

## Collective Learning Initiative for Outcomes Based Finance in Early Childhood Care and Education (ECCE)

### Lessons from the 5<sup>th</sup> Knowledge Session – Frontline realities, local agency, and the role of OBF

3<sup>rd</sup> September 2025

#### Introduction to the CLI

The Collective Learning Initiative (CLI) on outcomes-based financing for early childhood care and education (OBF4ECCE) was launched through the [Education Outcomes Fund](#) (EOF) in 2024 to strengthen collaboration among stakeholders working at the intersection of outcomes-based financing (OBF) and Early Childhood Care and Education (ECCE). Led by the [GO Lab](#), at the University of Oxford, and [NORRAG](#), at the Geneva Graduate Institute, the initiative aims to foster peer learning and knowledge exchange between stakeholders, contributing to a growing global knowledge base.

Over the past year, the CLI has continued to bring together diverse voices through workshops, interviews, and shared reflections, helping to deepen collective understanding of how OBF approaches can enhance the quality and sustainability of ECCE financing. Our various knowledge products, including a detailed synthesis of the 4<sup>th</sup> Knowledge Exchange session can be found [here](#).

The 5th Knowledge Exchange Session, held on 3 September 2025, explored how OBF interacts with frontline realities and local agency — shifting the conversation from financing mechanisms to the lived experiences of teachers, caregivers, and communities. Through a keynote presentation by Professor Teresa Mwoma—a leading scholar and practitioner in early childhood education in Africa, an expert panel discussion, and group conversations, participants examined how to design OBF that works *with* and *for* local systems rather than on them. This document is a synthesis of the discussion and insights that came out of the session.

#### Summary of key insights

##### 1. Frontline realities must drive design

OBF should reflect the lived experiences of teachers, caregivers, and communities, not operate as a top-down financial tool. Practical strategies such as capacity building and phased implementation, are therefore vital to supporting meaningful participation by local actors in outcomes-focused design and delivery

##### 2. Co-creation ensures ownership

Involving local actors early in design, monitoring, and learning builds relevance, feedback loops, and sustainability. Specific examples of participatory storytelling and curriculum co-design demonstrated how local ownership enhances both relevance and sustainability.

### **3. Start small, scale smartly**

Pilots and partial outcome-linked models are an effective way to build familiarity and confidence before expansion.

### **4. Investment in data, technology and feedback systems**

Robust, user-friendly data tools strengthen accountability and coaching without overwhelming frontline workers. In addition, leveraging technology such as AI and codification tools help reduce transaction costs whilst also supporting the easy replication of tested approaches.

### **5. Supportive, not punitive, incentives**

Recognising and guiding performance amongst service providers yields better outcomes than financial penalties or competitive payments.

### **6. Local agency and alignment with national systems**

Sustainable OBF aligns with national structures and priorities while elevating community expertise. This makes it critical to address structural constraints early as fragmented budgets, delayed disbursements, and weak coordination are major barriers to results-based approaches.

### **7. Reframe OBF culturally**

OBF should be properly introduced and explored as a mechanism for smarter, more equitable spending — not as an external or donor-driven experiment.

### **8. Blended finance as complementary not substitute**

Private capital should support capacity-building and innovation, not substitute government ownership or replace public commitment.

### **Cross-Cutting Themes**

- **Technology and Codification:**  
Artificial intelligence and digital platforms are emerging as tools to make OBF design more replicable, transparent, and cost-effective, reducing dependence on external consultants and enabling governments to design and manage their own models.
- **Blended Finance:**  
Participants reaffirmed that while private investment can enhance OBF initiatives, it cannot substitute for strong public leadership. Public finance remains central to equitable ECCE delivery.
- **Cultural Change:**  
Perhaps most importantly, participants recognised OBF as a cultural and mindset shift—from activity-based compliance to results-driven learning, from external imposition to co-creation, and from isolated projects to holistic system reform.

