



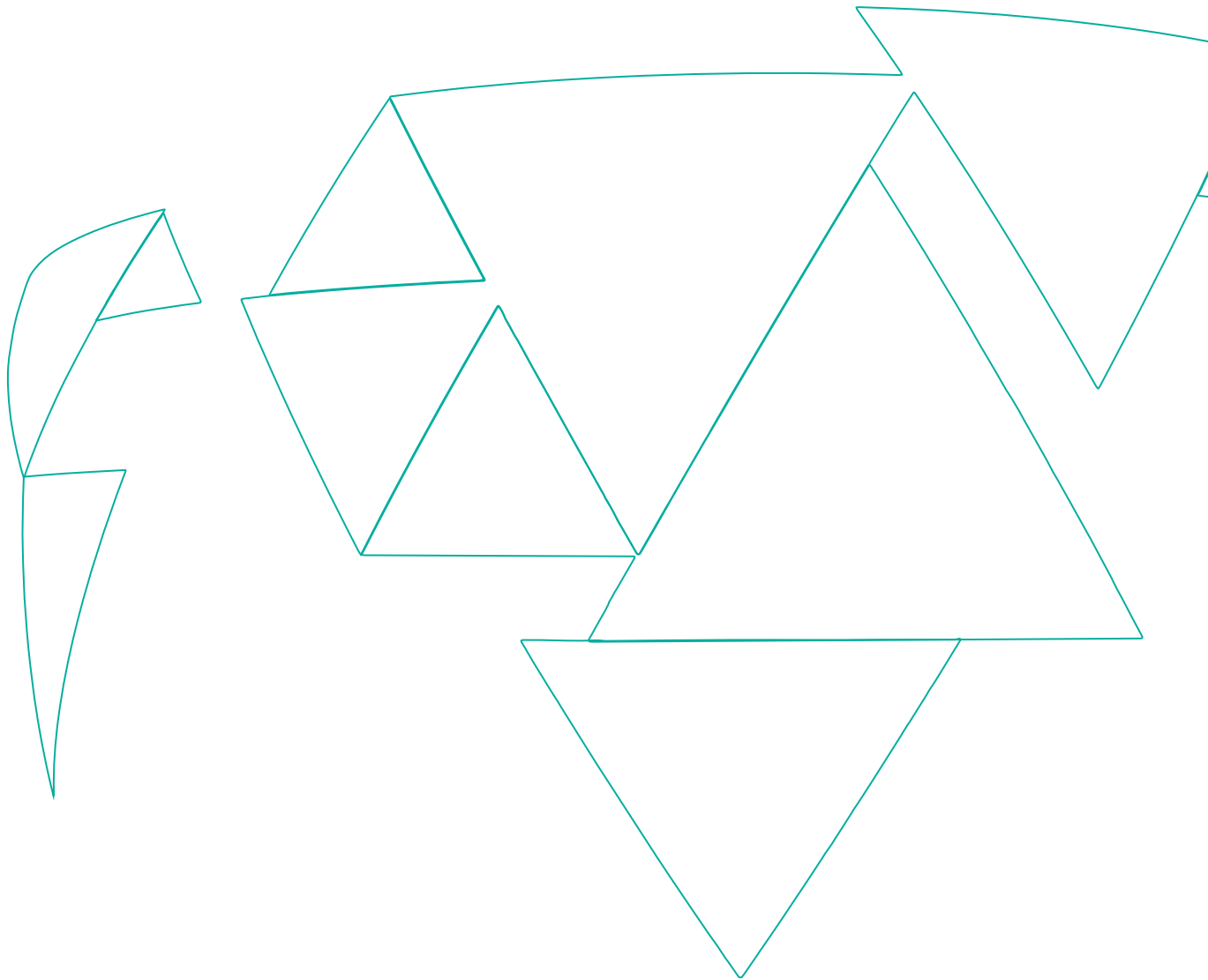
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Strategy 2025–2030

The Education Outcomes Fund

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comms@edufundmea.org

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Designed and edited by Green Ink (www.greenink.co.uk)



Foreword

Education is the great enabler and we are all lifelong students. Yet, 7 out of 10 children in low- and middle-income countries are unable to read with understanding by the age of 10. For these children, the great enabler becomes the great divider. The Education Outcomes Fund (EOF) makes a tangible contribution to changing this reality. Our ambition is a paradigm shift that transforms education systems and skills-for-employment programmes, shifting them from a focus on inputs to driving educational outcomes in learning and employment for disadvantaged children and youth.

