



## Knowledge hub - Collection of best practices

### Summary of the best practice

1. Title of the best practice (e.g. name of policy, programme, project, etc.) \*

GPE Variable Part financing

2. Country or countries where the practice is implemented \*

Developing countries in need

3. Please select the **most relevant** Action Track(s) the best practice applies to \*

- Action Track 1. Inclusive, equitable, safe, and healthy schools
- Action Track 2. Learning and skills for life, work, and sustainable development
- Action Track 3. Teachers, teaching and the teaching profession
- Action Track 4. Digital learning and transformation
- Action Track 5. Financing of education

4. Implementation lead/partner organization(s) \*

Education Sector Program Implementation Grant

5. Key words (5-15 words): Please add key descriptive words around aims, modalities, target groups etc. \*

variable part; sustainable education outcomes; partnerships in education

6. What makes it a best practice? \*

Under this model, it was expected that countries propose strategies "deemed likely to lead to substantial progress in the medium-term," linked to indicators and targets judged to be "a stretch, but achievable," and "integrated within the broader ESP framework" of developing country partner governments

## Description of the best practice

### 7. Introduction (350-400 words)

This section should ideally provide the context of, and justification for, the practice and address the following issues:

- i) Which population was affected?
- ii) What was the problem that needed to be addressed?
- iii) Which approach was taken and what objectives were achieved? \*

In 2014, GPE introduced results-based financing into its funding model. In the current funding model, most countries applying for a GPE grant are expected to program no less than 30 percent of their GPE grant, identified as the “variable part” of their allocation, as sector-level results-based financing. Over the past five years, GPE has approved 22 grants with a variable part and more than US\$300 million in variable part financing. GPE’s motivation for introducing the variable part was “to provide additional pull for change [at the sector level] under the broad headings of equity, efficiency and learning outcomes.”

Under this model, it was expected that countries propose strategies “deemed likely to lead to substantial progress in the medium-term,” linked to indicators and targets judged to be “a stretch, but achievable,” and “integrated within the broader ESP framework” of developing country partner governments. Underlying all of this was the expectation that further incentivizing strategy implementation would lead to improvements in equity, efficiency and learning outcomes in basic education. In line with the GPE model, dialogue over variable part strategies and indicators is expected to involve consultation with members of the local education group (LEG).

The variable part was introduced within the context of GPE’s broader approach of supporting and financing country progress toward large-scale and sustainable education outcomes—outlined in GPE’s strategic plan, GPE 2020. Underpinning GPE’s theory of change is country development of a quality education sector plan and inclusive dialogue of country-level stakeholders on sector plan development and implementation. The GPE operational model focuses on three areas: (1) strengthening country education systems, (2) encouraging more and sustained financing to education, and (3) providing results-based funding. Introduction of the variable part was done by splitting country grant allocations into two parts: a fixed part, for which countries became eligible based on meeting three requirements, and a variable part, linked to a country proposal to implement priority sector plan strategies and disbursed as results-based financing. In maintaining the fixed part—traditional grant financing, which in most cases is equal to approximately 70 percent of the grant amount—the operational model recognizes that all countries have sector needs for which results-based financing may not be the most suitable fit.

## 8. Implementation (350-450 words)

Please describe the implementation modalities or processes, where possible in relation to:

- i) What are the main activities carried out?
- ii) When and where the activities were carried out (including the start date and whether it is ongoing)?
- iii) Who were the key implementation actors and collaborators? (civil society organizations, private sector, foundations, coalitions, networks etc.)?
- iv) What were the resources needed (budget and sources) for the implementation?

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The Global Partnership for Education (GPE) seeks to support and implement country progress toward large-scale and sustainable education outcomes through:

- (i) Strengthening country education systems;
- (ii) Encouraging more and sustained financing to education;
- (iii) Providing results-based funding. Central to the GPE theory of change is country development of a quality education sector plan and inclusive dialogue of education stakeholders at the country level on ESP development and implementation. As a part of its operational model, GPE provides financing to eligible countries to support implementation of basic education priorities through an education sector program implementation grant (ESPIG). The ESPIG is divided into a fixed part and a variable part, making up no more than 70 percent and no less than 30 percent of the grant amount, respectively.

