribute to creating a public good (Fraser, Tan, et al., 2018b).

In a study that looked at the structure and funding of an impact bond, selecting the right partners is as important as the design itself (Oroxom et al., 2018). Consideration should be given to whether a stakeholder is willing to learn, has expertise in the area of work, has a large professional network and is trustworthy (Oroxom et al., 2018). Clear definitions of the roles and responsibilities of partners or stakeholders in an impact bond are also important. It was also found that having a leading stakeholder with a history of working in development finance was beneficial for the impact bond design phase (Oroxom et al., 2018). However, stakeholders must be prepared to enter into a long period of designing the impact bond and therefore sufficient time and funding resources must be secured before committing to a SIB (Oroxom et al., 2018). When the development process is prolonged, institutions may no longer support the work or key individuals with the right expertise may transition from their respective stakeholder organisations (Oroxom et al., 2018).

SIBs have the potential to create public value, equity, efficiency and democracy, which adds to their appeal (Warner, 2015). When considering the role of governments, especially those who play the role of outcomes funder, it is important to determine the value for money and efficiency of the impact bond design process (Drew & Clist, 2015). This will inform whether the SIB is a valid project to embark on and replicate for other development priorities. Additionally, if the outcomes funder assumes a large role during the development process, there would be increased risk and responsibility during the SIB (Oroxom et al., 2018).

Perceived benefits of SIBs are: impact on beneficiaries, aligning public, private and social organisations, emphasis on an outcomes focus, attracting additional investment and fostering innovation (Ronicle et al., 2014). However, the voices of beneficiaries are rarely included in the design phase for impact bond programmes (Albertson et al., 2020; Roy et al., 2018). This gap has been noted by some studies that suggested that service users and beneficiaries participate in the development of SIBs that will impact them (Albertson et al., 2020; Gustafsson-Wright et al., 2015; Ronicle et al., 2014). In essence, a more inclusive SIB framework of actors is necessary to co-design a social impact bond (Albertson et al., 2020; Katz et al., 2018).

Key challenges perceived by stakeholders include misunderstanding their respective roles, generating evidence for successful SIBs, small-scale projects which cannot justify the large investment required and misalignment during contractual negotiations (Ronicle et al., 2014). There are also differences in the way that public and private sector stakeholders present their involvement in the SIB. For example, the public sector can be transparent in some instances, whereas the private sector tends to protect itself from public scrutiny and competition (Hulse et al., 2021; Warner, 2015).

Stakeholders involved in the Trailblazer studies in the United Kingdom generally perceived the SIB as being a research study requiring a cohort to determine whether an intervention was successful or not (Fraser et al., 2020). Commissioners of SIBs were concerned with demonstrating that social changes were causally attributed to the intervention (Fraser et al., 2020). As a result of the increased process and management processes in a SIB, staff at the service provider noted increased pressure to achieve performance targets (Fraser et al., 2020). The commissioners were more inclined to participate in a SIB if a private sector investor or philanthropist was willing to take on more risk. Commissioners who are public sector organisations are constrained by bureaucracy and public finance rules, which contributes to their hierarchical nature (Dixon, 2020). Conversely, service providers or NGO organisations are usually less hierarchical (Dixon, 2020).

For the private sector wary of high-risk social programmes, SIBs are viewed as a new form of philanthropy rather than a form of private investment (Warner, 2015). Donors who served as outcome funders in impact bonds were motivated by their country's priority strategies whereas private sector investors were focused on the risks and return of the deal (Oroxom et al., 2018). In the Cataract Impact Bond, the biggest challenge was securing the buy-in of investors which led to an iterative negotiation process until all parties were satisfied (Oroxom et al., 2018). In future, impact bond designers have to balance attracting investors to the SIB with a promising return on investment while maintaining the social value of the impact bond (Oroxom et al., 2018). Over and above offering an appropriate return, it is important to sell the strengths of an impact bond such as the data measurement emphasis and watertight governance structures (Oroxom et al., 2018).

Private and social investors are accused of cherry-picking the least risky outcomes which have a higher likelihood of being achieved, to receive a higher return (Fraser et al.; Hulse et al., 2021). Investors look for guarantees to protect themselves against loss should outcomes fail to be achieved (Galloway, 2014). There is a risk of performance data being unreliable, unavailable or inaccessible which is why investors call for a robust monitoring and evaluation system for each SIB (Galloway, 2014). Contrary to expectations, private sector investors involved in SIBs do not make a considerable profit on SIBs compared to other investments (Iovan & Lantz, 2018). Most investors are also concerned with the sustainability of successful and effective programmes (Iovan & Lantz, 2018).

Investors such as charitable foundations, trusts and specialist fund managers in the United Kingdom felt motivated to get involved with SIB projects to improve society (Ronicle et al., 2014). This particular group of stakeholders also felt that there was greater visibility, alignment and funding to improve social outcomes (Ronicle et al., 2014). Other motivating factors for investors were greater benefits to service providers, re-investment of returns for a larger impact and high levels of expertise in the intermediary organisations' (Ronicle et al., 2014). Most importantly, investors were motivated by trust among SIB stakeholders (Ronicle et al., 2014).

Similarly in the United States, different stakeholders were motivated by different aspects of the SIB (Rudd et al., 2013). The local government faced fiscal constraints and wanted to reduce spending, the investor could increase profits and philanthropists and service providers proved a promising idea (Rudd et al., 2013). Some of the barriers to getting involved in SIBs are an insufficient return on the risk taken and the complex nature of the SIBs (Ronicle et al., 2014). In summary, all parties can collectively contribute to improving outcomes for a vulnerable population while creating an avenue for future investments targeting the same beneficiaries (Rudd et al., 2013).

Intermediary organisations structure the financial and contractual components of the SIB, project manage, maintain a multitude of relationships with stakeholders and mitigate risks in the SIB (Rudd et al., 2013). Intermediaries are also focused on market building and collaboration where all actors are provided with some benefit (Ormiston et al., 2020).

1.3.7 Stakeholder experiences

SIBs or SOBCs require stakeholders to collaborate and ensure success during a convoluted process. The contracting and administrative process involves coordination and facilitation with the government, private investors, non-profit providers the external evaluator, all of which are time and resource-intensive (Katz et al., 2018; Warner, 2015). Private sector investors know finance risk and return while public sector actors focus their attention on mobilising additional finance for development priorities (Ormiston et al., 2020; Warner, 2015). However, more evidence is required to understand the collaboration and partnership arrangements between stakeholders (Katz et al., 2018).

In a qualitative study that analysed published reports of 25 SIBs in the United Kingdom, it was found that the differences in motivations and concerns of each stakeholder gave rise to tensions during the SIB development phase (Dixon, 2020). However, these tensions were eased through stakeholders conforming and adapting to others while sharing expertise that would contribute to the success of the SIB (Dixon, 2020).

A study on stakeholder consultations in the UK found that due to the time delays between implementation, verification and payment processes in a SIB, stakeholders were unable to determine the impact and return on investment (Ronicle et al., 2014). However, stakeholders did describe feeling empowered when innovating and establishing greater alignment with different parties (Ronicle et al., 2014). Stakeholders also shared their experiences with general performance management and mobilisation of new funds through the SIB mechanism (Ronicle et al., 2014). During traditional contracting, any changes to the service delivery package had to go through a time-consuming process of approval before implementation (Ronicle et al., 2014). Thereafter the SIB, once implemented, has a flexible component where the service delivery model can be adapted and risks can be mitigated timeously (Ronicle et al., 2014).

The challenges reported were that SIBs were not universally applicable and that other stakeholders can complicate the SIB structure and overprescribe outcomes (Ronicle et al., 2014). Another cause of cost inefficiency is the intermediaries' and technical experts’ involvement in different aspects of the project and time delays are billed (Ronicle et al., 2014). Additionally, the “bond” terminology indicates a guaranteed return, when in reality, an investor will lose their upfront capital investment if outcomes are not met (Ronicle et al., 2014). If an outcome target is exceeded, there is no additional incentive for the investor in terms of a bigger rate of return on investment (Ronicle et al., 2014).

Commissioners, usually public sector officials, had varying levels of understanding of the concept of a SIB (Ronicle et al., 2014). The most challenging aspect for commissioners was understanding the roles of the investor, and intermediaries and how stakeholders work together and communicate (Ronicle et al., 2014). They also found the processes of contracting and defining the outcomes of interest challenging (Ronicle et al., 2014). Commissioners chose to get involved with SIBs because of the premise of mobilising additional funds, efficient spending, implementing effective programmes as well as curiosity (Ronicle et al., 2014).

The benefits from a commissioner perspective were that SIBs created an outcomes-based culture, impacted beneficiaries, were more efficient and increased investment into public sector priorities (Ronicle et al., 2014). There is a wide range of experiences of commissioners: some are more likely to be involved with SIBs in future while others stated that it is bureaucratic, adds complexity and costs into already complex contracts and cannot cope with risk (Ronicle et al., 2014). One recommendation is to have a bigger volume of SIB transactions to build development and management experience among stakeholders (Ronicle et al., 2014).

The experiences of service providers are also of interest. Of 49 service providers surveyed in the UK, 5 worked in the healthcare sector and only 1 of them was involved in a SIB (Ronicle et al., 2014). Service providers generally had a good understanding of the concept of a SIB but the few challenges were mainly around the issues of relationships between different stakeholders (Ronicle et al., 2014). Service providers were unsure of how to engage with investors, how to work together during implementation and assume risk and who had the authority to select the package of services (Ronicle et al., 2014). Service providers were mainly motivated to get involved by the component of upfront working capital to implement service delivery (Ronicle et al., 2014). Lesser reasons for getting involved include more innovation in implementation, in addition to more effective and efficient services (Ronicle et al., 2014). The perceived benefits of getting involved in a SIB as a service provider were the boost in funding and the adaptive management style (Ronicle et al., 2014)

Perceived barriers for service providers getting involved in SIB arrangements include financial risk, service delivery design, providing evidence of outcomes achieved and engaging with commissioners and investors (Ronicle et al., 2014). The challenges perceived by service providers were related to the contracting process and satisfying the requirements of all stakeholders, as well as finding additional resources to report on data in line with the complex M&E frameworks (Ronicle et al., 2014).

1.3.8 Policymaker considerations

Policymakers are drawn to SIBs and outcomes-based contracts as potential tools to reduce government spending and create more efficiencies (Katz et al., 2018). A conflict of interest may arise on account of policymakers, public health researchers and service providers increasing their involvement with private sector stakeholders (Katz et al., 2018). This is on account of the influence of private sector stakeholders in controlling public and social service provision (Katz et al., 2018). There may also be a change in policy and regulations in the macro-environment which can make stakeholders more cautious about entering into a SIB arrangement (Ronicle et al., 2014). Due to the restrictive scope of

SIBs, there is complexity in policymaking and stakeholders will be confined to the policies of the country (Katz et al., 2018).

Depending on the phase of the programme, policymakers and SIB practitioners may require different forms of knowledge and capacity building to facilitate SIB transactions (Fraser et al., 2020). Furthermore, due to the emphasis on data and quantitative outcomes of SIBs, there is a lack of qualitative outcomes of SIB evaluations that restricts the holistic learning (Fraser et al., 2020). The purpose of using qualitative studies to complement the quantitative component of SIBs will ensure that there is a more rounded picture of what works, why, when and for whom, which can contribute to a growing body of evidence and policymaking (Fraser et al., 2020).

The commitment of a government partner is crucial for the success of a SIB and needs to be established early during the SIB development stage (Rudd et al., 2013). The government will pay for the achievement of outcomes and therefore its representatives need to have a clear understanding of what the SIB entails and what the government will be paying for (Rudd et al., 2013). This is important for the SIB concept to grow and be applied to other priority areas and populations (Rudd et al., 2013). The role of an intermediary may also become redundant as more SIBs emerge and as governments, investors and service providers become more technically proficient in the concept (Rudd et al., 2013). This will also result in lower transaction costs, as is the case in the United Kingdom (Rudd et al., 2013).

Recommendations for future SIBs include the provision of technical advisory and support for public sector commissioners interested in SIBs and proper communication with all stakeholders (Ronicle et al., 2014). Generally, communication should be clear and timely; the lead organisation should establish the commitment and patience of partner stakeholders, work with organisations with a strong reputation, select intermediaries who are established and be willing to document lessons learned (Oroxom et al., 2018; Rudd et al., 2013).

One of the recommendations from the United Kingdom was to encourage innovation for different types of SIB structures to appeal to a wider potential stakeholder audience (Ronicle et al., 2014). This prevents being overly prescriptive, which can be viewed as a deterrent to innovation in the development of the SIBs (Ronicle et al., 2014). Future impact bonds should also be accompanied by a set of publicly available guidelines, templates or terms to facilitate the development of new impact bonds (Oroxom et al., 2018).

