Meeting of the Board of Directors
March 1, 2017
Washington, D.C.

Final Decisions

BOD/2017/03-01—December 1-2, 2016 Board Meeting Report: The Board of Directors approves the Report of the Meeting of the Board of Directors in Siem Reap, Cambodia on December 1-2, 2016 (BOD/2017/03 DOC 07 Annex 1).

BOD/2017/03-02—Allocation of Catalytic Trust Funds Resources to Education Sector Plan Development Grants (ESPDGs): The Board of Directors authorizes the allocation of resources of the Education For All Fast Track Initiative Catalytic Trust Fund and of the Education for All Fast Track Initiative Catalytic Trust Fund II (the "Catalytic Trust Funds") to support the provision of ESPDGs that have been duly approved in accordance with the current guidelines for such grants and, solely to this end, waives the requirement of the existence of an endorsed education sector plan under the allocation criteria of these Catalytic Trust Funds.

BOD/2017/03-03—Adjustment to the Source of Funds for an Education Sector Program Implementation Grant: The Board of Directors:

1. Refers to its decision BOD/2016/12-08 to approve a fixed part allocation for an Education Sector Program Implementation Grant to Ethiopia of US$70 million with the World Bank as Grant Agent, in addition to an agency fee allocation of US$1,225,000 (1.75%).
2. Specifies that the source of funds for the fixed part allocation shall be US$63,000,000 from the GPE Fund and US$7,000,000 from the Catalytic Trust Fund (TF051061).
3. Modifies the agency fee of 1.75% of the fixed part allocation from the GPE Fund resulting in a reduction in the agency fee from US$1,225,000 to US$1,102,500.

BOD/2017/03-04–Implementation Roadmap: The Board of Directors in reference to BOD/2015/12-13 notes receipt of the updated Implementation Roadmap detailing progress made on delivery of GPE 2020 as set out in Attachment 1 to BOD/2017/03 DOC 07 Annex 4.

BOD/2017/03-05—Roadmap for GPE Engagement with the Private Sector and Foundations: The Board of Directors:

1. Approves the Roadmap for Engagement with the Private Sector and Foundations, as presented in BOD/2017/03 DOC 08 Annex 1.
2. Endorses the objectives and steps for developing Private Sector and Foundations strategies over the course of 2017.
3. Approves the intention to focus on global level financing and advocacy by the private sector over the course of 2017, and exploration of country-level private sector engagement from 2018.
4. Mandates the Strategy and Impact Committee to provide governance and advisory oversight of the two strategies.

BOD/2017/03-06–Financing and Funding Framework: The Board of Directors:

1. Approves the Financing and Funding Framework as described in BOD/2017/03 DOC 03 and amended in BOD/2017/03-06, recognizing that to successfully deliver on the ambition of GPE 2020 requires a significant increase in domestic, GPE and other international financing, combined with delivery mechanisms that respond to differentiated developing country partner needs at both the global and country level.

2. Notes the importance of finalizing the operational details of the Financing and Funding Framework to ensure a timely rollout following GPE's replenishment campaign for the 2018-2020 period, and emphasizes that implementation of the Financing and Funding Framework should seek to utilize the collective strengths of the partnership and aim to keep the Operating Expenses budget within a range of 5-7% of total expenditure.

3. Requests the Secretariat in the next update to the risk management matrix to reflect risks associated with the finalization of the design and subsequent rollout of the Financing and Funding Framework.

4. Given that key elements of the Financing and Funding Framework involve multiple Committees, requests the Secretariat to provide an update to the Coordinating Committee as a standing item for its regular audio conferences on the status of implementation of remaining work in 2017. And requests the Coordinating Committee to oversee that progress is on track and provide guidance to the Secretariat and Committees on any matters arising in between scheduled Board meetings.