At the EOF Global Leadership Council, we share the conviction that progress is only possible if we specify desired outcomes, measure them, and create accountability to deliver them. Our collective experience in public, private and not-for-profit educational organizations has taught us that these are critical factors for success, and yet most often we see programmes that seek compliance with the pre-agreed plan rather than to achieve impact.

We are proud of what EOF has achieved in its first six years of existence. We have raised over US\$130 million, a significant part of which has been contributed by partner governments; partnered with 29 organizations to reach over half a million children and youth in five countries; developed evidence; acquired expertise in creating innovative Outcomes Partnerships that manage public and private resources effectively to deliver educational outcomes; and expanded public awareness of the paradigm shift necessary to transform educational systems so they can cope with the huge challenge they face.

This Strategy defines where EOF is going, why and how, and our objectives to 2030. We approach our mission with urgency and humility. Urgency, because the failure to convert funding into outcomes effectively means that children and young people are denied foundational skills and decent jobs. That is a huge human cost. Humility, because the task is hard, we are a young organization and there is little we can achieve without creating effective, long-term partnerships with others. We hope you will be motivated by this Strategy to become a partner in our efforts and their ultimate success.

Sir Ronald Cohen and the EOF Global Leadership Council

Executive summary

Education systems and skills-for-employment programmes are failing children and young people in low- and middle-income countries (LMICs) in many ways. An estimated 70 per cent of children in LMICs are unable to read with understanding by the age of 10 years. Two thirds of training and skills-for-employment programmes have no impact on employment outcomes. Compounding these challenges is an annual financing gap of US\$100 billion required to meet Sustainable Development Goal 4 for Education (SDG 4).

Against this backdrop, the Education Outcomes Fund (EOF) addresses three core challenges in education and in skills-for-employment programmes in LMICs.

- ▶ **Financing:** the volume, efficiency and effectiveness of education financing are critically low, and insufficient to meet SDG 4 education targets
- ▶ **Measurement and accountability:** there is little or no measurement of education and employment outcomes, and an associated lack of accountability for delivering outcomes for children and youth
- ▶ **Impact and innovation:** where outcomes are being measured, there is often little or no impact on learning and employment; innovations in service delivery are often small scale, and largely disconnected from the broader systems in which they sit.

EOF works in early childhood care and education (ECCE), basic education and skills for employment, partnering with governments in LMICs in all regions of the world to support innovations in public and private service delivery. The mission of EOF is to focus education systems and skills-for-employment programmes on learning and employment outcomes, by tying funding to measurable results. To achieve this mission, EOF will pursue two complementary strategic objectives.

1. **Develop Outcomes Partnerships as a lever for transformative systems change in selected low- and middle-income countries**
 - ▶ **2025 Outcomes:** (1) EOF's first two Outcomes Partnerships deliver improved outcomes and value for money; (2) four more Outcomes Partnerships launched; (3) target US\$150 million funding raised for EOF and EOF programmes
 - ▶ **2030 Outcomes:** (1) 15 Outcomes Partnerships, directly reaching 2 million children and youth;¹ (2) target an additional 20 per cent outcomes per dollar spent compared with comparable programmes;² (3) target US\$350 million funding raised for EOF and EOF Outcomes Partnerships.



2. Build the evidence, tools and support for outcomes-based financing (OBF), to contribute to widespread adoption by governments and development partners
 - ▶ 2025 Outcomes: (1) Evidence on OBF mechanisms generated and synthesized; (2) improved cost-efficiency of the OBF model through a 25 per cent reduction in costs of design for second phase Outcomes Partnerships; (3) strategic partnerships in place for evidence generation, guidance development, community building, advocacy and influencing
 - ▶ 2030 Outcomes: (1) Evidence supports the effectiveness, scalability and value for money of OBF; (2) OBF process improved, streamlined, codified and widely used; (3) ten government and three major development partners using OBF, catalysed by EOF.

UNICEF provides the legal and fiduciary home for EOF as a hosted fund, along with back-office services to support it. Though a hosted fund in UNICEF, EOF's governance is independent, exercised through its own Steering Committee, supported by a Global Leadership Council. Over the course of this Strategy period, we will continue to optimize our relationship with UNICEF, which has uniquely powerful capabilities and convening power.

