

## A CRITICAL RESPONSE FROM THE GLOBAL CAMPAIGN FOR EDUCATION ON THE EDUCATION OUTCOMES FUND FOR AFRICA AND MIDDLE EAST

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A concept note appeared in May 2018, produced by the Education Commission and the Impact Investment Steering Group, for what is called ‘a game-changing initiative to drive results in education’. This ‘Education Outcomes Fund’ (EOF) seeks to raise \$1 billion to ‘scale up proven and / or innovative services from non-State actors ... by paying for the results achieved’. Further documentation about this proposed fund includes a presentation made to an Impact Bond Donor working group in June.

Reviewing these documents, the Global Campaign for Education has some serious concerns with the proposed new initiative:

1. The focus on ‘creating a market for outcomes’ situates this as an initiative that is about the **commercialisation and commodification of education** – in direct contradiction with the right to education. There is an urgent need to strengthen public education systems in order to achieve the right to education and the commitments made to free provision under SDG4. This proposed fund would contradict and fragment such efforts, almost certainly exacerbating discrimination against the poorest families and most disadvantaged children.
2. This model ‘pays service providers and impact investors their principal plus a modest return’ – which effectively incentivises and **legitimises profit making from education provision**. This is illegal in many countries and highly unethical in all. Even elite private schools are normally required to be set up on a not-for-profit basis. Extracting profits from education provision is in fundamental contravention of the right to education.
3. The use of **‘Development Impact Bonds’** is particularly problematic as these do not have a good track record. There is almost no experience of using them with education programmes or in developing countries. They have had high transaction costs and it is not clear how EOF plans to lower these. Larger funds and more standardisation would appear to create new challenges rather than resolving the problems associated with impact bonds.
4. The proposal to create a **‘centralised commissioning capability** and standardise the process of establishing impact bonds’ seems to suggest that local context will count for very little – that the focus is on finding ‘one size fits all’ models – which research and evidence on education have shown to not be as impactful as models that adapt to local context and needs.

5. This model is based on ‘only paying for outcomes, drawing in investment aligned to results’. There is no analysis of the enormous **challenges in using results-based financing** – especially in the field of education where meaningful results / outcomes accrue in the medium or long term. To achieve and prove a sustained increase in learning outcomes will take 5 to 10 years. A review of GPE’s experiences in using its new funding model would be sensible. It is worth noting that any approach that only pays for outcomes is unlikely to work for most not-for-profit actors especially if this is for delivery ‘at scale’. The major beneficiaries are likely to be private for-profit actors, consultancy firms and commercial chains who can afford to speculate and take risks – but who charge and have a poor track record of reaching the most marginalised. This apparent truth is effectively hidden.
6. We are concerned that an “outcomes” only based approach could well have the **consequence, unintended or intended, of further marginalizing children** in school who struggle with learning (including those with hidden and/or known disabilities), as well as marginalizing the large percentage of children with disabilities who are among the out of school population. The risk of investments that require short term learning outcomes is that students with disabilities and those who struggle with learning will be encouraged to attend schools not participating in the outcomes-based investment scheme or will be encouraged to stay home on testing day. Indeed, current testing protocols often exclude girls and boys with disabilities and implicitly relay the message of inferiority or sub-personhood which undermines the Agenda for Sustainable Development commitment of leaving no one **behind**. The global education community needs to find a way to embrace both equity and a breadth of learning outcomes for all schools, and for all students.
7. We are concerned that emphasising **‘independently verified learning outcomes’** encourages projects to focus very narrowly to hit targets, ignoring the means used to achieve the outcomes and allowing little scope for applying learning mid-course or adapting to context. This is a recipe for teaching to the test and using cramming methods that may violate children’s rights in the process. There is a real danger of a narrowing of the agenda, ignoring the wider aims of education, which are defined, for example in the Convention on the Rights of the Child, as ‘the development of the child’s personality, talents and mental and physical abilities to their fullest potential’.
8. Overall EOF contributes to the **further proliferation of the education financing architecture**. Whereas GPE was once the one harmonised fund, there are now a number of different multilateral funding streams, including Education Cannot Wait (ECW), the proposed International Financing Facility for Education (IFFEd), and now an additional proposed fund. We believe that it is necessary to use existing mechanisms such as GPE and strengthen international cooperation, rather than create a fund that speculates and explicitly promotes profit making, linked to narrowly measurable learning outcomes. The statement that ‘donors, investors, government and non-state actors’ will ‘work together for a common objective, combatting aid fragmentation’ could not be achieved in a programme that appears to be proposing an entirely new parallel architecture to existing mechanisms.

9. The focus of this fund is on **non-state actors without any attempt to disaggregate** between these actors. There is a huge difference between not-for-profit NGOs, faith-based organisations, community-led initiatives and commercial for-profit chains. We would like to reiterate the need for a more nuanced discussion and for everyone to avoid the obfuscating term 'non-state actor'. We strongly encourage the development of a clear typology and explicit statements on what types of non-state actor are being discussed in all national and international forums. It is critical **not** to fund for-profit providers
10. We are concerned that this Education Outcomes Fund further **distracts attention from the real challenge of increasing domestic resource mobilisation**. The proposed EOF once again draws global attention to the additional funds needed from the international community – doing nothing to support the 97% of funds that the Education Commission estimated are needed from domestic sources. Where is the balanced effort being made to support developing countries to expand sustainable domestic financing and how would EOF contribute to this central challenge?

We call on Gordon Brown, Sir Ronald Cohen, Dr. Amel Karboul, Jared Lee and others involved in this proposed Education Outcomes Fund to put their energy into reinforcing existing international cooperation financing mechanisms, focusing on strengthening public education systems and responding to SDG4 goals and targets, including 12 years of free quality education. We do not believe that it makes sense to launch yet another initiative, especially one that stands on principles and practices which contradict education as a basic human right. Those committed to contributing to progress on the right to education should not promote the commodification or commercialisation of education in the way that is proposed in the EOF concept note.

We also call on Ministries of Education in 'potential initial pilot countries' (Burkina Faso, Ghana, Jordan, Kenya, Morocco, Nigeria, Senegal, South Africa and Zambia) and any proposed future pilots to distance themselves from this problematic initiative.

The Global Campaign for Education is keen to find common ground with everyone committed to advancing the right to education. We recognise the importance of innovation and the need to work together in new partnerships – but efforts must be focused on advancing the systemic public education reforms that are urgently needed.