Country eligibility for the fixed part of the grant is based on meeting three funding model requirements related to ESP development, education financing and availability of data (see ESPIG Guidelines). The fixed part of the grant may go to budget support or a pooled fund or be allocated to funding a stand-alone program. To promote harmonization and donor coordination, GPE promotes the use of pooled funding and budget support modalities.

Country eligibility to access the variable part of the grant is based on a country application that includes (i) a commitment to implement ESP strategies designed to improve equity, efficiency and learning outcomes at the system/sector level; (ii) funding-linked targets in each of the three dimensions of equity, efficiency and learning outcomes; (iii) a detailed plan for measuring and verifying results; and (iv) a clearly described mechanism for disbursement of financing.

## 9. Results – outputs and outcomes (250-350 words)

To the extent possible, please reply to the questions below:

- i) How was the practice identified as transformative? (e.g., impact on policies, impact on management processes, impact on delivery arrangements or education monitoring, impact on teachers, learners and beneficiary communities etc.);
- ii) What were the concrete results achieved with regard to outputs and outcomes?
- iii) Has an assessment of the practice been carried out? If yes, what were the results? \*

Some early results of the GPE variable component included the following:

Four ESPIGs with a variable part have closed (Ethiopia, Mozambique, Nepal and Rwanda) and another five (Burkina Faso, Liberia, Madagascar, Malawi and Tanzania)<sup>30</sup> under implementation have gone through at least one cycle of target verification.<sup>31</sup> In the four ESPIGs that have closed, 11 of 16 targets linked to variable part financing were met and five targets were partially met, resulting in a disbursement rate of 86 percent—with US\$62.5 million of US\$72.7 million in variable part financing disbursed (Table 16). Malawi, Mozambique, and Rwanda performed well overall, meeting the majority of targets linked to variable part financing and disbursing the nearly all financing. In Mozambique, US\$2,030,000 was not disbursed, and in Ethiopia, US\$8.2 million has not been disbursed—in all cases, related to partial attainment of targets.

- In Rwanda, all three targets were met, including the equity dimension target, an increase in the pre-primary education gross enrollment rate from 10 percent to 17 percent in targeted disadvantaged districts. Rwanda also met (after a brief delay)<sup>33</sup> its learning outcomes target to conduct a national sample-based assessment of learning outcomes in literacy and numeracy at three grades (P2, P3 and P6).

- In Nepal, three targets were met and one target was partially met. The target for reducing the number of OOSC was partially met during the first round of target verification, and fully met during the second round of target verification. Since variable part financing was allowed to roll over, no financing was left undisbursed. By the end of the program, Nepal had seen a 52 percent reduction in the aggregate number of OOSC in 10 target districts.

- In Mozambique, three targets were met and one target was partially met. The equity dimension target on reducing the “number of districts with a PTR above 80” was partially met. The indicator went through two cycles of target verification: In both rounds, the target was partially met and partially disbursed. All other targets were met, including the learning outcomes dimension target, which resulted in 32,812 teachers completing a training program to support improved early grades reading in Portuguese. The original target was to reach 8,250 teachers.

- In Ethiopia, two targets were met and three targets were partially met. Targets on training ECE teachers and providing a 4 percent top-up to school grants to support education of children with special needs were met. Partially met targets include the following:

- In total, results information is available on 26 of 127 indicators across nine ESPIGs (four closed and five open). In open grants where GPE has information on target attainment (Burkina Faso, Liberia, Madagascar, Malawi and Tanzania), Table 17 shows data on results. The designation “first milestone” means that the indicator has multiple milestone targets and shares the assessment of the first milestone. <sup>33</sup> The Grants and Performance Committee granted a deadline extension for this indicator. <sup>34</sup> Ethiopia Draft Completion Report and Mission Aide Memoire, June 2019. <sup>26</sup> Targets met include the following:

- Process targets for consultation on teacher allocation plans (Malawi and Madagascar)
- An outcome target on improving girls transition to lower secondary education (Tanzania)
- Process target for contracting the publishing and printing of reading and writing textbooks for grades 1 and 2 (Burkina Faso) The two partially met targets are both from the Tanzania ESPIG, related to on-time release of capitation grants and improvements in student survival rates at the primary and lower secondary levels of education.

