



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.) *

EU Budget Support in fragile and transitional situations in sub-Saharan Africa: protecting education finances and education system delivery

2. Country or countries where the practice is implemented *

Burundi, Central African Republic, Madagascar, Mali, Niger, Sierra Leone and Somalia

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) *

European Commission - Directorate General for International Partnerships

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

Budget support, fragility, post-conflict, democratic transition, education budget, policy dialogue, education in emergency, teachers' wage bill

6. What makes it a best practice? *

Contributes to protecting education finances and education system delivery in fragile and transitional situations

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? *

Armed conflicts, natural disasters and situations of fragility can have a devastating impact on education systems, in the short and long run. They increase the competing demands on domestic finances, shrinking further government fiscal space for education. While humanitarian aid for education has steadily increased since the 2010s, funding for high profile crises (e.g. Syria,) has crowded out resources for less visible crises, mostly in sub-Saharan Africa. In addition, in crisis and fragile contexts, aid is generally delivered through non-government parallel systems, even though the international community increasingly strives to avoid distortions to national education systems.

Since 2019, the European Union (EU) has allocated 10% of its humanitarian aid to education (from 1% in 2015). In addition, whenever possible in these contexts, the EU opts for direct support to governments to contribute to strengthening national education systems. As budget support allows for relatively quick intervention using country systems, this aid modality may be well-suited to protect domestic education finance and support state capacity to deliver essential social services such as education. Through State-Building Contracts (SBC) (or State Building and Resilience Contracts since 2017), the EU provides budget support to countries in fragile and transitional situations to contribute to stabilising and consolidating core government functions. It can also provide assistance to recover from and build up resilience after natural disasters. SBCs focus on four domains: i) macroeconomic and fiscal stabilisation; ii) public finance management (PFM); iii) maintaining and strengthening key public services; and iv) good governance. The EU encourages the complementarity between SBCs and other EU instruments (e.g., humanitarian aid, grants to civil society and contributions to co-funded initiatives with EU member states or international organisations) as well as a close coordination with the IMF and other development partners.

Between 2012 and 2018, the EU funded 42 SBCs in 23 countries, including 29 programmes in 16 sub-Saharan African countries for total commitments of €2.202bn (€2.002bn in West and Central Africa; €200m in East and Southern Africa). According to an independent evaluation of EU SBCs that were implemented between 2012 and 2018 (see "Further Reading" section), EU SBCs contributed to protecting domestic fiscal space for education, and notably teachers' wage bill, and to preserving access to education services. In some instances, they also supported a better geographical distribution of resources and contributed to laying the foundations for further system strengthening.

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? *

SBCs are aligned with the strategic framework established by the international community for engaging in fragile situation. They follow the same principles as budget support programmes in non-fragile contexts, even though their design and implementing modalities are tailored to the situation of fragility. This is a form of result-based financing that combines four main elements: i) policy dialogue on reforms and objectives; (ii) capacity building; (iii) performance measurement using national statistical systems; and iv) external financing channelled through the country's treasury and PFM systems. Eligibility to SBCs is subject to four criteria: a credible framework to maintain or restore macroeconomic stability, budget transparency and oversight, credible PFM reform program, and relevant and credible public policy framework. Disbursements are conditional upon the continued fulfilment of these eligibility criteria and, for variable tranches, the fulfilment of result indicators.

Out of eleven sub-Saharan countries covered by the evaluation of EU SBCs, seven countries (Burundi, Central African Republic, Madagascar, Mali, Niger, Sierra Leone and Somalia) integrated education in their SBCs. These interventions were rooted in sectoral and/or national strategies, and formulated jointly with beneficiary governments, in consultation with main development partners. The achievement of targets and the continuous fulfilment of eligibility criteria were jointly assessed through structured policy dialogue mechanisms, under the leadership of ministries of finance, and in coordination with sector ministries, including education.

Most of the studied countries paid a particular attention to the volume of domestic finance for education. For instance, in CAR, Madagascar and Sierra Leone, SBCs included indicators to secure the budget allocation to education. Even in countries without education budget indicators, the policy dialogue between the government, chiefly ministries of finance, and the EU always addressed concerns over domestic education finance, as part of discussions over the fiscal framework, which also involved the IMF.

In some instances, the design of SBCs also focused on the efficiency and geographical equity of education spending. For instance, in Sierra Leone, indicators focused on the rationalisation of the teachers' payroll management and in CAR, on the execution rate of the Ministry of Education budget. In Mali and Madagascar, SBCs indicators encouraged the effective devolution of resources for social services delivery.

SBCs indicators also covered non-financial aspects such as the structuring of a sector approach or the quality and equity of education. In Mali, Niger, and Sierra Leone, indicators intended to encourage girls' schooling. In Sierra Leone and Ivory Coast, indicators focused on the structuring of the TVET sub-sector. In CAR, indicators supported the development and adoption of an education sector plan as well as the publication of education statistical yearbooks.

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? *

The countries that benefitted from EU SBCs between 2012 and 2018 maintained and, in some years, even strengthened their domestic financial effort towards education. For instance:

- In Mali (three SBCs, in 2013, 2015 and 2018), in a post-crisis context marked by a drastic decrease in external aid and domestic revenues, education remained the largest budget item, oscillating between 16% and 18% of government expenditure over the 2013-2018 period, with a counter-performance in 2016 at 13.9%.
- In CAR (three SBCs, in 2014, 2015 and 2017), despite the quasi-collapse of the state, the education budget share remained relatively stable between 7,3% and 9% over 2013-2018 (against 10% in 2012).