At both country and global levels, we will work with a broad range of partners in education financing and education service delivery, including global education funds, development banks, impact investors, bilateral partners, non-traditional donors, civil society organizations, philanthropy and academia. Our long-term ambition is a paradigm shift that sees education systems and skills-for-employment programmes shift from a focus on controlling inputs to driving outcomes.

1 Background

1.1 Global context for education and skills

More children than ever are in school today in low- and middle-income countries (LMICs). But increases in enrolments have not always translated into improvements in learning. In 2022, an estimated 70 per cent of children in LMICs – 89 per cent in sub-Saharan Africa – were unable to read with understanding by the age of 10 years.³ By one estimate, half of education programmes have no impact on learning outcomes.⁴ Education systems are in many ways failing children and young people in LMICs.

At the same time, bulging youth populations and weak linkages between education systems and labour markets are combining to create high unemployment. In 2050, some 68 per cent of the world's children and youth will be living in LMICs, mainly in Asia and sub-Saharan Africa. By 2035, more young Africans will be entering the workforce each year than in the rest of the world combined.⁵ Yet the World Bank estimates that two thirds of education and training programmes have no impact on employment.⁶

Compounding these challenges, there is an annual financing gap of US\$100 billion required to meet Sustainable Development Goal 4 for Education (SDG 4).⁷ While there are efforts to fill part of the financing gap with private investments through blended finance – catalytic capital from public and philanthropic sources to increase private sector investment – education has accounted for just 0.5 per cent of over US\$200 billion of 'blended finance' mobilized to support the SDGs over the 10 years to 2023.⁸ Aid to education is down, and LMIC government expenditure on education – the most important source of education financing – reduced, rather than increased, through the COVID-19 pandemic.⁹ While domestic public expenditure has increased through 2023, both its volume and utilization are still not adequate to address the learning crisis. Education systems and skills for employment programmes are struggling to convert financing into outcomes – particularly for disadvantaged children and youth.



1.2 Background to the Education Outcomes Fund

Against this backdrop, the Education Outcomes Fund (EOF) is designed to respond to three core challenges in education and in skills-for-employment programmes in LMICs.

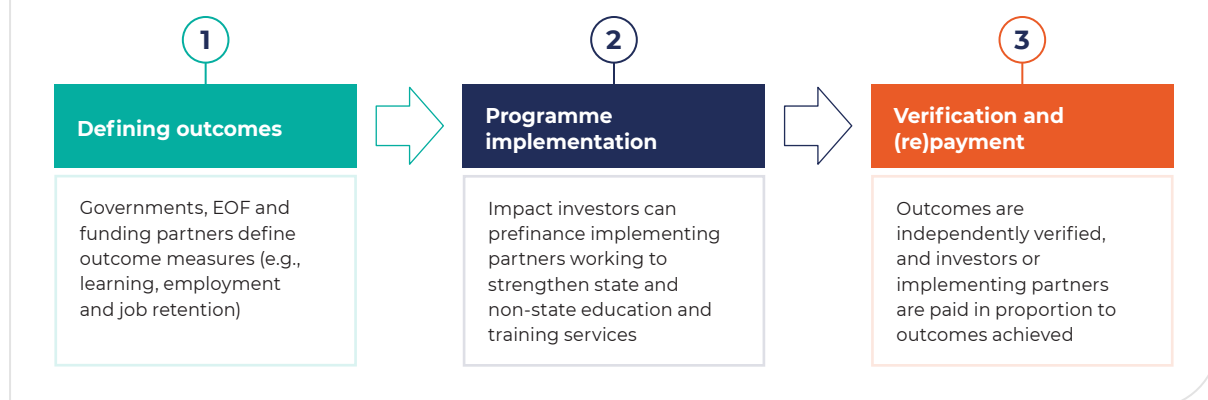
- ▶ **Financing:** the volume, efficiency and effectiveness of education financing are critically low, and insufficient to meet SDG 4 education targets
- ▶ **Measurement and accountability:** there is little or no measurement of education and employment outcomes, and an associated lack of accountability for delivering outcomes for children and youth
- ▶ **Impact and innovation:** where outcomes are being measured, there is often little or no impact on learning and employment; innovations in service delivery are often small scale, and largely disconnected from the broader systems in which they sit.

“The education financing gap yawns wider than ever. We will not end this crisis by simply doing more of the same faster or better. I urge all countries to protect education budgets and ensure that education spending translates into progressive increases in resources per student and better learning outcomes.”