To reduce the transaction and development costs and test different models of impact bonds, it is suggested that an Impact Bond fund be created (Oroxom et al., 2018; Rudd et al., 2013). A workshop to promote awareness of SIBs would also be beneficial to improve stakeholder interest and gauge potential stakeholder appetite (Oroxom et al., 2018). Furthermore, it is important to have a clear allocation of roles and responsibilities and how these may change as the needs of the project shifts (Oroxom et al., 2018).

1.4 Conceptual framework

According to Khan (2021a), there are a variety of potential benefits of SIB structures:

- Results-focused – measurement leads to effective service and evidence-based decisions for what works.
- Intermediary organisations – provide oversight, capacity building and technical advisory to outcomes funders and service providers. The right partners are needed, and governance is crucial.
- Risk is transferred to the social investors and governments only pay for the achievement of the prescribed targets. However, there are perverse incentives which can threaten the programmes.
- SIBs target areas with historical policy failures and can mobilise capital from private sources. This is timely as governments struggle with a shrinking. fiscus and the after-effects of the COVID-19 pandemic. SIBs can also have far-reaching effects and contribute to additional social outcomes.

This framework offers a guideline on the benefits of SIBs as well as what can make them successful.

1.5 Problem statement

Based on the novelty of the Social Impact Bond and its application to health specifically in the South African setting, little is known about the roles and experiences of stakeholders in designing this innovative health financing mechanism. Stakeholders consist of representatives from public and private sectors who work together towards a common goal but who are motivated by different factors and values which moulded their experience. It is important to consider the stakeholders who played a role in developing the Imagine SOBC, as well as the dynamics involved in the design and approval process, to document the SOBC journey. The value of this study lies in collecting and synthesising the experiences of stakeholders who participated in the Imagine SOBC as this will provide crucial lessons to those considering designing health-focused SIBs in future.

1.6 Justification

As funding for healthcare programmes becomes tightly monitored for impact and effectiveness, it is necessary to explore alternative funding avenues and partnerships. If effective and should they gain popularity, impact bonds could be a potential outcomes-based financing tool for healthcare. Owing to the novelty of outcomes-based contract applications to healthcare, there is a paucity of data on health-related SOBC stakeholders in South Africa. The use of qualitative study to understand the roles and experiences of the stakeholders will contribute to aligning stakeholders for future impact bonds (Hulse et al., 2021). This study will also contribute to guidance on the design, development, approval, and contracting phases of social outcomes-based contracts. The nascent nature of the SOBC market provides an opportunity to continuously learn lessons from successive projects of this kind (Tan et al., 2019). As described by Fraser et al. (2020) there is a paucity of qualitative data on SIBs and outcomes-based contracts which can provide a wider picture of what goes into such a transaction. There is also little guidance on the process of developing an impact bond (Oroxom et al., 2018) in addition to a lack of understanding of the roles and relationships between stakeholders in the Imagine SOBC.

1.7 Research question

What are the roles and experiences of key stakeholders involved in the design of the Imagine Social Impact Bond?

1.8 Aim

To understand the roles and experiences of stakeholders involved in the design of the Imagine SOBC in South Africa targeting AGYW for health and social outcomes.

1.9 Specific objectives

1. To explore the roles and experiences of stakeholders involved in the design of the Imagine SOBC.

2. To understand the processes and engagements leading up to the launch of the Imagine SOBC.

Chapter 2: Methods

2.1 Study approach

This study used an exploratory qualitative approach through primary data collection using semi-structured interviews with key stakeholders.

2.2 Study setting

The study setting is South Africa as the different stakeholders work remotely across different cities.

2.3 Study population

The study population consisted of stakeholders involved in the design of the Imagine SOBC. This included the SAMRC coordination and project management team who conceptualized the project, government officials, private sector employees as well as members of other technical advisory organisations who collaborated during the design phase of the Imagine SOBC. Stakeholders were categorised according to their role i.e., outcomes funder, social investor, intermediary and service provider. The very small amount of people working on the Imagine SOBC made the study population a niche group.

In total, the study population consisted of fifteen people across three categories who worked on the design of the SIB. The reason for choosing such a small group of interviewees is because of information power and the participants having strong, specific experiences related to the project Malterud et al. (2015). Furthermore, the participants consist of a small target group and the study has a narrow aim (Malterud et al., 2015). Other aspects that were considered for the sample size are the specificity of the sample, the theory of the subject, the quality of the dialogue during interviews and whether the sample would be able to provide enough information (Malterud et al., 2015). Saturation is also an important component of qualitative studies and having a small sample size does not mean that the study and data are ineffective (Hennink & Kaiser, 2022). According to (Hennink & Kaiser, 2022), between nine and seventeen in-depth interviews are sufficient for studies with a qualitative research design and saturation can be achieved with these numbers.

The SAMRC played the role of intermediary in the Imagine SOBC structure. An independent consultant provided technical advisory in their professional capacity to the SAMRC. Another technical advisory partner was mainly responsible for building the financial model for the Imagine SOBC. The third and fourth technical advisors provided research and strategic support. Lastly, a local NGO proficient in health service delivery to AGYW is the main service provider who will be delivering the package of Imagine SOBC services to beneficiaries at the ground level.

2.4 Inclusion criteria

Interviewees recruited for this study had to be employees or representatives of the stakeholder organisations involved in the design of the Imagine SOBC. Purposive sampling was used to recruit and invite key individuals who could share their experiences during the Imagine SOBC design. The period of involvement was between 2016 when the SOBC idea was first conceptualised, to and including August 2022.

2.5 Data collection

Data collection took place between February 2022 and August 2022, when the final approvals and contracting processes were still underway. The researcher emailed interviewees with invitations to participate in the study at their convenience. Attached to the email invite were the information sheet, informed consent sheet and audio recording consent forms. The interviewer then sent a calendar invitation with a Microsoft Teams link to the interviewee. On the scheduled day and time of the interview, the researcher briefed the participant on the study, asked if the interviewee had any questions and asked if the interviewee agreed to be recorded.

Primary data collection took place through semi-structured interviews. The interview guides used in this study were designed by the Policy Innovation Research Unit (PIRU) at London University, which conducted qualitative evaluations of health and social SIBs in the United Kingdom (Fraser, Tan, et al., 2018b). The interview guides were minimally adapted to fit the context of the Imagine SOBC in South Africa. Separate interview guides were available for commissioner, intermediary, investor, and service provider stakeholders. Based on the role that each stakeholder played during the Imagine SOBC design, the relevant interview guide was used. Due to the role that the SAMRC plays in the Imagine SOBC as the intermediary, questions from the intermediary interview guides were used for participants from this organisation.

The interviewer then started the recording on the audio recorder. Interviews were scheduled for one hour with some interviews going above or below the one-hour mark. All interviewees were comfortable conversing in English, which was the language used during the design phase of the Imagine SOBC, and therefore the services of a translator were not required. During each interview, the researcher made handwritten notes on the answers received. Once each interview was concluded, the recording on the audio recorder was stopped. The audio file was uploaded to the transcription software Otter.ai.

2.6 Data management

At the close of each interview, recording on the audio recorder was stopped. The audio file was then uploaded to Otter.ai to generate a transcript. As soon as a transcript was developed, the text was exported from Otter.ai to Microsoft Word. The researcher then replayed the audio file and made manual corrections to the Microsoft Word transcript which helped to get familiar with the data.

Completed transcripts and audio files were then uploaded to a Google Drive folder on the researcher's Wits student account which was only accessible to the researcher and supervisors. Labels were constructed with Participant Organisation (A, B, C, D etc.) in place of the name of the organisation they represented and Participant number (1,2,3,4 etc.) representing which interviewee number they were in the same organisation. Table 2 lists the different stakeholder interviews during data collection.

Table 2 Index of interviews with different stakeholders

Date of interview	Audio File Name	Transcript Name	Partner org (Po)	Participant no.	Stakeholder role
22 Feb 2022	Interview PoAP1	Interview PoAP1	A–- SAMRC	P1	Intermediary
1 Mar 2022	Interview PoAP2	Interview PoAP2	A–- SAMRC	P2	Intermediary
3 Mar 2022	Interview PoBP1	Interview PoBP1	B – Independent consultant	P1	Technical Service provider
7 Mar 2022	Interview PoAP3	Interview PoAP3	A–- SAMRC	P3	Intermediary
10 Mar 2022	Interview PoAP4	Interview PoAP4	A–- SAMRC	P4	Intermediary
3 May 2022	Interview PoCP1	Interview PoCP1	C–-financial modelling technical advisor	P1	Technical Service provider
17 May 2022	Interview PoCP2	Interview PoCP2	C–-financial modelling technical advisor	P2	Technical Service provider
21 Jun 2022	Interview PoDP1	Interview PoDP1	D–- service delivery implementer	P1	Implementation Service provider
23 Jun 2022	Interview PoEP1	Interview PoEP1	E–- technical advisor – research support	P1	Technical Service provider
30 Jun 2022	Interview PoDFP1	Interview PoFP1	F–- technical advisor – research and project management support	P1	Technical Service provider
15 Jul 2022	Interview PoDP2	Interview PoDP2	D–- service delivery implementer	P2	Implementation Service provider
19 Aug 2022	File corrupted	N/A	A - SAMRC	P5	Intermediary

	during transfer–- had to exclude				

2.7 Data analysis

Data analysis took an inductive approach due to the novelty of the SOBC and the paucity of data in the South African context. The researcher then used the six steps of thematic analysis to develop research findings. (Braun & Clarke, 2006; Clarke & Braun, 2016):

1. The researcher got familiar with the data when checking transcripts, repeated reading of the transcripts and making notes.
2. Initial codes were generated with a corresponding colour and definition using Google Sheets and highlighting codes with the respective colours. Features and patterns across the data set were noted.
3. Individual themes were put into buckets/initial themes using tabs on the Google Sheets.
4. Themes were reviewed and individual codes were moved around to develop a thematic map using the free online software Coggle. This was an iterative process and steps 1-4 were repeated during data analysis.
5. Final themes were named and defined to tell an overall story.
6. Lastly, writing findings referring to the research question and objectives.

2.8 Study limitations

Due to the remote working conditions for interviewees, data had to be collected via online engagements with participants, which may be considered a disadvantage when analysing body language and facial cues in qualitative research. Due to the sensitive nature of negotiations and SOBC approvals during the data collection period, the researcher was unable to secure an interview with a representative from the investor organisation. The researcher was also unable to secure an interview with the government department which is the outcomes funder (the National Department of Science and Innovation), also again due to the sensitivities of the approval and contracting processes. One of the stakeholders invited and willing to participate in the study unfortunately never attended the scheduled and rescheduled online interviews. Lastly, one of the recorded audio files was corrupted during the transfer to Otter.ai and therefore also had to be excluded from the dataset. Four interviewees were excluded leaving a total of eleven interviews conducted. The organisations represented by the interviewees were limited to intermediaries and service providers and therefore limited the scope of the study.

2.9 Saturation

Within the small study population, the researcher made notes during interviews and tried to probe further questions to receive new information. Saturation occurred when the researcher could no longer obtain any new information during interviews.

To enhance the validity and credibility of the research, the researcher extended the invitation and where possible, interviewed multiple people employed at the same stakeholder organisation. Stakeholders from the same organisations were asked similar questions from the same interview guide for consistency and completeness. Multiple voices were contributing to each stakeholder's perspective, what shaped their experiences, and whether these experiences were shared among stakeholders representing the same organisation.

2.10 Bias and Reflexivity

The researcher is currently employed at a technical advisory organisation involved in the Imagine SOBC design process. She is employed to provide research and project management support to the SAMRC team. The researcher was also known to all the interviewees, which may have contributed to the willingness to be interviewed and participants potentially answered questions based on what they thought the researcher wanted to hear. This may have contributed to bias during the study design and data collection. It must be noted the researcher's role was lower in the hierarchy compared to the participants interviewed, who held more senior positions in the project and who were far more experienced.

The researcher was part of the weekly SOBC stakeholder update meetings which included all members of the niche group. This contributes to the emic or insider perspective which is used in ethnographic studies where the researcher is immersed in the context being studied (Markee, 2013) The researcher was aware of the approval processes for the SOBC and all delays of the project, which may have played a role in how questions were asked and contributed to bias. To mitigate for any bias, the researcher reflected upon her project management role and the frustration she experienced with the prolonged approval process and then set these thoughts aside to understand the perspectives of the other stakeholders. The researcher was also careful in her probes during the interviews to avoid leading participants to responses. However, most of the questions in the interview guides were reflective in nature and led interviewees to think back before giving their responses.

2.11 Ethical considerations

Approval to conduct this study was obtained from the University of the Witwatersrand's Human Research Ethical Committee (HREC). Furthermore, the researcher also obtained the permission of the SAMRC to conduct this study and informed consent of all interviewees prior to the interviews. The researcher obtained interviewees' informed consent both to participate in the study and to record the interview. Interviewees incurred no penalty nor received any reward for their participation, and they were offered to withdraw participation at any point during the study. Interviewees were not identifiable during the analysis and participant anonymity was ensured by hiding the identities of participants.

