DECEMBER 7, 8 AND 10, 2021

MEETING OF THE BOARD OF DIRECTORS

VIA VIDEOCONFERENCE | BOD - 2021-12-DOC 02 | FOR INFORMATION

REPORT FROM THE CEO

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

Overview

1. The December Board meeting is momentous in several respects. It will be the first under the new Board leadership of H.E. President Kikwete and Dr. Liautaud. We will hear of significant progress in driving forward the GPE 2025 Strategic Plan as we near the end of the first year of rolling out the new operating model. The Board will also consider the mid-term review of the World Bank-GPE hosting arrangement. The Board will also agree on a pathway forward for appointing a new CEO, given my potential departure from GPE in the upcoming period.

2. Progress and change are not new to GPE – and have been at the heart of our work to build a platform and set of capabilities to help improve the delivery of education for the most marginalized children in the world. Some of the most profound areas of progress have been embedding country-ownership as a broad GPE organizing principle, hardwiring gender throughout GPE's work, developing a range of financing tools that drive the goal of transformation, investing in key areas of innovation and knowledge exchange, enhancing the voice of civil society, and developing key strategies for engaging with private foundations and the private sector, and for working effectively in

fragile and conflict affected settings. Due to incredible efforts across the partnership, we have also succeeded in elevating education on the international agenda and secured substantial domestic and donor resources alike to support GPE's work.

3. The Global Education Summit in July was a high point. Leaders from around the globe gathered in-person and virtually to affirm their commitment to education and demonstrate their support for the partnership. We are immensely grateful to the Summit co-hosts, Prime Minister Johnson and President Kenyatta, for their dedication to seeking a quality education for every child, everywhere.

Delivering transformative change through GPE 2025

4. Through our strategic plan, GPE 2025, GPE is committed to delivering transformative change by convening partners, mobilizing funds and catalyzing reforms to support partner countries build equitable, inclusive and resilient education systems fit for the 21st century.

Early enthusiasm for the new operating model

5. While progress over the last six months has been slower than we had initially hoped, country partners have shown an eagerness to engage in the new GPE 2025 operating model. Details are presented in the operating model roll out paper, which highlights the progress in partnership compact discussions in six pilot countries, the work of the new provisional Independent Technical Advisory Panel, (established in July) and the intensive work being put into socializing the model across the partnership.

6. Unsurprisingly, the challenges of introducing a new way of working have been exacerbated by restrictions imposed by the pandemic. With the launch of a second cohort of countries and the easing of travel restrictions, we expect to see a significantly faster pace soon. We expect the first systems transformation grant proposals to come to the Board in the first quarter of 2022.

7. The second cohort of 11 countries was launched in October and early assessments of system transformation opportunities are underway along with detailed discussions in local education groups on timelines and coordination. The countries are Bhutan, Burkina Faso, Cambodia, Comoros, Fiji, The Gambia, Senegal, Sierra Leone, Somalia, Tanzania, and Zimbabwe.

Hardwiring gender equality

8. GPE's Results Report 2021 showed that girls' access to education in partner countries has increased overall. The gender gap has narrowed and the proportion of girls completing primary school has increased. Nonetheless, on average across GPE partner countries, girls are still disadvantaged, and progress was too slow even before the COVID-19 pandemic, which is likely to affect girls disproportionately.

9. GPE 2025 builds on GPE's commitment to gender equality in and through education. As a reflection of this commitment, gender equality is mainstreamed or "hardwired" throughout GPE's model and operations, rather than as stand-alone gender equality strategy. At the country level, GPE is harnessing the influence of partners and local education groups to ensure key policy dialogue around gender equality to strengthen gender-responsive planning and policy development system-wide. For example, in the Democratic Republic of Congo, GPE's process showed that insufficient data and evidence for gender-responsive planning and inadequate coordination among key players were hindering implementation in the girls' education strategy. In Kenya, the enabling factors analysis identified some of Kenya's main issues regarding gender equality and where there were gaps in support, and the Independent Technical Advisory Panel concurred that gender equality is among the policy areas needing greater attention and resources. In Tajikistan, the local education group agreed on greater enrollment of girls as a priority with potential for systems transformation, and the Independent Technical Advisory Panel provided additional considerations for addressing gaps in gender-responsive sector policy, planning, and monitoring. At the global level, GPE held a workshop for donors and partners to advance a shared understanding of gender hardwiring in the operating model and learn from the experiences of pilot countries.