António Guterres, United Nations Secretary-General at the Transforming Education Summit, New York, September 2022

Founded in 2018 and housed in UNICEF, EOF has raised over US\$130 million,¹⁰ partnering with 29 organizations to reach over half a million children and youth in five countries. EOF operations cover early childhood care and education (ECCE), basic education¹¹ and skills for employment – subsectors where both need and impact are high. EOF partners with governments to support innovations in public and private service delivery; helping those governments to establish outcomes-based funding (OBF), whereby funding is contingent on results. EOF operations are part-financed by host governments to ensure institutional and financial sustainability (see *Figure 1*).

Figure 1. How outcomes-based funding (OBF) works



We are learning new things every day. Outcomes-based funding should not be seen as a universal prescription to address all weaknesses in education systems; but we are confident that EOF is part of a paradigm shift in education financing, in public expenditure management and in education service delivery: (1) harnessing innovative financing, shifting risk to the private sector such that host governments and donors pay only for results; (2) supporting governments to embed contracting and performance management systems that focus on education and training outcomes, and not on inputs; and (3) supporting innovations in service delivery in education systems and skills-for-employment programmes. Combined, these will improve impact and deliver greater value for money for outcomes achieved.

We are seeking to extend that paradigm shift through the second phase of EOF's development: scaling up both the country-level impact of EOF's Outcomes Partnerships with governments, and EOF's broader impact as we work with others to catalyse broad and deep changes in government and development partner expenditure, shifting the focus of that expenditure from inputs to learning and employment outcomes.¹²

"EOF is much more focused than traditional ways of financing. EOF sits with governments and other stakeholders, discusses priorities and agrees on outcomes. It is done in the manner that you are actually seeing results."

His Excellency former President of the United Republic of Tanzania Jakaya Kikwete, Global Partnership for Education Board Chair and member of EOF Global Leadership Council



2 EOF Strategic Framework (2025–2030)

Figure 2. EOF Strategic Framework (2025–2030)



In terms of the scope of our work – geographic, thematic and financial – we will be guided by the following parameters.

- ▶ Geographic: though our initial Outcomes Partnerships have been in Africa, we are open to working with LMICs in all regions of the world; under Strategic Objective (SO) 2, we will work on a knowledge agenda and ecosystem development that also includes higher-income countries (both middle-income countries and, if relevant, high-income countries)
- ▶ Thematic: we will maintain our focus on ECCE, basic education and skills for employment; we will also be open to adopting thematic challenges such as girls' education, disability inclusion, climate education, and green skills, leveraging OBF as a tool to address cross-cutting needs
- ▶ Financial: in the Outcomes Partnerships we support (SO1), we will continue to focus our expertise on OBF, whereby implementing partners or investors are paid in accordance with the level of outcomes achieved; beyond our direct country engagement, while our primary focus in SO2 will be on OBF, we will also be supportive of other forms of results-based and innovative financing where our expertise in OBF can add value.



3 Strategic objectives

3.1 Strategic Objective 1. Develop Outcomes Partnerships as a lever for transformative systems change in selected low- and middle-income countries

We will expand our Outcomes Partnerships to more countries and support multiple operations within a single country. In addition to the direct impact on children and youth supported by these Outcomes Partnerships, we also see our role as catalysts for broader and deeper systems change in the countries where we operate, contributing to transformative changes in the way that education systems measure, value and deliver outcomes. EOF's role is as catalyst, not long-term technical support partner, to this agenda.

"We are hopeful that EOF will bring a paradigm shift in the financing of education, bringing private resources into public good."

Hon. Matthew Prempeh,
former Minister of Education,
Republic of Ghana

By catalyst, we mean that we will work with others to embed OBF beyond the duration of EOF Outcomes Partnerships, through three main channels: (1) direct engagement with governments, supporting the building blocks for embedding OBF longer term in policies, plans, implementation and regulatory capability; (2) partnerships with development partners with broader and longer-term country presence (e.g., the World Bank, the Global Partnership for Education [GPE], UNICEF, bilateral donors, local education groups); and (3) a broader ecosystem of implementing partners, technical support agencies and advocates for OBF at the country level.

In support of Outcomes Partnerships we build, we will deploy investment funding from social investors and philanthropic foundations. Additionally, we will raise and leverage three main sources of outcomes funding, integrating with government and development partner in-country funding streams.

