



# Perspectives on aid effectiveness

AFD's and GPE's experiences in making aid more effective in the education sector

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# AFD : a bilateral development bank focusing on socially responsible and sustainable investment

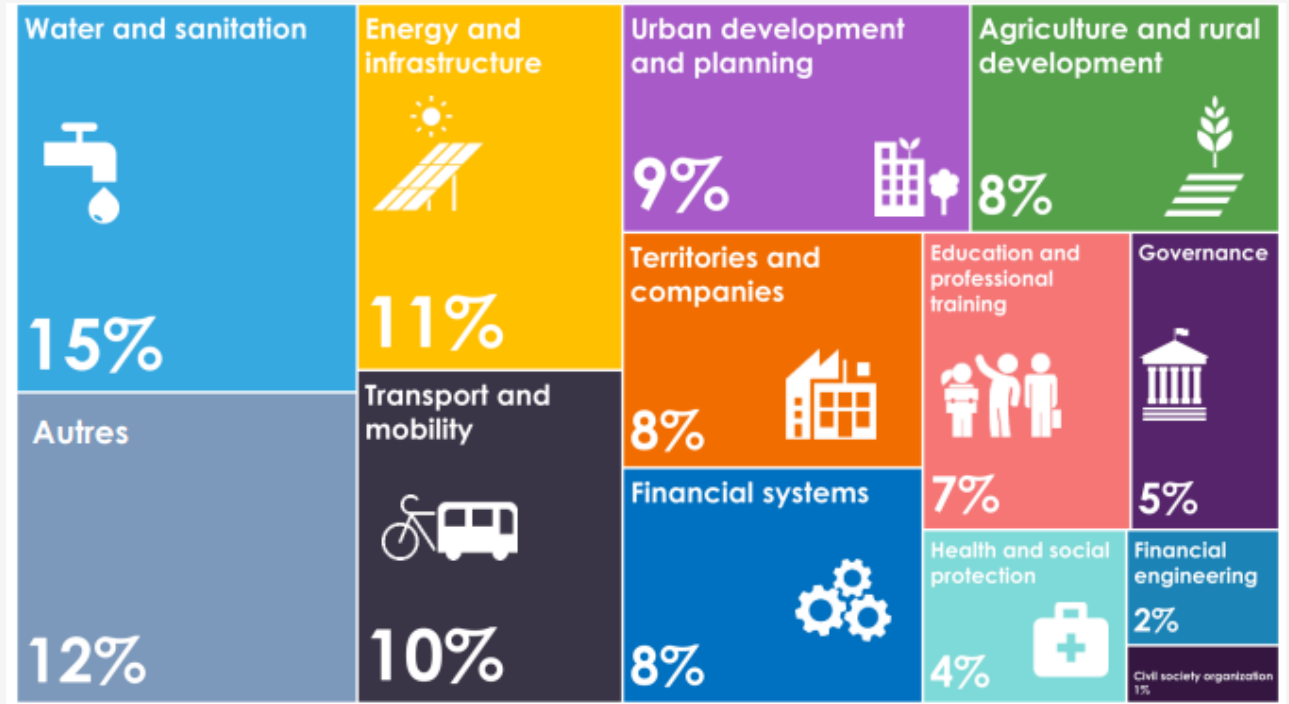
*AFD Group puts into action France's development policy. It funds programs in more than 150 countries and 11 French overseas departments and territories*

**3 500+**

Staff members  
worldwide

**€10.6 BN**

in new approved  
financing  
(2023)



*Breakdown of AFD signed projects by field of activity in 2023*

# GPE: a multi-stakeholder partnership and the largest global fund dedicated to transforming education in lower-income countries

*GPE: supports government, development partner and stakeholder partnerships for education in 92 countries across the world.*

