

EFA FTI Board of Directors Online Decision

15 July, 2011



Key Decision

BOD/2011/06-01 – Quality Assurance Review Process: The EFA FTI Board of Directors approves the EFA FTI Secretariat's proposal for a redesigned two-stage External Quality Review (EQR) process as described in FAC/2011/06 DOC 01, which will be called the Quality Assurance Review (QAR) process.

The existing EQR model will be applied to all allocations made during 2011 and the new QAR process will be applied to all applications for education plan implementation grants from the Education for All Fund starting in 2012.

The EFA FTI Board of Directors requests the EFA FTI Financial Advisory Committee to present to the EFA FTI Board of Directors at its next in-person meeting revised FAC terms of reference consistent with the new QAR process.



**SUMMARY OF THE EVALUATION OF THE EXTERNAL
QUALITY REVIEW PROCESS AND RECOMMENDATIONS
FOR A REDESIGN OF THE PROCESS**

For the FAC and for Final Recommendation by the FAC to the EFA FTI Board of Directors

1. Purpose

The purpose of this paper is to seek the final recommendation of the EFA FTI Financial Advisory Committee (FAC) to the EFA FTI Board of Directors regarding the suggested revised new format for the External Quality Review (EQR) process for application packages for education plan implementation grants.

This revised version of the paper addresses earlier comments raised by the Financial Advisory Committee (FAC) at its in-person meeting on 16 May 2011 in Kigali, Rwanda.

2. Background

The EQR was introduced on a pilot basis by the Catalytic Fund Committee (CFC) in September 2008. In November 2009, the CFC requested the EFA FTI Secretariat to conduct an evaluation of the pilot EQRs. The EFA FTI Secretariat commissioned an external evaluation of the EQR process based on the 13 EQRs completed in the past two years. The evaluators were asked to draw on the results of the EQR evaluation to propose a revised quality assurance process as appropriate. The evaluation included a desk review of six EQRs (Tajikistan, Togo, Lao PDR, Djibouti, Malawi) and detailed case studies of the remaining seven (Lesotho, Mozambique, Rwanda, Haiti, Papua New Guinea, Liberia, Ethiopia). The desk review was based on project documentation only and the case study, in addition to documentation, included extensive interviews with stakeholders.

Section 4.1 below summarizes the conclusions of the EQR evaluation and Section 5 describes the redesign of the EQR based on the proposals made by the evaluation team. The full report of the EQR evaluation is attached to this paper as Annex 1.

3. Proposed decision

The EFA FTI Secretariat proposes that the FAC recommend the following decision to the EFA FTI Board of Directors:

BOD/2011/06-01 – Quality Assurance Review Process: The EFA FTI Board of Directors approves the EFA FTI Secretariat’s proposal for a redesigned two-stage External Quality Review (EQR) process as described in FAC/2011/06 DOC 01, which will be called the Quality Assurance Review (QAR) process.

The existing EQR model will be applied to all allocations made during 2011 and the new QAR process will be applied to all applications for education plan implementation grants from the Education for All Fund starting in 2012.

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4. Reasons for Recommendation

4.1. Conclusions of the EQR Evaluation

4.1.1 The EQR was introduced to address the variability in the quality of country applications for Catalytic Fund (CF) financing submitted to the CF Committee. The EQR was intended to provide an external assessment of the quality, consistency and adherence of the CF application package to the EFA FTI guidelines before submission to the CF Committee. The EFA FTI Secretariat organized the EQRs, ensured their quality and made a final recommendation on financing to the CF Committee based on the conclusions of the EQR, including readiness for implementation.

4.1.2 The evaluation highlighted a number of ways in which the EQR process was helpful. In some cases, the EQR did lead to the strengthening of a CF application package before submission to the CF Committee. In some countries, it also led to useful discussions around the issues and concerns raised by the EQR. Overall, the EQR process enabled a common measurement to be used across application packages submitted to the CF Committee and therefore was generally successful in ensuring that applications met minimum standards. In particular, the EQR reports raised specific fiduciary and implementation issues, which successfully alerted key stakeholders to the need for capacity-building in these areas.

4.1.3 However, the evaluation concludes that while the EQR process was helpful in determining the quality of a CF application package and its readiness for implementation, it was of limited use in helping to remedy application packages that were not assessed to be of sufficient quality and to be ready for implementation. The evaluation points out that the timing and format of the EQR, just before the allocation decision, provided little opportunity for major changes to be made to the application package and in particular to the design of the program for which EFA FTI financing was being requested. This is important because in some cases EFA FTI financing was provided – usually in full – despite the technical concerns that were raised by the EQR. This has generated confusion around the purpose of the EQR, undermined the technical credibility of the process, and has led to tensions around the basis on which financing decisions are made.