- i. Funding from LMIC governments: for the most part, EOF partnerships include government financing, graduated by income level (lower levels from low-income countries, rising to higher levels for middle-income countries).
- ii. Funding raised by EOF: consisting of either unrestricted ‘fund-level’ commitments raised for EOF, which EOF will then allocate to specific country outcomes partnerships; or funding that is restricted to specific subsectors (e.g., ECCE) or countries. This includes philanthropic and other non-traditional sources of funding.
- iii. Funding from major in-country development partners: we will particularly seek to link EOF Outcomes Partnerships to in-country funding streams from large development partners; for example, GPE funding, bilateral donor funding and lending from the World Bank and regional development banks that could be used as outcomes funding.

In terms of EOF’s operational roles in Outcomes Partnerships at the country level, we will seek to balance the benefits of standardization with the need for context specificity. However, across all countries, we will seek to: (1) reduce the costs, complexities and timelines of OBF models (while continuing to focus on quality); and (2) support government-led partnership models that maximize the prospects of longer-term institutional and financial sustainability of the OBF mechanisms we support, as well as their broader systemic benefits.

Under Strategic Objective 1, we will deliver the following outcomes:

- ▶ 2025 Outcomes: (1) EOF’s first two Outcomes Partnerships deliver improved outcomes and value for money; (2) four more Outcomes Partnerships launched; (3) target US\$150 million funding raised for EOF and EOF programmes
- ▶ 2030 Outcomes: (1) 15 Outcomes Partnerships, directly reaching 2 million children and youth;¹³ (2) target an additional 20 per cent outcomes per dollar spent compared with comparable programmes;¹⁴ (3) target US\$350 million funding raised for EOF and EOF programmes.



3.2 Strategic Objective 2: Build the evidence, tools and support for outcomes-based financing, to contribute to widespread adoption by governments and development partners

In addition to our direct engagement with countries through Outcomes Partnerships (SO1), we will seed and support a broader paradigm shift in public expenditure management and development financing. We will seek to synthesize lessons learned, refine and codify processes and tools for OBF and support their widespread adoption by governments and major development partners. Our long-term ambition is a paradigm shift that sees education systems and skills-for-employment programmes shift from a focus on inputs to a focus on outcomes.

This is not an agenda that we will pursue alone. We are a young organization, learning all the time. Additionally, our interest lies not only in our own OBF experience – in many ways we see our own Outcomes Partnerships as a opportunity to refine and improve models, practices and systems – but also the experience of others. A paradigm shift of this nature requires a broad and sustained coalition of actors, and we will play an active role in building and growing this coalition.

In support of SO2, we will work with global, regional and national partners through four complementary channels.

- i. Evidence and knowledge generation: we will use the evidence and lessons learned from Outcomes Partnerships (ours and others) to refine and streamline our model and processes. We will work with knowledge partners such as the Brookings Institution, Education Finance Network (EFN), GO Lab, the Outcomes Finance Alliance, Network for International Policies and Cooperation in Education and Training (NORRAG) and other thought leaders, to facilitate the identification and diffusion of better practices for OBF. We will also work with others to generate evidence on what types of interventions and implementation arrangements work to drive outcomes in ECCE, basic education and skills for employment.
- ii. Development of guidance and resources: acknowledging that we are learning all the time, we will seek to codify practices in OBF and develop tools and guidance to support work on OBF both by ourselves and others. We will partner with regional and global users and disseminators of good practices, such as the Global Schools Forum, the United Nations Educational, Scientific and Cultural Organization (UNESCO) International Institute for Educational Planning (IIEP), UNICEF and the World Bank, to disseminate tools and design learning opportunities and capacity development.

- iii. Community building: we will partner with regional and global conveners to build a network of actors working on OBF in education. We will increase contact points between the 'OBF community' and 'education community' to encourage greater collaboration. We will particularly focus on education, OBF and LMICs, but will also support a broader sphere of learning and community building (e.g., other sectors, broader results-based financing and innovative finance, higher-income countries) where we feel our expertise and interests align.
- iv. Advocacy and influencing: we will utilize the evidence, resources and partnerships developed under i–iii above to advocate for increased use of OBF in education. We will engage individual and institutional champions and seek to influence the practices of governments and major development partners.