Chapter 3: Draft Journal Manuscript

Note: This is the first draft of a manuscript intended for publication. All co-authors received a copy of this draft for comments and input. If the co-authors decide to proceed with publication, various iterations and drafts will be developed prior to submission. It must be noted that three of the co-authors were also participants interviewed in this study.

Target journal: Social Policy and Administration

Publisher: Wiley

Title: "Complex, time-consuming and relational" A qualitative study of stakeholders involved in Imagine, the novel Social Outcomes-Based Contract in South Africa, 2022.

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Abstract

HIV continues to contribute to the high burden of disease in South Africa, AGYW between 15-24 years of age are disproportionately affected, which calls for creative financing to tackle the issue. An innovative health finance mechanism, known as a Social Impact Bond (SIB) or Social Outcomes-Based Contract (SOBC) is one solution that can solve this complex health issue. The Imagine Social Outcomes-Based Contract (SOBC) aims improve the sexual and reproductive health outcomes of AGYW. It brought together a variety of stakeholders during the design process, some of whom have never worked together previously. The aim of this study was to understand the roles and experiences of stakeholders during the design phase of the Imagine SOBC.

We interviewed eleven stakeholders from six organisations that represented the intermediary, implementation and technical advisory organisations. Stakeholders from the public, private sector investor and non-profit sectors found the innovation of the SOBC appealing and had different motivations when entering into Imagine SOBC. We found that stakeholders were aligned in their values and had a common vision for the project, which enabled collaboration and trust. However, the pathway to obtaining government approvals proved to be lengthy.

Recommendations include interviewing a wider range of stakeholders such as representatives from the outcomes funder and private sector investor organisations to understand their perspectives and experiences of the process. This study also contributes lessons to develop a guiding note or roadmap for designing SOBCs and obtaining South African government approvals for future outcomes-based contracts. This will set the precedent for a pipeline of similar transactions applied to other public health priorities.

Keywords:

Social impact bond, stakeholder engagement, government approvals, decision-makers, South Africa,

Introduction

The Imagine Social Outcomes-Based Contract (SOBC) was designed for Adolescent Girls and Young Women (AGYW) in South Africa who are vulnerable to high rates of HIV infections and teenage pregnancies (Abdullah et al. (2019). AGYW are a vulnerable segment of the population and to compound the issue, teenage pregnancies have seen a year-on-year increase in South Africa between 2017 and 2021 (Matsoso et al., 2022). A recent study found that 39% of AGYW were unaware of their HIV-positive status and therefore did not access treatment, which yielded poorer health outcomes (Mathews et al., 2021). AGYW also face challenging social circumstances and sometimes, abuse (Mthembu et al., 2021; Myers et al., 2021).

South Africa has made strides in its HIV programmes, which resulted in a decrease of 53% and 61% in new HIV infections and AIDS-related deaths respectively between 2010 and 2019 (Matsoso et al., 2022). Despite over 90% of South Africans knowing their HIV status, there is still a considerable gap to initiate people on treatment and achieve viral suppression of the disease (Matsoso et al., 2022). The percentage of people who know their HIV status is 85% and in the AGYW subset, only 61% know their HIV status (Matsoso et al., 2022). The Imagine SOBC was conceptualised by the South African Medical Research Council (SAMRC) to explore new ways of financing healthcare for the vulnerable AGYW population with evidence-based interventions that carry a risk for implementation (Abdullah et al., 2019).

Despite the name, Social Impact Bonds (SIBs) are not bonds but rather outcomes-based contracts that lie at the intersection of social policy and private investment (Berndt & Wirth, 2018; Jackson, 2013). SIBs occur with upfront capital from an investor, which the public sector pays back with interest only if the interventions are successful in meeting targets (Berndt & Wirth, 2018). However, SIBs are still a nascent area and there is a paucity of data around the roles and experiences of stakeholders. Government decision-makers find SIBs appealing on account of their focus on outcomes and risk transfer (Abdullah et al., 2019; Carè & De Lisa, 2019).. When governments are constrained by public purses, SIBs create appeal by promising savings in the long term (Fraser, Tan, Lagarde, et al., 2018; Jackson, 2013; Maier et al., 2018).

SIB application to healthcare

SIBs are innovative financial tools which can improve patient and population health outcomes for challenging disease priorities while reducing the costs of patients accessing healthcare (Bloom, 2015). SIBs have been applied to childhood asthma, maternal and child health and diabetes (Galloway, 2014; Rowe & Stephenson, 2016).

Political will, the mobilization of domestic funds and incorporating demand-side tools proved to be enabling factors for the adoption of SIBs in each country (James et al., 2020). Additionally, fee-for-service payment models helped patients to overcome diabetes and the social determinants associated with poor health outcomes (Saulsberry & Peek, 2019). However, it must be noted that SIBs are not a panacea for all development priorities and cannot replace grants, regulations and subsidy payments (Jackson, 2013). SIB risks can also be increased through greater transaction costs, contractual complexity and context, which may incline private sector investors to request governments or philanthropies to absorb (Fraser, Tan, Lagarde, et al., 2018).

Different types of SIBs can be structured: a direct provider SIB model, a SIB with a Special Purpose Vehicle Model and a Social Investment Partnership model (Fraser, Tan, et al., 2018b). The Imagine SOBC differs from these three models in that the South African Medical Research Council, a state entity, will assume the role of intermediary to facilitate the design process and manage the implementation (Abdullah et al., 2019; Fraser, Tan, et al., 2018b).

The governance of SIBs raises questions related to competition and collaboration, which can either cultivate or strain relationship dynamics and governance in the networks (Fraser et al., 2021). According to Carè et al. (2020), the success factors of SIBs are planning, an enabling regulatory environment, feasible need, commitment from stakeholders, delegation and cooperation between all stakeholders. However, political will may be challenging to obtain because SIBs highlight governments' errors in public service provision (Bains et al., 2021).

SIBs have been popular in higher-income settings but replication in different settings is a challenging exercise, especially in developing contexts where there is a higher need for impact (Bains et al., 2021; Jackson, 2013). They enhance public-private partnerships and governance by using the principles of shared learning, codesign, co-creation and flexibility (Broccardo et al., 2020).

SIB stakeholder roles, motivations and experiences

SIBs consist of four main stakeholder groups: commissioners, service providers, investors and intermediaries who are technical specialists (Fraser, Tan, Lagarde, et al., 2018).

Commissioners are either national or sub-national levels of government interested in improving a service; investors are usually from the private sector or philanthropies who can provide upfront capital for a service delivery package; service providers work at the ground level providing the service to beneficiaries against targets and intermediaries provide technical advisory and coordination for contracting (Fraser, Tan, Lagarde, et al., 2018). In addition, there may also be independent verification agents who play a role in providing objective data based on the outcomes achieved during the SIB Implementation

Different SIB stakeholders have different motivations during the development of SIBs, as detailed in Table 3:

Table 3 Comparing different stakeholder motivations - Strid and Ronicle (2021)

	Commissioner	Intermediaries	Investors	Service providers
Catalysing change for social policy	Yes	Yes	Yes	Yes
Experiment and test new funding mechanisms	Yes	Yes	Yes	Yes
Encourage service delivery innovation	Yes	Yes	No	No
Improved delivery performance	Yes	Yes	No	No
Improved accountability	Yes	No	Yes	No
Foster partnerships and collaboration	Yes	Yes	No	No
Access to additional finance	No	Yes	No	Yes
Scale and replication	Yes	No	Yes	No

Risks to SIBs are government instability, lack of commitment, changes in regulations, little to no evidence of savings, absence of exit opportunities, levels of knowledge and delays in the approvals (Burand, 2012; Carè et al., 2020). In the South African context, the Western Cape provincial department of Health was unable to commit to providing outcome funding in future SIB transactions on account of a shrinking public budget, reallocation of budget for the COVID-19 pandemic response and a complex negotiation process where the relations with implementer had soured (Khan, 2021b; Rayner & Nkonyeni, 2021). The Western

Cape SIB focused on the health outcomes of children attending Early Childhood Development Centres failed to launch.

There should be a culture of commitment, trust, accountability and learning for all SIB stakeholders (Jackson, 2013; Lowe et al., 2019). Furthermore, national policies and regulations will create the necessary legal, regulatory and fiscal frameworks to enable these types of transactions (Trotta et al., 2021). There is a paucity of SIB-focused policy papers (Berndt & Wirth, 2018) as well as the relationships between stakeholders and their experiences during the design phase. This study aimed to understand the stakeholder experiences during the design phase of the Imagine SOBC.

Methods

A qualitative study drawing on semi-structured interviews with key stakeholders was conducted. Stakeholders were purposively sampled on account of their direct involvement either as an intermediary, service delivery and technical advisor, social investor, or commissioning partner in the Imagine SOBC design process. The study setting was South Africa as the different stakeholders work remotely across different geographies in the big metros. The Imagine SOBC implementation itself will however take place in two rural districts of the country.

Semi-structured interview guides were adapted from the Evaluation of the Social Impact Bond Trailblazers in the Health and Social Care (Fraser, Tan, et al., 2018a). Eleven stakeholders across Intermediary, implementation, and technical Service Provider roles during the Imagine SOBC design phase shared their experiences.

Table 3 lists the stakeholders who were interviewed, the role each played in the Imagine SOBC design and the number of participants interviewed from each organisation. Technical advisory or intermediary organisations assisted with the design and technical aspects of the SIB. These activities included working on the financial model, liaising with the investor organisations, selecting the service provider for the implementation of the programme, and developing draft contracts. Table 4 shows the stakeholders interviewed and the roles of their respective organisations.

Table 4 Stakeholders interviewed and their respective organisations

Stakeholder organisation	Stakeholder role	No. of participants
A – medical research organisation	Intermediary	4
B – independent consultant (academia)	Service provider – technical assistance	1
C – technical advisory organisation that specialises in SIB financial modelling	Service provider – technical assistance	2
D – service delivery/implementation organisation	Service provider	2
E – consulting firm that provided technical advisory	Service provider – technical assistance	1
F – university research unit	Service provider - Technical assistance	1
Total		**11**

Table 5 describes the timeline of events during the Imagine SOBC design process from conception up to the current phase and provides some context on how lengthy the process has been.

Table 5 Timeline of the Imagine SOBC design process

Year	Imagine SOBC Milestone
2016	The Global Fund disburses a grant to understand the landscape of the sexual and reproductive health status in the South African population of adolescent girls and young women
2017	The HERStory Study evaluates the South African combination HIV prevention programme for adolescent girls and young women. This study includes findings that inform the design of the package of interventions for the Imagine SOBC.
2018	The HERStory Study evaluating South African combination HIV prevention programme for adolescent girls and young women continues. This study includes findings that inform the package of interventions for the Imagine SOBC.
2019	Extra studies are undertaken to further inform the package of interventions as well as the feasibility of implementation. The formal SIB development commences.
2020	The implementation partner (service provider) was selected through a tender process and the co-design period began.
2021	The private investor was selected, and contracts were drafted for implementation. The financial model for the Imagine SOBC was finalized. The National Treasury ringfenced outcomes funding for the project through the National Department of Science and Innovation.
2022	Letters requesting approval from the National Treasury, National Department of Health, National Department of Science and Innovation, National Department of Basic Education were shared. All approvals were pending at the time of this study.
2023	Final approvals grants and contracts signed before launching the implementation phase

This study was approved by the University of the Witwatersrand’s Human Research Ethics Committee (Medical), reference number M211048. All data were collected by the first author (GM). She is part of the Imagine SOBC stakeholder team providing research and project management support. She has, for the past year, attended the weekly update meetings where she was privy to the latest developments during the Imagine SOBC design process. GM also had contact with all the Imagine SOBC design stakeholders prior to the study and therefore a working relationship was already established. While GM put aside her experience during interviews, it is possible that the participants modified their responses based on previous interactions. GM collected and analysed the data and interpreted it before writing the paper with review from the other authors.

Due to the location of organisations across the country and all stakeholders working remotely, all interviews were conducted online using the Microsoft Teams platform. The interviews were conducted in English with all stakeholders and interviews were audio recorded using an audio recorder. The interview guide covered the following topics: the respective stakeholder’s involvement in the SOBC, their decision to take part in the SOBC, negotiations about the contract, challenges during the negotiation and approval phases and considerations for the future (Fraser, Tan, et al., 2018a).

