



Hosting Review Presentation to ECW Executive Committee 9 March 2018

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What we recommend and how we formed our views

In summary, we recommend:

- ECW incubation phase be continued for the next 3-4 years
- UNICEF should continue as incubator host but with strengthened arrangements, including transfer of financial hosting to MPTFO
- Decision on permanent host should be deferred

These recommendations should:

- *maximise ECW effectiveness as it establishes itself*
- *allow a long-term decision to be based on better knowledge of ECW's requirements and of all the options available*

The evidence for our conclusions:

- Over 110 stakeholder interviews** – including ECW Secretariat, almost all ExCom and several HLSG members
- Extensive document review** – including submissions by short-listed organisations
- The experience of comparator hosted organisations**
- Drawing on the varied aid, education, global funds, strategic and evaluation expertise of Mokoro team**
- Principles and steps** – including criteria for comparison - articulated in the Assessment Design Report
- Comparative cost analysis**

A quick recap from our inception report (ADR November 2017)

- Identified four broad options for further consideration:**
 - UNICEF
 - other UN-centred configuration (possibly involving MPTFO and/or UNOPS)
 - GPE
 - World Bank
- Recognised important time dimensions**
 - Whether and for how long present interim arrangement should continue
 - The time-scale for transition to a permanent host
 - Need to minimise risk of entrenching
- Recognised the importance of understanding ECW's emerging strategic direction**
- Identified a set of criteria and sub-criteria to seek the best-fit host that would meet the overall objective of maximising ECW's impact**
- Highlighted trade-offs and hence the difficulty and limited value of a formulaic approach to comparing and contrasting hosts**

Potential hosts – key points

UNICEF

- Strength in humanitarian contexts and education expertise made UNICEF, in our view, appropriate choice for incubation
- But these strengths entail conflicts of interest (COI), which have not been sufficiently addressed and risk weakening ECW partnerships

Global Partnership for Education

- Could still be a long-term contender to host
- However, recent decision to consider de-coupling from World Bank creates uncertainty that precludes realistic appraisal now of GPE hosting option
- In time, an independent (and replenished) GPE might offer a different proposition

World Bank

- Not actively seeking to host
- WB's ongoing Trust Fund Review seems likely to make WB a less amenable host (with implications also for GPE hosting while GPE is at WB)

UNOPS and MPTFO

- Both offer advantages and disadvantages of a neutral platform – no special EiE expertise hence no COI
- UNOPS has a dedicated hosting proposition, but, in our judgement, its “hands-on” approach would not be a good fit for ECW
- MPTFO has limited track record in administrative hosting, but does offer expertise in financial hosting, including humanitarian pooled funding

GPE and WB developments restrict realistic options of viable hosts for ECW if a final decision had to be made now

The incubation period

- ❑ The ODI ‘Evidence Paper’ May 2016 refers to an incubation period of “ideally up to five years”
- ❑ Numerous interviewees made a strong case that it would be counterproductive to move ECW at this early stage in its development
- ❑ But we also heard strong perceptions of COI in UNICEF’s hosting
- ❑ To maximise impact, we recommend an incubation period coterminous with ECW’s 1st strategy. This would
 - ❑ Allow ECW to concentrate on determining its operating model and getting established
 - ❑ Allow the scale of ECW – in terms of resources mobilised – to become more evident
 - ❑ Allow a full range of potential hosting options to be considered; including an independent ECW and an independent GPE
 - ❑ Give UNICEF the chance to show how it could deal with perceptions of COI and increase its value added to ECW
 - ❑ Enable the eventual decision to draw on evaluation of ECW performance – including the role of hosting – during its first strategy period

“[We] do not want permanent decisions made on ECW until we see where the funding trail leads us – people now realize we need a global education funding solution. Bear this in mind. Do not reach a permanent solution” Stakeholder view