### **Detailed Session Take-aways**

**Session Highlight: Keynote Presentation by Professor Teresa Mwoma**

Professor Theresa Mwoma, an Associate Professor of Early Childhood Studies at Kenyatta University, Kenya, delivered the keynote presentation. With extensive experience in child development policy, and community-based interventions, she contextualised the discussion within Sub-Saharan Africa's ECCE landscape, highlighting persistent inequities despite policy progress. She noted that OBF remains marginal across the region, constrained by fragmented budgets, limited data systems, and weak alignment between national financing priorities and donor-driven agendas.

Professor Mwoma emphasised that for OBF to drive lasting system improvement, financing must be explicitly tied to measurable child outcomes, underpinned by strong data and monitoring systems. It must also be supported through both public and private resource mobilisation and firmly embedded within national frameworks rather than implemented as short-term donor pilots. She concluded that the true value of OBF lies in its ability to strengthen local systems and expand equitable access to quality early learning opportunities across Africa.

### **Session Highlight: Reflections from the Panel Discussion**

Chaired by Dr. Arushi Terway, the panel brought together Professor Teresa Mwoma, Ms. Siegrid Holler (Instiglio), and Mr. Joe Di Silvio (Education Outcomes Fund) for an in-depth discussion on how outcomes-based financing (OBF) influences behaviour at both organisational and system levels. It explored how outcomes-based financing (OBF) influences the behaviour of frontline workers, service providers, and the wider education ecosystem.

Panelists expressed that while OBF can reshape incentives and improve accountability, behavioural change is rarely immediate. It evolves gradually through trust-building, collaboration, and consistent feedback between funders, implementers, and practitioners.

A number of themes emerged:

- **Gradual and relational change:** Behavioural transformation among service providers requires patient engagement, transparent communication, and long-term support.
- **Simplicity before scale:** Early OBF projects benefit from simple designs that allow governments and providers to adapt before moving toward more complex models.
- **Data-driven improvement:** Robust data and digital monitoring systems play a vital role in enabling coaching, feedback, and adaptive learning while strengthening accountability.
- **Positive incentives over punitive rewards:** Financial incentives work best when coupled with professional recognition, technical guidance, and learning opportunities rather than punishment for missed targets.
- **Government ownership and coordination:** Strong inter-ministerial cooperation, predictable public financing, and alignment with national priorities are prerequisites for OBF success.

The panel further underscored that OBF can only succeed where strong inter-ministerial coordination and predictable public financing are in place. Ultimately, participants agreed that OBF delivers meaningful impact only when co-created with local actors, embedded within government systems, and aligned with broader goals of inclusion and equity.

## **Insights from the Breakout Group Discussions**

Participants later divided into thematic breakout sessions to explore specific dimensions of applying OBF within early childhood systems. Three key areas emerged.

### **1. Engaging Communities and Providers**

Participants highlighted that effective OBF models must treat communities and service providers as co-creators, not beneficiaries. Practical examples such as the Language and Learning Foundation's participatory storytelling and curriculum co-design in India demonstrate how local ownership enhances both relevance and sustainability.

Similarly, collaboration with national bodies and associations, such as the Organisation Mondiale pour l'Éducation Préscolaire (OMEP), National Association of Proprietors of Private Schools (NAPPS) in Nigeria, and teachers' unions, was cited as essential for institutionalising collective engagement and ensuring continuity beyond project cycles.

Participants also noted that inclusive engagement takes time and requires sensitivity to the constraints local actors face, particularly where community-based organisations operate in fragile governance settings or with limited resources. Phased implementation and coaching were viewed as practical strategies to ensure local actors can meaningfully participate in outcomes-focused design and delivery.

### **2. Advancing Local Agency and Expertise**

Discussions underscored that in many African contexts, ECCE delivery remains largely driven by private, informal and community-based actors. Strengthening these networks, particularly teachers' associations, could strengthen bottom-up approaches.