Interviews were transcribed using Otter.ai software and then reviewed for accuracy. Transcripts were coded in real-time using Google docs and analysis yielded one hundred and forty-one codes which were stored on Google sheets. Similar codes such as ‘delays’, ‘rethink/reconsider’, ‘uncertainties’ and ‘recalibrate’ were grouped into one theme of Challenges. Themes were developed according to the six steps of thematic analysis as described by Braun and Clarke (2006). This consists of familiarization with the data, developing the initial coding, identifying, reviewing, and defining themes and lastly, writing-up results. Separate themes were built into different tabs in the Google sheet.

Findings

The thematic analysis of transcripts revealed four thematic categories: the dynamics of working together, politics and processes, challenges and looking to the future. These are summarised in Table 6 and expanded below:

Table 6 Summary of findings showing facilitators and barriers during the Imagine SOBC design phase

Facilitators	**Barriers**
Value alignment between stakeholders	A challenging process to obtain buy-in because of the unprecedented transaction
Collaboration between stakeholders	Convoluted approval process
Transparency and accountability during the design phase	Lengthy delays when obtaining approvals from government

The dynamics of working together

The primary intermediary organisation performed the task of coordinating other stakeholders and project management for the entirety of the SIB design process. This included involving stakeholders in co-design meetings and managing the financial components of the design phase. They contracted technical advisory partners for the duration of the design phase who were technically proficient in financial modelling, specialised in contracting for impact bonds and designing service packages. During interviews, a recurring theme was bringing together different stakeholders. Collaboration during the Imagine SOBC design phase was an important aspect highlighted by stakeholders, each of whom had expertise in their respective fields.

> “There is a group of very strong stakeholders who have a lot of experience and a lot of background in their areas.” (Participant 1, technical advisory organisation that specialises in SIB financial modelling)

In terms of the co-design aspect, stakeholders expressed positive feelings towards the process by highlighting the inclusive participation process. Participants described the buy-in across different sectors.

> “We could sit with the MRC and really thrash out how are we going to achieve these outputs and these outcomes… that was very refreshing for us as an organisation.” (Participant 1, service delivery/implementation organisation)

The intermediary SAMRC led the coordination and buy-in across the different stakeholders. Participants described the buy-in across different sectors and how they appreciated the coordination efforts by the SAMRC.

> “They do a really great job in terms of coordinating all the people and letting everyone know…having that coordination role, as the one that the MRC is playing has been key.” (Participant 1, technical advisory organisation that specialises in SIB financial modelling)

While the intermediary/coordinating organisation had the final say, participants described an inclusive process that lacked hierarchy between the partner organisations during the design phase. All contributions were equally considered and there were opportunities to voice opinions.

> “I think that that's important for the management of a SIB structure. It's not hierarchical… although somebody must make decisions.” (Participant 1, SAMRC)

Participants from different organisations expressed a willingness to participate in the Imagine SOBC and an alignment among stakeholders was described. Alignment related to the project but also the values and vision that each organisation had.

> “The teams are incredibly aligned…and so have been determined to make things work, they understand or have begun to understand each other's language. (Participant 1, independent consultant (academia))

Each stakeholder brought certain strengths to the team and these strengths were combined when collaborating during the design phase. Stakeholders also tapped into their professional networks for technical support and recruiting other key stakeholders into the design of the Imagine SOBC. Their respective organisations realised the importance of the Imagine SOBC and allocated their time and resources adequately in support of the project.

> “Draw upon the wider knowledge and experience of our own organisation, our sister organisations internationally and the wider knowledge and contact base that we have” (Participant 2, technical advisory organisation that specialises in SIB financial modelling)

> “It's mostly like our time resources of like the core team that's been working on it and then the various people we've leaned on internally. That would also count as resources that we have used.” (Participant 1, Service provider – technical assistance)

They also linked this to working together and building relationships of mutual trust. Interviewees expressed a positive sentiment about the experience of working together. However, despite working together, there were some feelings of frustration, disappointment and concern experienced during the design phase, namely due to the delays in receiving approvals.

> “Funders being Global Fund and Department of Science and Innovation have been continuously frustrated by the lack of completion of the SIB. So, it's taking a lot, a lot longer [*sic*] to come about than everyone wanted.” (Participant 2, SAMRC)

Politics and processes

Owing to the novelty of the SOBC transaction in the South African context, the SAMRC spent a substantial amount of time and effort carving out relationships, consulting with and obtaining buy-in from key decision-makers in government offices. Officials from the National Treasury (NT), National Department of Science and Innovation (DSI), National Department of Health (NDoH) and National Department of Basic Education (DBE) were consulted as the Imagine SOBC programme spans across their respective mandates.

The National Treasury had to approve the transaction because the current legislation does not refer to SIBs/SOBCs. In addition, the SAMRC is a state entity and had to obtain approval for transactions exceeding ZAR 10 million. Approval from the DSI was sought because the SAMRC receives the outcomes funding from the National Treasury through the DSI (the South African National Treasury only disburses funds through government Departments and the DSI was a conduit). Obtaining permission from the NDoH was important because the SAMRC falls under the mandate of the department. Lastly, the DBE’s permission was obtained because the Imagine SOBC was planned to be implemented in schools.

Due to the complex process involved to obtain these multiple approvals, at times simultaneously, interviewees highlighted how the approval process from government departments posed obstacles during the design phase of the Imagine SOBC. At some points during the Imagine process, this was due to the inability of government officials to provide the necessary approvals in an efficient manner.

> “But what has really cost us is the politics the fact that people, they don't want to listen if something's new. (Participant 1, SAMRC)

During the early stages of the design process, Imagine SOBC design stakeholders anticipated challenges with securing buy-in from social and private investors. Rather, stakeholders were met with hesitancy from the public sector. Without receiving approvals from decision-makers in the public sector, contracting the implementation service provider and social investors could not take place, which created a lot of uncertainty. This uncertainty extended to the launch of the programme as well as ensuring that there was sufficient capacity on the technical team facilitating the Imagine SOBC.

> “We imagined, at the onset, that the biggest challenge would be getting a social investor. We didn't realise the challenge would be [*sic*] the outcomes funder.” (Participant 2, SAMRC)

The nature of government departments and state entities means that there are hierarchies to observe and procedures to follow when communicating with relevant officials. For instance, only a senior unit director at the state entity was permitted to engage with a Director General or Deputy Director General at the various departments and government ministries. There was a considerable challenge in obtaining approval from the National Department of Science and Innovation, which received the outcomes funding from the National Treasury and who would channel the funds to the SAMRC. This resulted in delays to approve, contract, and launch the Imagine SOBC.

> “The second thing that has taken a long time, and it's been very frustrating, has been the government interaction. The DSI have been, you know [*sic*], deliberately obstructive.” (Participant 1, independent consultant (academia))

There was one main official at the National Department of Science and innovation who proved particularly challenging to obtain approvals from. Without that specific individual’s willingness and buy-in, the Imagine SOBC approval was delayed. This resulted in many iterations of the financial model and changes to the contracts by various consultants on the team. Their additional time spent on the changes contributed to inflating costs during the design phase.

> “I'd put it into the hands of an individual in that particular department, they have a lot to answer for…they have cost the country a lot of money in their individual capacity” (Participant 1, independent consultant (academia))

> “And there can be a single individual within a tangential department, that derails, millions of Rands worth of a project. That's a danger within the South African government or public sector” (Participant 1, independent consultant (academia))

Due to the SAMRC operating as a government entity, there are certain restrictions it must comply with. For example, all state entities must abide by the rules and guidelines of the Public Finance Management Act (PFMA). The PFMA provides uniformity in public administration and financial management, providing methods to ensure accountability in the public sector (Madue, 2007). However, due to the Imagine SOBC being a novel transaction, there is no mention of how this type of transaction should be managed according to the PFMA, and this resulted in a convoluted process to obtain approvals from government officials.

> “We're now in a situation where you have to have ministerial approval from the Minister of Finance, Minister of DSI and Minister of Health…that's because we're deviating from standard Treasury regulations and the PFMA.” (Participant 2, SAMRC)

Due to the novelty of the SOBCs in the South African setting, there was no guidebook for stakeholders to follow. As part of the lesson learning during the Imagine design phase, stakeholders intend to design a tool that will list the steps and processes to obtain necessary approvals.

> “They will prepare a Treasury note on how to do social impact bonds so that any other government entity with the same limitations under the PFMA, as a how-to kind of manual.” (Participant 3, SAMRC)

Each SOBC has unique features and therefore documents like contracts must be tailored accordingly, which also contributed to delays and lengthy processes.

> "It seemed like these SIBs are so specific, that everyone you must start the contract from scratch. So, we've spent a lot of time on the contracting." (Participant 2, SAMRC)

Because the SAMRC intends to play dual roles of Intermediary and acting on behalf of the Commissioner, appropriate measures must be put in place to ensure governance which protects the interests of all stakeholders involved.

> "There's this tension between us being both the receiver of our money and the payer out of money." (Participant 4, SAMRC)

Politics and the approval processes were consistent themes highlighted by the Imagine SOBC design stakeholders during the interview process. This theme was related more to the external relationships and approvals of the SOBC design process rather than the internal dynamics between stakeholders collaborating during the design process.

Challenges

The politics and processes were accompanied by a variety of challenges during the Imagine SOBC design. These included challenges with designing the Imagine SOBC and obtaining buy-in from other stakeholders. Identifying political champions in government departments proved to be one of the biggest challenges for the Imagine SOBC design team.

> "You must find key people and then they bring others along. That's the biggest challenge of multistakeholder work." (Participant 1, SAMRC)

During the early stages of the design process, Imagine SOBC design stakeholders anticipated challenges with securing buy-in from social and private investors. What transpired instead was the unanticipated challenge of getting approval from the government department that was meant to play the role of outcomes funder for the Imagine SOBC.

> “We imagined, at the onset, that the biggest challenge would be getting a social investor. We didn't realise the challenge would be the outcomes funder.” (Participant 2, SAMRC)

Without receiving the necessary approvals from decision-makers in the public sector, contracting the service providers and social investors could not take place, which created a lot of uncertainty. This uncertainty extended to the launch of the programme as well as ensuring that there was sufficient capacity on the team.

> “They're refusing to sign a new contract until we get something in writing from DSI. Everybody's livelihood is affected by this indecision. So, you really must be very resilient.” (Participant 1, SAMRC)

> “I'm worried that it's not going to happen…there's also just the disappointment of spending all of this time and devoting resources to it and it's not happening.” (Participant 1, technical advisory organisation)

The ramifications of the delays meant that the Imagine SOBC design, model, targets, and timelines had to be readjusted repeatedly during the design period. This contributed to ballooning costs during the design phase because employees of the respective stakeholder organisations have had to revisit some components of the Imagine SOBC design.

> “We would have started and been on track a long time ago. Because every delay they bring along, means we must rethink the targets, rethink the financial model.” (Participant 1, SAMRC)

"With the shifting timelines, we've had to recalibrate continuously, until we've landed at a point where we are all comfortable with them. If the timeline gets extended further, we must enter [*sic*] that recalibration process again." (Participant 2, service delivery/implementation organisation)

The intermediary SAMRC was also warned against keeping investors waiting for extended periods while obtaining approvals from government departments. Investors and private sector organisations are likely to get frustrated and move on to other projects if the delays and process for approvals take too long.

"An investor is not going to sit forever just waiting for an impact bond to happen because they have an opportunity cost, they have other projects in their pipeline that they could start with the capital that they are going to allocate to an impact bond." (Participant 1, technical advisory organisation that specialises in SIB financial modelling)

Despite the challenges and delays with approval processes, the team of stakeholders continued to work toward getting the Imagine SOBC to launch and implement. Stakeholders again appreciated the values of leadership from the SAMRC coordinating team in overcoming the various challenges and being persistent.

"So, I think the thing about innovation is, it takes time, you really need perseverance." (Participant 1, SAMRC)

"I've learned a lot from their leadership, and their persistence and their doggedness." (Participant 1, independent consultant (academia))

To add to the challenges experienced during the design phase, the COVID-19 pandemic and lockdown during 2020 and 2021, forced the stakeholder team to readjust the financial model and implementation package. The stakeholder team had to identify any risks that arose, namely how the priorities of the National Departments shifted in response to the pandemic.

> "That really threw a spanner in the wheels, because suddenly, when the whole situation changed, we didn't know what we were dealing with…schools were closed. Department of Basic Education, Department of Health, we couldn't get hold of them anymore, understandably because they were busy." (Participant 4, SAMRC)

> "There's also still the COVID pandemic that might flare up again and give us challenges. I think going forward there's more challenges thrown at us by realities of life in South Africa." (Participant 4, SAMRC)

However, the COVID-induced delay yielded some benefit in that the team had avoided risky implementation with the closure of schools.

> "Looking back now is better that we can start now that schools are opening again, if we started a year ago, we wouldn't have had any students. So, it's good that we had a delay (pause) We would have failed miserably if we started last year." (Participant 4, SAMRC)

The Imagine SOBC design phase was fraught with many challenges and processes which the stakeholders were unfamiliar with. However, the SAMRC intermediary team were nimble, and adaptive and provided the necessary leadership to navigate through the uncertainties. A key lesson learnt is that these challenges required perseverance and flexibility from the Imagine SOBC stakeholder team.

