CEO REPORT TO THE GPE BOARD OF DIRECTORS

For Information

1. EXECUTIVE SUMMARY

1.1 Over the last two years with important support from the Board, the Global Partnership for Education has implemented a number of reforms that have strengthened its capacity to deliver on its critical mission to extend a quality education to all children in its partner countries. Most recently, this reform has meant a re-orientation of the Secretariat to be more country-facing, optimally structured and resourced to ensure GPE is providing effective technical and financial support to countries. The reform agenda within the Secretariat has been ambitious, with implementation of the New Funding Model and the Organizational Review recommendations serving as its twin cornerstones. We have made substantial progress. However, the reform agenda is far from complete as the Secretariat, with new leadership in key areas such as Strategy, Policy and Performance, and Country Support, must now implement and execute on the basis of new policies, procedures, and with strengthened teams.

1.2 This paper updates the Board on the progress of the Secretariat on these reforms and on our core work. This paper also provides an update on the finalization of GPE's interim results framework, based on the DFID logframe, which will serve as a placeholder to guide our work until the end of the year. We will be developing a partnership-wide results framework later this year as part of the Strategic Plan.

1.3 The Secretariat's priorities are:

- Strengthening the GPE Secretariat's core functions
- Implementing the New Funding Model
- Strengthening GPE's core country-facing work
- Safeguarding and augmenting GPE's financial resources
- Developing GPE's 2016-2020 Strategic Plan

The Secretariat's execution across these critical areas has coincided with the lead up to the unveiling of the Post 2015 Sustainable Development Goals and the development of the Global Partnership's 2016-2020 Strategic Plan. As the international community is agreeing on an ambitious set of new education goals, GPE's ongoing efforts to strengthen its operations so we are fit for purpose, combined with a new Strategic Plan, will position the Partnership to coordinate and contribute to the realization of the new education agenda.

2. PURPOSE

2.1 This paper updates the Board on the progress that the Secretariat has made against its core priorities over the past 6 months.

3. STRENGTHENING THE GPE SECRETARIAT'S CORE FUNCTIONS

3.1 **Implementing the recommendations of the organizational review** - Since December, when the Board considered the findings of the Organizational Review and approved 14 new headcount slots, the Leadership Team and many in the Secretariat have been working closely with Alison Evans to implement the recommendations of this review. The key elements of this effort include: i) pivoting the entire organization to a cross-functional management approach that places far greater emphasis on overall country-facing activities, ii) supporting the role of the country-lead with essential back-up functions to enable greater focus on strategic-level advisory interaction in country, iii) the creation of dedicated capacity for both grant and sector-level monitoring, and quality assurance, and iv) the creation of a dedicated technical and policy team designed to bring the Secretariat deeper technical capability in key issue areas. Thus far, the tangible accomplishments of these efforts are:

- 13 of the 14 new headcount slots have been posted and recruiting is underway. Key posts have been filled and we are beginning to design new functions at GPE. These include the senior lead for Quality Assurance, the lead for the new grant-level monitoring unit, the senior advisor for the new Strategy and Policy team, and a new senior staff member into the finance team.
- The new functions have been largely defined and teams are now working in a much more interfaced manner on a daily basis. Cross functional teams in areas of Quality Assurance, Monitoring and Evaluation, Country Advisory, Strategy and Policy, and Strategic Communications have been established.
- Thematic cross teams on sector planning/systems & financing, humanitarian/fragility, equity and inclusion (to include gender, disability) are also now established.

- The July 2015-June 2016 workplan and budget is being prepared on a cross-functional basis.
- Permanent leadership of the CST team has been identified with the Appointment of Margarita Focas-Licht.

3.2 **Building GPE's technical and policy base –** Following Karen Mundy's appointment in October to be GPE's Chief Technical Officer, she and her team (Strategy, Policy, and Performance) have already made a significant impact on GPE's work. Apart from its primary focus on developing GPE's second strategic plan (see below for further detail), the SPP team has already taken a number of steps to build out the Secretariat's technical and policy base. These include developing a team that brings together further, dedicated technical expertise, analytics, and policy capabilities to our country support work. Further, the team has developed a technical agenda that will include key areas in learning, equity, access, and systems. This team has conducted a valuable review of the GRA portfolio to determine where these investments can have direct relevance to GPE's country work. The Team has participated in the development of IPAL, the international platform for assessment in learning.