Working in situations of conflict and fragility

10. Between 2016-2020, nearly 80% of GPE grant funding was for partner countries affected by conflict and fragility. GPE is concerned about the potential impacts on education and is closely following the situations in several countries. In particular, GPE is extremely concerned about the impact of the current political developments in Afghanistan on the education sector, especially on girls and is monitoring the situation closely and in continuous dialogue with partners on the ground about the implications of recent events on GPE-funded programs. In addition to GPE leadership speaking out publicly, in October GPE convened donors and partners to help coordinate financing approaches and address the immediate and medium-term education crisis. We will continue to bring partners together and support coordinated action in line with humanitarian

principles. GPE's Fragile and Conflict Affected States Framework will be discussed at the upcoming Board meeting.

A learning partnership

11. An important pillar of the GPE 2025 strategy is the monitoring, evaluation and learning framework, which is focused on generating learning and using evidence to advance the strategy. As the Performance, Impact and Learning Committee discussed in October, a systematic learning framework is now in place, focusing on learning from partners at the country level and collecting and analyzing feedback from desk reviews, surveys and focus group discussions. These agile feedback loops will enable GPE and partners at different levels to use evidence to inform action as well as providing an opportunity to reflect and consider strategic adaptations to the rollout of GPE 2025.

12. There are lessons to be learned from the previous strategy period. The **Results Report 2021,** which summarizes progress between 2016 and 2020, found that completion and out-of-school child rates in partner countries have improved, and that in 70 percent of the partner countries with data, learning outcomes improved. The report highlighted several challenges that will be addressed through the GPE 2025 strategy, including the slow pace of progress, gender inequalities, the lack of data availability and inadequate domestic financing. A **desk review of the Multiplier** found that the mechanism is associated with unlocking additional or more rapidly available financing in all 32 countries examined. The study also found that the Multiplier generates considerable policy additionality, which manifests through a focus on marginalized children or improved dialogue among partners, for example. However, interview results in five out of the 10 countries selected for additional analysis suggest the Multiplier may not induce financial additionality in every context. The review makes several recommendations, including further reducing GPE transaction costs, providing clearer demonstration of additionality and ensuring that local education group dialogue is inclusive, equitable and driven by country priorities. An **initial evaluation of GPE's COVID-19 grants** was also recently completed.

Deploying the right set of tools to achieve results

13. GPE 2025 builds on GPE's successful track record of developing and deploying a range of innovative tools to provide partner countries with the support they need to catalyze more and better investment, mobilize political will, and keep education high on the international agenda.

Innovative finance

14. GPE continues to expand its range of innovative finance tools. The **Arab Coordination Group (ACG) Smart Education Financing initiative** will be launched in December 2021 at the RewirED Summit in Dubai. Additionally, the Islamic Development Bank (IsDB) has committed $10 million in cofinancing to unlock additional resources of the Multiplier in Kaduna State, Nigeria. The program, totaling $62 million, brings additional cofinancing from the Kuwait Fund for Arab Economic Development, the Qatari foundation Education Above All and Save the Children. GPE has also been able to secure unprecedented levels of new philanthropic support through **GPE Match**, an innovative tool through which GPE engages with private foundations to secure cofinancing commitments for partner countries to unlock the Multiplier for education programs addressing national priorities.

Operational tools to accelerate progress on gender equality

15. GPE's replenishment campaign raised $139 million to implement the **Girls' Education Accelerator**, which will support opportunities for girls to attend school and learn in up to 30 countries where girls' education lags behind. The Democratic Republic of the Congo and El Salvador are in the early stages of accessing the accelerator as part of piloting the new operating model, and working drafts of the Operational Framework and Quality Assurance documents have been developed. In its country compact, El Salvador emphasized the importance of social norms and gender-based violence as key components of its gender equality strategy.

