ESSPIN Value for Money Strategy

Contents

Acronyms

3 Es	Economy, Efficiency & Effectiveness
AR	Annual Review
ASO	Advisory Service Unit
CCT	Conditional Cash Transfers
CS	Composite Survey
DFID	Department for International Development
EAC	Educate – A – Child
EMIS	Education Management Information System
ESSPIN	Education Sector Support Programme in Nigeria
FCT	Federal Capital Territory
GEP3	Girls Education Programme III
GI	Gender Inclusion
GPE	Global Partnership on Education
IF	Intervention Fund
IMEP	Independent Monitoring and Evaluation Project for the State Level Programmes
INSTEP	Interim Support to Education Programme
IQTE	Islamiyya, Qu'ranic, Tsangaya Education
LGEA	Local Government Education Authority
LTTA	Long Term Technical Assistance
MTSS	Medium Term Sector Strategies
NAO	National Audit Office (UK)
OPM	Oxford Policy Management
QA	Quality Assurance
SIP	School Improvement Programme
SLPs	State Level Programmes
SMO	Social Mobilisation Officer
SPARC	State Partnership for Accountability Responsiveness and Capability
SSIT	State School Improvement Team
SSO	School Support Officer
SSRP	Nepal School Sector Reform Programme
STTA	Short Term Technical Assistance
SUBEB	State Universal Basic Education Board
TA	Technical Assistance
TA	Technical Assistance
TDP	Teacher Development Programme
UBEC-IF	Universal Basic Education Commission Intervention Fund
UNICEF	United Nations Children's Fund
VFM	Value for Money

1 Introduction

This paper sets out ESSPIN's value for money (VFM) strategy. The primary aim of the paper is to show how ESSPIN is adopting VFM principles in accordance to DFID guidelines. As a secondary objective, the ESSPIN VFM strategy aims at contributing to the wider discussion on VFM across aid programmes in Nigeria (specifically SLPs), the DFID education portfolio and also, more generally to other aid programmes in related contexts.

Following this introductory section, section two of this paper presents ESSPIN's understanding and measurement of the key dimensions of VFM: economy, efficiency, effectiveness, equity and sustainability. For each of these dimensions, the paper will outline ESSPIN's interpretation of the dimension and then present the primary VFM indicators that the programme will use to measure VFM.

A third section with additional information on VFM indicators is included in the paper, the main purpose of which is to offer a discussion of other VFM considerations, particularly risk management and flexible resource deployment, not presented thus far. More generally, the section aims at discussing any salient VFM issues that do not sit comfortably in the earlier two sections but warrant attention in the strategy.

The report is accompanied by two annexes, the first with ESSPIN's results chain and a second with a number of key VFM questions answered. The purpose of including the results chain is to present a summary of ESSPIN intervention and the overall impact intended by the programme. As for the other, ESSPIN's VFM strategy has gone through several reviews and updates arising from Annual Reviews, tweaks in programme elements, contributions/meetings with DFID and new information from available programme results. The process has generated useful questions and answers relating to ESSPIN's VFM assessment and the purpose of the annex therefore, is to afford the reader a richer context of the thinking behind some of the aspects reflected in the strategy.

This strategy will form the basis of the 2014/15 VFM self-assessment[1]. The self-assessment will be conducted in line with current DFID requirements (and recommendations from the 2014 ESSPIN Annual Review). ESSPIN will use an independent consultant to conduct the self-assessment, and this will comprise of an in-country visit for consultation with the ESSPIN SMT, DFID and the STLs. The self-assessment will collate ESSPIN's VFM results as assessed against each of the indicators presented in this paper with the primary aim of answering the overall VFM question: "is ESSPIN providing VFM?"

1.1 Key Principles of VFM

DFID's VFM policy underlines that VFM is about *maximising the impact of each pound spent to improve poor people's lives.*[2] Invariably, for programmes working within Nigerian States, VFM would apply to the direct costs and results of the DFID programme (ESSPIN) but also more generally to the system in context – which is the national education system and six state systems. ESSPIN's VFM strategy recognizes this, and, to the extent possible, will measure VFM not just for the programme but also for the education system.

To achieve VFM, DFID programmes are required to:

- Articulate the assumptions in the theory of change (results chain) backed by evidence of what works (at design stage and in-programme)

[1] Scheduled to be completed early July 2015, before ESSPIN's Annual Review.
[2] *https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67479/DFID-approach-value-money.pdf*

- Be very clear about costs and results (the three Es) to provide evidence for policy based choices.

- Seek to achieve the desired quality at the lowest price (this doesn't mean always taking the cheapest option)

- Analyse and manage risks and deploy resources flexibly

- Be able to measure the impact of the programme (demonstrate attribution, i.e. that results would not have been achieved anyway)

DFID's thinking around VFM is underpinned by the three Es approach (economy, efficiency and effectiveness). Figure 1 below presents this framework.

The framework presents a generic programme lifecycle, from inputs to impact, through the logical processes, outputs and outcomes. The overarching purpose of adopting and reporting VFM is that programmes become more accountable and are set up to achieve the greatest impact within cost constraints, or, a given impact at the lowest cost. The framework, through the results chain, therefore (highlights) that a poorly designed programme will not be cost effective and does not provide VFM even though all the programme activities may be completed.

