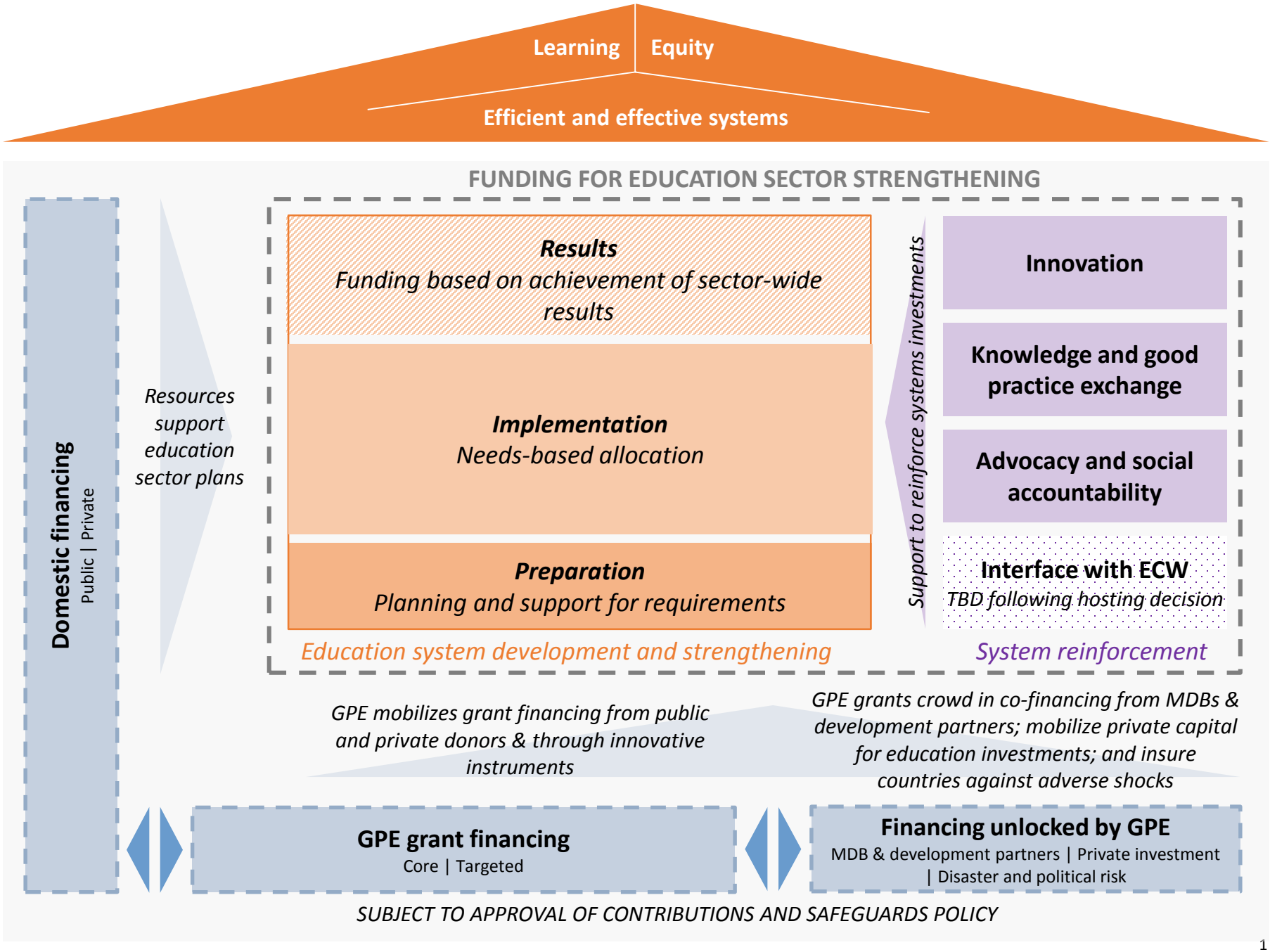

Learning
Equity
Efficient and effective systems
FUNDING FOR EDUCATION SECTOR STRENGTHENING
Domestic financing
Public | Private
Resources support education sector plans
Results
Funding based on achievement of sector-wide results
Implementation
Needs-based allocation
Preparation
Planning and support for requirements
Education system development and strengthening
Support to reinforce systems investments
Innovation
Knowledge and good practice exchange
Advocacy and social accountability
Interface with ECW
TBD following hosting decision
System reinforcement
GPE mobilizes grant financing from public and private donors & through innovative instruments
GPE grants crowd in co-financing from MDBs & development partners; mobilize private capital for education investments; and insure countries against adverse shocks
GPE grant financing
Core | Targeted
Financing unlocked by GPE
MDB & development partners | Private investment | Disaster and political risk
SUBJECT TO APPROVAL OF CONTRIBUTIONS AND SAFEGUARDS POLICY

Country case studies

How does the FFF enhance how GPE interacts with countries?