5. **Education Sector Investment Case**. Recognizing GPE 2020 strategic objective of "more and better financing," and the need to increase and better align domestic, international and GPE's own financing:

    a. Agrees to GPE working with countries to develop an Education Sector Investment Case in support of credible education sector plans as outlined in BOD/2017/03 DOC 03 Annex 1, and to the Secretariat's active engagement with all relevant partners to achieve greater additionality, coordinated financing, co-financing, and leveraging to crowd in resources to finance the education sector plan. The Education Sector Investment Case will draw on countries' financing framework and implementation plan.

    b. Notes that the investment case approach therefore implies a larger role for GPE in: a) translating education sector plans and policy to investment opportunities; b) convening relevant financiers to facilitate participation in country-level transactions; and c) using GPE capabilities and resources to leverage better-structured and/or more harmonized and aligned financing.

    c. Notes this will require investment in differentiated skill sets and increased country support, and requests the Secretariat to develop a proposal in consultation with relevant partners and committees for how it will roll out these efforts in as efficient and effective a manner as possible and report to the Board by the end of 2017.

6. **Leverage Financing.** Recognizing the need to improve prospects for co-financing and leveraging additional resources, and considering the potential for substantial additional resources for education via the IDA Replenishment:

    a. Requests the Secretariat to work with governments, country-level partners and in particular Grant Agents to identify prospects for greater co-financing and leveraging, and to work to identify and remove obstacles such as alignment of quality assurance processes, and timing of applications that impede such approaches.

    b. Further requests the Secretariat to report on such efforts to the Grants and Performance Committee on a semi-annual basis.

    c. Determines to create a Leverage Fund as described in BOD/2017/03 DOC 3 - Annex 1 and amended in BOD/2017/03-06. The Leverage fund will target a limited number of GPE partner countries. Applications for Leverage Funds must:

        i. Meet GPE's funding model requirements around domestic financing, data, and credible education sector plans.

        ii. Demonstrate additionality and co-financing from external sources of at least US$3 for every US$1 of GPE grant funds.

iii. Ensure at least 30% of GPE funds are subject to GPE's results-based funding approach.

d. Requests the Secretariat to develop a proposal for recommendation by the Finance and Risk Committee (FRC) to the Board in June 2017 on eligibility to access resources from the Leverage Fund along with a simplified methodology to determine the ceiling for individual country applications to the Leverage Fund, and an application process for eligible countries to apply and receive funds from the Leverage Fund.

e. Emphasizes the need to make selections among the potential eligible countries in a way that enables fair access by all countries and takes into account prospects of success.

7. **With regard to Education Systems Development and Strengthening:**

a. Endorses the approach to strengthen GPE's efforts to support and strengthen education systems development as outlined in BOD/2017/03 DOC 03 as well as in BOD/2017/03 DOC 3 - Annex 1, requesting the Secretariat and relevant Committees to accelerate progress in advance of the replenishment.

b. Emphasizes the criticality of successfully implementing the funding model through urgent actions aimed at:

i. Improving accountability for domestic financing commitments. The Board requests the Secretariat to develop a process for monitoring domestic resource commitments made as a basis for satisfying the requirements of an approved Education Sector Program Implementation Grant (ESPIG) application and for the Grants and Performance Committee to approve this process, and to propose for the Board's approval a policy for taking appropriate action where the commitments are not being met by the end of 2017.

ii. Ensuring data plans are adequately financed. The Board approves modified funding model requirements so that for countries applying from 2018 that require a plan to address data gaps (including gaps in learning outcome data), and for which financing to implement that plan within the agreed timeline is not identified by the time of the application, the ESPIG grant must finance the unfinanced portion of the data plan.

iii. Clarifying responsibility and optimizing approaches for capacity building and technical assistance including in fragile and conflict affected states, requesting that this work be incorporated into the work tasked under BOD/2016/12-19 to commission an examination of the efficiency and effectiveness of Grant Agents, Coordinating Agencies, and Local Education Groups to deliver on GPE 2020.