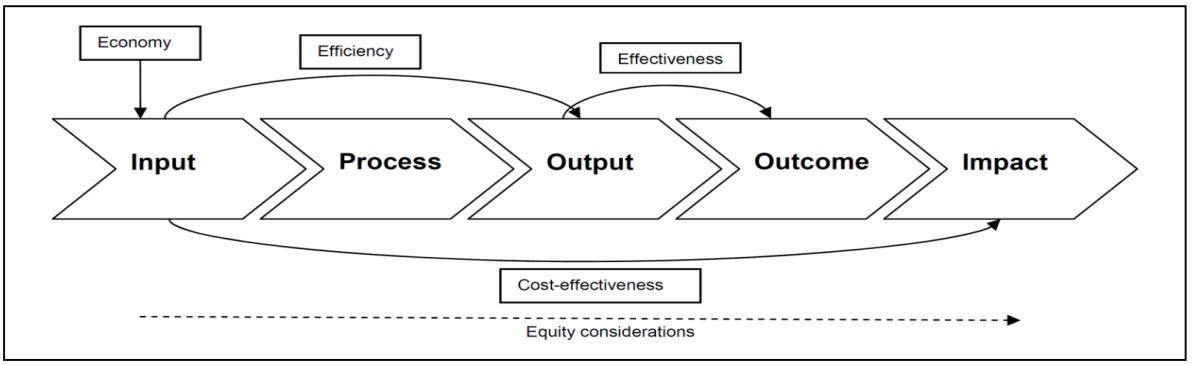

Figure 1: DFID VFM Approach

ESSPIN's VFM evaluation will thus be based on the programme's ability to achieve the intended impact i.e. demonstrate cost effectiveness through completing activities that translate well into outcomes (effectiveness) using the least amount of resources to achieve this (economy) and in the shortest space of time (efficiency). These dimensions of the ESSPIN evaluation are clarified below:

- Economy – Are we buying inputs of the appropriate quality at the right price?

  This often has been misinterpreted as 'are we buying the cheapest inputs' which has duly been described as a "race to the bottom". Instead, there is a dual focus, one on quality (appropriate as prescribed by what would be suitable to achieve the intended goals) and another on price.

- Efficiency – how well are inputs converting to outputs

- Effectiveness – how well outputs contribute to outcomes

The conclusion on whether a programme provides VFM will fundamentally be based on the fulfilment of the three E's. Each of these three dimensions of VFM has varying significance along a programme's results chain and some literature, to this effect, talks of 'internal' and 'external' VFM. Internal VFM looks at the core logic behind an intervention and, broadly, seeks to ask the question 'is the programme appropriately designed to meet the objectives'. External VFM on the other hand attempts to ask the general question 'compared to other programmes

doing the same, how well is this programme doing?' A programme with a good VFM strategy therefore, is one that exhibits internal and external VFM, i.e. is well designed (there is a plausible evidence base linking proposed inputs and activities to the outcome) and the delivery of the programme conducted at the lowest **possible**[3] cost and as timely as possible.

[3] Bearing in mind minimum quality standards acceptable

2 ESSPIN's Approach

2.1 Theory of Change and Evidence of What Works

The starting point in evaluating ESSPIN's VFM approach is ESSPIN's intended impact as outlined in the 2013 business case extension:

1. *Better learning outcomes* for children who are of basic education age in 6 States

2. *Quality* of, and *access* to, basic education improved *equitably* and *sustainably*

ESSPIN's most important goal is to improve the learning achievement of students. To achieve this improvement, the core proposition is that single-issue reform efforts such as teacher training, head teacher training, improved materials, direct school funding or community/parental involvement taken in isolation will have minimal impact on learning outcomes. Therefore, most or all of these factors need to be delivered and supported by state/local government over a period, if sustained improvement in learning outcomes is to be achieved.

This proposition is based on well-established school improvement/effectiveness research in developed countries.[4] Prior to the ESSPIN intervention, there was limited evidence that this approach would work in developing countries such as Nigeria. However, from the results of the programme to date, there is some[5] evidence that this model of integrated school improvement can lead to better learning outcomes in primary schools. ESSPIN believes that better learning achievement is primarily brought about by better quality schools and improving the numbers of children that can be in these improved schools. Within this drive towards the single most important goal of improving learning outcomes, inclusiveness is prioritised.

Box 1: What is inclusiveness?

Inclusiveness is about meeting the needs of *all* children, including groups that are often marginalised such as girls (in northern Nigeria), children with disabilities and children from poor families or certain ethnic groups. Nigeria has one of the highest out-of-school children rates in the world – an estimated 8 – 10 million. Tackling problems of exclusion is therefore fundamental to addressing Nigeria's education problems.

An inclusiveness strategy has to work at several levels. Firstly, state governments need to have clear policies on inclusive education and the will to implement these policies and monitor effectiveness. Secondly, schools must adopt practices that ensure a welcoming classroom environment for all kinds of learners. This includes having a better understanding of the needs of, for example, children with specific types of disability and the teaching skills to be able to meet individual needs in classes of 50 students or more.

Thirdly, SBMCs have a crucial role in getting out-of-school children into school in the first place, by for example talking to mothers of out-of-school children or tackling the practical barriers to school attendance, e.g. through feeding programmes.

Emphasis is placed on the improvements in learning outcomes becoming systemic to the Nigerian education system, i.e. that they are sustainable and will continue to be a part of the system beyond ESSPIN.

[4] E.g. "Improving Schools" Welsh Government. Available at: www.cymru.gov.uk

[5] CS1 did provide strong endorsement of the model, and CS2, while 'inconclusive', does not invalidate the contribution that the model can make to learning outcomes.

2.1.1 A primer on VFM metrics

There is a wide range of metrics that can be used to measure VFM. ITAD posits that there are three types of VFM indicators: monetary, quantitative and qualitative.

Monetary Indicators	Quantitative Indicators	Qualitative Indicators
Report the monetary value of a point along the programme's results chain (e.g. output or an outcome) – in relation to the associated cost.	Report how much (in numbers) a programme has achieved in relation to the associated cost	Report the kind of change, or result, in descriptive terms that a programme has achieved, in relation to an associated cost.

Using these three types of indicators, VFM can then be measured in three ways: benchmarked measurement, comparative measurement and standalone measurement

Benchmarked measurement – compares programme achievements with similar achievements outside the programme (within country or outside country). They are thus external.

Trend (Comparative) measurement – shows progress over time (e.g. years) or space (e.g. Districts), demonstrating cumulative effect or showing comparative improvement between "cases". They are internal, relative indicators.

Stand-alone measurement – shows what has been achieved within a reporting period. These are standalone and absolute indicators, and may be thought of as 'one-off' realisations of value. They can be compared against the planned target for that period, in which case, the value in VFM terms depends on the credibility of the original plan as both realistic and stretching

ESSPIN will incorporate benchmark, comparative and standalone indicators in the assessment of VFM. The choice of whether to use benchmarked indicators, trend indicators or standalone indicators will depend primarily on the availability of data meaningfulness of indicator. As an example, where data is available from Nigerian programmes, and it is meaningful to compare across programmes, benchmarked indicators will been used. Where possible, standalone indicators will be avoided, although this may not always be possible e.g. in cases where once-off savings are achieved.