GPE TODAY

FINANCING & FUNDING AT COUNTRY LEVEL

- Planning and implementation grants for governments, with focus on low-income countries
- Civil Society Education Fund for national coalitions (2016-2018)
- Pilot KGPE initiatives

More financing

Better financing

GPE WITH THE FFF

FINANCING & FUNDING AT COUNTRY LEVEL

- More differentiated funding approaches, including planning, implementation, and reinforcing grants for governments and non-state actors
- Options for countries to pursue other sources and forms of financing beyond GPE grants

Country A: Low-income country with high basic education needs

Country profile and needs

Country background	Key needs and priorities
• **Income level**: Low-income • **Region**: Sub-Saharan Africa • **Fragile and conflict-affected**: Yes • **No. of years GPE member**: 9 • **Risk of debt distress**: Low; can sustainably take on more debt • **Other**: – Data from EMIS and learning assessment systems is limited – Civil society is active at country level	• The government would like to develop a robust education sector plan that links to the current national development plan • The government has committed 15% of domestic public expenditures to education (trend is increasing) • However, it will require additional funds to implement the sector plan at scale • The government has a $400 million World Bank IDA allocation for the 2018-2020 period, and would consider directing a portion toward the education sector • Neither the government, GPE, nor other donors are currently funding improvement of data and learning assessment systems

Country A: Low-income country with high basic education needs

How GPE addresses these needs – without FFF

	Direct funding from GPE	Other funding promoted by GPE
Government	• Receives $500,000 **planning grant** to develop education sector plan for upcoming five-year period • Receives 70% of **$100 million country allocation** to implement education sector plan	• Commits to increase the share of **domestic public expenditures** going toward education to 20% in the coming years
Reinforcing cross-sector support	• National civil society coalition receives **advocacy & social accountability grant** to engage in policy dialogue	

Country A: Low-income country with high basic education needs

How GPE addresses these needs – with FFF

	Direct funding from GPE	Other funding promoted by GPE
Government	• Receives $500,000 **planning grant** to develop education sector plan for upcoming five-year period • Receives 70% of **$100 million country allocation** to implement education sector plan – a portion of which must be spent on implementation of the data strategy given absence of other financing	• Commits to increase the share of **domestic public expenditures** going toward education to 20% in the coming years • Directs $100 million of its **IDA allocation** (concessional loan) to implementation of the education sector plan, with GPE-coordinated sector investment case increasing efficacy of IDA investment
Reinforcing cross-sector support	• National civil society coalition receives **advocacy & social accountability grant** to engage in policy dialogue • Specialist organization receives **social accountability grant** to develop a public expenditure tracking survey	

Unlocking and coordinating co-financing to support the education system

Country A: Low-income country with high basic education needs

How it could work

National civil society coalition and specialist organization apply for **advocacy and social accountability grants** through an application process *(exact details to be further explored in 2017)*

Government commits to work toward 20% share of **domestic public expenditures** going toward education; funding from the implementation grant is used to strengthen financial data

LOCAL EDUCATION GROUP

Government receives a **$200 million financing package** to support implementation of the education sector plan

- **Planning grant** follows existing GPE processes (e.g., ESPDG application)
- **Implementation grant** (country allocation) follows existing GPE processes (e.g., ESPIG application); it is synced with $100 million of Country A's 2018 **IDA allocation**, resulting in a larger financing package
- Country-level actors (gov., coordinating agency, LEG members) select the World Bank as the grant agent, who channels the **$200 million** to the government through aligned and harmonized processes

Country B: Lower-middle-income country with strong progress

Country profile and needs

Country background	Key needs and priorities
• **Income level**: Lower-middle-income • **Region**: South Asia • **Fragile and conflict-affected**: No • **No. of years GPE member**: 6 • **Risk of debt distress**: Low; can sustainably take on more debt • **Other**: – Country has received ESPDG and ESPIG grants before – Education sector performance, particularly at primary level, has shown strong progress	• The government would like to develop a new education sector plan, building on strong progress over the past few years • The government already spends over 20% of its domestic budget on education • Based on need, Country B is not eligible for an implementation grant (e.g., ESPIG) • The government is therefore interested in exploring how to mobilize other financing to support implementation of the sector plan: – Private resources at the country-level – MDB financing • Country is a World Bank “blend” country and member of the Islamic Development Bank