Looking to the future

When asked about their recommendations for future impact bonds or transactions of a similar nature, stakeholders shared insights on what could be improved upon. Firstly, a priority area was to ensure that the approvals processes were more efficient. This is due to the lengthy delays of approvals experienced by all stakeholders.

> “Find new ways to make it or to have a quicker or fast negotiation process, get an agreement among all the different stakeholders in terms of the timelines, in terms of the commitment.” (Participant 1, technical advisory organisation that specialises in SIB financial modelling)

Should the Imagine SOBC be a success, there is an opportunity to expand the SOBC transaction design to other priority development areas in health.

> ”If the programme is socially successful, this model of outcomes funding is capable of being extended into other areas.” (Participant 2, technical advisory organisation that specialises in SIB financial modelling)

With the implementation of more projects in future, a track record of similar transactions will provide evidence of outcomes-based projects for the benefit of public services.

Due to the novelty of the SOBCs in the South African setting, there was no guidance for stakeholders to follow during the Imagine SOBC design phase. Furthermore, each SOBC transaction has unique features which must be tailored accordingly.

> “Not all SIBs are the same. In this SIB, the financial flow looks a particular way. And the research outcomes look a particular way. But from what I

understand social impact bonds can be set up with different financial flows, and with different social outcomes and with different measurable targets." (Participant 3, SAMRC)

Although each SOBC has unique features there are some components of the design which can be replicated and adapted. For instance, the contracts for successive SOBCs can be amended using a template.

"But hopefully, if we move forward to another SIB, it'll be it will be a lot easier because we now have the template." (Participant 2, medical research organisation)

Following the approvals and implementation of the Imagine SOBC, the SAMRC and its technical service providers intend to create a guidance manual or template to create transactions of a similar nature in future. However, the SAMRC, the Imagine SOBC intermediary organisation was warned against relying too heavily on a template for future projects considering that SOBCs are unique and that contexts may change.

"There's a danger that you then design everything according to what you've experienced in the past, and not having a what a broad remit of knowledge within…suddenly your options narrow even further. I think so that's potentially a risk." (Participant 1, independent consultant (academia))

The intermediary SAMRC is also warned against keeping investors waiting for extended periods while obtaining approvals from government departments.

"An investor is not going to sit forever just waiting for an impact bond to happen because they have an opportunity cost, they have other projects in their pipeline that they could start with the capital that they are going to allocate to an impact bond." (Participant 1, technical advisory organisation that specialises in SIB financial modelling)

The SAMRC intends to become a thought leader in the space of outcomes-based contracting for health. During the interviews, stakeholders considered outcomes-based contracting as a promising set of tools to contribute to South Africa’s development priorities.

> “We are also very interested in developing the conditions across different countries and developing the capacities and the capabilities of different stakeholders to work in social impact bonds.” (Participant 1, technical advisory organisation that specialises in SIB financial modelling)

> “Outcomes-based programmes offer the opportunity to have higher data integrity. And then from that, we'll be able to recalibrate and really understand what's going on in our country a little bit more.” (Participant 2, service delivery/implementation organisation)

Imagine SOBC stakeholders provided the recommendations above to improve the design phase in future outcomes-based contracts and expressed optimism when it comes to thinking about the future. Apart from the delays encountered, stakeholders were confident that Imagine SOBC has the potential to be the transaction that starts a series of similar SOBCs.

Discussion

This study aimed to understand the stakeholder roles and experiences during the design phase of the Imagine SOBC. The data collected from SOBC design stakeholders revealed their dynamics of working together, politics and processes encountered, challenges during the design phase and considerations for the future. The Imagine SOBC holds some important lessons for future SOBC implementation.

It should be noted that the South African Medical Research Council plays the role of Intermediary but as a state entity, it can act in the interests of the government departments or outcomes funders (Abdullah et al., 2019). One of the biggest obstacles during the design phase was the delay presented by a specific government department when obtaining approvals for the Imagine SOBC. This department was responsible for channelling the outcomes funding for the project from the National Treasury and to whom the SAMRC would act on behalf. However, stakeholders highlighted a risk in the department that was unwilling to process the Imagine SOBC's approval and thereby commit to it. Part of the reason for their hesitation was a lack of knowledge about SOBCs. This is in agreement with Bloom (2015) who noted that an obstacle to implementing SIBs is the commitment of an outcomes funder who will pay returns to an investor based on the achievement of targets.

The Trailblazer study of SIBs in the United Kingdom found that the technical component of SIBs and its emphasis on novelty posed challenges for commissioners during the SIB design phase (Fraser, Tan, et al., 2018b). It was also found that to have full commitment from the commissioner, SIBs must present a compelling case for the complex technical aspects of the design or key individuals may not choose to venture into these contracts (Fraser, Tan, et al., 2018b). This finding also concurs with the findings of Carè et al. (2020) who described some of the risks for SIBs, which include a lack of commitment between partners and approval delays. A study comparing a SIB to traditional service commissioning found that the commissioners played a key role in relationship-building with the service providers and were involved in the codesign process (Dayson et al., 2020). This, however, was not the case in the Imagine SOBC because no government department commissioned it and rather the SAMRC acts as the intermediary. It must also be noted that the researcher was unable to secure an interview with government officials.

One of the crucial elements of SIBs is the political will and commitment during the process (Bains et al., 2021). When governments are unfamiliar with outcomes-based contracting, there may be more hesitancy to engage in a project like SIB due to its complex technical nature (Burand, 2012). This is reflected in a report by Khan (2021b) which found that some South African government decision-maker stakeholders struggled to understand the SIB concept (Khan, 2021b). To add to this challenge, different stakeholders were unfamiliar with the approval processes of other stakeholders and all the contracting required (Khan, 2021b). This trend appears to be continuing with the Imagine SOBC. The lack of collaboration or decision-making from government departments (Burand, 2012) may explain the slow approval process for the Imagine SOBC.

The lack of coordination can be attributed to entrenched government interests, weak governance, lack of knowledge of outcomes and even deliberate resistance (Burand, 2012). The renegotiations and recalibrations of the Imagine SOBC model agree with the findings that governments can influence renegotiations of SIB contracts and prevent progress with their delays (Burand, 2012). There is also a tendency to silo and compartmentalise government departments, further hindering efficiency and cooperation (Berndt & Wirth, 2018). SIBs require authorization and enabling regulations to ensure government departments abide by them (Burand, 2012). The Impact Bond Innovation Fund in South Africa, an intervention that delivered early childhood development outcomes and which took place during the design phase of the Imagine SOBC, proved to have a costly and time-consuming process (Khan, 2021b). It is important to note that costs will be incurred when processing government approvals, especially for complex transactions like SIBs (Khan, 2021b).

The use of SIB champions in commissioner agencies can contribute to mitigating political risk and promoting SIBs in other organisations (Fraser, Tan, et al., 2018b). Once the potential conflicts and risks have been addressed, SIBs have the potential to be win-win situations for all stakeholders (Pandey et al., 2018). First-time SIBs are encouraged to have a strong learning component to share evidence and lessons learnt to improve future practice (Strid & Ronicle, 2021).

This study's findings emphasised the collaboration that took place between Imagine SOBC stakeholders during the design phase. Although collaboration may appear to be beneficial, it can lead to challenges during the late stage of the design phase (Fraser, Tan, et al., 2018b). In terms of governance, close collaboration between the implementer and investor may be perceived as an unfair advantage during the procurement, thereby introducing a conflict of interest (Fraser, Tan, et al., 2018b). In order to mitigate any conflicts of interest, some SIB specialist organisations may choose to “step away” from collaborative discussions with the other stakeholders (Fraser, Tan, et al., 2018b). In comparison to other studies (Fraser, Tan, et al., 2018b); Fraser, Tan, Lagarde, et al. (2018), there was an alignment of values between the intermediary and implementer and technical service providers in the Imagine SOBC. They recognised the need for the Imagine SOBC, the importance of reaching the target beneficiaries and their respective values were aligned.

All Imagine SIB stakeholders are aligned with the project, however, clear timelines must be communicated widely to prevent delays (Bains et al., 2021; Fraser, Tan, et al., 2018b). To prevent conflicts of interest and opportunistic behaviour between different stakeholders, it is recommended that safeguards for governance are put in place during SOBC design phases (Pandey et al., 2018). There is a need to build more transparency in the sector to improve understanding by all stakeholders and the beneficiaries of social and health services, (Khan, 2021b). This is crucial to bear in mind considering the intention to build a market for more SIB transactions, which has been noted in other contexts (Berndt & Wirth, 2018; Strid & Ronicle, 2021).

Including SIB beneficiaries and the public as a stakeholder should be considered as part of a consultation or participatory approach. According to Bains et al. (2021), there should be community involvement and relationship-building during SIBs. The Trailblazer SIBs in the United Kingdom included consultations with the public, which resulted in pushback on the SIB due to concerns about the potential privatisation of health (Fraser, Tan, et al., 2018b). Moving forward into the post-COVID era, sharing evidence on SIBs, coupled with an element of resilience needs to be built into all stakeholder relationships and based on their capacities (Bains et al., 2021).

SIB stakeholder relationships are built on trust and legitimacy (Fraser et al., 2021). For there to be a future for SIB projects, there needs to be a culture of commitment, accountability and consistent learning for all SIB stakeholders (Jackson, 2013; Lowe et al., 2019). The regulatory and policy environment should also facilitate SIB transactions in future based on whether they are successful and whether they save government funds (Trotta et al., 2021).

Limitations

These findings must be viewed in light of several limitations. Firstly, the number of potential stakeholders was limited and as a result, the number of interviews is limited. The study participants were limited to Intermediary and implementation and technical Service Provider stakeholders. There were no representatives from the government departments, namely the Departments of Science and Innovation, Basic Education, Health, and Finance, which leaves a gap in a group of key stakeholders. The reason for leaving out government representatives was due to the sensitive nature of the contracting and negotiation process during the study's data collection period.

The data collection was therefore limited to stakeholders involved in the regular Imagine status update meetings and the data collection period began in February 2022 and ended in August 2022. This period indicates that there was a very small window of data collection relative to the entire Imagine SOBC design phase. At the time of analysis and write-up, the Imagine SOBC had still not been approved for implementation and contracts with different stakeholders had not been signed.

Conclusion

This study aimed to understand the experiences of different stakeholders involved in the design of the Imagine Social Outcomes-Based Contract for adolescent girls and young women in South Africa. Because of the novelty of this type of transaction in the South African setting, it was important to document the experiences of those closely involved with the SOBC design. It was found that although many stakeholders generally regarded the collaboration as a positive experience, there were instances like government delays and approvals that all stakeholders were frustrated by. This study contributes lessons and learnings as part of the wider Imagine SOBC evidence and provides insights into the processes and dynamics that SIB design stakeholders should be aware of in future. This study contains important findings for decision-makers in government and those who will create enabling policy environments for future SIB contracts in South Africa.

Recommendations

Future research should include employees of the social Investor organisation, the national departments involved, the verification agent and potentially, the beneficiaries of the SIB. The private investor experience would be important to understand their perspective as well as the motivations and values that they have as a stakeholder. Future researchers should include members of the commissioning governmental department and/or the National Ministry of Finance to obtain their perspectives and experiences, which will contribute to the understanding of the political aspect of SOBCs and how they work or don't work to create an enabling public sector environment for SOBC transactions.

There is also an emphasis on the delegation of roles, cooperation between stakeholders, sharing knowledge in a transparent manner and establishing commitment for the long haul in the early stages of the design phase. In terms of policy, there is a need to create an enabling regulatory environment for these types of transactions, political will or buy-in to ensure timeous approvals and an enthusiasm to engage in a new and innovative initiative. Furthermore, if successful, there needs to be more allowance for unique transactions like SOBCs in national policies and acts like the PFMA.

This research design can be replicated in future Social Outcomes-Based Contracts to compare the experiences of different stakeholders over different projects. The findings of this study can also be used to shape the design, approval and contracting processes of future social outcomes-based contracts planned for other priority areas in future. Furthermore, in considering the replicability and scalability of SIBs, these lessons could be shared with other countries in sub-Saharan Africa that face challenges with their respective complex social issues (Zvoushe, 2022). Impact bonds have been implemented in Africa across different development priorities, however, there is still room to learn about their application to healthcare in the African context. The findings of this study will be shared across a network of organisations and countries interested in developing and designing their own impact bonds and to build an evidence base.

It can be used to provide potential stakeholders with a glimpse of what to expect during the process, as well as what intermediaries can improve upon in future. The perspectives shared by stakeholders in this study will give governments and commissioning stakeholders deeper insight into the experiences and frustrations caused by lengthy approval processes. Should the Imagine SOBC be successful, this study can be used to inform better practices and contribute to the evidence base.