The following sections outline the primary indicators used to assess ESSPIN's VFM.

2.2 Economy

ESSPIN's VFM approach at the level of economy is to procure inputs of the appropriate quality at the right price. ESSPIN's focus on economy is the key cost drivers, as recommended by DFID's guidance on VFM. The key cost drivers, by definition, are factors that significantly affect the cost of delivering the intervention. The following is a list of ESSPIN's key cost drivers and some reflection on why ESSPIN spends a significant amount of money on these.

1. **Head teacher and teacher training**

   The overarching challenge facing Nigeria's education system is to raise the desperately low levels of pupil achievement. Baseline results show that achievement was poor in basic literacy and numeracy areas in all States, but particularly in the north. Shockingly, students at the end of Primary 4 had difficulty in coping with the Primary 1 and 2 national curricula. Clearly, little

meaningful learning can be happening in Primary 3 upwards. Further studies pointed to the reasons for this.

The importance of head teacher leadership on the quality of education is well-established in international research. However, school leadership in Nigeria was found to be desperately inadequate. A study of head teachers showed that they spent less than a third of their time on relevant tasks such as ensuring pupils are being properly taught. Teacher capacity was very weak. Over 90% of teachers in some States scored less than 30% on tests based on the grade 4 maths curriculum, i.e. what a 10 year old should be able to achieve.

Raising the competence of teachers and head teachers from such low starting points requires intensive support. As an example, highly skilled State School Improvement Teams were set up and given a 50-day professional development programme, plus further mentoring. These teams in turn are responsible for the training (30 days) and on the job mentoring of local authority advisors who work closely with a small number of schools. They deliver training and school based support to Head Teachers (9 days training annually with three termly support visits). This focuses on school development planning and professional leadership, whilst work for Class Teachers focuses on improving both generic teaching skills (9 professional development meetings per year for all teachers in participating schools) and specific skills for teaching literacy and numeracy (6 days per year for teachers of lower primary).

2. SBMC training

International research shows that schools are more effective with strong parental and community participation. One benefit is that the community holds schools accountable and takes action for example to tackle teacher absenteeism. The community starts to understand the value of education and provides resources to schools in kind e.g. through voluntary labour or lobbies government, businesses and philanthropists for support. The SBMCs thus provide a means of community voice being heard both within the school and by government. These committees also help to give women and children (traditionally often excluded from discussions of what goes on in school) a voice.

Although it is national policy in Nigeria for all schools to have SBMCs, ESSPIN's initial research found that SBMCs were moribund or non-existent. A considerable investment was required to help state governments develop clear policies that had the support of schools and communities. This initial stage involved a lot of time, because without real grass roots understanding and support, the initiative would have failed. The next stage was to provide both training and ongoing mentoring for the new SBMCs. The scale of the task was so great that ESSPIN enlisted the support of civil society organisations (CSOs). The first major activity therefore was to train these CSOs and then support them while they helped establish functional SBMCs, including effective representation of women and children.

The early impact of SBMC developments has been impressive. The kinds of actions now being taken by SBMC/communities include:

- Monitoring of teacher's attendance resulting in reduced absenteeism
- Provision of some school furniture, learning materials, school uniforms, or food
- Support for minor repairs and school maintenance and security
- Organising open days for parents to visit schools and interact with teaching staff on pupil's learning achievements

- SBMC/community members rotating responsibility for making sure children cross busy roads safely at the end of the school day
- Negotiating reductions in transport fares and reductions
- Setting up welfare committees to support vulnerable children

3. **School infrastructure improvement** (construction/renovation of water points, toilets and classrooms [6])

   There is international evidence school attendance is affected by home and school based factors. One of the school based factors that affect attendance is physical environment[7], and this dimension includes school infrastructure. Schools that create an attractive and stimulating physical environment that support and encourage learning are more likely to improve school attendance than those that do not. In the Nigerian context, limited provision of essential school facilities, such as toilets, have played a part in reduced attendance and sometimes disproportionately among girls.

4. **Generating evidence of impact through the Composite Surveys**

   It is not possible to gather all evidence of the programme impact through existing data and like many other programmes, ESSPIN has to gather its own evidence of impact results through purposeful surveys conducted every two years.

This group of activities together accounts for at least 60% of total programme costs and thus, serves as an appropriate yardstick to assess economy.

2.2.1 Evaluating Quality and Price

Gathering and presenting the data are important first steps to evaluating quality and price. However, interpretation of the data presents challenges, mainly because of the absence of both similar data from other programmes in developing countries let alone Nigeria or West Africa, and of counterfactual data. Without benchmarking references, judgements of economy (and indeed efficiency or cost-effectiveness) may be subjective. More on this is presented below.

The table below presents ESSPIN's economy indicators

Table 1: Economy Indicators

Indicator	Comparison Method	Tracking Interval	Source of Data
1. Unit cost per school trained to use a development plan	Trend	Annual	ESSPIN Quarterly Reports
2. Unit cost per head teacher trained to operate effectively	Benchmark, Trend	Annual	ESSPIN Quarterly Reports
3. Unit cost per teacher trained to deliver competent lessons	Benchmark, Trend	Annual	ESSPIN Quarterly Reports

[6] The infrastructure component ended in July 2014 and the current focus is on sustainable maintenance of facilities
[7] E.g. https://www.acer.edu.au/files/NSIT.pdf

4. Unit cost per community trained to set up SBMCs	Trend	Annual	ESSPIN Quarterly Reports
5. Composite survey cost per instrument administered	Benchmark, Trend	Bi-Annual	ESSPIN Financials/OPM
6. Unit cost per learner with access to toilets	Trend	Annual	ESSPIN and SUBEB Infrastructure Progress Reports
7. Unit cost per learner with access to clean water	Trend	Annual	ESSPIN and SUBEB Infrastructure Progress Reports
8. Unit cost per learner benefitting from new/renovated classrooms	Trend	Annual	ESSPIN and SUBEB Infrastructure Progress Reports

2.3 Efficiency

ESSPIN's VFM approach at the level of efficiency is measuring how well inputs are converted into outputs with a view to improving the conversion rate of input to outputs (and inherently the cost per output result). DFID highlights[8] that an efficient education system is one where schools are open when they should be, students and teachers turn up regularly, textbooks are available and used, pupils and teachers are in class, pupils progress, time in school is spent on teaching and learning and students complete the relevant cycle of school. Many of these are relevant to the ESSPIN intervention, as ESSPIN adopts an integrated approach to school improvement, as discussed earlier.

