

ECW Strategic Plan Extension Rationale

February 2021

I. Background

ECW's first strategic plan was approved by the High-Level Steering Group in April 2018. The plan, developed over the course of 2017 and 2018, covers the period 2018-2021. It is supported by a series of additional documents, including the *Theory of Change*, *Collective Outcome Results Framework*, *Corporate and Portfolio-Level Risk Frameworks*, *Gender Strategy*, *Resource Mobilization Strategy*, *Communications and Advocacy Strategy* and the *Acceleration Facility Strategy*. Some of these additional documents were completed and/or updated as required during the course of the strategic period, to ensure ECW's strategic framework stayed attuned to the fund's rapid evolution.

The strategic plan cycle is coming to an end in 2021, this paper outlines the rationale for extending the current cycle by one year.

II. Rationale

- *Exceptional circumstances related to the COVID-19 pandemic*

The scale of the COVID-19 pandemic has had an unprecedented impact worldwide, affecting social systems, economies and budgets across low, lower-middle, upper-middle and high-income countries. The crisis has forced public and private stakeholders to adapt and change the way they operate. This also applies to the aid sector. In this context, ECW has had to focus on immediate actions to ensure the continuity of our ongoing investments, to keep the people we serve and our partners safe, and to maintain readiness to respond to new emergencies or escalating crises.

These exceptional circumstances are by no means permanent, and it is still early in this worldwide crisis to flesh-out the long-lasting impacts that will potentially need to be included in the next strategic plan cycle. We expect that the abnormal circumstances under which we operate will last for at least another year until the pandemic is brought under control by a successful mass global vaccination strategy. Extending the current strategic plan by one year will enable the planning of the next cycle to be more effectively grounded in this expected post-COVID operational context. It will thus be more reflective of the needs, approaches and strategies relevant to the next five years.

- *Relevance of the current Strategic Plan 2018-2021*

The current strategic plan was developed on the basis of extensive research undertaken by the Overseas Development Institute. The underlying systemic issues which were identified through this work and which ECW is addressing are still as relevant today as they were five years ago. Thus, the five strategic objectives articulated in the plan are still fit for purpose.

By its very nature, although the strategic plan is time-bound, it is intentionally broad and embeds a long-term vision which has yet to be realized. This vision is therefore still applicable in today's context. The theory of change which was developed to accompany the strategic plan is also still relevant and does not require further updating at this stage.

The strategic plan was deliberately designed to be flexible enough to provide the strategic directions and leave space for the operational details to follow. The key components of the plan, the added value, the mission, key principles, strategic objectives and country investment modalities are still valid. The Operational Manual (only approved in 2020) and its annexes provide the necessary operational details and ability to update these without having to redo the strategic plan.

Hence, the current ECW Strategic Plan 2018-2021 remains relevant in providing a clear direction and outlines measurable goals and targets for ECW's investments. It also remains an effective tool for guiding our day-to-day decisions until it evolves into a new strategy. The plan will also serve as basis for evaluating progress and aligning approaches as ECW takes its position within the global education architecture as the first global fund dedicated for education in emergencies and protracted crises. A revised budget will be presented at the ExCom meeting on 11 March 2021.

- *Completing all planned Multi-Year Resilience Programmes (MYRP) for maximum global impact*

ECW is committed to continue and strengthen its responses in the MYRP targeted countries as the flagship investments for ECW, as spelt out in the strategic plan. The additional year will allow ECW to complete the launch of all 26 planned MYRPs, reach its promise to deliver quality education to at least nine million children and youth caught in protracted crises, and help leverage at least two billion USD in additional financing. The aim of this approach is to further deepen the quality of these investments in the agreed targeted countries until the global economic crisis caused by COVID-19 permits ECW to expand work into new countries.

- *Ensuring lessons learnt feed into new strategic planning cycle*

The three funding windows outlined in the strategic plan are now all operational. While the First Emergency Response window has been evaluated and judged to have demonstrated proof of concept, the MYRP window is being evaluated during the first half of 2021, and an organizational evaluation is planned to be conducted from mid-2021 until early 2022. It will be important for the findings of these evaluations to feed into the development of the next strategic plan.

In addition, ECW has already started to take steps to respond to gaps identified in the current strategic plan, in particular with regards to mental health and psychosocial support, addressing education needs for children with disabilities and building the capacity of partner organizations and networks. This includes promoting and tracking in-country resource mobilization, increasing the engagement of the private sector and non-traditional donors, and last but not least strengthening the alignment with other global funds and mechanisms. As these priorities have become more central to ECW's operations, further work to better position and operationalize these priorities is needed. The additional 12 months to the strategic plan would enable ECW to sharpen its approach in these areas, allowing for the next strategic plan cycle to build on this experience and lessons learnt.

- *The Challenge of starting a new strategic planning exercise during the COVID-19 response*

The unprecedented COVID-19 crisis has disrupted normal business procedures forcing us all to adapt to exceptional circumstances to ensure delivery of services. Engaging in a new strategic planning cycle

in this context would add additional pressure on ECW and partners' operations, risking to unnecessarily disrupt essential activities. ECW Secretariat staff need to focus on, and dedicate their efforts to, completing and consolidating existing investments and would be too stretched if the strategic planning exercise were undertaken this year. This work also involves assessing the strategic alignment of the main ECW guiding documents – such as the Gender Strategy and the Acceleration Facility Strategy, the resource mobilization, risk management and advocacy approach, as well as the recently approved Operational Manual. Updating the full body of additional documents that complement, and are aligned to, the strategic plan will require substantial time and effort from all ECW stakeholders.

In addition, there is a risk that if a new strategic plan is launched in the current funding environment, resource mobilization targets will not be able to be met, which could negatively impact ECW's resource mobilization and advocacy efforts for the next strategic plan period. Extension of the current strategic plan period would not prevent targeted resource mobilization efforts, and a deeper replenishment campaign could be developed to coincide with the launch of the new strategic plan under a more stable funding environment.

The Corporate Risk Framework would be updated accordingly to record risks (capturing both positive and negative impacts) associated with an extension, as well as appropriate mitigation measures and actions to harness positive opportunities. This would include analysis of risks and mitigation measures in the event of an ongoing uncertain funding environment in 2022. As COVID-19 continues to have an impact across all of ECW's operations it would therefore be preferable to defer the strategic planning process until 2021.

III. Indicative timeline for development of the next Strategic Plan

The current Strategic Plan (as well as the Gender Strategy and Acceleration Facility Strategy) will thus run through until the end of 2022. An indicative timeline for the development of the next plan (including these complementary strategies) is therefore as follows:

- Jun – Dec 2021: TORs for Strategic Plan development and recruitment of consulting firm
- Jan – Jun 2022: Drafting of plan (using inputs from MYRP and organizational evaluations)
- Jul – Aug 2022: Finalization of plan
- Sept 2022: Approval of plan by HLSC
- Jan 2023: Start of new Strategic Plan period