In some cases, spending efficiency and equity improved. For instance, in Madagascar, the delay to pay contract teachers' salaries significantly decreased from 180 days in 2016 to 81 in 2018. The government also increased the budget allocation to central state lower-tier education services and secured the effective transfer of state subsidies to local government authorities for their education activities. In Mali, 2 000 new teachers were recruited between 2016 and 2017 and assigned in priority to areas experiencing the greatest teachers' shortfalls.

These expenditure effects contributed both to restoring social services in emergency situations (CAR and Sierra Leone) and to maintaining their provision in fragile situations exercising major strain on government finance (Madagascar, Mali, Niger, Ivory Coast). Between 2012 and 2018, most SBC-beneficiary countries managed to stabilise – in some cases, improve – their pupils/teacher ratio and to protect, or even improve, access to primary schools. Most countries also improved girls' access to education, especially where girls dropped out first in crisis context (Niger, Mali and Sierra Leone). Nevertheless, results in terms of quality varied across country contexts: in Mali and Madagascar, the completion rate, used as a proxy of quality education, deteriorated while it improved in Niger and CAR. In general, performances in such indicators remained low.

According to the independent evaluation of EU SBCs, multiple factors contributed to countries' positive enrolment performances, as described above, including other development partners' substantial support to education. Nevertheless, the analysis singles out EU SBCs' ability to contribute to protecting domestic recurrent public expenditure in education, achieving a more equitable geographical supply of educational resources and improving girls' schooling. These interventions were also instrumental in advancing key policy dimensions of the financial governance in education, such as the devolution of resources to deconcentrated/decentralised structures (Ivory Coast, Mali, Madagascar, Sierra Leone). They also encouraged the structuring of a sector approach in education, and were particularly influential in strengthening the dialogue and coordination between ministries of education and ministries of finance.

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? *

EU SBCs contributed to securing domestic education spending in situations of fragility through EU direct financial transfers to the Treasury. The capacity of EU SBCs to mobilize significant amounts fairly quickly and channel them through country-systems was critical to create the fiscal space necessary to prevent the deterioration of basic social services. Policy dialogue amplified the effects linked to financial transfers. The dialogue between the EU and beneficiary governments around SBCs gave centrality to questions of budget allocation and execution in social sectors, alongside the imperative needs in terms of security-related expenditures in these conflict-affected countries. Result indicators were instrumental to anchor this dialogue around education budget allocations and spending. Targets were not always reached, but significant progress was generally made. Difficulty in achieving them could actually reflect the severity of bottlenecks and triggered productive dialogue. In some SBC-beneficiary countries (Mali and Niger), sustained and well-structured policy dialogue did not need to be anchored to indicators to contribute to protecting education spending.

The effect of SBCs in sub-Saharan African countries was most visible in the provision of financial resources that cushioned shocks to government recurrent expenditure in education, and in first instance, the teachers' wage bill. In contrast, SBCs could not usually prevent adjustments in capital expenditure. In other regions of the world, in cases of post-natural disaster reconstruction, SBCs contributed more directly to the redeployment of school infrastructures (Nepal). The instrument, which intervenes at macro level, with ministries of finance in the driving seat, also demonstrated limited capacity to trigger a fine-grained dialogue over sectoral budget and PFM issues. EU SBCs supported the restoration or strengthening of basic cross-sectoral PFM processes (e.g., domestic resource mobilization, cash management, payroll management), and enabled a greater coordination between ministries of finance and ministries of education. This contributed to laying the foundations for subsequent education-specific budget support programs, strengthening financial governance and support education outcomes more directly. In addition, sector ministries' ownership over the instrument proved relatively insufficient and worked better when ministries of education had become more familiar with the result-based financing logic of budget support prior to the crisis.

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)? *

In crisis-affected and fragile countries, in the face of multiple pressing needs, ministries of finance may be tempted to freeze the education budget to meet their deficit target. Despite improvements over the last ten years, externally-funded education programmes in emergency and fragile situations remain insufficiently aligned with country systems. In that context, EU SBCs played a singular role: allowing for fiscal and monetary adjustments that preserved overall spending on education and the delivery of basic education services. They contributed to protecting the teachers’ wage bill, indispensable to achieving good learning. In encouraging a more equitable geographical distribution of resources, they also contributed to strengthening social cohesion and state legitimacy, important elements to address the root causes of conflicts and protracted crises. In complementing short-term response to crises with more systemic engagement and in encouraging a greater coordination between finance and education ministries, they paved the way for longer-term support of education system strengthening.

Recommendation:

- Make sure to involve all stakeholders in the choice of indicators and realistic targets, drawing as much as possible on national policies;
- Emphasise, within macro-economic and PFM interventions, the objective of preserving/improving budget allocations and expenditure management/spending efficiency in social sectors
- Integrate concerns over geographical coverage, equity and quality of public services
- Encourage better coordination between development partners and better articulation between various instruments (humanitarian aid, security support, budget support, pool funding, capacity building and support to civil society);
- Integrate sector dimensions in fragility assessments.

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. *

Evaluation of EU State Building Contracts (2012-2018) – Final Report and Annexes:
https://international-partnerships.ec.europa.eu/policies/monitoring-and-evaluation/strategic-evaluation-reports/evaluation-eu-state-building-contracts-2012-2018_en

European Union (2020) Education in emergencies and Protracted crises – Practical Guidance Note 7:
<https://op.europa.eu/en/publication-detail/-/publication/9d9030b0-39d2-11eb-b27b-01aa75ed71a1/language-en>

European Union (2017) Budget Support Guidelines - Tools and Methods Series, Guidelines nr7:
<https://europa.eu/capacity4dev/t-and-m-series/documents/budget-support-guidelines-en>