MAY 25, 26 AND 28, 2021

MEETING OF THE BOARD OF DIRECTORS

VIA VIDEOCONFERENCE	BOD/2021/05 DOC 07	FOR DECISION

INCREASE IN ALLOCATION FOR THE KNOWLEDGE AND INNOVATION EXCHANGE GRANT

Please note: Documents are deliberative in nature and, in accordance with the GPE Transparency Policy, are considered to be public documents only after their appraisal by the relevant governance instance. It is understood that members will circulate documents among their constituency members prior to consideration for consultation purposes, with the exception of documents that are confidential.

Key issues for consideration:

- Approval of an increase in the allocation for KIX by USD$3 million to be financed from a targeted contribution from a foundation, received in to the GPE trust fund.
- The new financing plus existing savings within the KIX grant will provide an estimated US$4m in new grants based on an additional call for proposals focused on innovative teaching and learning practices in both ECE and primary education in response to demand from the Africa 19 KIX region.
- The increase is recommended by the Finance and Risk Committee who reviewed the proposal on April 29 and took in to account the transaction costs of the grant agent to manage and allocate additional funds, the added value of a new call for proposals, and the implications a new call may have for overall performance and timeframe of KIX.
- Proposed process for future re-financing decisions for KIX including the timeline for mid-term evaluations, in line with GPE 2025.

Objective

1. This document requests the Board to consider the FRC recommendation to increase the grant allocation for the Knowledge and Innovation Exchange (KIX) mechanism by USD$3m with targeted financing from a foundation.

Recommended decision

BOD/2020/05-XX—Knowledge and Innovation Exchange: The Board of Directors:

1. Recalls its previous decisions to approve an initial allocation of USD$58.5 million (BOD/2018/06 - 11) and an additional USD$12 million (BOD/2019/12-07) for KIX.
2. Subject to confirmation of the additional funding from targeted sources, approves an increase of USD$3 million (inclusive of agency fees of USD$196,262) to the International Development Research Centre as the Grant Agent for the Knowledge and Innovation Exchange (KIX) mechanism to fund a call for proposals in Africa as set out in BOD/2021/05/DOC 07 Annex A. The original closing date of the grant of March 31, 2024 remains unchanged.

Background and overview

2. The Knowledge and Innovation Exchange (KIX) mechanism launched four regional calls in 2020 for proposals that address policy challenges identified by GPE member countries in each region. Following the selection of proposals, some funds for the Eastern, Southern and Western Africa region remain unallocated. A foundation has expressed interest in the regional calls, particularly in Eastern Africa, and in the thematic areas of innovative teaching and learning practices in ECE and primary education. Leveraging the adaptive management design principle of KIX, and in accordance with the Contributions and Safeguards Policy,[1] the opportunity exists to create a new call that combines unallocated KIX research funds with targeted financing from the foundation to address DCP priorities. Further information is provided in Annex A.
3. Raising targeted financing for KIX was a specific expectation of the Board per its original allocation decision BOD/2018/06 - 11, namely that "*The Secretariat is strongly encouraged to proactively seek to raise targeted financing that could be additional to bring overall financing for KIX closer to 5% of overall expenditures.*"
4. Annex B provides, for information, the indicative timeframe for mid-term evaluations to inform re-financing decisions for KIX, to be considered by the PILC as part of the committee workplan, for recommendation to the Board by no later than June 2022.

[1] This contribution is in line with the Contribution and Safeguards Policy (see BOD/2020/11/12 DOC 09.)

Annex A - KNOWLEDGE AND INNOVATION EXCHANGE (KIX)

1. The Knowledge and Innovation Exchange (KIX) comprises:

   (i) ***regional hubs*** where GPE partner countries congregate to share information, innovation and best practices;

   (ii) a ***funding mechanism*** that provides grants at the global and regional levels to invest in knowledge generation and innovation, and to scale proven approaches;

   (iii) an ***online platform*** that functions as a knowledge repository, collaboration space and facilitates MEL activities and communications.

2. In June 2018, the GPE Board approved $60m to implement KIX (BOD/2018/06 - 11) and, in December 2019, a further $12m to increase the ***portfolio of global grants*** (BOD/2019/12-07). The Grant Agent, the International Development Research Centre (IDRC) has provided 6% in co-financing alongside each GPE contribution.