It is critical to emphasize the importance of leveraging additional resources from State governments to deliver programme outputs. ESSPIN's goal is to achieve systemic learning improvements in the Nigerian education system. To ensure that the interventions brought about by ESSPIN are systemic, there is need for the interventions to be scaled up using State funding. What can be realistically achieved with ESSPIN's budget and resources, in the greater context is limited – much more can be achieved by the State governments if they support, both ESSPIN and non-ESSPIN States ESSPIN and ESSPIN-type activities. Leveraging funds from the State government is thus one of the priority VFM measures for the programme.

It is also noteworthy that ESSPIN has found it challenging to collect benchmark information on a number of efficiency indicators[9]. Part of the reason for this is to do with costs per outcome relating specifically to ESSPIN's outcome design. While there may be a number of DFID programmes similar to ESSPIN[10] these programmes do not necessarily aim to have a similar sets of outcomes to ESSPIN, as they are in different contexts. Therefore, while it is useful to report costs per outcome, for comparability and insightful information for management on VFM (meaningfulness), it may be more useful to report costs per activity and benchmark these against a wider range of comparators, then; and then separately track the conversion rates for those same indicators.

In 2014 for example, ESSPIN measured efficiency largely through costs per outcome, and for illustrative purposes, tracked the cost per head teacher trained who was operating effectively

[8] h*ttps://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209114/Review_of_efficiency_in_the_schools_system.pdf*

[9] As raised in the previous section on economy, without benchmarks, some information may be difficult to analyse; e.g. does a cost of $xyz per effective head teacher trained represent good efficiency?

[10] E.g. INSTEP (Kenya), SSRP (Nepal) & Improving the Quality of Education (Ethiopia)

(which was £758). This, as opposed to cost per head teacher trained, captured the cost for training head teachers only if the head teacher were assessed to have been performing effectively (i.e. total cost of head teacher training divided by number of head teachers adjudged to be effective post training) This is useful information, but difficult to contextualise. Does a cost of £758 per head teacher operating effectively translate to good efficiency? Without benchmarked data to contextualise this, it is difficult to make any judgements on the figure.[11] To benchmark this cost appropriately however, would require comparisons against a programme (in Nigeria or in a related context) that has the same outcome, measures an "effective teacher" in a comparable way and is placed in an education system with more or less the same cost structure as Nigeria[12] - again, also difficult. The strategy proposes reverting back to reporting cost per activity under economy, and for efficiency, in such cases, report the pure conversion rate.

Using the illustration above, ESSPIN will track cost per head teacher trained under economy and then track the proportion of trained head teachers operating effectively after training as an efficiency indicator. This way the conversion rate can also be compared to similar or related programmes that may training head teachers, but in settings with different cost structures.[13] Should costs per outcome indicators are required, these can easily be computed (by dividing the cost per unit of activity by the conversion rate[14]). As programmes elsewhere begin to report costs per outcome more regularly, then costs per outcome(s) will be included for benchmarks in the ESSPIN VFM strategy.

Box 2: Measuring efficiency for school improvement indicators

ESSPIN's output two work involves the increasing the States' capability to govern and management schools, specifically through improving:

i) the quality of strategic and operational planning, budgeting, budget execution, performance and monitoring and reporting at state level, the quality of service delivery systems and processes at State and LGEA levels,

ii) the quality of school support and QA services, and

iii) the quality of State/LGEA engagement with local communities.

Each of the six intervention States measures these four output indicators (self-assessment) using a qualitative method to rank achievement, with final scores recorded as A, B, C or D, in order of achievement. To answer the question 'has the ESSPIN work under output 2 efficient' would thus require teasing efficiency from qualitative measures and often, this is straightforward, as it is difficult to 'quantify' a change in a qualitative score.

To circumvent this problem, efficiency measures for improvements above will be proxied by the percentage of targets State and LGEA school outputs met over the year, viz; the percentage of the 24 (6 States x 4 indicators per State) State level targets on State governance and management. The usefulness of this indicator lies in its ability to complement the AR process to bring out the overall rate of success, in relation to its target, of ESSPIN's work on improving the capability of State governments' governance and management of basic education.

[11] It is possible to track this year on year, an conduct a trend (comparative) assessment, but again, this will provide limited information on the absolute performance on the indicator (costs per outcome could fall, for example, but to a figure that is relatively too high)

[12] Comparable in that either the cost structures are the same, or that the difference in the costs can be quantified and is known, so that relative adjustments can be made.

[13] This conversion rate can also be loosely compared to any available conversion rates involving head teacher training that may or may not include the same training outcomes, but are to do with training head teachers with an aim of changing their behaviour in a systemic way

[14] If the cost per trained teacher is £100, and $^1/_2$ of all trained teachers are effective, then the cost of training per effective teacher is 100/0.5 = £200/effective teacher

Efficiency indicators (presented below) are based on the areas of ESSPIN's intervention that are in-line with DFID's guideline on efficient schools above. In addition to the operational efficiency indicators, ESSPIN will also measure 'technical efficiency' indicators. These relate to the project management aspect of delivery of the intervention, to do with how smooth and well-functioning ESSPIN is in its delivery of the programme. These technical efficiency indicators will more readily and easily be benchmarked against other programmes.