Knowledge-sharing and innovation

16. The **GPE Knowledge and Innovation Exchange (KIX)** entered its second year of operations in November 2021 by hosting its annual KIX Symposium. In response to thematic challenges raised by partner countries and based on a policy scoping exercise performed by four regional hubs, KIX awarded 22 regional grants, for a total portfolio of nearly $20 million, that will be implemented in 32 countries by Southern-led organizations. The regional KIX hubs have demonstrated value to policy makers in a relatively short period of time with policy recommendations to reopen schools following the COVID-19 pandemic in Africa and build back better education systems.

Political and advocacy tools

17. GPE has developed a joint strategy with Kenya to build on the success of the **Heads of State Call to Action on Education Financing**, or the **Kenyatta Declaration.** GPE is continuing outreach to leaders to expand the signatories as well as advocating to translate political will to budgetary outcomes. So far 20 Heads of State have signed on to the declaration, committing over $200 billion in domestic financing in the next five

years. GPE and Kenya, alongside other partners, will capitalize on the opportunity of the upcoming **RewirED Summit** to further champion domestic financing as a key enabler of transforming education systems.

18. GPE continues to fund country-level advocacy and social accountability in more than 50 countries through **Education Out Loud**. In September 2021, the Finance and Risk Committee's decision approved **top-up funding of $17.3 million** to Education Out Loud, following a review that confirmed the initiative is on track.

External engagement and visibility

19. GPE is playing an active role externally to keep education high on the international political agenda. In June, GPE participated in an event on girls' education at the Generation Equality Forum. A month later, GPE hosted the Global Education Summit in London, alongside Prime Minister Johnson of the United Kingdom and President Kenyatta of Kenya. In October, GPE participated in the virtual Global Philanthropy Forum to highlight how COVID-19 has further exacerbated the education crisis. GPE was also present at the 2021 Global Education Meeting as a member of the SDG4 Steering Committee and discussed the Global Education Cooperation Mechanism, with a focus on education financing. Recognizing the significant impact of the climate crisis on education systems and children's health and well-being, GPE engaged at the global climate conference COP26 for the first time. GPE co-hosted a side event with partners including Malala Fund, Plan, UNICEF and UNGEI.

20. As part of its efforts to drive recognition of the importance of transformed education systems for global development, GPE has significantly increased engagement with media. Around the Global Education Summit, major media engagements included the BBC, CNN, Deutsche Welle, Euronews, the Financial Times, FRANCE24, Nikkei Shimbun and Sky News Arabia. Post-summit, GPE has continued to engage with media including La Croix and Le Monde. Board Chair H. E. Jakaya Kikwete has also had several media engagements, notably with the National and Sky News Arabia.

GPE People Strategy

21. GPE needs a highly talented and diverse workforce to deliver on the ambitions of GPE 2025. We have developed hiring guidelines to improve diversity and increase the pool of qualified candidates for open positions, and are working on internal tools and training to support the implementation of these guidelines. In the reporting period, GPE has held three additional dialogues on Unconscious Bias as part of our commitment to open dialogue and ongoing training, and will continue to expand on these initiatives through

the efforts of the Diversity and Inclusion Task Team and the Respectful Workplace Advisor. GPE has also engaged a firm, Diversio, to conduct an **analysis of diversity and inclusion** within the Secretariat.

Mobilizing finance and partnerships for results at scale

22. The GPE 2025 operating model capitalizes on the enormous progress GPE has made in leveraging the breadth of partnership and enhancing the partnership's ability to convene global, national, and local stakeholders to support stronger education systems that can meet the needs and fulfill the educational rights of all children. GPE 2025 also calls for innovative approaches to financing and leveraging the capacities of new partners to achieve transformative results. In a relatively short period of time, the success of innovative mechanisms shows proof of concept for the strategies approved by the Board as well as the potential for greater engagement in the years to come.

Mobilizing private finance and business expertise

23. The engagement with private foundations and the business community is guided by the Private Foundations Engagement Strategy (PFES), approved by the Board in December 2017 (BOD/2017/12-13) and the Private Sector Engagement Strategy (PSES), approved by the Board in June 2019 (BOD/2019/06-06), which strengthen the global engagement of these constituencies and the role they play in GPE's governance. The PSES also sets clear parameters and principles for GPE's private sector engagement and establish a pathway for GPE to leverage private sector expertise, finance, goods and services, advocacy and voice to advance GPE's strategic goals.