## 10. Lessons learnt (300 words)

To the extent possible, please reply to the following questions:

- i) What were the key triggers for transformation?
- ii) What worked really well – what facilitated this?
- iii) What did not work – why did it not work? \*

- Lessons learned, including the role of the VP in incentivizing strategy implementation, and policy dialogue and furthering equity priorities, resonate with Committee members and people with country level experience. While lessons learned could inform the operational framework of the next strategic plan, given that few grants with a variable part have closed it is too early to make definitive conclusions on the impact of the approach.
- For a comparative perspective, it was suggested to present the variable part within the context of the family of results-based financing (RBF) approaches, including vis-à-vis other partners' RBF initiatives (e.g. the Education Outcomes Fund, World Bank Program-for-Results Financing (PforR)). Such a comparison could also provide a useful reflection for GPE on questions related to transaction costs and the mechanism emphasis on transformation and ambition.
- Further considering the potential of process, milestone and service delivery indicators is important. It was suggested that countries operating under very difficult circumstances should be advised to not only focus on outcomes, but rather receive credit for strengthening policy processes and outputs, which, in a well-developed results chain can plausibly lead to expected outcomes.
- Any differentiation in the funding model should not lead to a more complex process.
- Where relevant, technical assistance for design and implementation support is important and should be clarified in terms of whether that comes from country-level partners in agreed EPR accountability frameworks, from the Secretariat, and/or whether it should be reinforced within ministries.
- The new strategy should consider that as more grants with a variable part come to a close over the next 2-3 years, more information will be available on the effectiveness of the mechanism. The GPC Chair proposed that a mid-term review could be planned at some point with a request to the Board to delegate authority to the GPC to make changes to the variable part based on the findings of the review.
- As suggested in the variable part study, a 'variable part' learning agenda for the next strategic plan would be advisable. Such an agenda could be included in the next GPE monitoring and evaluation strategy and/or integrated into country-level evaluations. As GPE considers future evaluation of the variable part, Committee members offered the following suggestions: - To go further in capturing DCP experiences on developing and implementing the variable part. n.b: country-level evaluations were drawn on in the current study. - To assess the degree to which the variable part is catalytic in rallying partners around the RBF model. - To evaluate the extent to which the variable part can support system strengthening and evaluate what transformation looks like in different country contexts, and - To consider the pros and cons of various disbursement mechanisms in different country contexts.
- The Committee agreed the variable part study should be disseminated within the partnership and countries should be encouraged to share experiences on the variable part with each other.
- The Committee requested that the Secretariat capture the above reflections in a cover note for the Board.

## 11. Conclusions (250 words)

Please describe why may this intervention be considered a “best practice”. What recommendations can be made for those intending to adopt the documented “best practice” or how can it help people working on the same issue(s)? \*

## 12. Further reading

Please provide a list and URLs of key reference documents for additional information on the “best practice” for those who may be interested in knowing how the results benefited the beneficiary group/s. \*

Operational framework for requirements and incentives in the GPE funding model. See: <https://www.globalpartnership.org/content/operational-framework-requirements-and-incentives-gpe-funding-model>

GPE Transforms Education Systems. See: <https://www.globalpartnership.org/>

Partnership compact development guidelines – Draft. See: <https://www.globalpartnership.org/content/partnership-compact-development-guidelines-draft>

Review of design and implementation experiences of GPE’s variable part financing. See: <https://assets.globalpartnership.org/s3fs-public/document/file/2020-05-review-of-design-and-implementation-experiences-of-gpe-variable-part-financing.pdf?VersionId=7ipRn1z.4g32GIN0ee4B1ADVQbuV1XcA>