Table 2: Efficiency Indicators

Indicator	Comparison Method	Reporting Period	Source of Data
9. Differential between disbursement rate of UBE-IF funds for basic education in focus states vs. non-focus states	Trend	Annual	UBEC quarterly disbursement report
10. Percentage of State level quality improvements targets met during the year	Trend	Annual	State Self Assessment reports
11. Proportion of trained head teachers in public primary schools operating effectively	Trend	Annual	State SSO reports
12. Proportion of assisted public primary schools undertaking development planning	Trend	Annual	State SSO reports
13. Proportion of trained teachers who can deliver competent lessons in literacy (English) and numeracy in public primary schools	Trend	Annual	State SSO reports
14. Proportion of intervention public primary schools with functioning SBMCs	Trend	Annual	State SMO Reports
15. Proportion of schools where SBMCs reflect women and children's concerns (advanced reflection)	Trend	Annual	State SMO Reports
16. Percentage overhead spend of total programme expenditure	Benchmark	Yearly	ESSPIN & international benchmarks
17. Expenditure to date vs Implementation progress to date	Trend	Yearly	ESSPIN financials and activity completion as per work plan

The paucity of benchmarked indicators on efficiency is acknowledged. This is due to the lack of information on any relevant indicators that ESSPIN can access.

2.4 Effectiveness

Effectiveness relates to how well outputs are being converted to outcomes. The ESSPIN results chain articulates that for ESSPIN to be effective, the programme outputs should translate to increased participation of children in school, including girls, poor children and children with disabilities, increased participation of marginalised schools in non-formal education and effective use of government funds to improve schools in a sustainable (systemic) manner. This is summarised by the programme outcome statement "Quality of, and access to, basic education improved equitably and sustainably" and the ESSPIN outcome indicators have been updated to reflect these outcomes more accurately. As such, the VFM effectiveness indicators for the programme will reflect the logframe outcome indicators.

A note on data availability:
For effectiveness data based on reports published externally, such as the Annual school census, these data will only be available when the school census takes place and results are released. ESSPIN has decided to ensure that there is adequate data to assess effectiveness, but; for some data, such as these, comparisons will unfortunately be only possible in the years for which they are available. Table 3: Effectiveness IndicatorsTable 3 below presents the effectiveness indicators

Table 3: Effectiveness Indicators

Indicator	Comparison Type	Frequency	Source of Data
18. Number (and percentage) of public primary schools that meet the benchmarks for a good quality school	Trend (2012, 2014, 2016)	Bi- Annual	Composite Surveys
19. Number of children benefiting from school improvement programme (SIP) in public primary schools (disaggregated by gender)	Against Target	Annual	School Integrated Reports

Box 3: Value for Money trigger points

The business case sets out the level of performance at which the ESSPIN would no longer be value for money (trigger points). The business case notes that in ESSPIN's economic appraisal, the economic return from the project is almost entirely derived from improved school quality and learning outcomes. VFM therefore becomes questionable to the extent that there are minimal/no improvements in school quality and in learning gains.

However, since learning gains do not often immediately manifest themselves, often requiring students to be in an improved learning environment for a sustained period, they will not be fully captured by assessments before project end. In addition, learning assessments will only look at 2 grade levels, P2 and P4, which makes overall assessment of impact on learning outcomes difficult.

With these challenges in mind, the business case proposes monitoring the number of schools that reach the Quality Standard and Advanced quality standard and notes that at the end of the programme, "if less than 3 300 schools are at the Quality Standard then ESSPIN would no longer be value for money"

2.4.1 Cost Effectiveness

ESSPIN's approach at the level of cost[15] effectiveness is assessing the overall costs of achieving programme impact through a set of cost effectiveness measures. The business case proposes two headline cost effectiveness measures: The cost per additional student reaching proficiency and numeracy in P2 and P4 and; the cost per additional student achieving improved learning outcomes. In the context of CS2 results, where overall learning outcomes appear to be falling in both non-ESSPIN and ESSPIN States, we propose to track the cost per additional student in the school improvement programme that demonstrates learning outcomes for their grade.

Table 4: Cost Effectiveness Indicators

Indicator	Comparison Type	Frequency	Source of Data
20. Cost per additional learner benefiting from SIP in public primary schools in focus states demonstrating learning outcomes appropriate for their grade	Trend	Annual	Management Accounts and School Integrated Reports

2.5 Equity

The DFID value for money guidance for education programmes recommends monitoring equity through disaggregating logframe results by factors such as gender, wealth quintile, regional and marginalised and vulnerable groups.

At outcome level, the updated logframe will disaggregate additional learners in school by gender and disability, SIP enrolment by gender, learners demonstrating learning outcomes appropriate for their level and the number of marginalised children accessing basic education through IQTE. The performance on the disaggregated results, in conjunction with results from the GI report will be used to assess equity.

Table 5: Equity Indicators

Indicator	Comparison Type	Frequency	Source of Data
Differential in rural-urban test scores between ESSPIN and non-ESSPIN schools	Trend	Bi-Annual	Composite Survey
Mean test scores between ESSPIN and non-ESSPIN schools by gender	Trend	Bi-Annual	Composite Survey

2.6 Sustainability

Sustainability for ESSPIN is the capability of the education system in Nigeria, to be systemically improved so that beyond ESSPIN the gains made in delivering a better education continue to be experienced. ESSPIN's intervention intends to foster improvements in the education system that are deeply entrenched to the extent that it is more costly/inconvenient for their implementation to be discontinued beyond ESSPIN. As mentioned earlier, a significant

[15] Cost per child benefitting from school improvement is based on allocation of total spend on Outputs 3 and 4 (the service delivery outputs) to the total number of children enrolled in focus schools. The cost per child is expected to reduce as the number of focus schools (and the number of children) increases with state funding. Not clear that this would be a legitimate calculation.

proportion of work in relation to this is improving the States' and LGEAs' governance and management of basic education (and this is already being measured by the programme). One key factor that could reverse these gains is the availability of funding from the State Annual budget.

The following indicator will measure sustainability.

Table 6: Sustainability Indicator

Indicator	Comparison Type	Frequency	Source of Data
21. State annual budget release rate	Trend	Annual	State Quarterly Monitoring Reports

In using this indicator, ESSPIN is treating this a proxy, or catchall variable that measures the State governments' prioritisation off education costs. This is to say, the higher the proportion of released budget, the higher the sum of all immeasurable factors within the States governments that they perceive spending on education as a priority. The higher this is, the greater the likelihood that the State's not only will continue to spend on education, but will continue with any ESSPIN type interventions that they are going through with, in the presence of ESSPIN.