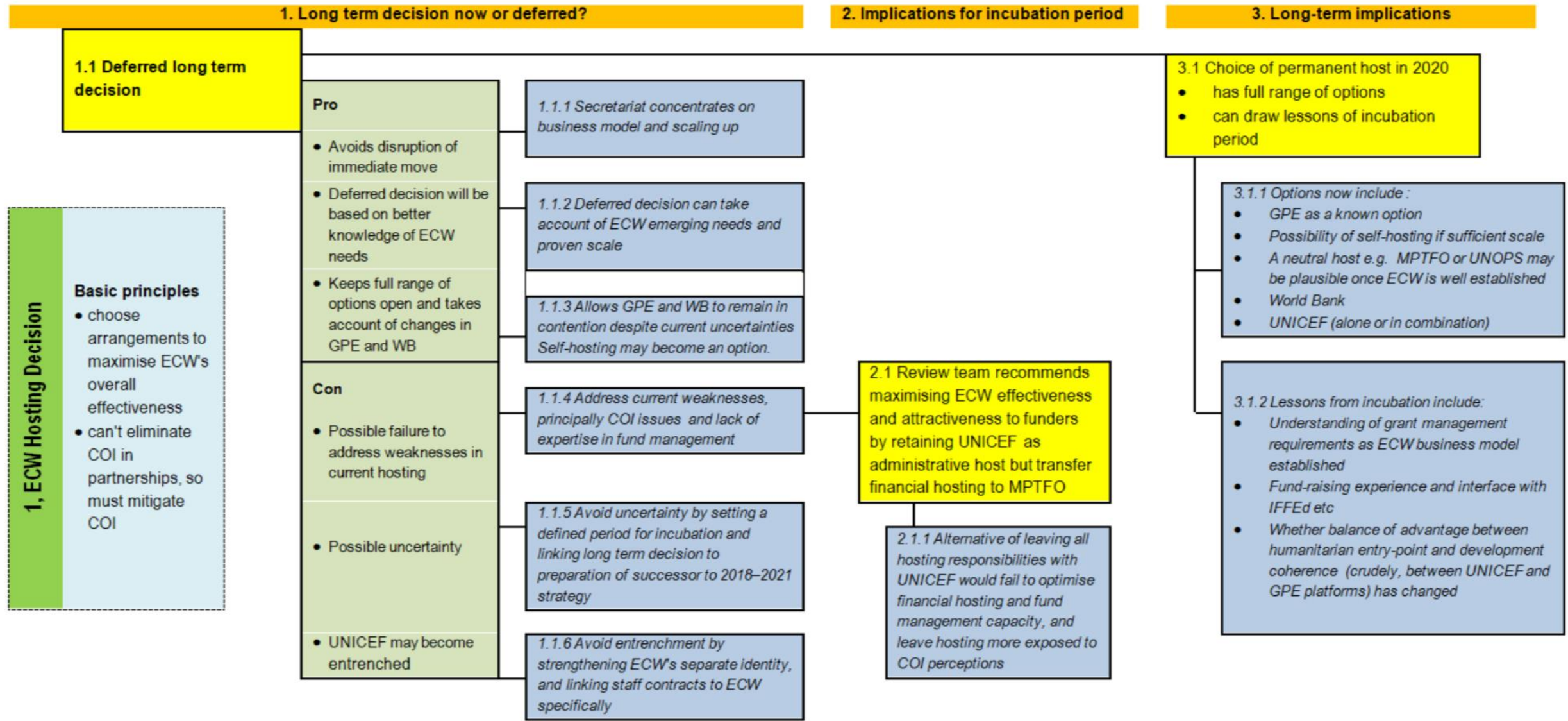
Strengthening UNICEF interim hosting

- The original choice of UNICEF as interim host was, in our view, correct. However there were inherent conflicts of interest (not unique to UNICEF)**
- While efforts were made to mitigate these, many important stakeholders remain unconvinced**
- Improvements in current arrangements needed to address risks and perceptions of COI and other issues during remainder of incubation period**
- A win-win option is to transfer financial hosting to MPTFO. This would:**
 - provide a higher level of expertise in financial hosting and humanitarian pooled funding
 - be financially advantageous (MPTFO would not retain the interest on ECW funds)
 - help address the issue of COI, but
 - preserve the advantages of UNICEF as an administrative host during incubation
- ECW must also develop its own independent brand and identity, not co-mingled with that of UNICEF, and additionally enact measures to prevent obstacles to a future change of host**
- ECW must make adequate plans for resource mobilisation, recognising that responsibility will fundamentally rest within its own structures, and not with UNICEF**
- All of these measures would also likely increase confidence of potential ECW funders**

Our recommendations

- Choice of permanent host should be deferred to 2020/21:** ECW is in its formative stage - a change now will be disruptive and hurt its prospects
- Incubation should continue with UNICEF as administrative host:** however, do not entrench UNICEF – avoid creating hurdles to a possible future host change
- Key enhancements to hosting configuration during incubation:**
 - Reinforce ECW’s identity – separate from that of UNICEF
 - Mitigate real and perceived conflicts of interest
 - Strengthen financial hosting through UN Multi-Partner Trust Fund Office (also reducing COIs)
- Through 2018-2021 strategy, clarify ECW’s operational model which in turn will inform hosting needs:**
 - Approach to grant management and oversight
 - Resource mobilisation – effectively pursued independent of host – achieving what scale?
 - Relationship with key education players including GPE
- These recommendations are based on detailed evidence included in draft Report:**
 - Annex E – examination of current hosting arrangements with UNICEF
 - Annex F – detailed analysis of each host against each host criteria, and summarised implications for hosting review
 - Annex G – value for money analysis
 - Annex H – analysis of ECW grant management needs & overview of the grant management models of each host
- Decision tree illustrates the main options as we see them.**

Annex



1, ECW Hosting Decision

Basic principles

- choose arrangements to maximise ECW's overall effectiveness
- can't eliminate COI in partnerships, so must mitigate COI

1. Long term decision now or deferred?

2. Implications for incubation period

3. Long-term implications