3.3 **Agreeing an interim results framework –** In anticipation of the common results framework that will be developed as part of the Strategic Plan, the Secretariat has adopted on an interim basis a results framework that will serve as a "placeholder" to govern its work for 2015. This results framework has been based on that agreed between DFID and the Secretariat. Having a well-structured set of clear results expectations to guide the Secretariat's work has been very valuable and the effort that has gone into finalizing the interim results framework is much appreciated. The framework will be circulated to the Board before the meeting in May. It includes some 20 areas that span programmatic, operational and organizational matters. The Secretariat is making good progress in many of the areas and will report to the Partnership as to progress later in the year.

3.4 **Launching monitoring, evaluation and quality assurance areas -** The Secretariat has re-defined its Monitoring function to focus on routine monitoring of grants and sector- level activities. The Secretariat has developed standard reporting formats for smaller grants and is currently piloting a Standard Reporting Template, for the Education Sector Program Implementation Grants to better track education outcomes. A new methodology to assess the implementation of grants was piloted in the 2014 Portfolio Review and is being further refined for the 2015 Portfolio Review. The data mined from these grants will be critical as GPE continues to evaluate and modify the new processes to support implementation of the New Funding Model and

other initiatives. The Secretariat is also developing a methodology and baselines to track the progress of the Secretariat's country support and added value more broadly.

3.5 **Building out finance and risk management** - With the addition of staff capacity to the finance team, the Secretariat has now developed its capability to assess and monitor its grant-level activities through a financial, value for money, lens. Further, staff have been able to invest time looking more closely at the strategic finance-related issues that face the partnership as a result of our overall financial position. Progress is steady as regards risk management.

3.6 Following the adoption of the Global Partnership's first Risk Management Policy and Risk Management Matrix, work to mitigate these risks is being tracked and monitored by the Operations Team and is reviewed quarterly by the Leadership Team. Responsible parties have been designated for each of the risk mitigation measures. The first progress report on risk mitigation was presented to the GERF at its April 2015 meeting and was then shared with the Country Grants and Performance Committee ("CGPC") and the Strategy and Policy Committee ("SPC"). The full progress report integrating the other committees' comments will be shared with the Board in May. GPE has also developed an assurance map and shared it with the GERF at its April 2015 meeting. It will be reviewed and updated regularly.

4. IMPLEMENTING THE NEW FUNDING MODEL

4.1 Following the approval of GPE's New Funding Model in February 2014, the first three countries in line to apply for funding on this new results-based basis (Nepal, Mozambique, and Rwanda) have now completed the application process and their requests await final board approval. The Secretariat CST staff have provided extensive support to colleagues in these countries to help them meet the requirements of the NFM.

4.2 The Secretariat is now assessing the experience of these first countries to identify potential revisions to its process. This will include a revised Quality Assurance Review and strengthened guidance on the variable part of the grant. Looking ahead, Malawi and the Congo Republic are expected to apply during the second round of 2015. The Secretariat is also working with a number of other countries to prepare them to meet the new requirements for later application rounds. 5 Education Sector Plan Development Grants to support sector analysis have been approved since December 2014.

5. STRENGTHENING GPE'S CORE COUNTRY FACING WORK

5.1 Apart from the work necessary to launch the NFM, the CST continues to refine, strengthen, and systematize its overall approach to its work in country. In part, this added focus has been a function of the concerted efforts to increase the capacity of our country support and technical staff to engage at the country level and to support our developing country partners: CST members led 27 country missions between January and March 2015; including 5 Joint Sector Reviews in Pakistan (Balochistan and Sindh provinces) Chad, Cambodia, and CAR, and 3 Phase I Quality Assurance missions in Malawi, Liberia, and Congo.

5.2 Three tangible examples of progress include i) developing a methodology for assessing the quality of Education Sector Plans and a baseline using the methodology, and engaging developing country partners in dialogue and experience sharing around ESP credibility, ii) concerted attendance at more Joint Sector Reviews, iii) further refinements to our monitoring methodology to assess whether implementation is on track as part of the portfolio review and the development of a methodology to monitor GPE impact beyond grants; and iv) important revisions to the Timeframes policy to strengthen the timeliness of implementation and clarity on reporting requirements and revision processes.

6. SAFEGUARDING AND AUGMENTING GPE'S FINANCIAL RESOURCES

6.1 Following the June 2014 replenishment conference, the financial adequacy of the GPE fund has remained top of mind. Reflecting the overall backdrop which indicates a chronic insufficiency of funding for education, demand from partner countries for funding from the GPE Fund continues to outstrip supply by a significant margin.

6.2 Further, conditions attached to certain pledges, combined with the impact of ongoing adverse moves in the foreign exchange market, have combined to reduce substantially the projected size of GPE's "available resources" for new allocations. Secretariat staff have discussed these issues with the GERF.