Participants noted that OBF can play a strategic role in professionalising the ECCE workforce by incentivising training, certification, and continuous improvement. Equally, local stakeholders should be meaningfully involved in verification, evaluation, and investment processes, ensuring that power and decision-making are shared rather than externally imposed.

Building on this, others emphasised that OBF success depends on translating high-level outcome frameworks into actionable steps for frontline providers. Coaching and codified tools can make these frameworks more tangible, while recognition and reputational incentives, alongside financial ones, can motivate sustained engagement. Participants framed this as part of a broader cultural shift toward valuing local expertise, trust, and adaptive learning.

### **3. Using OBF for System Strengthening**

Across all groups, participants agreed that OBF should aim to shift incentives and accountability structures in ways that strengthen rather than bypass government

systems. Successful examples showed how alignment with national education priorities can make OBF a strategic investment tool.

However, participants cautioned that funders' agendas must not overshadow local priorities. Ministries of Finance were identified as critical allies for embedding OBF within national budget frameworks and ensuring its sustainability beyond pilot stages.

Additional reflections highlighted that building government capacity is resource-intensive but essential. Pilot-to-scale transitions, such as Bogotá's experience moving from a small experiment to a city-wide ECCE programme, illustrate both the opportunities and challenges of institutionalising OBF. Leveraging technology and codification tools could ease these transitions, reducing administrative burdens, supporting replication, and helping governments and providers internalise new ways of managing for outcomes.

Finally, OBF was seen not simply as a financing tool but as a lever for cultural and systemic change: redefining accountability, fostering collaboration, and embedding equity and learning at the heart of early childhood systems.

### **Spotlight Initiatives**

- **GO Lab – Expanding Outcomes-Based Partnerships in the United Kingdom**

The Government Outcomes Lab (GO Lab) shared insights from the *Life Chances Fund* and introduced the new £500 million *Better Futures Fund*, designed to embed outcomes-based partnerships across multiple social sectors, including early childhood development. These initiatives reflect the UK's growing institutional commitment to using outcomes-based approaches as a mainstream mechanism for improving social services and advancing equitable child outcomes.

- **Instiglio – Bogotá's Next Generation of Results-Based Financing**

Instiglio presented lessons from Bogotá's pioneering results-based financing programme for early childhood development, outlining both challenges—such as provider hesitation and administrative complexity—and progress, including stronger data systems and enhanced supervisory mechanisms. Building on this foundation, the city is preparing to launch a second initiative linking child outcomes with caregiver livelihoods, marking a major step toward institutionalising outcomes-based financing within municipal governance.

### **Closing Reflections**

The fifth and final knowledge exchange of the Collective Learning Initiative (CLI) underscored that outcomes-based financing (OBF) is not a stand-alone solution, but a tool for aligning systems, incentives, and partnerships around shared goals for young children.

Participants agreed that OBF's potential lies in its ability to strengthen government leadership, foster local ownership, and embed learning within public systems. When locally driven and linked to national priorities, OBF can bridge the gap between policy intent and

practice helping to align fragmented actors toward equitable, measurable outcomes for children.

At the same time, participants cautioned that OBF must remain adaptive and context-sensitive, complementing rather than replacing existing funding mechanisms. Its success depends less on the model itself than on the quality of collaboration, data use, and mutual accountability it inspires.

In closing, the session reaffirmed that the future of OBF in ECCE will hinge on co-creation, trust, and sustained partnerships—using financing not merely to fund services, but to transform systems and improve every child’s early learning experience.

### **Next Steps for the CLI Consortium:**

As the CLI community reflects on lessons from the past two years, several priorities have emerged for the path ahead:

- Building the evidence base on what sustainable, equity-focused outcomes look like in ECCE.
- Expanding opportunities for localised learning, and ownership.
- Embedding OBF principles within public finance systems rather than parallel pilots.