The two Strategic Objectives are strongly linked. Our work on SO1 provides the evidence, lessons and tools that we bring to our partnerships in SO2. In turn, SO2 provides the opportunity to extend lessons learned from SO1 to a broader set of partnerships, delivering impact beyond countries where we have directly developed Outcomes Partnerships with governments. SO2 also helps build an ecosystem of partners and supporters that enable the implementation of Outcomes Partnerships in different countries through SO1. Over the course of the strategy period, we will make decisions on the balance of focus between the two Strategic Objectives, subject to available resources, where we see potential for greatest impact, and our fit with other actors.

Under Strategic Objective 2, we will deliver the following outcomes:

- ▶ 2025 Outcomes: (1) Evidence on OBF mechanisms generated and synthesized; (2) improved cost-efficiency of the OBF model through a 25 per cent reduction in costs of design for second phase Outcomes Partnerships; (3) strategic partnerships in place for evidence generation, guidance development, community building, advocacy and influencing
- ▶ 2030 Outcomes: (1) Evidence supports the effectiveness, scalability and value for money of OBF; (2) OBF process improved, streamlined, codified and widely used; (3) ten governments and three major development partners using OBF, catalysed by EOF.



4 Governance, partnerships and implementation

EOF is a fund hosted in UNICEF, which provides the legal, fiduciary and regulatory home for EOF, along with back-office administration and services. Though hosted in UNICEF, EOF's governance is through its own Steering Committee, in turn supported by a Global Leadership Council. Over the course of the Strategy period, we will develop our leadership and governance structures as needs arise, and seek to optimize our relationship with UNICEF, which has unique capabilities and convening power.

At the operational level, governments, investors and implementing partners are our main counterparts, as we seek to initiate and embed outcomes partnerships in education systems and skills-for-employment programmes. In accordance with governments' own policies and strategies, implementing partners support both state and non-state delivery of services – all under government oversight and regulation. EOF is committed to finding ways to support the localization agenda, collaborating with and strengthening local actors.

At both country and global levels, we work with a broad range of partners in education financing and education service delivery, including global education funds, development banks, impact investors, bilateral partners, non-traditional donors, civil society organizations, philanthropy and academia. In accordance with our overall vision, our aim is to form a broad coalition that seeks to focus education expenditure – public, private, aid – on measurable results for children and youth. This includes working with our implementing partners on how they measure outcomes and manage costs.

“EOF has challenged the way we work: the twin focus on measuring learning outcomes and on managing down costs of delivery.”

**Save the Children Fund,
EOF implementing partner**

We see our role in the international education architecture as both: (1) distinctive: as the only education fund supporting governments to develop Outcomes Partnerships (SO1) and working to support a global ecosystem for OBF in education (SO2); and (2) integrated: we work behind government leadership; as we move forward, our aim is to better integrate EOF Outcomes Partnerships – planning, funding, delivery and longer-term institutionalization – with national actors, through national coordination mechanisms such as local education groups and GPE Compacts, and with international actors bilaterally and via appropriate multilateral forums.

5 Risks and risk management

We foresee a number of external and internal risks to the successful execution of this strategy. Highest priority risks are listed in *Table 1*, together with corresponding mitigation measures. Risks will be managed through ongoing work-planning and execution, and through review and revision by the EOF Leadership Team, under the oversight of the EOF Steering Committee.