ESSPIN will also include qualitative evidence on Sustainability, including replication of intervention or components of it nationally and removal of high-cost, non sustainable components of the programme.

3 Other VFM Considerations

3.1 Ability to plan and take decisions to improve VFM

The DFID VFM guidance notes emphasises that the VFM approach should be considered through the lifecycle of the programme. This involves utilising VFM information to inform management decisions and further improve VFM. ESSPIN management will use the indicators above (and other management information at their disposal) to further optimise the implementation of the programme and improve any of the three E's and equity and sustainability where possible.

3.1.1 How will VFM information be used to inform decision making

There is no blanket way to use 'VFM information'. Information will be utilised according to the type of VFM information and the extent possible to enhance or improve VFM.

Economy & Efficiency – ESSPIN will review any programme elements (or indicators) that have been adjudged not to show good VFM, and for each of these, present by way of document prepared after the AR, detailed challenges why VFM could not be shown and the remedial steps to be taken going forward. ESSPIN will invite DFID to sign of the proposed remedial actions

Negative Effectiveness VFM results are more challenging to deal with – owing to the timing gap (generally) between education interventions and results. One way is to accept and implement any recommendations with respect to these from the Review Team. This is perhaps not straightforward, but draws from the difficulty in proposing solutions an, as yet, unclear problem.

A qualitative assessment of how VFM information is used in decision making will also be reported as the last VFM indicator. ESSPIN where the programme will detail some qualitative evidence of how VFM results have been used to inform management decisions, including:

- Any results based changes to the programme (either components that were fast tracked or delayed
- Any tweaks to the "usual" way of doing things brought about by VFM considerations
- Once off achievements brought about by considerations of VFM

3.1.2 Reporting of monitoring information

Monitoring will be conducted throughout the year. The table below shows the monitoring mechanisms that will aid the use of VFM information to aid decision making

Economy indicators	Quarterly Reports
Programme output level indicators	Annual Report
Comprehensive VfM Assessment	Annual Self-Assessment Review preceding AR

3.2 Education system costs

As noted earlier, VFM is intended to be applied not only to DFID programmes but to the education and health systems these programmes support. Thus, DFID would wish to monitor

key education system unit costs, particularly: teacher salaries; teacher training; textbooks; classroom construction; and girls education stipends; cost of supporting a child to complete primary school; cost of supporting a child to complete junior secondary school; cost to complete primary school; and cost of completing primary school with at least minimum learning achievement. Appendix 3 presents the indicators available for measuring education system costs. There are not reliable sources of routine data for these indicators, and ESSPIN proposes to measure them subsequent to the publication of a national school census.

Box 3: Why are State Level Costs Important?

Schools and communities can do a lot for themselves but without the support of state and local governments, real change would be much harder to achieve and unlikely to be sustainable. We found that there were serious problems in the governance of education in Nigeria that simply had to be addressed.

Funding allocated in education budgets was often not spent for the purposes intended. State agencies did not understand what needed to be done to improve schools and lacked the planning and organisational skills to implement programmes of school improvement.

Procurement practices and supervision of school building programmes were weak, resulting in work being shoddy or simply not carried out. Millions of pounds were being wasted. Classrooms that should have lasted 20 years started showing defects after only one or two years.

Agencies that were nominally responsible for providing support to schools or quality assuring them through school inspections lacked the funding, organisational capacity or skills to carry out these functions, leaving schools isolated and lacking support.

State and local governments did not liaise or collaborate effectively with civil society organisations, with the result that communities had little or no influence on government

Unfortunately, much of this data is unavailable on a national basis because of the failure of the majority of Nigerian states to complete an annual school census and because of the absence of reliable data on state expenditure.

ESSPIN supports states to institutionalise an annual education sector performance review process. At the end of the process each year, an Annual Education Sector Performance Review (AESPR) report is produced. It is within this process that demand for education sector costs will be most meaningful. ESSPIN will continue to support the capacity of states to generate, manage, report and utilise data more effectively and will, by so doing, improve demand for reliable and timely education system performance metrics.

3.3 Risk Management and Flexible Resource Deployment

An updated risk register that covers all identified strategic, financial and operational risks is in place. These risks will be monitored monthly both at state and programme level and risk mitigation actions identified as necessary. Table 4 below presents an abridged risk register for all risks considered to have “high impact” on ESSPIN’s results and the key mitigation strategies in place.

Table 7 ESSPIN “High Impact” risks and key mitigation strategies

Risk	Current rating	Key mitigation strategies
Security risk – attack on staff or offices (northern States)	Medium probability, High impact	• Review of working hours • Travel restrictions • Convoy travel for inter-LGA and inter-state trips

		• Identification of safe havens • Safety audit of meeting venues • Active information networks • Security clearance protocols for all travellers • Business continuity plans, including evacuation plans, in place • Up-to-date communications equipment, including satellite phones
Security risk –staff safety compromised due to transition-related violence	Medium probability, High impact	• See security management actions above • Elections passed peacefully, staff to be alert during transition on 29 May.
Implementation risk- FME lacks vision and commitment to national systems	High probability, medium impact	• Engagement with the HME's Office (in conjunction with DFID) to support national strategy • Engagement with wider definition of education sector leaders (particularly UBEC leadership)
Financial risk –states do not utilize or disburse funds as intended	High probability, High impact	• Diversify SIP funding base through engagement with budget process, ExCo subventions, etc. • Maintain the partnership by providing TA to UBEC in its drive to establish functioning SBMCs and effective QA system in all Nigerian schools • Support UBEC's efforts in other intervention areas, e.g. Inclusive education, IQTE and QA. • Support eligible states to explore other sources of school improvement funding, e.g. GPE, EAC
Sustainability risk – State's commitment to school improvement expansion reduces	High probability (linked to change of government), High impact	• Ongoing political engagement, including quarterly meetings of principal State officials • Collaboration with DFID in high level engagements with State executives • Support of alternative funding partnerships, e.g. UBEC, GPE • Capacity building for State technical cadres, CSOs and local communities • Development of Sustainability Strategy
Sustainability risk – reduced federal allocations to states due to drop in oil revenue	High probability, High impact	• Ongoing political engagement to influence favourable allocations to education • Clear prioritisation of programmes in MTSS and DWPs • Close monitoring of allocation and expenditure trends through QMRs • Reinforcement of positive evidence of impact of the SIP • Support to CSOs to carry out issues based advocacy • Proactive exploration of alternative funding sources, e.g. donor opportunities, EAC in Kano
Implementation risk – diversion of SIP resources, including UBEC-IF; lack of budget discipline in education MDAs	High probability, High impact	• Ongoing political engagement • Quarterly Monitoring Reports by HCs to promote transparency and accountability • Robust data management and reporting systems, including access to school performance data by communities • Involvement of CSOs in strategic planning and monitoring, e.g. MTSS, budget tracking