3. Regional calls for proposals were launched in July and August 2020. The calls were based on regional thematic priorities identified by DCPs. Of a total of 361 proposals were received, of which 22 were selected for funding. $1 million US remains unallocated, with investments in the Africa 19 region lower than in other regions. Within the region there was only one project addressing the regional priority of increasing access to early childhood care and development for rural and marginalized children.

4. The proposed contribution of US$3million from a foundation will supplement this unallocated US$1 million of KIX funds to create a new call that addresses this underinvested priority in the Africa 19 region. In line with its ongoing commitment to KIX, the IDRC would commit funds commensurate with the ratio of previous co-financing contributions.

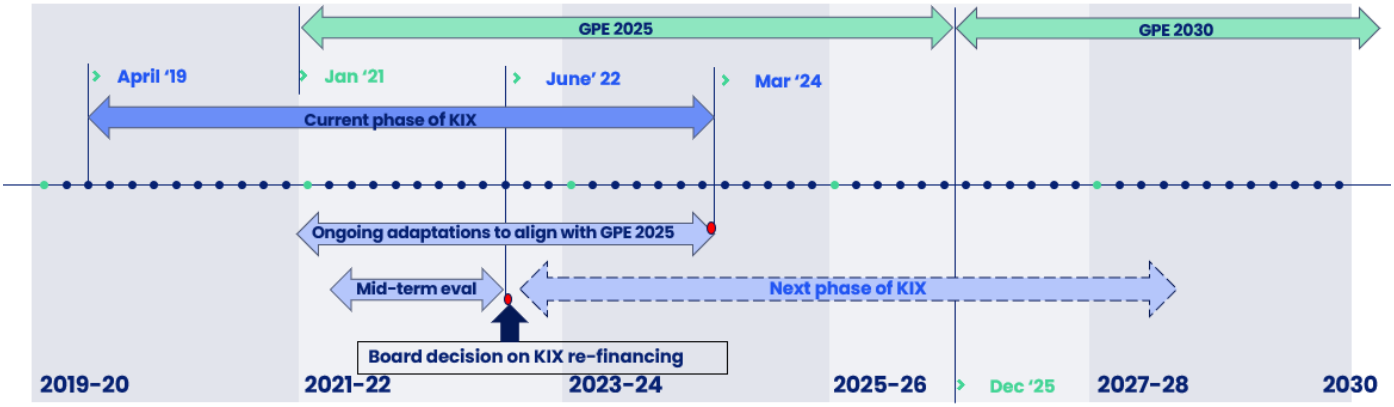
5. Table 1 below shows how the additional funds from the foundation would be allocated, including IDRC's contribution. For the total amount of the new call to be US$4M (amount for research grants), IDRC will use US$1,085,750 in existing KIX funding (US$1,019,723 from GPE and US$66,027 from IDRC). All direct program implementation support activities, management, and audit costs for receiving the additional contribution and running the new call will be absorbed within the existing KIX budget.

Table 1: Foundation and IDRC contributions to additional KIX financing

	Supplementary Budget	TOTAL USD	%	Foundation contribution	IDRC contribution
1	Regional grants	$2,985,280	93.5%	$2,803,738	$181,542
2	Program Implementation support activities	$0	0%	0	0
3	External Audits	$0	0%	0	0
4	Program management and administration	$0	0%	$0	$0
5	Indirect cost recovery and IDRC management funds	$208,970	6.5%	$196,262	$12,708
	TOTAL	**$3,194,250**	**100**	**$3,000,000**	**$194,250**

Annex B - KNOWLEDGE AND INNOVATION EXCHANGE (KIX) RE-FINANCING ROADMAP

1. The current phase of KIX has been operational since April 2019 and is financing activities until March 2024. Provisional funding for the next phase of KIX has been indicated in the financial forecast being presented to the Board.
2. The Board will be requested to make a decision on re-financing the next phase of KIX on the basis of evidence of implementation effectiveness and impact. This evidence will be provided through an independent mid-term evaluation of KIX and provided to the Board in July 2022.
3. The following activities are proposed for the next 15 months to support the Board make this decision.



4. Oversight of KIX, the mid-term evaluation, and consideration of way forward is the responsibility of the Performance, Impact and Learning Committee. A financing request will subsequently be sent to the FRC, for Board decision in June 2022.