24. The growing engagement with both constituencies and the creation of an incentive mechanism like the GPE Match resulted in unprecedented interest in GPE 2025. GPE 2025 has received unprecedented interest from private foundations, which pledged $13.5 million to GPE to support the Girls' Education Accelerator and the GPE Knowledge and Innovation Exchange (KIX). The LEGO Foundation's contribution to KIX has already garnered five new projects with a focus on identifying scalable solutions for early learning, both in primary and pre-primary education. GPE has been working steadily with the business community to develop two thematic initiatives through which businesses can contribute their capabilities in-kind, called the Girls Education Awareness Program (GEAP) and the Education Data Leadership Program (EDLP). These initiatives have received $6.3 million of in-kind support from GPE business partners.

Stepping up collaboration with development banks

25. GPE has stepped up its collaboration with **development banks across the globe**. At its last meeting, the Finance and Risk Committee endorsed the accreditation of the **Inter-American Development Bank (IADB)** as a grant agent. GPE and IADB are exploring further opportunities for collaboration, including through innovative finance, country-level engagement, and IADB joining the multilateral constituency of the Board. In the Middle East, GPE has strengthened its collaboration with the **Islamic Development Bank**, including through the ACG Smart Education Financing initiative. This approach is expected to raise the ACG members' support and commitment to education sector. GPE is in the process of finalizing a memorandum of understanding with **the African Development Bank (AfDB)**, focused on country-level coordination, leveraging resources to unlock the Multiplier, enhancing technical cooperation and joint advocacy. GPE is also exploring potential collaboration with the **Asian Development Bank (ADB).**

Operating and funding at scale

26. Approvals and disbursements over the course of 2021 have held up strongly, with $730 million approved to date and disbursements of $620 million. The size of the GPE grant portfolio increased by more than 20 percent in FY21 (July 2020–June 2021) compared with FY20 (July 2019–June 2020), with $1.198 billion of implementation grants approved, breaking FY20's record of $967.8 million. As expected, fewer and smaller COVID-19 accelerated funding grants were approved, with 23 in FY21 and 43 in FY20. The proportion of the implementation grant portfolio that went to partner countries affected by fragility and conflict increased to 65 percent in FY21.

Grant implementation on track

27. The majority of GPE grants are on track for implementation and utilization. Nonetheless, 18 (out of 43) grants were rated off-track in FY21. For most grants substantially behind in utilization, grant agents are reporting satisfactory progress in implementation, with the expectation that utilization lag will decrease. In addition, for nearly all off-track grants, the government and grant agents have been addressing issues, though reactiveness and impact remain slow.

28. Three new grant agents were added to the education sector program implementation grant portfolio in FY21, Asian Development Bank, Organization of Eastern Caribbean States, and Save the Children Australia.

Monitoring abuse and misuse cases

29. GPE has zero tolerance for sexual exploitation, abuse and harassment (SEAH) of any kind, whether by GPE Secretariat staff, GPE Governance officials or in GPE-supported programs. We currently have six SEAH cases, all of which pertain to GPE programs. The Secretariat is monitoring these cases and more details will be provided to the Board via email to the Board restricted email list.

30. GPE proactively monitors the stewardship of grant funds, and when misuse does occur, our grant agents work to obtain repayment and learn lessons for the future. GPE is currently following cases of alleged misuse of funds in six countries. GPE will continue to regularly monitor these cases and provide further details to the FRC and through the Board restricted email list.

Conclusion

31. This is the 20th report I have made to the Board in my nearly nine years as Chief Executive Officer of GPE. It has been an honor and a privilege to have had the opportunity to work with such dedicated individuals from such a wide range of backgrounds and organizations. I firmly believe that the development challenges of the 21st century will not be solved by even the best intentioned governments, businesses or civil society organizations working alone. Rather, it takes a multi-stakeholder partnership that is committed to a shared vision and prepared to collaborate and challenge each other.