Table 1. Risks and risk mitigation measures

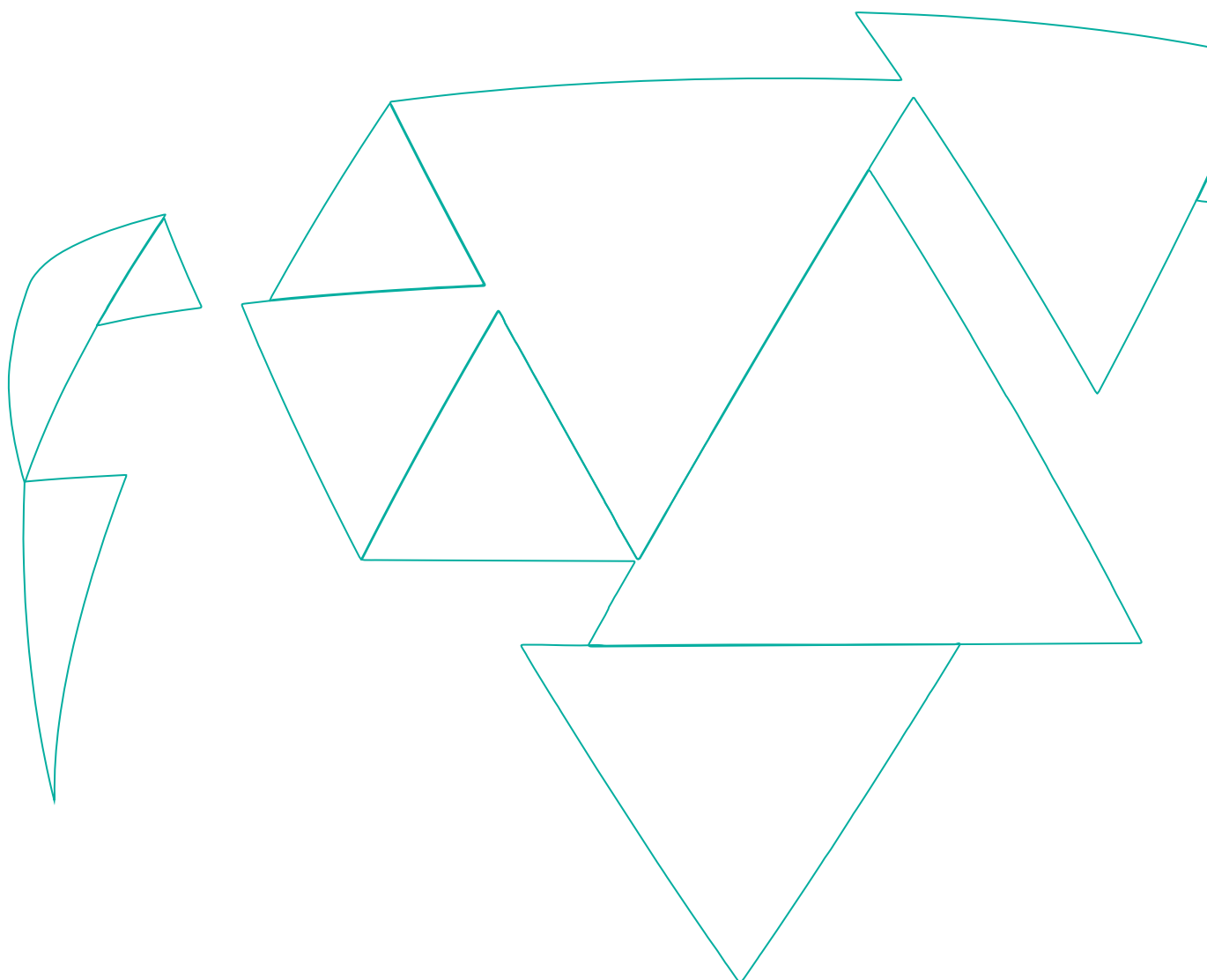
Risk	Risk mitigation measures
External risks	
Major global crises (geopolitical, conflict, pandemics, climate) destabilize operations	Monitor, predict; seek to build flexibility and speed of response into the operational model
Domestic and external financing for education stay low/flat	Join with others in advocating for more domestic and external financing for education Position OBF as a route to support the effective use of existing financing
Internal risks	
Funding for EOF is insufficient, particularly unrestricted fund-level commitments	Prioritize resource mobilization; build the case for OBF and EOF; leverage and integrate others' funding (e.g., GPE, World Bank)
EOF is spread too thinly across too many countries	Reduce EOF role in OBF operations / the value chain; do not over-extend operations
EOF operations are costly and difficult to execute in low-resource, low-capacity settings	EOF design process to include comprehensive viability assessment for OBF Seek to reduce costs and complexity of OBF models
Initial EOF Outcomes Partnerships do not demonstrate impact and value for money	Use lessons learned to review and improve approach for future programmes
Even if evidence of impact and cost-effectiveness of OBF is good, others may not follow	Create and disseminate evidence; invest in strategic communications and convening