iv. Identifying and removing obstacles that reduce prospects for co-financing particularly with IDA, and deploying existing and potential GPE levers such as supporting Education Sector Investment Cases to incentivize aligned modalities for aid delivery in education.

v. Improving guidance on variable funding through stronger linkages with transformative strategies within Education Sector Plans, focused action to strengthen variable tranche indicators and data, a strengthened approach to quality assurance for the variable funding tranche, and the development of tools and guidance through the Knowledge and Innovation Exchange focused on enhancing achievement of stretch targets.

vi. Strengthening the focus on resilience and preparedness especially for Fragile and Conflict-Affected Countries within Education Sector Program Implementation Grants (ESPIG) and Education Sector Plan Development Grants (ESPDG) guidelines and also the assessment of credible plans. Furthermore, incorporating

this topic within Knowledge and Innovation Exchange design work, and finalizing analysis on applicability of risk financing instruments based on on-going work.

vii. Developing guidance that would encourage and facilitate regional funding approaches in two separate instances: a) small, islands, and land locked states; b) regional/crisis situations, for approval by the Grants and Performance Committee before the end of 2017.

8. **With regard to Knowledge and Innovation Exchange:**

a. Approves the establishment of a Knowledge and Innovation Exchange funding mechanism. The mechanism emphasizes the importance of accelerating progress towards GPE 2020 goals by building and harnessing GPE members' knowledge and innovation capacity, amplified by catalytic partnerships with non-traditional partners and bolstered by vibrant exchange both within and beyond the Partnership to develop global public goods.

b. Requests the Secretariat to commission a design of the Knowledge and Innovation Exchange mechanism aimed at advancing knowledge, innovation and exchange of good practice across the Partnership as envisaged in BOD/2017/03 DOC 3 - Annex 1. The design process will be overseen by the Strategy and Impact Committee in 2017 before submission to the Board for approval in December 2017. The design should take into account the following:

i. It should be financed from both unrestricted and targeted contributions.

ii. It should focus on global and regional-level activities, public goods and peer exchange based on the understanding that in-country knowledge and innovation efforts are better supported primarily via the Education Sector Plan and domestic financing or Education Sector Program Implementation Grant processes.

iii. It should be designed to attract non-traditional actors into GPE's work, including the private sector. Partnerships with the private sector would be in accordance with the Private Sector Engagement Strategy.

iv. It should be designed to avoid fragmentation and with due attention for ensuring transaction costs are limited including maintaining associated Secretariat operating expenses within a range of 5-7%.

v. It should be designed to allow for mixed implementation modalities, depending on the theme or specific policy challenge.

vi. It should aim to improve the capacity of DCPs in various key thematic areas. In the further refinement work the Secretariat should examine opportunities to reinforce the link between open access knowledge products and global public goods to developing country partner education systems and capacity-building needs.

9. **With regard to Advocacy and Social Accountability:**

a. Approves the establishment of a funding mechanism for Advocacy and Social Accountability.

b. Recognizing the need to support efforts to realize GPE 2020 Goals 2, 4, and 5 by promoting accountability, transparency and social mobilization efforts across members of the Partnership, requests the Secretariat to commission a design for advocacy and social accountability mechanism as envisaged in BOD/2017/03 DOC 3 - Annex 1. The design process will be overseen by the Strategy and Impact Committee in 2017 before submission to the Board for approval in December 2017. The design should take into account the following:

i. The program at country level will be a successor program to the Civil Society Education Fund III program but will also seek to diversify partners and incorporate new areas of work including citizen feedback, participatory methodologies towards helping public sector institutions to address policy, strategy and implementation challenges.

ii. The program at global level will bring together consortia of actors who may otherwise not come together in the education space or include other actors from different sectors, to work collaboratively and respectively on global and transnational activities that bear on GPE country-level work particularly in the areas of aid effectiveness, finance and cross-sector synergies.

iii. It should be financed from both unrestricted and targeted contributions.

iv. It should be designed to avoid fragmentation and with due attention for ensuring transaction costs are limited including maintaining associated Secretariat operating expenses within a range of 5-7%.