4.1.4 The table below summarizes the main findings of the evaluation.

EQR Areas Examined	EQR Evaluation Conclusions
Quality and Relevance	<ul style="list-style-type: none"> • The analysis in the EQR of common areas across application packages is useful. The areas include: <ul style="list-style-type: none"> ○ information gaps, ○ the imbalance between structure and content, ○ linkages between inputs, outputs and results, ○ weaknesses in monitoring and evaluation arrangements, capacity concerns. • The relevance of the EQR in the decision-making process was marginal because it comes late in the process. • Though there is commonality in the areas discussed, this also leads to repetition across sections in the EQR reports. • The structure and template tend to provide an overly technical report. • The usefulness of the review was often dependent on the reviewers' familiarity and knowledge of the country context.
Timing and costs	<ul style="list-style-type: none"> • The EQR comes too late in the sequence of project preparation to allow changes to be made. • Current average cost is US\$12,000 per EQR.

Duplication with the Supervising Entity's quality assurance processes	<ul style="list-style-type: none"> • Some Local Education Groups found it helpful in reviewing the Supervising Entity's recommendation on allocations in a project. • It was considered to be a duplication of the quality assurance processes of Supervising Entities • Some countries found the EQR process undermined aid harmonization by introducing an additional external process
Appropriateness for different aid modalities	<ul style="list-style-type: none"> • The EQR was better positioned to review 'stand alone' projects rather than other, more aligned, financing modalities. In particular, the EQR should have gone beyond consideration of the Supervising Entity's project documentation to a broader assessment of the education plan where the project would have ultimately financed the plan through a pooled fund.
Usefulness of ratings	<ul style="list-style-type: none"> • Since different EQR teams rated different application packages, the ratings are not comparable but need to be viewed alongside the reasons provided for the ratings. For example, a rating of 3 was positive in some assessments, and negative in others.
Usefulness to client	<ul style="list-style-type: none"> • The EQR helped identify potential procurement and financial management constraints. • It helped initiate dialogue between development partners and government around issues of equity and ownership. • The EQR also enabled Local Education Group's discussions around the strengths and weaknesses of the application package, which might not have happened otherwise, particularly if the Supervising Entity's processes did not lend themselves to open dialogue and collaboration.
Role of EFA FTI Secretariat	<ul style="list-style-type: none"> • The EFA FTI Secretariat was supportive and responsive to the needs of EQR consultants. • However, the EFA FTI Secretariat capacity needs to be strengthened to adequately support the EQR process.

5. Redesign of the EQR Process based on the EQR Evaluation

5.1 The EQR evaluation report is unequivocal on the need for a quality review process. The report suggests clarification in the purpose of the EQR, and the need to develop formats and procedures accordingly.

5.2 Essentially, the FAC should agree on the objectives of the EQR. EQRs can have three possible objectives.

Objective 1: To provide a final check on the quality of an application package including ‘readiness’ for implementation.

Objective 2: To influence the design of application packages to ensure that applicants are prepared to begin implementation at the point of application for funds

Objective 3: A combination of both Objective 1 and 2

5.3 The EQR evaluators propose **two different options** in which the EQR could be redesigned to be clearer in its objectives and processes and improve transparency and predictability in allocation decisions. The EQR evaluators also recommend adopting a quality assurance process that is strongly focused on supporting Local Education Groups and Supervising Entities to develop robust programs and ensure readiness for implementation (Objective 3).

5.4 The **first option** pertains to Objective 1 above. It maintains the current EQR process with the following improvements: (i) strengthened communications from the EFA FTI Secretariat with Local Education Groups to enable them to better understand the EQR process and timing; (ii) dialogue between EQR reviewers and Local Education Group members to discuss the application package; and (iii) ensuring the Local Education Groups fully understand ratings and conclusions. These small modifications would address some of most significant weaknesses of the current EQR process.

5.5 The **second option** pertains to Objective 3 above. This option includes a two-stage process - an initial review and a final readiness review.

5.6 The initial review would address the following:

- Program design: Objectives, technical aspects, sustainability, and results framework
- Risk identification and mitigation: Implementation arrangements, fiduciary oversight and safeguards
- Monitoring and evaluation (M&E): Indicators, M&E strategy, and transparency
- The inclusiveness of in-country consultations in the preparation of the application package

- The level of alignment with the education plan
- The capacities of Supervising Entities to manage implementation.