Overall resource deployment in ESSPIN is based both on the level of targets in a focus state and on the extent of financial contribution from the state budget, including UBEC grants. A budget is calculated for the required level of activities in each state, the state financial commitment is agreed and any shortfall is met through DFID-ESSPIN funding.

However, the ability to make very significant shifts in resource deployment is subject to practical constraints. For example, if work in a focus state became very difficult for political or security reasons, it would be difficult to achieve a compensating scale up in other focus states or in new states.

3.4 Attribution

There are a number of studies (including the Composite Surveys) ESSPIN is conducting to gather data to provide evidence of achievement of Output and Outcome indicators. Some of these studies will also seek to provide counterfactual data, both from focus state LGEAs in which ESSPIN is not active and from non-focus states. This is not methodologically straightforward, firstly because of the risk of 'contamination' arising from non-focus LGEAs or states starting ESSPIN-style reforms on their own initiative (something that from another perspective, the programme would very much want to encourage). A second issue is establishing a fair basis of comparison with non-focus states that may have very different socio-economic, political and educational conditions. However, it is essential to try to establish some basis for comparison.

4 References

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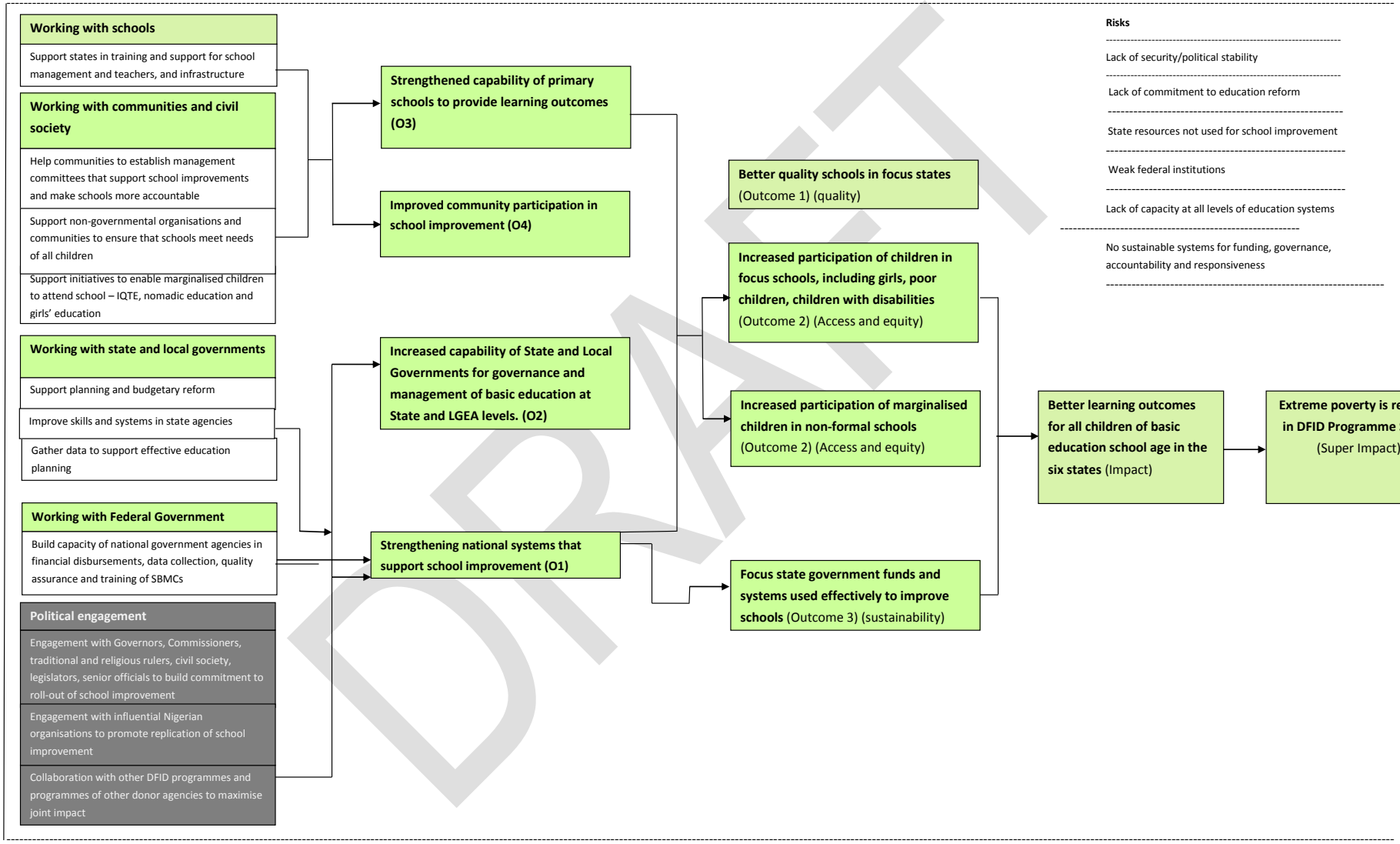
2. DFID (2011) DFID's Approach to Value for Money (VfM) Available at: *https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67479/DFID-approach-value-money.pdf*

3. DFID (2013) Review of efficiency in the schools system. Available at: *https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209114/Review_of_efficiency_in_the_schools_system.pdf*

4. DFID (2013). VfM Structured Approach paper

5 Appendices

5.1 Appendix 1: ESSPIN Results Chain



5.2 Appendix 2: Key Questions on VFM Answered

5.2.1 Does the spend on performance of head represent good value for money?

Early results already indicate success. In Kwara State (the first of the States to implement these programmes) the number of pupils in the 3rd year of Primary School able to write a simple sentence independently has improved from 14% to 50% and able to correctly multiply single digit numbers has improved from 33% to 63%.