Country B: Lower-middle-income country with strong progress

How GPE provides support – without FFF

	Direct funding from GPE	Other funding promoted by GPE
Government	• Receives $500,000 **planning grant** to develop a new education sector plan, building on recent progress	• Commits to maintain the share of **domestic public expenditures** at or above 20%
Reinforcing cross-sector support	• *No funding provided*	

Country B: Lower-middle-income country with strong progress

How GPE provides support – with FFF

	Direct funding from GPE	Other funding promoted by GPE
Government	• Receives $500,000 **planning grant** to develop a new education sector plan, building on progress	• Commits to maintain the share of **domestic public expenditures** at or above 20%
	• Receives **$15 million** from dedicated pool of GPE leveraging resources (for countries without country allocation) to buy down a portion of non-concessional loan financing from the Islamic Development Bank (IsDB)	• IsDB provides **$50 million loan** to Country B. 70% of GPE's linked buy-down contribution is disbursed upfront; the remaining 30% is disbursed on achievement of pre-defined results
Reinforcing cross-sector support	• NGO receives a $2 million **innovation grant** to scale a teaching training technology platform with demonstrated success	

Unlocking incremental MDB financing to support the education system

Country B: Lower-middle-income country with strong progress

How it could work

NGO applies for **innovation grant** through a competitive call for proposals; both the government and the LEG endorse the application to ensure a strong link to GPE's core business model and goals

Government commits to maintain the share of **domestic public expenditures** at or above 20%

LOCAL EDUCATION GROUP

- Government receives a **$50 million concessional loan** – bought down in part by **$15 million** from a dedicated pool of GPE leveraging resources – to support implementation of the education sector plan
- A portion of GPE's loan buy-down contribution is **results-based financing**
- **Planning grant** follows existing GPE processes (e.g., ESPDG application)

Country C: Low-income country at risk of debt distress

Country profile and needs

Country background	Key needs and priorities
• **Income level**: Low-income • **Region**: Sub-Saharan Africa • **Fragile and conflict-affected**: Yes • **No. of years GPE member**: 5 • **Risk of debt distress**: High; has very limited fiscal capacity to sustainably take on more debt • **Other**: – Country has received modest ESPDG grants but not moved forward with ESPIG package – Capacity for education system development is constrained – Local philanthropists are active in education	• The government would like to develop an updated and robust education sector plan • The government currently spends ~10% of its domestic budget on education • Even with increased domestic spending, the country faces a large education sector financing gap • Country C has expressed an interest in working with other countries who have faced or are facing similar challenges • Another donor is currently funding improvement of education data and learning assessment systems in the country

Country C: Low-income country at risk of debt distress

How GPE provides support – without FFF

	Direct funding from GPE	Other funding promoted by GPE
Government	• Receives $500,000 **planning grant** to develop a new education sector plan, building on recent progress • Receives 70% of **$100 million country allocation** to implement education sector plan	• Commits to gradually increase the share of **domestic public expenditures** going toward education – working toward 20% goal
Reinforcing cross-sector support	• *No funding provided*	

Country C: Low-income country at risk of debt distress

How GPE provides support – with FFF

	Direct funding from GPE	Other funding promoted by GPE
Government	• Receives $500,000 **planning grant** to develop a new education sector plan, building on recent progress • Receives 70% of **$100 million country allocation** to implement education sector plan	• Commits to gradually increase the share of **domestic public expenditures** going toward education – working toward 20% goal • Creates a country-level platform – using seed grant from GPE – to pool **private grant contributions** from companies, foundations, and individuals to support the education sector plan
Reinforcing cross-sector support	• Government benefits from **cross-national knowledge exchange** and **global pubic goods** supported by knowledge initiative focused on improving domestic financing (and its efficiency)	

Unlocking cross-sector contributions in support of country education sector plan

Country C: Low-income country at risk of debt distress

How it could work

Government benefits from **knowledge and good practice exchange** activities (e.g., regional workshops, events) through a thematic initiative focused on improving domestic financing – supported by a Secretariat-administered fund

Government commits to gradually increase the share of **domestic public expenditures** going toward education – working toward 20% goal

Government receives GPE seed grant to create platform to pool **private grant resources** and supplement public expenditures

LOCAL EDUCATION GROUP

Government receives a **$100 million grant** to support implementation of the education sector plan

- **Planning grant** follows existing GPE processes (e.g., ESPDG application)
- **Implementation grant** follows existing GPE processes (e.g., ESPIG application)