The EFA FTI Secretariat would be responsible for the initial review. The **initial review** will take place before the Supervising Entity carries out its own final quality checks. For example, when the World Bank is the Supervising Entity, the initial review would take place prior to the meeting that approves the Program Appraisal Document (PAD) and other accompanying documentation. An appropriate scheduling of the initial review will allow relevant discussions to take place early on around potential areas of concerns as well as room for developing mitigating measures as required. The primary audience for the initial review includes the Local Education Group and the Supervising Entity.

5.7 The initial review would typically include an in-country mission of approximately one week, especially if the program is considered 'high-risk' and is particularly complex. The evaluation recommends a team of three consultants for this activity. However, it is the view of the EFA FTI Secretariat that not only are the costs high but it does not draw on the experience of Secretariat staff. For this reason, the EFA FTI Secretariat proposes that senior staff in the EFA FTI Secretariat carry out the initial review with the assistance of external consultancy support as needed. Such an approach would help ensure an informed assessment based on in-depth country knowledge of EFA FTI Secretariat senior staff.

5.8 The initial review report will be prepared in a participatory manner with the Supervising Entity and the broader Local Education Group. If there are any issues raised during the initial review, these will be discussed with the Local Education Group and the Supervising Entity. Out of these discussions should emerge consensus on what will be done to address the issues and concerns raised. All parties should agree that these will be carried out before the education plan implementation grant application package is finalized.

5.9 The **final review** would take place once the Local Education Group has formally submitted the education plan implementation grant application package to the EFA FTI Secretariat. This review will be carried out by a senior staff member in the EFA FTI Secretariat. The EFA FTI Secretariat will be

responsible for making the final readiness recommendation to the FAC, which would be the primary audience for the final review.

5.10 The purpose of the final review is to evaluate the completeness of the application and compliance with the agreed recommendations of the initial review. The final review report would serve the purpose of the final readiness evaluation. It would not provide further technical evaluations of the application since this process would have been fully completed during the initial review. There would be two potential outcomes of the review – full funding in line with the indicative grant allocation that countries would have been advised of earlier; or delayed funding until issues raised in the initial and final reviews are fully addressed. If the proposed redesign of the EQR is approved by the EFA FTI Board of Directors, the FAC terms of reference will need to be amended to reflect this new approach. The proposed decision in section 3 above requests the FAC to present amendments to the terms of reference at the next in-person meeting of the EFA FTI Board of Directors.

5.11 The maximum cost for the initial review is estimated to be about US\$25,000 for travel costs and consultancy support. This is double the current cost of an EQR but the in-country mission will be critical to pulling all country-based stakeholders together around ways in which the application package can be strengthened for better results.

5.12 The EFA FTI Secretariat is responsible for the initial and final reviews in the quality assurance process. The table below summarizes the revised proposed quality review process for all education plan implementation applications.

	Initial review	Final review
Objectives	Substantive review according to objectives described in Paragraph 5.6	Review compliance with the recommendations of the initial review and readiness.
Audience	Supervising Entity, and Local Education Group	Financial Advisory Committee
Responsible	Senior staff in the EFA FTI Secretariat with consultancy support	Senior staff in the EFA FTI Secretariat

Timing	Two weeks - conducted before the Supervising Entity carries out its own final quality checks. The review would generally include travel to country	The review will take place approximately six weeks before the FAC meets to review an application package. Final documents will be delivered to FAC members at least two weeks before the FAC meeting.
Cost	EFA FTI Secretariat staff time – absorbed into the general EFA FTI Secretariat budget and US\$25000 for consultancy support.	EFA FTI Secretariat staff time – absorbed into the general EFA FTI Secretariat budget.

6. EFA FTI Secretariat’s Recommendation

6.1 The EFA FTI Secretariat agrees with the evaluation’s recommendation for a two-stage quality review process (option 2) for the following reasons:

- Conducting the initial review during the early phases of program preparation will provide opportunities for identifying and addressing flaws in project design and limitations in implementation capacity. The review can be tailored to the different financing modalities. The final review ensures a level of accountability on the part of the government and Supervising Entity to address the shortcomings identified during the initial review.
- The two-stage process enables a more informed assessment of the quality of collaboration between key stakeholders including the government, development partners and the Supervising Entity in program development. Coordination between different players at the country level around the education plan is important for the achievement of education outcomes.
- The new design offers a strong engagement for the EFA FTI Secretariat which will improve the EFA FTI Secretariat’s ability to monitor the implementation of education plan implementation grants and to develop a more informed assessment of Local Education Group and Supervising Entity’s abilities and capacity needs.