The cost of this necessarily intensive programme of support is less than £710 for every head teacher who then manages his/her school effectively and around £140 for every teacher who now teaches English and Maths competently. Each of these teachers may teach about 1000 learners over the next 20 years. The cost per learner therefore is only about 1.5p.
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5.2.2 What is the justification for the expenditure at Federal level?

State governments have the main responsibility for the quality of education in Nigeria. However, the Federal Government has some important responsibilities which if not exercised competently would stand in the way of school improvement.

First, one of the Federal agencies – the Universal Basic Education Council (UBEC) – is responsible for disbursing most of the funding for primary and junior secondary schools. Lack of transparency in UBEC's procedures and failures at state level have resulted in millions of pounds every year not being disbursed. In a situation where the great majority of Nigerian schools are in a shocking condition, this is a problem that simply must be tackled. We are working therefore both at state level and with UBEC to remove these bottlenecks. In one state alone in 2012, our work contributed to the freeing up of £43.5m of previously unclaimed funding (equivalent to over 50% of the total ESSPIN budget). In addition, UBEC's non-matching Teacher Professional Development grant is currently established as the most predictable source of annual funding for consolidating the ESSPIN school improvement work in states. It is, therefore, critical that engagement with UBEC is maintained to keep this funding available.

Second, for countries to manage their national education systems effectively, they need good information about schools and school quality. Nigeria does not currently have an

effective national school census and therefore there is no accurate overall picture of no of schools, teachers or students or of the standard of facilities. The national system for monitoring the achievement of learners in basic education is inadequate. There is a misperception that teachers who hold teaching qualifications are competent; our studies of teacher competence described above showed this to be false. There is a need for regular nationwide surveys of teacher competence. There is no effective national system for quality assuring (inspecting) schools or for quality assuring colleges of education. ESSPIN has managed to demonstrate how all of these functions can be carried out at state level and is using this experience to try to influence national developments. UBEC has been impressed by ESSPIN's work on SBMC development and is committing funding to replicating this programme across the whole of Nigeria. These six national developments cost around £700,000 each – a relatively small outlay for a nation of 150m people.

5.2.3 Why are unit costs for working with non-state schools higher than working with public schools

ESSPIN has been conducting intensive to support Islamic, community and nomadic schools to provide a better quality of education. However, although the unit costs of these programmes is relatively high, the running costs of providing education through such schools is lower than for the public education system because of the extent of voluntary contribution. These pilots therefore potentially show a way of providing decent education to thousands of children currently deprived of it.

5.3 Appendix 3: State Level VFM Metrics

ESSPIN has conducted some work on providing State level costs of Education in Nigeria, and the work conducted thus far is presented below. As mentioned earlier, there are no reliable/consistent sources of these data to be able to report systematically. ESSPIN proposes to compile these indicators subsequent to the completion of the national school census.

1. Cost of Education per Child per Year

Defined as total expenditure on [level of education] divided by the total no. of children at that level (Reporting year – 2010)

State	Year - 2010	
	Primary	**Secondary**
Enugu	£178	£153
Jigawa	£169	*No data*
Kaduna	£46	£62
Kano	£28	*No data*
Kwara	£47	£26
Lagos	£154	£183

Comment

- Composition of expenditure includes both capital and recurrent costs
- Sources: expenditure data from State Universal Basic Education Boards/Ministries of Education; school enrolment data from 2009/10 Annual School Census

2. Average Teacher Salary per Year

State	Year - 2010	
	Primary	**Secondary**
Enugu	£2227	£2556
Jigawa	£3790	*No data*
Kaduna	*To be updated*	*To be updated*
Kano	£1292	*No data*
Kwara	£1348	£2491
Lagos	*To be updated*	*To be updated*

Comment

- Teacher costs at basic education level based on deductions from Local Government accounts (source: Ministry of Local Government); teacher costs at secondary level based on personnel costs (teaching staff) from the Teacher Service Commission/Secondary Education Board.
- Kwara cost at 'Primary' level is actually an aggregate for basic education (primary + junior secondary) as deductions from LGA accounts for basic education teachers were not disaggregated by primary/JSS

3. Primary School Completion Rate

State	Year – 2010/11
	Primary
Enugu	63%
Jigawa	41%
Kaduna	65%
Kano	70%
Kwara	50%
Lagos	52%

Comment

- Source: 2010/11 Annual School Census Reports and projected age ratios from 2006 National Population Census
- Not disaggregated by sex. Proxy indicator used, namely the ratio of non-repeating children in Grade 6 (last year of Primary) relative to the general population of 11 year-olds. There is limited data on flow rates and available data on number of repeaters at Grade 6 is not disaggregated.

4. Pupil Attendance

Net Attendance Ratio (NAR) used. This is calculated as the number of 6-11 year-olds (primary level) and 12-14 year-olds (junior secondary) attending school over a defined period expressed as a percentage of the school age population for that level of schooling.

State	**Year - 2010**	
	Primary	**Junior Secondary**
Enugu	73%	55%
Jigawa	33%	12%
Kaduna	69%	42%
Kano	49%	30%
Kwara	66%	42%
Lagos	81%	76%

Comment

- Source: Nigeria Education Data Survey (NEDS) 2010 – a household survey to be repeated in 2014

5. Measure of Reading Fluency in Early Grades of Primary

Pupils in Grades 2 and 4 tested for ability to read with sufficient fluency for comprehension (literacy in English) and ability to do basic arithmetic operations (numeracy).
Assessed through a Composite Impact Survey 2012 with a report imminent. Survey to be repeated in 2014.

6. Average Unit Cost of Primary School Textbook

National £2

Source: Universal Basic Education Commission – agency funding basic education in states through a federal Intervention Fund, a key component of which is procurement of textbooks.

7. Average Unit Cost of Classroom Construction

National £7,843

Source: Universal Basic Education Commission – agency funding basic education in states through a federal Intervention Fund, the main component of which is school infrastructure.