GEOP: A $30M ‘outcomes fund’ to improve learning and re-integrate out-of-school children in Ghana

Program overview

<table>
<thead>
<tr>
<th>Value</th>
<th>$30M ($4.5M GoG, $25.5M FCDO via GPRBA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timeline</td>
<td>2023 – 2026 (4 years)</td>
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<tr>
<td>Mechanism:</td>
<td>Outcomes Fund</td>
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<tr>
<td>Direct program objectives:</td>
<td>Contract non-state actors to:</td>
</tr>
<tr>
<td>1.</td>
<td>Re-integrate ~70,000 out-of-school children into mainstream primary schools</td>
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<tr>
<td>2.</td>
<td>Improve literacy and numeracy for in 600 public schools (for 105,000 children)</td>
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<tr>
<td>Systemic objectives:</td>
<td>1. Inform which interventions are most effective in the Ghanaian context</td>
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<td></td>
<td>2. Set a precedent for outcomes-based commissioning in Ghana in education and beyond</td>
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</table>
### 3 key steps to designing an outcomes fund:

**Step 1: Scoping**
- **Key Question:** What is the focus and key parameters of the project?
- **Components of step:**
  - Who is the programme targeting?
  - How long should the programme be?
  - How large should the programme be?

**Step 2: Design**
- **Key Question:** How do we incentivize providers to achieve outcomes?
- **Components of step:**
  - Defining a theory of change
  - Choosing payment metrics that aligns provider incentives to commissioner objectives
  - Choosing an evaluation design

**Step 3: Procurement & contracting**
- **Key Question:** How do we select providers and hold them to account for achieving outcomes?
- **Components of step:**
  - Deciding on the number of providers / investors
  - Selecting bidders using *price per outcome*
  - Tailoring contracts to be suitable for outcomes payments
The challenge: Ghana faces twin challenges of school access and quality

Despite great progress in access, more than 450,000 6-14-year-olds remain out of school...

...and learning in schools is low in comparison to regional and international peers

<table>
<thead>
<tr>
<th>Region</th>
<th>Years of learning per year of schooling</th>
</tr>
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<tbody>
<tr>
<td>Singapore</td>
<td>0.93</td>
</tr>
<tr>
<td>Kenya</td>
<td>0.73</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>0.65</td>
</tr>
<tr>
<td>Morocco</td>
<td>0.59</td>
</tr>
<tr>
<td>Egypt, Arab Rep.</td>
<td>0.57</td>
</tr>
<tr>
<td>South Sudan</td>
<td>0.54</td>
</tr>
<tr>
<td>Ghana</td>
<td>0.49</td>
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</tbody>
</table>

*Based on the World Bank Learning Adjust Years of Schooling data
Consider the viability and benefits of an outcomes approach to government, don’t “force” an approach through

<table>
<thead>
<tr>
<th>Minimum Conditions</th>
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</thead>
<tbody>
<tr>
<td>Sector alignment to government priorities</td>
</tr>
<tr>
<td>Opportunity to improve outcomes / equity</td>
</tr>
<tr>
<td>Strong rationale for delivery through non-state provision</td>
</tr>
<tr>
<td>Identifiable market of non-state providers to serve the population</td>
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<table>
<thead>
<tr>
<th>Enabling Factors</th>
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<tbody>
<tr>
<td>Demonstrated interventions in the space</td>
</tr>
<tr>
<td>Commitment to mechanism across all levels of seniority</td>
</tr>
<tr>
<td>Donors' landscape and funding opportunities</td>
</tr>
</tbody>
</table>

Consider the key benefits are of outcomes approaches to governments

- **Shift accountability to outcomes** and provide flexibility to localize / adapt intervention
- **Outcomes-focused, data-driven performance management** during implementation
- Evidence generation to inform which interventions are most cost-effective in the local context, for governments to scale
- **Transfer of implementation risk** from government to investor / provider
- **Deferred outcomes payments** (only after outcomes achieved)
Design: Paying for learning outcomes shifts the focus to the most difficult but important measure of program performance

**Payment to providers based entirely on child outcomes***

For 660 public primary schools:

- **Learning gains** at P2 and P4 (based on an RCT)

For 70K out-of-school children:

- **Learning gains** (pre-post)
- **Successful placement** into school
- **Retention** in school (1 & 2 years)

**Focus on girls, and mitigation against perverse incentives**

- **20% premium on prices paid for girls’ outcomes** (vs. boys’)

- **Payment made per child assessed**, not an “average”, to discourage kicking out poorer performers

**Linear payment for performance, up to a cap**

$payment for P4 learning gains:

- **Targets**
- **Performance Standard deviation learning gains**
- **Payment cap**

0.3 0.45
Contracting Structure: Government contracted a number of different consortia on the basis of the outcomes achieved.

Government of Ghana

Contracted with payments based on outcomes

Funders (US$30M total):
- UK Aid
- GPRBA
- Ministry of Education

Technical advisors

Implementing partners:
- Prime contractor: STREET CHILD
- Consortium partners:
  - montrose
  - Rising Academies
  - Chance for Childhood
  - School for Life
  - JACOBS FOUNDATION
  - INSTIGLIO
  - BRIDGES
  - PLAN INTERNATIONAL

Lots 1 & 2:
- 105 K children in 600 public primary schools in the rural North of Ghana, and 60 K out-of-school children

Lots 3 & 6:
- 10K urban out-of-school children

Lots 4 & 5:
- Evaluates or verifies outcomes

Lot 7:
- Independent verification agent

Prime contractor: STREET CHILD
Consortium partners:
- montrose
- Rising Academies
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- School for Life
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- BRIDGES
- PLAN INTERNATIONAL

Program participants / beneficiaries:
- 105 K children in 600 public primary schools in the rural North of Ghana, and 60 K out-of-school children
- 10K urban out-of-school children
- Evaluates or verifies outcomes
How does procurement & contracting differ under an outcomes-based approach?

**Procuring providers for outcomes requires flexibility...**

- Bidders will be submitting a **price per outcome**, not a budget for delivering a service
- Requires much more focus on data-collection / capacity to performance manage
- Requires communication between bidders and commissioners

**...while contracts should be designed to tie funding to achievement of outcomes**

- Include a **process in case of unexpected event** limiting capacity for achieving outcomes
- Include **termination clauses** that recognize that investors / providers prefinance the intervention
- Delineate **clear responsibility between providers and government** agencies for achieving outcomes
Group Activity:

- Split into 3 groups to discuss the steps to designing an outcomes fund
- There are 3 tables, each with a host. Each group will spend 10 minutes discussing the following questions with the host, before moving to the next table
- At the end, the hosts will summarise the key takeaways to the whole group

Questions

- Which area do you think could benefit from outcomes-based commissioning?
- Is there a strong provider market working in your field?
- What do you think are the biggest advantages of this approach?
- Is there a strong provider market working in your field?
- Do you feel you have enough data to be able to set targets / prices for outcomes?
- What would be your biggest challenge in designing an outcomes-based project in your field?
- How compatible is the procurement / contracting approach with your institution?