**Over \$ 6 BN** grants  
in new approved financing  
(2021-2025)

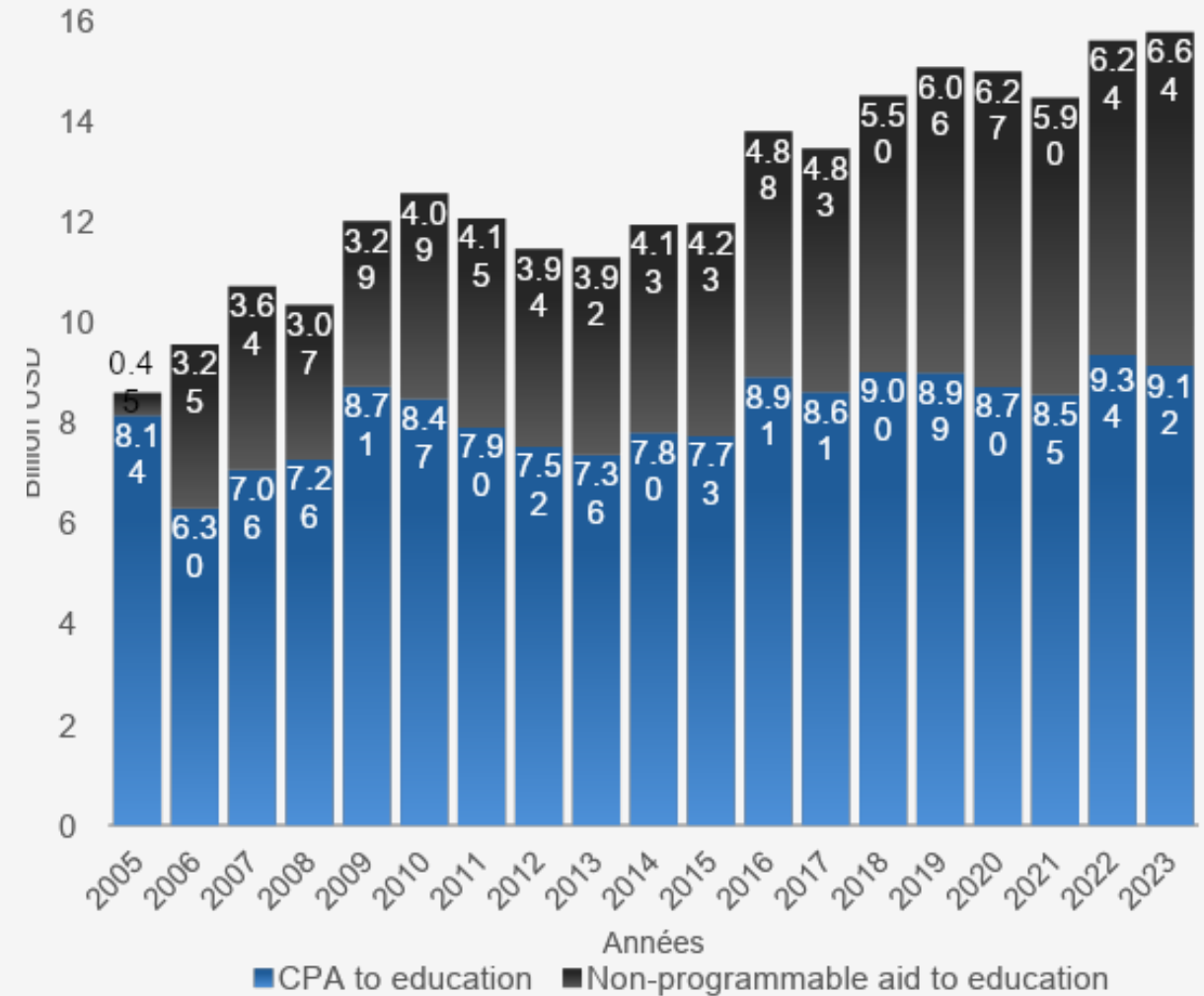
**\$ 4.7 BN**  
in cofinancing through its  
innovative financing tools  
(2021-2025)

*GPE model:  
Mutual accountability  
around sustainable  
national policies,  
financing and systems.*