Chapter 4: Overall conclusion and recommendations

4.1 Discussion

The aims of this study were twofold: firstly, to identify the roles of different stakeholders and secondly, to understand their experiences during the design of the Imagine Social Outcomes-Based Contract. The roles of stakeholders corresponded with those described by the Trailblazer study in the United Kingdom (Fraser, Tan, et al., 2018b). These include service providers or non-profit organisations who provide a social service to a beneficiary group and private investors who provide the initial funding to generate a profit (Berndt & Wirth, 2018; Fraser, Tan, et al., 2018b). There is also the central role of the intermediary, or organisation tasked with coordinating other stakeholders, leading project management and securing funding for the SIB projects (Berndt & Wirth, 2018; Rudd et al., 2013).

SIB Trailblazers in the UK were categorised into Direct Provider, Special Purpose Vehicle and Social Investment Partnership models with a government department playing the role of commissioner (Fraser, Tan, et al., 2018b). However, the structure of the Imagine SOBC with the SAMRC playing an intermediary role is unique (Abdullah et al., 2019). SIBs encourage the involvement of new actors in relationships which require new governance rules (Fraser, Tan, et al., 2018b). In addition, there are also elements of incentivisation and different types of management styles of the various stakeholders' (Fraser, Tan, et al., 2018b). SIB commissioners are oftentimes constrained by bureaucracy and public finance rules (Dixon, 2020), which is the case of the state entity, the SAMRC.

The commitment of a government department is crucial for the success of SIBs and a strong relationship with key government stakeholders needs to be established early on in the design phase (Rudd et al., 2013). Stakeholders also collaborated on an organisational structure for the design phase (Hulse et al., 2021). It is unknown whether some policymakers in the department supplying outcomes funding for the Imagine SOBC found the project appealing because the researcher was unable to interview them.

During the Imagine SOBC design process, there were general reflections on how well all the stakeholders collaborated despite coming from different backgrounds and motivations. There was a collective alignment among all stakeholders despite their differences in values. This concurs with the findings by Fraser, Tan, et al. (2018b) where Trailblazer SIBs for health and social welfare encouraged collaboration during the design phase. The Imagine SOBC did take a long time to develop but this was due to a combination of explaining the SIB, obtaining buy-in and approvals. The finding of collaboration agrees with findings in South America where there were financial, reputational and collaborative incentives for stakeholders who established a structure with more formalized learning that ensured sustainability (Strid & Ronicle, 2021).

The complex structure of SOBCs needs considerable commitment, sufficient demand and time resources from the government as well as sufficient capacity among stakeholders (Oroxom et al., 2018; Strid & Ronicle, 2021). In Cameroon's Cataract Impact Bond, the stakeholders' biggest challenge was obtaining the buy-in of investors, which was an iterative process (Oroxom et al., 2018). The difference in the Imagine SOBC was obtaining the buy-in of the government department that was meant to approve the transaction. Commissioners or governments in previous impact bonds found it challenging to identify outcomes of interest and obtain agreement from stakeholders on the contractual terms (Ronicle et al., 2014). Commissioners also said that SIBs are bureaucratic, add complexity and increase the costs of transactions and contracts (Ronicle et al., 2014).

Service providers generally had a good understanding of the SIBs (Ronicle et al., 2014), which agreed with the findings of this study. Furthermore, there was enthusiasm from service providers involved in the Imagine SOBC. The provision of working capital from the investor as well as the innovative and flexible nature of impact bonds served as a motivator for service providers to participate in the SIB process (Ronicle et al., 2014) which also agrees with the findings of this study.

First-time SIBs are challenging to develop because of their innovative nature, which led to a failure to launch in some contexts (Strid & Ronicle, 2021). For one, it is challenging to justify the need for the SIB and contract all stakeholders (Ronicle et al., 2014), which is the case in the Imagine SOBC design phase. The novelty of impact bonds can also serve as a barrier that prevents buy-in from other stakeholders (Oroxom et al., 2018). In addition, donor organisations may not be as willing to provide grant funding that will support the design work and some organisations may consider it as a sunk cost instead of an investment (Oroxom et al., 2018).

When embarking on future transactions of this nature, one of the most important factors to consider alongside the design of the programme should be the careful selection of stakeholders (Oroxom et al., 2018; Strid & Ronicle, 2021). Potential stakeholders should be willing to learn, willing to invest their time and resources when designing a SIB and should be committed throughout the process (Oroxom et al., 2018). In future, SIBs should include the outcomes funder as a design phase stakeholder but there should be a balance between the efficiency and risk/liability of involving an outcomes funder too early on (Drew & Clist, 2015; Oroxom et al., 2018). Future SIBs are strongly recommended to include beneficiaries in the design phase and ensure that lessons are shared to generate an evidence-based (Albertson et al., 2020; Jackson, 2013).

Establishing the first SIB of a series of SIBs calls for a sizeable investment that will cover the complex design of these types of transactions (Strid & Ronicle, 2021). The trade-off for the hefty initial investment is that the pipeline of SIB projects will present a platform for generating evidence which can be applied to other programmes (Drew & Clist, 2015; Rudd et al., 2013; Strid & Ronicle, 2021). In contrast to the findings of the Trailblazer study (Fraser, Tan, et al., 2018b), there were no clashes between stakeholders involved in the Imagine SOBC and their values. Trailblazer SIBs were financed by philanthropies that reinvested the returns for other programmes (Fraser, Tan, et al., 2018b). Investors are concerned with the sustainability of a programme if it is considered effective (Iovan & Lantz, 2018). However, due to the constraints of interviewing the private investor in this study, we could not determine if this was the same experience in the South African setting.

There are reasons for SIBs not progressing to the commissioning or implementation phases. One of the reasons in the United Kingdom was that there was a sudden government budget surplus which enabled the commissioner to forego SIB contracting and opt for conventional methods of contracting instead (Fraser, Tan, et al., 2018b). The public sector needs to ensure that there is some form of protection in the form of regulations (Iovan & Lantz, 2018). Another cause of the non-progression of a SIB can be due to the lack of buy-in of local commissioners which can be the result of inadequate time spent educating commissioners about the need for services (Fraser, Tan, et al., 2018b).

The contracting aspect of SIBs calls for coordination of government, private investors, and non-profit organisations, which can be time-consuming and resource-intensive (Katz et al., 2018; Warner, 2015). This was the case in the Imagine SOBC and the coordination is expected to continue well into the implementation phase. Most of the SIB research focuses on high-income countries instead of low-middle-income countries (Hulse et al., 2021). Policymakers and SIB practitioners require different forms of evidence and capacity building to realise a future landscape for the SIBs (Fraser et al., 2020). The gap to understand collaboration and partnership arrangements between stakeholders (Katz et al., 2018) was addressed in this study. This qualitative study added more insight into the broader evidence base for SOBCs.

4.2 Recommendations

The design and development of future Social Outcomes-Based Contracts, especially in South Africa, will benefit from further research. Researchers interested in this area can explore insights from stakeholders in the commissioning government departments, as well as investors from the private sector. This will inform the perspectives and experiences of these stakeholders who were not accessed during this study. Data collection from these stakeholders is possible provided there are no sensitivities during the next design phases.

Future studies can explore the role of the SAMRC as an intermediary and the implications for governance, leadership, and transparency during the implementation phase of the Imagine SOBC. This is in line with the unique role that the SAMRC is playing as an outcomes funder and intermediary. Therefore, it will be of interest to understand how it navigates its leadership role.

The delays incurred during the design process have considerable cost implications which can be quantified through a costing exercise and economic analysis. This will contribute to determining the opportunity costs of delaying implementation and guidance for government officials and policymakers who are considering future impact bonds. Should there be a pipeline of health focused SOBCs, as envisioned by the stakeholders, this study can be replicated to understand the stakeholder roles and experiences in future arrangements and draw comparisons across the different projects and health priorities.

4.3 Conclusion

This study aimed to understand the roles and experiences of key stakeholders involved in the design and launch of the Imagine Social Outcomes-Based Contract in South Africa. The reason for this was because the Imagine SOBC is a novel project in South Africa with the SAMRC playing a leading role as an intermediary and outcomes funder. This project is based on contracting for performance, and if successful, it may inform policy for financing future health-related outcomes-based contracts.

At the time of data collection and writing, the Imagine Social Outcomes-Based Contract had still not been launched. This is due to the complex and protracted approval process as noted in this study. This study found that there were different roles that each stakeholder played but they were all coordinated towards a common vision. Key themes arose during the study, namely the dynamics of working together, politics and processes to follow and considerations for the future. These findings are important because they contribute to a nascent evidence base of health SOBCs in South Africa. The lessons generated from this study can be drawn upon when embarking on future projects of a similar nature. This study shows that for South Africa to try new and innovative ways to improve its population health outcomes, collaboration, and value alignment across a wide range of stakeholders are necessary.

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Appendices

Appendix A: Plagiarism declaration

UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

FACULTY OF HEALTH SCIENCES

PLAGIARISM DECLARATION TO BE SIGNED BY ALL HIGHER DEGREE STUDENTS

SENATE PLAGIARISM POLICY: APPENDIX ONE

I ___Gillian Pryadarshini Moodley___ (Student number: ___456284___) am a student registered for the degree of ___Masters of Public Health___ in the academic year ___2022___.

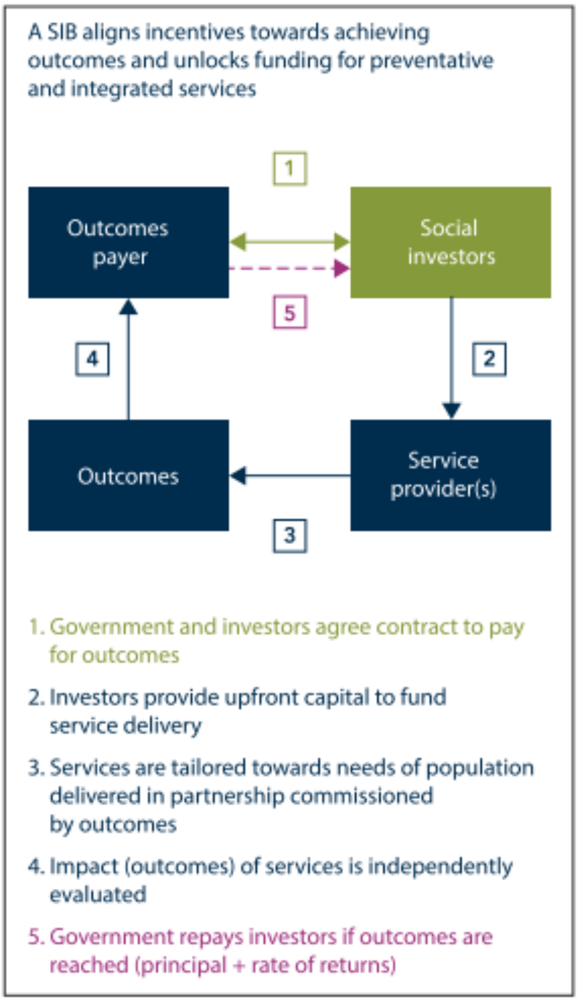
I hereby declare the following:

- I am aware that plagiarism (the use of someone else's work without their permission and/or without acknowledging the original source) is wrong.
- I confirm that the work submitted for assessment for the above degree is my own unaided work except where I have explicitly indicated otherwise.
- I have followed the required conventions in referencing the thoughts and ideas of others.
- I understand that the University of the Witwatersrand may take disciplinary action against me if there is a belief that this is not my own unaided work or that I have failed to acknowledge the source of the ideas or words in my writing.
- I have included as an appendix a report from "Turnitin" (or other approved plagiarism detection) software indicating the level of plagiarism in my research document.