BOD/2017/03-07—<u>Eligibility and Allocation</u>: The Board of Directors:

1. Recognizing the GPE 2020 commitment that financing will continue to focus primarily on low-income and lower middle-income countries, especially those countries with high numbers of out-of-school children, significant gender disparities, and those affected by crisis and fragility, approves eligibility for GPE Funding for the 2018-2020 period as set out below:

CATEGORY	ESDPGs	Knowledge and Innovation Exchange	Advocacy & Social Accountability	ESPiGs[1]	Leverage Fund
Low Income Countries (30) Afghanistan, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, DRC, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Liberia, Madagascar, Malawi, Mali, Mozambique, Nepal, Niger, Rwanda, Senegal, Sierra Leone, Somalia, South Sudan, Tanzania, Togo, Uganda, Zimbabwe	**YES**	**YES**	**YES**	**YES**	**Eligibility To Be Determined by June 2017 to include countries that are eligible for ESPIGs and those LMICs not automatically eligible for an ESPIG**
Small Island and Landlocked Developing States (18) Bhutan, Cabo Verde, Dominica, Grenada, Guyana, Kiribati, Maldives, Marshall Islands, Micronesia, Samoa, Sao Tome and Principe, Solomon Islands, St. Lucia, St. Vincent and the Grenadines, Timor-Leste, Tonga, Tuvalu, Vanuatu	**YES**	**YES**	**YES**	**YES**	
Vulnerable LMICS (19) – Less than $2,000 GNI p/c and below 90% LSCR OR FCACs with Less than $3,000 GNI p/c and below 90% LSCR Bangladesh, Cambodia, Cameroon, Côte d'Ivoire, Djibouti, Ghana, Kenya, Lao PDR, Lesotho, Mauritania, Myanmar, Nicaragua, Nigeria, , Pakistan, PNG, Sudan, Syria, Yemen, Zambia,	**YES**	**YES**	**YES**	**YES**	
Other LMICs (22) Moldova, Congo Rep, Honduras, Swaziland, Guatemala, Kyrgyz Republic, Tajikistan, Vietnam, Uzbekistan, Ukraine, Bolivia, Sri Lanka, Mongolia, Armenia, Morocco, Egypt, Arab Rep., West Bank and Gaza, Indonesia, Philippines, El Salvador, Tunisia, India[2]	**YES**	**YES**	**YES**	**NO**	

[1] Also eligible for Program Development Grants to design an ESPIG program
[2] Excluded from ESPIG eligibility due to overall size of economy exceeding one trillion US dollars

2. Approves the following needs-based allocation formula

$$NeedsIndex = \frac{PrimAgePop \times (1 - PCR) + LSecAgePop \times (1 - LSCR)}{\sqrt{GDPperCapita(PPP)}} + 15\%\ FCAC\ Adjustment$$

as further described in Annex 1 of BOD/2017/03 DOC 04 for calculating the share of available resources that countries eligible to receive an Education Sector Program Implementation Grant Maximum Country Allocation may apply for, subject to the following adjustments:

   a. The existing cap of US$100 million shall apply to Maximum Country Allocations for ESPIGs unless the Board determines on the recommendation of the Finance and Risk Committee that the level of resources available for allocation is sufficiently high that the cap may be raised in a manner that doesn't reduce existing allocations below the levels set out in Scenario 1 of Annex 1 of BOD/2017/03 DOC 04 for remaining eligible countries.

   b. Small Island and Landlocked Developing States that have a Maximum Country Allocation calculated by the allocation methodology of less than US$1.3 million shall have their MCA increased to this amount.

   c. All other eligible countries that have a Maximum Country Allocation calculated by the allocation methodology of less than US$5 million shall have their MCA increased to this amount.