6.3 In response, the Secretariat is pursuing several courses of action. The first is recommending to continue to use a "rolling" model of grant allocation, i.e. that allocations are announced only 2 rounds in advance to balance countries' need for predictability for planning against the insufficient supply of resources to GPE.

6.4 The second is an exploration with the Trustee and existing donors of options that may be available to address the foreign exchange volatility. While options for actual hedging are currently

limited, the finance staff and the Trustee have developed some initial thinking and will continue to work to develop alternative options on hedging for discussion with the GERF at the committee's next meeting.

6.5 Third, the CEO has charged the Secretariat's external relations team to undertake renewed efforts to raise funding from donors globally.

6.6 Fourth, Secretariat staff, working closely with the GERF, have also commenced consideration of new financing mechanisms that may be suitable to meet GPE's growing demand for funding. Examples under consideration include raising targeted funding for Lower Middle Income Countries that would be linked to leveraging additional funds through debt buy downs, guarantees, debt swaps, or challenge funding mechanisms.

6.7 These discussions raise questions as to whether our single-fund model is best fit for purpose given the current environment and whether alternative approaches may be warranted. Looking ahead, this combination of circumstances are not strictly "finance matters," but are instead strategic and as such will be considered as part of the work on the Strategic Plan.

7. DEVELOPING GPE'S 2016-2020 STRATEGIC PLAN

7.1 Starting with December Board retreat, significant progress has been made towards developing GPE's next strategic plan. Work has been divided into two broad areas: Workstream 1 to assess GPE's operational platform and recommend areas for improvement and Workstream 2 to set out GPE's Vision, Mission, Goals and Objectives.

7.2 Thus far, there has been significant consultation with board committees that will result in a preliminary set of decisions to be made in May, which will include identification of areas that require further exploration. Following these, the GPE Secretariat will embark on a broad consultation process to solicit input from a wide range of stakeholders and actors. The Board will be asked to consider this input plus that from the Independent Evaluation in October. A final plan will be tabled for consideration and adoption in December.

7.3 The Secretariat is eagerly looking forward to the consultation portion, and to engaging the wider partnership to determine the strategic priorities for GPE that best support the Sustainable Development Goal Agenda.

8. CEO TRAVEL TO THE FIELD

8.1 Having invested substantial time travelling to donor countries in the run-up to replenishment in June 2014, the CEO has put increased emphasis on country travel and engagement.

8.2 The CEO has now completed 10 country visits, including visiting DR Congo twice. Overall, the trips have provided a rich set of opportunities to see GPE's work in action, help build senior level political commitment to education sector reform and investment, bolster the commitment of local partners to GPE's work, and resolve issues where necessary. Typically, visits will include senior-most government officials particularly in the Ministries of Education, Finance, senior partner and civil society representatives, and often media.

8.3 Most recently, the CEO visited DR Congo, Haiti and Kenya. In DR Congo, the CEO travelled to the town of Gemena, in Equateur province, to commemorate the anniversary of the opening of a school that GPE had laid the cornerstone of fourteen months before. This trip also included a visit to Goma to witness the provincial level efforts to rebuild schools following decades of conflict. The CEO met with the LEG and also with the World Bank in its capacity as Supervising Entity, in part, in an effort to assist with discussions regarding selection of the SE for the next grant. This visit also gave the CEO a chance to introduce the New Funding Model to senior government officials in advance of an expected spring 2016 application and explain why it represents a valuable opportunity for re-investment as the country prepares a new education strategy.

8.4 In Haiti, the CEO joined a delegation led by the World Bank in part to survey the role that non-government actors are playing in providing education. Our visits with largely non-state schools indicated significant appetite for improved education by communities. Through meetings with the Minister of Education and other senior officials, we have learned that the Ministry plans to build capacity in the government-provided education sector by requiring non-state schools to adopt the standards required of the state schools.

8.5 In February, the CEO travelled to Kenya to meet with the ministry of education, our supervising entity colleagues in the country, civil society and other partners. GPE's recently approved grant to Kenya is the first new education support to the government by any donor since fiscal management issues arose in 2009. The fiduciary weaknesses identified in Kenya during that period have since been corrected. The CEO reinforced the importance of accountability and fiscal oversight in meetings with the Minister of Education and Finance. Partners expressed high hopes for Kenya's progress over the next 15 years.

9. STEWARDSHIP

There are no new cases of misuse of funds to report at this time. At the May meeting, the Head of the Country Support Team will update the Board on the circumstances in Madagascar.

10. PLEASE CONTACT Alice Albright at: AAlbright@globalpartnership.org for further information.