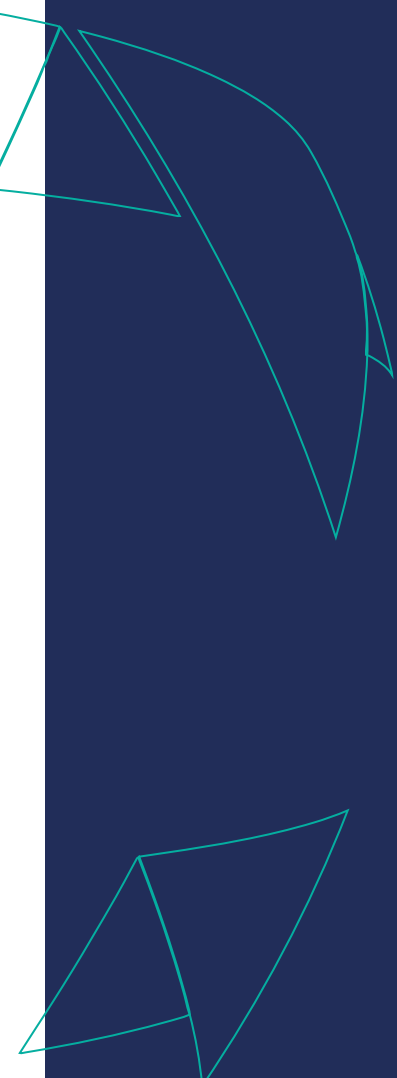


Endnotes

- ¹ The numbers of children and young people directly reached is highly dependent on the type and location of Outcomes Partnerships we support. For example, skills-for-employment programmes are likely to have much lower reach figures, and programmes in Asia are likely to have higher reach figures than programmes in Africa.
- ² We will not be able to apply this metric across all the Outcomes Partnerships we support. It depends on establishing a measurement and evaluation design with reliable control (implying a certain design and a relatively high cost). We are confident, however, that we will be able to apply this metric across enough of our programmes for it to be a meaningful and representative measure of EOF's performance.
- ³ World Bank, *The State of Global Learning Poverty: 2022 update*, World Bank, Washington DC, 2022, <www.worldbank.org/en/topic/education/publication/state-of-global-learning-poverty>, accessed 18 November 2024.
- ⁴ Based on 71 evaluations of interventions for which cost-effectiveness data were available, reviewed by the Global Education Evidence Advisory Panel (GEEAP).
- ⁵ The Editors, 'Chart of the Week: The potential for growth and Africa's informal economy', IMF Blog, International Monetary Fund, Washington, DC, 8 August 2017, <www.imf.org/en/Blogs/Articles/2017/08/08/chart-of-the-week-the-potential-for-growth-and-africas-informal-economy>, accessed 18 November 2024.
- ⁶ World Bank, *Learning to Realize Education's Promise: World Development Report 2018*, World Bank Group, Washington, DC, 2018, <<https://www.worldbank.org/en/publication/wdr2018>>, accessed 18 November 2024.
- ⁷ Global Education Monitoring Report Team, 'Can Countries Afford their National SDG4 Benchmarks?', *Global Education Monitoring Report Policy Paper 49*, Global Education Monitoring Report, Paris, 2023, <<https://doi.org/10.54676/YHFN2611>>.
- ⁸ Convergence, *State of Blended Finance 2024*, Convergence, 2024, <www.convergence.finance/api/file/e56c3cd82265b06389910c0f6b23f902:b774c85ca9237f1a86cde7dc7734557ebd6ff-9b7086c874b5fb5fcd612944cdc0dc7ef01e4abda2a49ac0892219e5a1336ce9f1de35e37c7-83e885e27c445ecdf725806425da274f0af751e03051d57a356dea26c3e1054c7d9dc46896a7ef90b-2dc741062419d01a5f07ed6b181a9d40fcc2f08b3111bdcc84506d716cffaab3d3150cc19a-d7874a13ac8cc57865488>, accessed 18 November 2024.
- ⁹ Global Education Monitoring Report Team and World Bank, *EFW: Education finance watch 2021*, ED/GEM/MRT/2021/EFW/1, World Bank, Washington, DC; United Nations Educational, Scientific and Cultural Organization and Global Education Monitoring Report, Paris, 2021, <<https://unesdoc.unesco.org/ark:/48223/pf0000375577>>, accessed 18 November 2024.
- ¹⁰ This includes all sources: EOF core contributions, programme contributions, government co-financing.

- ¹¹ By 'basic education', we understand primary to lower-secondary education, though we would also work in upper-secondary education subject to government demand.
- ¹² By 'development partner', we mean principally the larger development financiers such as multilateral development banks (World Bank and regional development banks), United Nations organizations, bilateral donors, and global funds and partnerships (e.g., GPE, Education Cannot Wait [ECW], International Finance Facility for Education [IFFEd]). This also includes other funders (e.g., philanthropic foundations) and civil society actors.
- ¹³ See endnote 1.
- ¹⁴ See endnote 2.





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