32. Through the leadership of our country partners – personified by senior officials, ministers and presidents alike - the partnership has substantially shifted gears and stretched our ambition to transform education systems. Along the way we have garnered the support of political leaders from around the globe, helping to elevate the clear policy priority afforded to accelerating access to school, learning outcomes and gender equality.

33. Needless to say, much more remains to be done and the full impact of the devastating COVID-19 pandemic is yet to be clear. However, I believe that GPE, as a partnership and a fund, is very well placed to continue to lead on ensuring value and effectiveness in delivering on the most important task of this generation. My hope is that in the years to come GPE will continue to demonstrate both ambition and humility and remain squarely focused on delivering equitable, inclusive and resilient education systems capable of providing a quality education for every girl and boy, leaving no one behind.

Implementation of World Bank-GPE Hosting MoU

BOD/2018/12-01–Institutional Arrangements:

The Board of Directors:

2. Resolves to:

j. Further instruct the GPE CEO to ensure as a standing item in her report to the Board information on how the World Bank hosting arrangement is working in operation.

July 1, 2021, to December 31, 2021

In conformance with the above-referenced resolution, this is the sixth update to the Board on the operations and implementation of the World Bank -Global Partnership for Education Hosting Memorandum of Understanding (WB-GPE Hosting MOU). I would like to express my continued appreciation to Mamta Murthi, VP for Human Development and her management team for their engagement.

In general, the implementation of the terms of the WB-GPE MOU is in line with the provisions of the MOU. In particular, I would like to express my appreciation to the World Bank Human Resources business partners supporting GPE for their timely advice. As well, I would like to express my sincere appreciation to the World Bank Diversity and Inclusion Team for their support to strengthen the Secretariat's efforts in this area.

I would like however to draw the Board's attention to the following observations, recognizing that a report by Dalberg is before the Board for its consideration. As has been reported in prior CEO reports, the Secretariat faces persistent challenges in the implementation of specific provisions of the Hosting MOU: (1) an increase in the hosting fee charged to the Secretariat in excess of the 17% ceiling in the MOU in FY23 and beyond, (2) the inability to directly fund national governments, (3) unsuitable IT capabilities for GPE's business needs, and (4) an inability to execute the private sector strategy as approved by the Board.

In addition to the above, prior CEO updates to the Board reported a slower than hoped for currency risk management solution for foreign exchange losses to the GPE fund. As over 80% of donor pledges made at the London Summit were in non-US dollar currencies and will be paid out over the next five years, a currency hedging solution is critical. The World Bank

will be preparing a briefing note to share with the Finance and Risk Committee (FRC) and in particular with GPE's donors, who will be required to modify their contribution agreements to facilitate any solution.

In addition, there are deeper foundational issues within the hosting relationship itself to bring to the Board's attention. In reflecting on the past three years of GPE's hosting experience at the World Bank, GPE has grown in size and impact within the education sector. As GPE's needs have grown, the gap between GPE's requirements and the administrative policy environment of the World Bank has widened, suggesting growing challenges of applying the same administrative policies to two very different business models. As well, inherent in the hosting relationship are conflicts of interest, such as between the roles of host and grant agent, that are not fully resolved by the Hosting MOU, despite the good faith intentions of the World Bank and Secretariat to fulfill the terms of the Hosting MOU.
The below is a table showing the specific provisions of the WB-GPE Hosting MOU and their reference in the MOU by which, per the Board's instructions, the implementation of the hosting arrangement is reported to the Board.

WB-GPE Hosting MOU Text and Reference

Governance	**Reference**	**Notes**
The World Bank is a facilitator and will not seek to interject itself in any way to the governance structures of GPE.	Art. II (6)(a)	In line with MOU.
Host VP ensures the provisions of MoU are executed for smooth operation of GPE Secretariat within the World Bank.	Art. II (4)(c)	In line with MOU.
Strategic	**Reference**	**Notes**
The World Bank will strive to ensure strong strategic alignment on the overarching vision, mandate, objectives, and modalities of the GPE Secretariat.	Art. II (3)c	Topic treated in Dalberg report.
Hosting the GPE Secretariat within the HD VPU will allow greater alignment on education sector planning, coordination on Sustainable Development Goal 4 monitoring, ensure harmonization with the education aid architecture, and permit the GPE Secretariat to benefit from the World Bank's country-level footprint.	Art. II (7)b	Topic treated in Dalberg report.
GPE Policy Compliance	**Reference**	**Notes**
HR policy and procedures - including caps on grade levels, calibration of GPE Secretariat staff with all other World Bank staff, defined compensation bands. GPE	Art. II (1)c; Art. II (3)b; Art. II	Topic treated in Dalberg report.