## Trend and rapidly evolving landscape

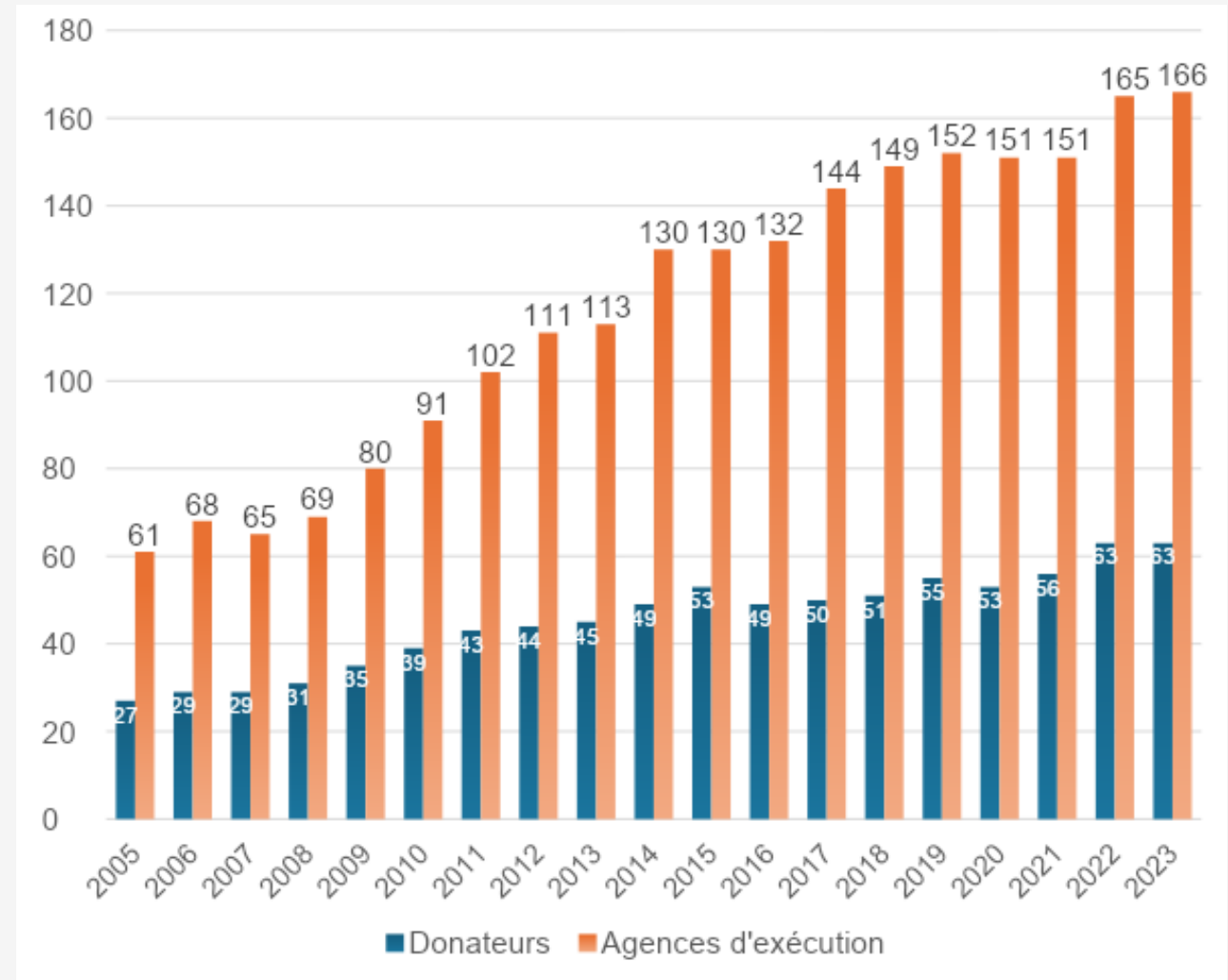
- Massive investment is needed to address the learning crisis
  - Domestic **funding is insufficient**: in half of the countries, national budgets allocated to education remain below 4% of GDP
  - Relative increases in domestic financing need to be paired with **increased efficiency of public expenditure**
  - **International funding flows** (measured through country-programmable aid) have increased by only 0.6% per year since 2005 and the share of aid going to education has fallen below 6% of total aid (2024).
  - Current and future trends for ODA...
- ⇒ Increased focus on domestic financing and country systems
- ⇒ Increased quality of external financing, engaging with domestic financing and country systems



UNESCO: [Renewing the promise of development effectiveness](#), 2024

# Trends in ODA execution

- **High fragmentation**: 50% of low-income countries deal with over 25 executing agencies.
- **Smaller transactions**: Average project size almost halved (2005–2023).
- **Low coordination**: Diverse implementation channels increase the burden on national systems



UNESCO: [Renewing the promise of development effectiveness](#), 2024

# Paris Declaration - a paradigm shift in aid efficiency

*From the Paris Declaration (2005): a paradigm shift toward country ownership of development aid > **alignment** and **harmonization** as **key pillars** of **aid efficiency**.*

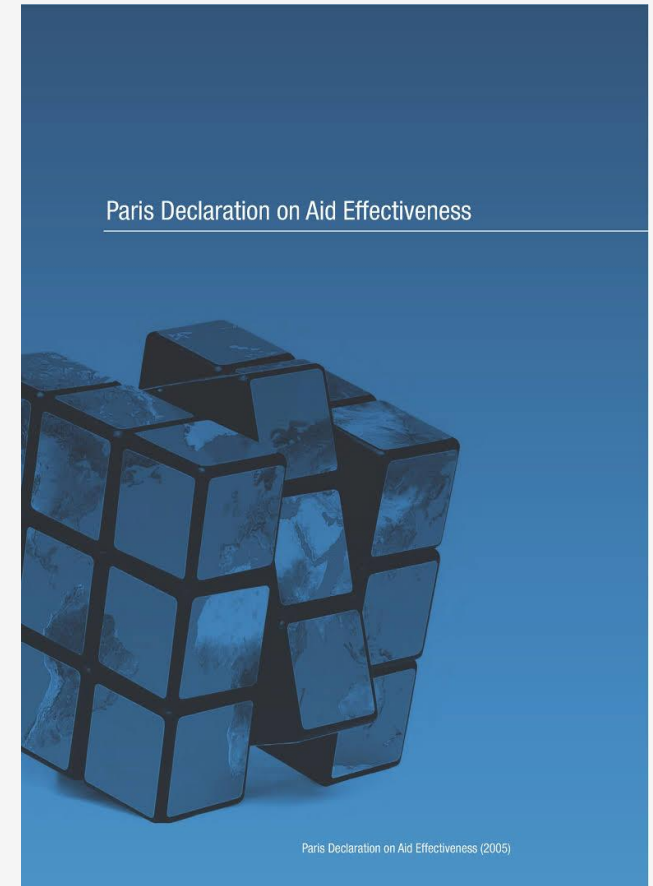
*"In the education sector, less than 20% of aid flows are channelled through mechanisms aligned with national administrative systems and human resources, while project based approaches continue to dominate".*