Signature: __________ Date: ___5 December 2022___

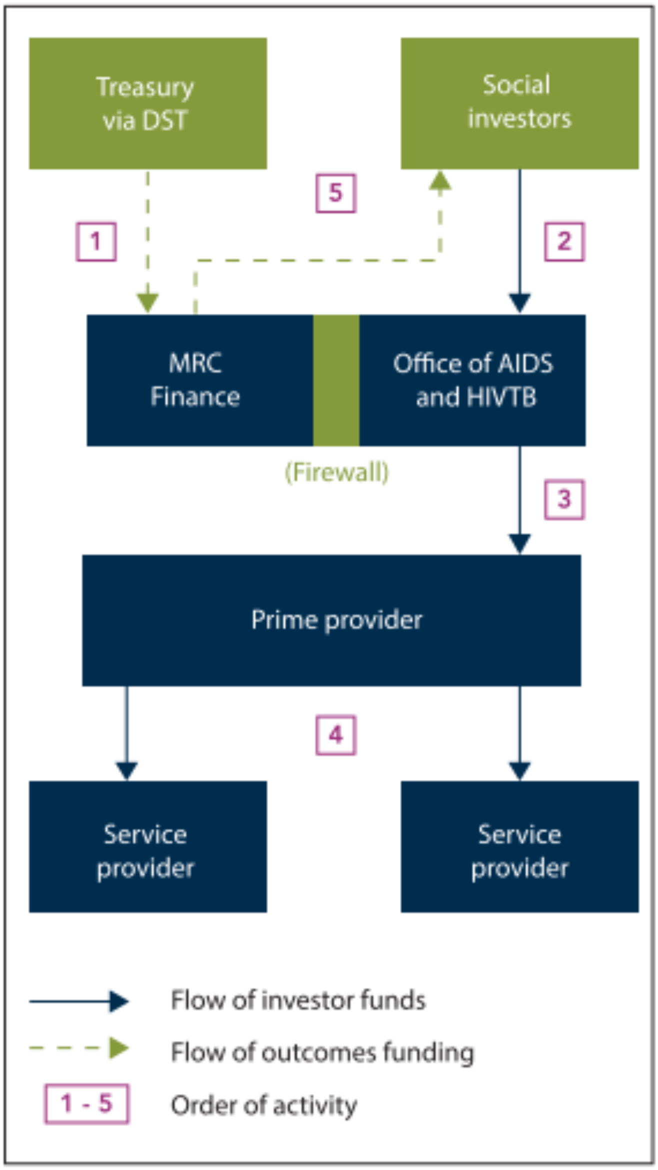
1

Appendix B: Social Impact Bond mechanism



Source: (Abdullah et al., 2019)

Appendix C: Imagine Social Outcomes-Based Contract structure



Source: (Abdullah et al, 2019)

Appendix D: Ethics clearance certificate

UNIVERSITY OF THE
WITWATERSRAND,
JOHANNESBURG

R49 Ms G Moodley

HUMAN RESEARCH ETHICS COMMITTEE (MEDICAL)
CLEARANCE CERTIFICATE NO. M211048

NAME: (Principal Investigator)	Ms G Moodley
DEPARTMENT:	School of Public Health Medical School University
PROJECT TITLE:	*Understanding the roles and experiences of key stake-holders involved in the design of the novel imagine social impact bond in South Africa*
DATE CONSIDERED:	2021/10/29
DECISION:	Approved unconditionally
CONDITIONS:	
NOTE:	If contact information regarding student study participants is required, please contact the Registrar's office - <Nicoleen.Potgieter@wits.ac.za>
SUPERVISOR:	Professor N Christofides
APPROVED BY:	CB Penny Dr CB Penny, Chairperson, HREC (Medical)
DATE OF APPROVAL:	2021/12/15

This Clearance Certificate is valid for 5 years from the date of approval. An extension may be applied for.

DECLARATION OF INVESTIGATORS

To be completed in duplicate and **ONE COPY** returned to the Research Office secretariat on the 3rd floor, Phillip Tobias Building, Parktown, University of the Witwatersrand, Johannesburg.

I/we fully understand the conditions under which I am/we are authorized to carry out the above-mentioned research and I/we undertake to ensure compliance with these conditions. Should any departure be contemplated from the research protocol as approved, I/we undertake to submit details to the Committee. **I agree to submit a yearly progress report**. When a funder requires annual re-certification, the application date will be one year after the date when the study was initially reviewed. In this case, the study was initially reviewed in October and therefore reports and re-certification will be due in the month of **October** each year. Unreported changes to the study may invalidate the clearance given by the HREC (Medical).

GMoodley
Signature of Principal Investigator

24 March 2023
Date

Appendix E: Statement of researcher's role

GP Moodley

Student no. 456284

5 December 2022

To Whom it May Concern,

Statement of researcher's role in the manuscript to be submitted.

This letter serves to confirm that Gillian Moodley, student no. 456284, will be submitting a manuscript entitled "How complex the Social Outcomes-Based Contract instrument is, how time-consuming undertaking such a design process is and how important the relational aspect of designing something like this is" A qualitative study of the Imagine Social Outcomes-Based Contract in South Africa, 2022" as part of her research report for a Master of Public Health at the University of the Witwatersrand.

The manuscript is based on primary qualitative research conducted by Gillian Moodley, with the approval and support of the OATB and Imagine SOBC leadership team at the SAMRC... Gillian collected and analysed the data, as well as drafted the manuscript under the co-supervision of Professor Nicola Christofides and Lieve Vanleeuw. Drs Nevilene Slingers and Fareed Abdullah of the SAMRC will review and comment on the manuscript.

Yours sincerely,

Prof Nicola Christofides

Associate Professor

Wits School of Public Health

Lieve Vanleeuw

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South African Medical Research Council

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Appendix F: Information sheet for interviewees

UNDERSTANDING THE ROLES AND EXPERIENCES OF KEY STAKEHOLDERS INVOLVED IN THE DESIGN OF THE NOVEL IMAGINE SOCIAL OUTCOMES-BASED CONTRACT IN SOUTH AFRICA

Good day. My name is Gillian Moodley. I am a student from the School of Public Health at the University of the Witwatersrand studying towards a Master of Public Health in Health Systems and Policy. I obtained permission from the University of the Witwatersrand's Human Research Ethics Committee to research the roles and experiences of key stakeholders involved in the design and launch of the novel Imagine SOBC targeting AGYW in South Africa.

<u>Introduction:</u>

You are invited to participate in this study which will contribute to the process evaluation of the Imagine SOBC. Before you decide whether to accept this invitation, it is important to understand why the study is taking place and what it entails.

The purpose of this study is to provide a further understanding of the roles and experiences of different stakeholders leading up to the launch of the Imagine SOBC in South Africa.

Objectives of the study are:

1. To explore the experiences of stakeholders involved in the design and launch of the Imagine SOBC
2. To understand the processes and engagements leading up to the launch of the SOBC
3. To document lessons learnt and provide recommendations to those interested in conducting an SOBC in future

Invitation to participate:

I would like to invite you to take part in the study. The information that you will provide for this study will be used to inform stakeholder relationship management for future SIBs that will be carried out.

I am aware of your role in contributing to the SIB effort and therefore the interview should take no more than 60 minutes of your time.

What is involved in the study:

This study consists of a one-on-one interview that should take an hour of your time. I have some questions to ask you about your role and what you have experienced during the Imagine SOBC journey. I also have with me a voice recorder to record the interview, however, your consent for me to do so.

Risks:

There are no risks associated with participating in this research.

Benefits:

There are no immediate benefits to you from participating in this study. However, this study will be extremely helpful to me in developing a research report on this topic that I hope will promote a better understanding of the roles of different stakeholders and their experiences during the design and launch of a SIB.

If you or your organisation would like to receive feedback on our study, we will record a contact phone number or email address on a separate sheet of paper so that we can send the results of the study when it is completed.

Participation is voluntary:

Please note that participation in this study is voluntary and there will be no direct benefits to anyone who participates in it, including reimbursements. There will be no negative consequences for you if you do not want to participate in the interview. You will not be paid for taking part in the study. During the interview, you have the right not to answer any questions that make you feel uncomfortable or to stop the interview at any time.

Reimbursements:

There will be no reimbursements for your voluntary participation.

Confidentiality:

The information that you provide during the interview will be kept confidential. All interviewees will be given a code and these codes will only be known by me as the researcher and will be used only for the study. Your name will not be made known in any feedback, transcribed data, or research report from the study. All the answers provided by participants will be combined and will be written in a collective form of a research report. All anonymised data will be stored under lock and key for at least five years and will be destroyed thereafter.

Contact details of researcher/s:

If you have further questions or concerns about the research, you may also contact me or my supervisor later. Our contact details are as follows:

Gillian Moodley (Student)

School of Public Health

University of the Witwatersrand, Johannesburg

Cellular Number: 083 226 8488

Email: 456284@students.wits.ac.za

Professor Nicola Christofides (Supervisor)

School of Public Health

University of the Witwatersrand, Johannesburg

Phone: 011-717 2566

Email: nicola.christofides@wits.ac.za

Contact details of the HREC administrator and chair

This study has been approved by the Human Research Ethics Committee (Medical) of the University of the Witwatersrand, Johannesburg ("Committee"). A principal function of this Committee is to safeguard the rights and dignity of all human subjects who agree to participate in a research project and the integrity of the research.

If you have concerns over the way the study is being conducted, please contact the Chairperson of this Committee who is Professor Clement Penny, who may be contacted on telephone number 011 717 2301, or by email on Clement.Penny@wits.ac.za. The telephone numbers for the Committee secretariat are 011 717 2700/1234 and the email addresses are Zanele.Ndlovu@wits.ac.za and Rhulani.Mkansi@wits.ac.za.

Thank you for reading this Study Information Sheet.

Contact details of Human Research Ethics Committee (Medical) (HREC) Administrator and Chair: The contact details of the HREC Administrator and Chair needs to be provided to the participants so that they may direct queries and/ or complaints regarding research participation.

Professor

Telephone: 011 717

Email:

Ms Zanele Ndlovu/Mr Rhulani Mkansi/Mr Lebo Moeng (Administrative Officers)

Telephone: 011 717 2700/2656/1234/1252

Email: zanele.ndlovu@wits.ac.za; Rhulani.mkansi@wits.ac.za; and Lebo.moeng@wits.ac.za

Appendix G: Informed Consent sheet

I hereby agree to participate in research on the roles and experiences of stakeholders in the Imagine SOBC in South Africa. I understand that I am participating freely and without any coercion to do so. I also understand that I can stop participating at any point should I not want to continue, and that this decision will not in any way affect me negatively.

I understand that this is a research project whose purpose is not necessarily to benefit me personally in the intermediate or short term.

I understand that my participation is voluntary, and confidentiality is guaranteed.

Participant:

Signature ___________________________. Date __________________________

I, ____ herewith confirm that the above participant has been fully informed about the nature and conduct of the above study and freely consented to be interviewed.

Researcher:

Signature ___________________________. Date __________________________

Appendix H: Audio recording consent form

I hereby confirm that I have been informed by the researcher about the nature, conduct, benefits, and risks of the study. I have also received, read, and understood the written participant sheet.

I understand that I can decide whether the interview will be audio recorded and that there will be no prejudicial consequences for me if I do not want the interview to be recorded. I understand that if the interview is audio-recorded that the file will be safely stored for 5 years after the interview has been transcribed.

I understand that I can ask the person facilitating the interview to stop the audio recording and to stop my participation altogether at any time.

I hereby give my written consent and agree to the interview being recorded. ☐

I do not give my consent to the interview being audio recorded. ☐

Participant:

Signature ____________________________ Date ___________________________

I, ____ herewith confirm that the above participant has been fully informed about the nature and conduct of the above study and freely consented to be audio recorded.

Researcher:

Signature ____________________________ Date ___________________________

Appendix I: Codebook

Code	Definition
Accountability	Referring to supporting fellow stakeholders and ensuring that there is some level of responsibility
AFSA	AIDS Foundation of South Africa - a principal recipient of Global Fund in the country
Alignment	Refers to position of agreement or alliance of stakeholders
Anticipated challenges	Refers to any challenges that the stakeholder may have expected to occur
Approval processes	Refers to the steps required to obtain the necessary clearance to proceed with the project
Assurance and guarantees	Refers to providing the investors and other stakeholders with some level of comfort for
Technical advisor – research and project management support	Refers to a technical advisory unit
Building a platform	Refers to a structure that will facilitate the work
Capacity-building	Refers to learning and acquiring new skills pertaining to the SIB technical aspects
Challenges with exchange rates	Refers to the currencies being used in different countries
Collaboration	Refers to working together with another actor/s
Communications	Refers to the marketing and communications aspects of the programme
Comparison	Refers to people comparing with other projects that have been done prior
Complexities of paying a financial return to an investor	Refers to how the government does not traditionally do this and how this novelty introduces some challenges
Compliance	Refers to actions that in accordance with commands, regulations or laws
Comprehensive programme	Refers to the a multitude of aspects contained in the programme

Conflict of interest	Refers to when something might benefit one party over another in a decision-making process
Context	Refers to the circumstances that form the setting for a project in which it can be understood
Contracting	Refers to any of the legal processes involved for the Imagine SOBC structure and bringing partners on board
Coordination	Refers to the bring together stakeholders and making different aspects work together
Costs	Refers to amounts of money for different activities
COVID-19	Refers to the Global pandemic
Decision-making	Another component of leadership but speaks to whether they had an element of power because they made decisions pertaining to the SIB design
Delays	Refers to the time wasted in anticipation of the SIB launch and implementation
Department of Basic Education	Refers to another government department
Design of the SIB	Refers to the process of designing the SIB
Difficult	Refers to any challenges encountered
Difficult to replicate	Refers to how challenging it will be to repeat this process
Disappointment	Refers to a feeling sad or displeased because expectations have not been met
DSI	Refers to the Nation Department of Science and Innovation which is a key stakeholder in the Imagine SOBC
Ease of the process	Refers to the ease with which processes can occur
Efficient	Refers to making things happen quickly
Effort	Refers to the amount of energy invested for the project