staffing levels may increase even if Bank staffing levels are constant or reduced.	(5)c; Art. II (11)(a)(b)(c);	
CEO Performance – GEC will use World Bank's suite of performance evaluation tools to inform GPE Board review of CEO, which will make a performance rating recommendation to HD VPU that is entered into World Bank HR systems.	Art. II (12)a	Confidential
Corporate and operational procurement policy – The GPE Secretariat will consult semiannually with World Bank Corporate Procurement on projected procurement needs for GPE over the subsequent six (6) months.	Art. II (1)c; Art. II (3)b; Art. III (2); Art. III (3)(a)(b)(c)	In line with MOU.
IT policy - The GPE Secretariat and the World Bank will cooperate to ensure compatibility and security of IT infrastructure.	Art. III (4)(a)(b)(c)	Topic treated in Dalberg report.
Travel policy – GPE staff will conform to World Bank travel and security policies and practices.	Art. III (5)(a)(b)(c)	In line with MOU.
Management of Secretariat	**Reference**	**Notes**
Host VPU review of GPE Secretariat will focus on alignment of staffing plans with available resources, and conformity with the World Bank's HR and resource management policies and procedures.	Art. II (5)b;	In line with MOU.
Roles of the World Bank	**Reference**	**Notes**
Host – Access to the full suite of the World Bank's administrative support services, including HR, information technology systems, legal, accounting, travel, security, facilities, and internal justice, use of support services and facilities of World Bank offices globally and ability to locate staff there like all other World Bank units.	Art. II 6(a); Art. II (8)a; Art. II (8)b; Art. III (6)	Topic treated in Dalberg report.
Trustee – Services include receipt of contributions, holding and investing of funds, transfer of funds to implementing agencies as well as financial and fiduciary management.	Art. II 6(b); Art. II (3)b; Art. II (9)a; Art. VI (2)	In line with MOU.
Grant Agent - All Grant Agent staff who serve on a GPE body are required to recuse themselves from decisions that affect the World Bank. The GPE Secretariat can reasonably hold the World Bank acting as Grant Agent accountable.	Art. II (6)c; Art. II (3)b; Art. II (9)(b)(iii)	In line with MOU.
Board Member - The World Bank representative will provide governance and financial oversight to ensure that the GPE is structured, governed and functioning efficiently, effectively and ethically, and will monitor and assess the	Art. II (6)d	In line with MOU.

overall effectiveness and risks associated with GPE's work and implementing risk mitigation measures.		
Other Administrative Issues	**Reference**	**Notes**
Communications - GPE Secretariat's communications staff will maintain regular and ongoing contact with World Bank External and Corporate Relations (ECR) regarding communications and outreach plans for GPE to ensure alignment and close coordination.	Art. III (1)	In line with MOU.
Future Capabilities	**Reference**	**Notes**
The establishment of an expanded fundraising model to facilitate receipt of contributions or in-kind support from non-traditional donors.	Art. IV (2)	Topic treated in Dalberg report.
Innovative financing mechanisms.	Art. IV (3)	Topic treated in Dalberg report.
Currency risk management through hedging.	Art. IV (4)	Topic treated in Dalberg report.
The provision of funds directly to national governments and other nontraditional entities in grant execution.	Art. IV (5)	Topic treated in Dalberg report.
Hosting of other institutions.	Art. IV (6)	Not applicable.
Rapid disbursement through fast-track procedures or hosted facilities.	Art. IV (7)	In line with MOU.
Ability to locate GPE Secretariat staff outside of Washington, DC.	Art. II (11)c;	In line with MOU.