1

**Alignment:** International financing must use national public financial management procedures, institutions, and systems rather than individual donor procedures.

2

**Harmonization :** International partners must establish common practices and mechanisms to simplify procedures and a division of labour between partners to ensure complementarity of financing



# Different dimensions of alignment

## **Plan**

Sector plan, operational planning, MTEF

## **Budget**

Estimates in the annual budget, donor requirements

## **Parliament**

Legislative approval, monitoring of financing agreements

## **Treasury**

Treasury account, fungible or traceable funds

## **Procurement**

Share of Expenditure, Donor Requirements

## **Accountability**

National accountability system, donor requirements

## **Audit**

National audit and control procedures, donor requirements

## **Reporting**

Technical and financial reporting, donor requirements

Absent

Weak

Medium

High

# Stock-taking of the Paris declaration - Renewing the paradigm shift

- **Domestic public financing and national systems** are the **anchor for sustainable financing** and long-term education outcomes – now more than ever
- Domestic public financing for education needs to be sustained, with **improvements in resource allocation and implementation efficiency** – this requires engagement from DPs and stakeholders
- Many **development partners rose to the challenge of the Paris declaration**: lessons have been learnt, with the **emergence of new funding instruments** and cooperation practices
- But, **too much external financing remains fragmented** and **operating on the margins of country systems**: coordination and country systems are undermined + opportunities to leverage their improvement are missed



## (re)defining alignment with country systems – the potential

- Promotes **country ownership**, responsibility, **accountability** and **coordination**
- Links **domestic and external financing**, both operating on the same national implementation tracks
- Promotes **scalable solutions**, system transformation and structural reforms
- Strengthens connections to the **ministry of finance and parliament**
- **Opens dialogue** on resource allocation and the efficiency of public expenditure
- **Connects capacity** building to the day-to-day challenges national systems face

# (re)defining alignment with country systems – Factors for success

- **Joint commitments** between government and development partners
- Willingness for **open and robust dialogue** between government and DPs around country systems
- Development partners have the relevant knowledge, **expertise and experience with aligned modalities**
- The aligned modality is connected to the **broader sector dialogue**

**! There is no magic bullet**

– no immunity from context, (geo)political and constitutional shocks



## (Re)defining alignment with country systems – pooled funds

- GPE defines alignment of external aid with country systems as *using a partner country's **institutions, human resources, procedures and tools** as the foundation for the implementation of aid to education.*
- (Sector) **Budget support** can be an appropriate option for many countries, **but not in all contexts**
- **Alternative aligned aid practices** can be adapted to the variable strength of public financial management capacities in partner countries, notably in relation to operational and fiduciary risk.
- **New aligned funding instruments** have been developed and deployed: 'programmatic budget financing' or 'ringfenced budget support'
- When development partners pool their resources together to support these new aligned funding instruments -> **aligned pooled funds.**

# Aligned Pool Funds – a credible alternative to project-based approaches

An **aligned pool fund** is a financing mechanism where multiple donors pool their contributions into a single instrument, **nationally managed and aligned** to national **systems and procedures**.

This approach embeds external funding within national budgeting, procurement, audit and implementation processes.

Aligned pooled funds allow a degree of ringfencing of resources and expenditure, with additional oversight, risk management and capacity building protocols. They can therefore be deployed in a wider set of country contexts.

In Africa and Asia, aligned pooled funds exist in Bangladesh, Burkina Faso, Ethiopia, Guinea, Madagascar, Mozambique, Nepal, Niger and Tanzania. New interest: Burundi, Nigeria, Somalia, Togo...



## Further reading and Q & A

[Making aid effective in education: the role of aligned pool funds](#)

[How to improve the Effectiveness of International Funding for Education? The Aligned Pool Fund Approach](#)

[Sustainable Financing for Education](#)

[Promoting alignment and aid effectiveness](#)

[Renew the promise of development effectiveness for transforming education](#)

[Les fonds communs de l'éducation en Afrique : principes, mises en œuvre et études de cas pays](#) *(soon available in English)*