3. Given the integrality of the Financing and Funding Framework, the Board determines that a minimum level of resources shall be made available to operationalize the Leverage Fund, and the Reinforcing Funding Mechanisms as set out below:

   - Leverage Fund – US$100 million
   - Knowledge and Innovation Exchange – US$60 million
   - Advocacy and Social Accountability – US$60 million

   The Board notes that these amounts are minimum levels and may be increased if resources are available, and based on approved prioritization criteria to be developed. As a guide for potential future growth, the Board notes that the size of the Leverage Fund should be guided by factors including early interest and progress. For Knowledge and Innovation Exchange, the aspiration should be to reach approximately 5-6% of total expenditure. For Advocacy and Social Accountability, it is not expected that an upper limit beyond US$100 million would be required. It is further noted that the source of financing from the GPE Fund may be from both unrestricted and targeted financing subject to the provisions of the Contributions and Safeguards Policies.

4. The Board of Directors requests the Secretariat to develop options for consideration by the Finance and Risk Committee and subsequent recommendation to the Board on prioritization criteria in the event that resources are either insufficient to finance the FFF at the minimum resource levels envisaged in Scenario 1, Annex 1 of BOD/2017/03 DOC 04 or resources are higher than the minimum resource levels.

BOD/2017/03-08–Contributions and Safeguards Policy: The Board of Directors:

1. Endorses the proposed Contributions and Safeguards Policy as outlined in Annex 1 to BOD/2017/03 DOC 05 Rev. 1, noting that:

   a. The majority of existing contributions to the GPE Fund have been unrestricted and are expected to continue to be.

   b. Co-financing and aligned financing in support of Education Sector Plans outside of the GPE Fund continues to be a priority.

2. Requests the Secretariat to develop a list of themes and thematic areas, for which targeted funding would be accepted, for approval by the Strategy and Impact Committee and the Finance and Risk Committee. This list should be informed by GPE 2020 and the thematic

areas to be included in the Knowledge and Innovation Exchange strategy and previously identified in the Knowledge and Good Practice Exchange (KGPE) strategy.

BOD/2017/03-09–Committee Chairs for the Term March 1, 2017-December 31, 2018: The Board of Directors:

1. Approves the appointment of Ms. Anne Charlotte Dommartin, Deputy Head, Human Development Sub directorate, Ministry of Foreign Affairs, France, donor constituency category, as Chair of the Finance and Risk Committee.
2. Approves the appointment of Ms. Sally Gear, Head of Profession, Education, Department for International Development, United Kingdom, donor constituency category, as Chair of the Grants and Performance Committee.
3. Approves the appointment of Mr. Nesmy Manigat, Special Advisor for Education, Office of Prime Minister, Haiti, developing country partner constituency category, as Chair of the Governance and Ethics Committee.
4. Approves the appointment of Ms. Randa Grob-Zakhary, Global Head of Education, Porticus, private sector/foundations/civil society constituency category, as Chair of the Strategy and Impact Committee.

BOD/2017/03-10–Membership of the Finance and Risk Committee for the Term March 1, 2017-December 31, 2018: The Board of Directors approves the roster set out in BOD/2017/03 DOC 09 Rev. 1 Annex 1.

BOD/2017/03-11–Membership of the Governance and Ethics Committee for the Term March 1, 2017-December 31, 2018: The Board of Directors approves the roster set out in BOD/2017/03 DOC 09 Rev. 1 Annex 1.

BOD/2017/03-12–Membership of the Grants and Performance Committee for the Term March 1, 2017-December 31, 2018: The Board of Directors approves the roster set out in BOD/2017/03 DOC 09 Rev. 1 Annex 1.

BOD/2017/03-13–Membership of the Strategy and Impact Committee for the Term March 1, 2017-December 31, 2018: The Board of Directors approves the roster set out in BOD/2017/03 DOC 09 Rev. 1 Annex 1.