Emotional intelligence	Refers to the capacity to be aware of, control, and express one's emotions, and to handle interpersonal relationships judiciously and empathetically.
Evidence based	Refers to the research aspect of designing the SIB
Evolution of the SIB idea	How the idea changed over time
Expedite the process	Refers to making things happen quickly
Experience related to skills	Refers to the individual's previous experience that contributes to their skillset
Feasibility of the SIB mechanism	Refers to the potential or possibility of something being done
Financial model	Refers to the complex nature and structure of the Imagine SOBC
Financial project management	Refers to project management on the financial aspects of the programme
Flexibility of the SIB	Refers to the flexible nature of implementation
Frustration	Any emotion related to waiting and getting upset that something is not progressing
Functions and limitations of the organisation	Refers to what restrictions the organisation has on the way it can function
Funding	Refers to grant or outcome funds for the development and design of the SIB
Funding flow in the SIB	Refers to how money is intended to flow in the SIB mechanism internally
Technical advisor – research support	Refers to another technical partner
Global Fund	Any mention made of the GF who is one of the main funders of this project
Governance	Refers to structure and decision-making in the SIB mechanism
Government as the outcomes funder	Emphasis on the government as a funder of the outcomes because of the public service aspect of SIBs

Hardworking	Refers to working with energy and commitment
Hesitation	Refers to an unsure waiting
Hierarchy	Refers to levels of power in some organisations
History of government failure	Refers to the inability of the government to succeed in these areas
Impact	Refers to a marked effect or influence
Incentives	Refers to any rewards provided to beneficiaries
Inception	Refers to the start of the project from the very beginning
Indicator definitions	Refers to the description of the metrics
Intellectual property	Refers to the rights of an organisation creating lessons and evidence
Interlinked and complex processes	Refers to how all the components are related and how you need things in place before embarking on the next step of the project
Investors	Refers to any investors who are local or international
Involvement in meetings	Refers to future stakeholders participating in meetings for their benefit and learning
Knowledge and awareness of the SIB	Refers to how widely known the SIB is
Lack of confidence	Refers to the inability of the project to inspire some confidence from stakeholders
Lack of hierarchy	Refers to the lack of power in the teams
Lack of skills	Lack of the skills necessary for the SIB design
Lack of support	Refers to any assistance received, whether technical or in terms of backing in other ways
Leadership	Refers to any of the leadership abilities/values/behaviours nested within skills
Legal aspects	All that involves the legal aspects of designing the SIB and putting it together

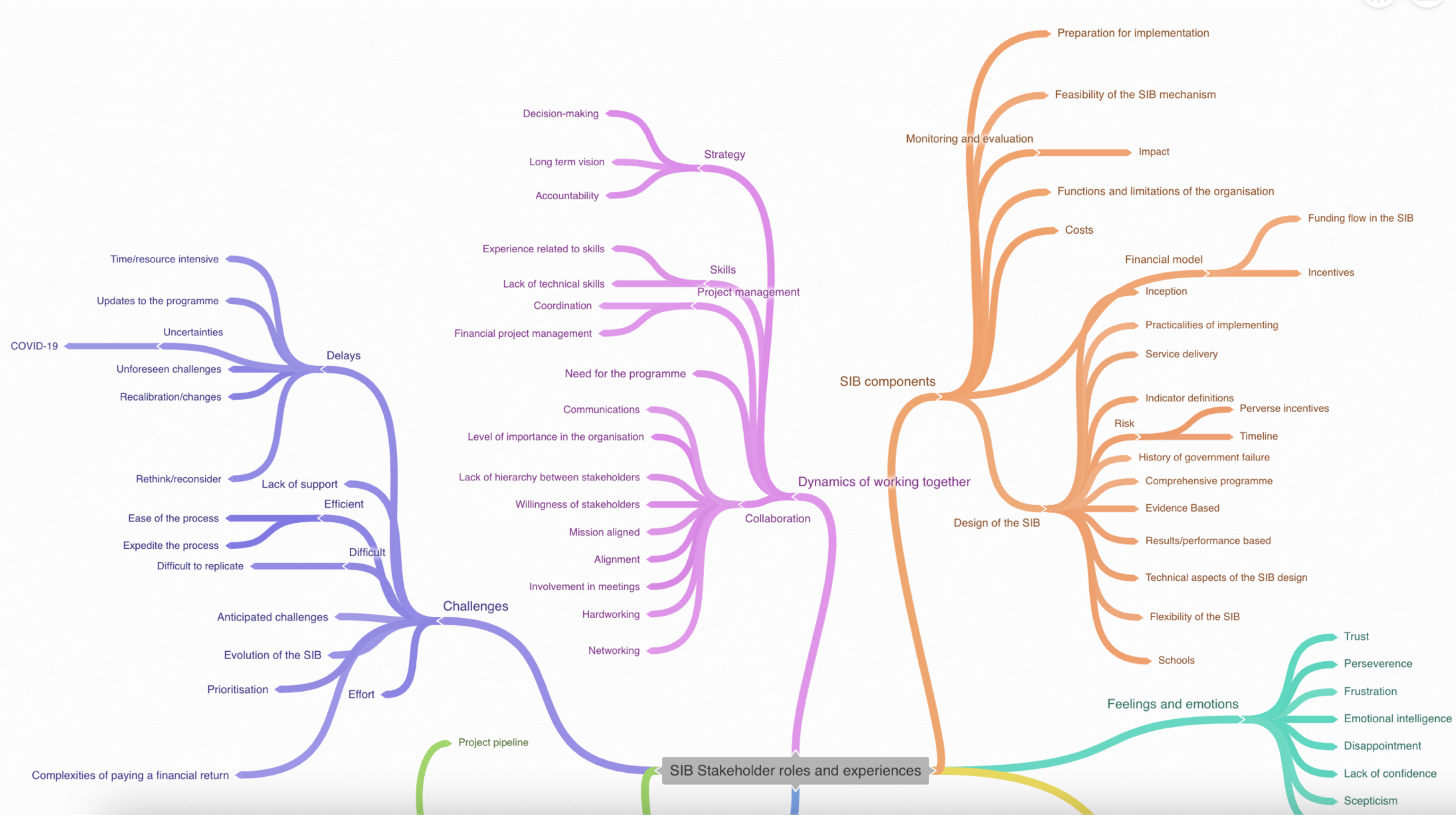
Level of importance in the organisation	Refers to how important this type of transaction is for the relevant organisation
Long term vision	Refers to any foresight and planning for the future
Market building	Refers to creating a market for these types of transactions
MDR-TB Social Impact Bond	Refers to the next project in the pipeline
Mission aligned	Refers to the purpose that an organisation has
Monitoring and evaluation	Refers to the M&E component of the programme
Service provider organisation	Refers to the non-profit organisation who will be implementing service provision in the SIB
National Department of Health	Refers to the national government department in charge of health
National Treasury	Refers to the National Treasury in South Africa
Need for the programme	Refers to the demand for an impactful programme
Negotiations	Refers to the process of back and forth discussions to reach an agreement
Networking	Refers to the professional connections of the people and parties involved in the SIB design
Novelty	Refers to the newness of this type of transaction
Obtain buy in	Refers to actively working to convince stakeholders to be a part of the project
Paradigm shift	A change in thinking
Parliament	Refers to a senior level of government
PEPFAR	Refers to the international donor
Perseverance	Refers to a persistent attitude when doing something
Perverse incentives	Refers to the motives of some stakeholders in projects
Philanthropic organisations	Refers to any organisations that provide donor funding and who aim for impact through the use of their funds

Politics	Refers to the macro/larger societal contexts in which the programme will be implemented
Practicalities of implementing	Refers to any of the considerations to ensure that the programme can be delivered realistically
Practice note	Refers to an official National Treasury guiding document for future practice
Preparation for implementation	Refers to the steps between design and implementation where partners are preparing for the implementation phase
Prioritisation	Refers to the action or process of deciding the relative importance or urgency of a thing or things.
Private sector	Refers to stakeholder organisations representing big business and the for profit sector
Project management	Refers to coordinating projects, budgets and timings
Project pipeline	Refers to the next projects that will be embarked on in the near future
Project selection	Refers to picking projects or priority areas to focus on
Public Finance Management Act	Refers to the regulation that deals specifically with the management of money in the public sector
Public sector	Refers to the governmental departments
Ramifications of the delays	Refers to the after effects as a result of the delays
Rand Merchant Bank	Refers to the private sector social investor involved in the SIB
Recalibration/changes	Refers to those adaptations made to the programme
Recommendations for future practice	Any suggestions that the stakeholder has to improve in future
Regulatory	Refers to any work that would involve current policy or regulatory affairs
Relationship building	Refers to the process of developing the social network
Replication	Refers to doing things the same way

Reputation management	Refers to the stakeholder perception and self-management to maintain an organisation's reputation
Resources	Refers to time, money, human capital or any other resource brought in by a stakeholder
Results/performance based	Refers to the emphasis of the programme which aims to change the way health programmes are funded and financed
Rethink/reconsider	Go back to the project and make some adaptations based on new developments
Risk	Refers to any chances of failure
Role of an organisation	Refers to the role that an organisation plays in the wider project
Scepticism	Refers to any doubt
Schools	Places where the AGYW will be targeted for the intervention in their respective communities
Service delivery	Refers to rendering services and ensuring that targets are met
Service provider	Refers to a partner organisation contracted by the SAMRC to help design the SIB
Setting a precedent	Refers to the Imagine SOBC as a leading example of the work that will serve as an example for the rest of the projects to follow
Skills	The skills of the various people involved in the Imagine SOBC design team
Technical advisor proficient in financial modelling	Refers to one of the key stakeholders that were involved in the SIB design. This stakeholder was mostly responsible for the financial model
South Africa	Refers to the country
South African Medical Research Council	Refers to the SAMRC where the team leading the SIB currently work
South African National AIDS Council	Refers to the organisation where the original SIB was conceptualised

Stakeholder engagement and consultation	Refers to any of the work that has to be done with stakeholders (meetings, coordination, consulting etc.)
Stamina	Refers to the tendency to keep going
Strategy	Related to the foresight and planning with a longer term and vision
Supportive	Refers to the helpful or almost enthusiastic nature of stakeholders
Sustainability	Refers to considerations for after the SIB implementation phase
Tailoring for the specific SIB	Refers to the specific conditions for the SIB in focus
Technical aspect of the SIB design	Refers to any of the nuts and bolts of the SIB design
Time or resource intensive	Refers to the excessive amount of either time or other resources for the completion of a task
Timeline	Refers to the planned timeframe of implementation
Translating evidence to policy	Refers to the use of evidence to inform any policies that will be made
Triggerize	Refers to another technical partner
Trust	Refers to firm belief in the reliability, truth, or ability of someone or something.
Uncertainties	Refers to not knowing whether something will take place or not
Unforeseen challenge	Refers to any obstacles that the stakeholder did not expect
Uniqueness of SIBs and tailoring	Refers to how each SIB is vastly different from the next so there is a challenge in just replicating processes
Update programme	Refers to any updates necessary as a result of the delays in programming
Verification agent	Refers to an independent party who can audit results
Willingness of stakeholders	Refers to how active and interested the stakeholders are

Appendix J: Thematic map



SIB Stakeholder roles and experiences
ities of paying a financial return
Lack of confidence
Scepticism
Supportive
Looking to the future
Building a platform
DR-TB Social Impact Bond
Capacity building
Intellectual property
Paradigm shift
Replication
Comparison
Setting a precedent
Market building
Practice note
Project selection
Resources
Uniqueness of SIBs and tailoring
Tailoring for a specific SIB
Context
Sustainability
Translating evidence to policy
Recommendations for future practice
Politics and Processes
Politics
Approval process
South Africa
Relationship building
Hierarchy
Ramifications of the delays
Service delivery
Obtain buy-in
Stakeholder engagement and consultation
Reputation Management
Leadership
Governance
Conflicts of interest
Negotiations
Complex and interlinked process
Contracting
Legal aspects
Assurance and guarantees
Compliance
PFMA
Novelty
Regulation
Knowledge and awareness of the SIB
Stakeholders (Role of an organisation)
Donors/Philanthropic organisations
The Global Fund
PEPFAR
AIDS Foundation of South Africa
Private sector
Investors
Rand Merchant Bank
Public sector
Department of Basic Education
SANAC
National Treasury
National Department of Science and Innovation
Government as the outcomes funder
National Department of Health
South African Medical Research Council
Parliament
Service providers
NACOSA
Triggerize
Bertha Centre for Social Innovation and Entrepreneurship
Social Finance UK
Genesis Analytics
Verification agent