

Q. What is meant by Development impact bond? Does it remain as a strong financial model for socio-economic upliftment for developing countries like India? Analyse. (200 words)

Development impact bond is a social finance tool which is results-based finance mechanisms and the donors/funders only pay for successful results. If the outcomes are not achieved, the funders do not pay.

DLB's shareholders include Government, N.G.O. donor agencies etc. accumulate financial resources for the achievement of a targeted outcomes such as imparting quality education among slum children and a decrease in school drop-outs. This system is mostly running in developing countries and India also be witnessed.

Benefits of DLB! —

- focus on achievement; outcomes
- unlocking new funding sources
- privatisation of risks for public benefits
- ensures transparency and face changing circumstances.