6.2 Overall, this process will support a quality assurance process of mutual accountability. It will enable participation and collaboration among the Local Education Group, Supervising Entity and the EFA

FTI Secretariat in developing a robust and relevant education plan implementation grant application package.

6.3 The new design will take into consideration the procedures and design of the new Education For All Fund in addition to the Results Framework being developed for the EFA FTI partnership.

6.4 Dissemination of information on the revised quality review process will be part of the activities planned for finalizing the in-country processes for grant applications from the Education for All Fund with developing country and donor partners. Dissemination will take place during the third quarter of 2011 and applied to all education plan implementation grant packages starting in 2012. This will allow sufficient time for the EFA FTI Secretariat to develop the templates and disseminate the new design to Local Education Group and Supervising Entities.

6.5 The existing EQR will be improved in line with Paragraph 5.4 and should be applied to all application packages submitted in 2011.

6.6 Finally, the EFA FTI Secretariat recommends the new two-stage quality review process be named the **Quality Assurance Review** process.

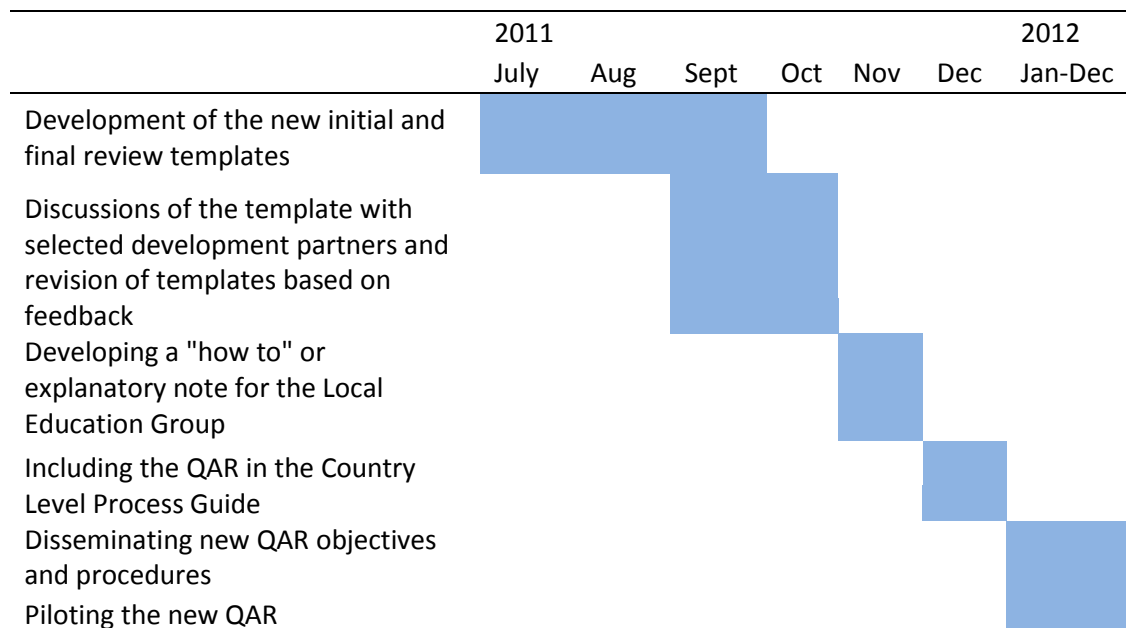
7. Next Steps

This revised paper incorporates the input that FAC members provided at the in-person meeting on 16 May 2011. The EFA FTI Secretariat requests the FAC to recommend the implementation of the new proposal to the EFA FTI Board of Directors. The proposal includes keeping the existing but improved EQR model for all allocations made during the calendar year 2011 and a redesigned two-stage Quality Assurance Review process for all allocations where possible starting in calendar year 2012. The table below outlines the next steps and the timeframes.

Activities for the Redesign of the EQR Process:

The first option of an improved EQR will be applied to all Education for All Fund allocations for education plan implementation in 2011. The chart below provides a timeline for putting in place the new Quality Assurance Review process.





8. Contact

Board members and others with questions or comments on these matters are invited to contact Sandra Barton, Country Support Team, Coordinator (sbarton@educationfasttrack.org).