DECEMBER 5, 6 AND 7, 2022

RETREAT AND MEETING OF THE BOARD OF DIRECTORS

PARIS, FRANCE

RETREAT AND MEETING REPORT

INTRODUCTION

This report presents a high-level summary of decisions and key discussion points. The agenda and documents for the Board meeting can be found on the GPE website. The list of participants is presented in Annex 3.

MONDAY, DECEMBER 5, 2022

1. Opening of the Meeting

1.1 The Board Chair called the meeting to order at 10:00am Paris time and opened the Board retreat.

1.2 In his opening remarks, the Board Chair welcomed all new Board members and Alternate Board members and presented the agenda for the meeting. He welcomed Laura Frigenti who took office as Chief Executive Officer on December 1, 2022.

1.3 Laura Frigenti, Chief Executive Officer (CEO), took the floor and stated that education was a foundational sector, but the trend had not been good in the past few years. Having left behind the Transforming Education Summit (TES), it was a critical time to think strategically on the role of GPE to push the agenda forward. She looked forward to listening to Board members' views on the strategic future of GPE and its role in the years to come.

1.4 The Board Chair introduced Georja Calvin Smith, who would facilitate the retreat.

2. Roundtable discussion: Beyond the Transforming Education Summit

2.1 The keynote address of UN Deputy Secretary General Amina Mohammed was screened on video.

2.2 Stefania Giannini, Assistant Director General for Education of UNESCO and Board member for MLA1 delivered her opening remarks. She noted that national consultations and countries' commitment to transform education led up to TES, which marked an unprecedented moment. The SDG 4 Education 2030 High-Level Steering Committee Sherpa and Leaders Meeting would be held in Paris on 8-9 December 2022 to discuss the way forward from the Summit. She stressed that national commitments should be supported to accelerate action and delivery.

2.3 The following Board members participated as panelists in a roundtable discussion on TES:

- Ramakrishna Subedi, Secretary for the Government of Nepal, Ministry of Education, Science and Technology, Nepal and Board member for Asia and Pacific
- Hon. Edgar Moyo, Deputy Minister of Primary and Secondary Education of Zimbabwe and Board member for Africa 1
- Solange Akpo-Gnandi, Regional Coordinator, Africa Network Campaign on Education for All (ANCEFA), Senegal and Board member for CSO 2 (Developing Country)
- Didacus Jules, Director General, Organization of Eastern Caribbean States, Saint Lucia and Board member for Latin America and the Caribbean

2.4 Ramakrishna Subedi talked about Nepal's commitment at TES focused on equity and ensuring that every child is learning. Based on an independent evaluation, Nepal had developed an action plan taking into account the effects of the pandemic. Children were the most vulnerable during the pandemic and suffered significant learning loss. Nepal was still in the process of recovery, and the country was planning to focus its interventions on foundational learning skills.

2.5 Hon. Edgar Moyo explained that his government was planning to offer free basic education starting from 2023. They were also planning to improve teachers' salaries. He considered teaching of science and technology vital, and his government was setting up innovation hubs for this purpose. Zimbabwe was also trying to increase and improve facilities and systems for higher retention of children in the education system. Additionally, he underlined the importance of domestic financing.

2.6 Solange Akpo-Gnandi talked about the opportunities and bottlenecks to turn the TES commitments into action, in particular on addressing gender inequality, the role of civil society in this process and how GPE could support. She stressed the need to support 12 years of education for girls, to use opportunities for resource mobilization, to engage young people and to put in place transformative education and supporting education against stereotypes.

2.7 Didacus Jules considered the implications of the learning catastrophe caused by the pandemic as significant. Improving teaching was only one of the elements in the overall picture. Besides, schools and teachers could no longer be treated as sole responsible for learning. He argued that a new pedagogy should be defined to engage other actors.

2.8 The panelists also discussed what they need from GPE to accelerate progress in their country context to achieve SDG4. Hon. Edgar Moyo stated that Zimbabwe needed the collaboration of GPE and additional resources to enable them to deliver their strategy and achieve their education strategic plan. Didacus Jules thought that in addition to financial resources, the role of the broad partnership established in GPE was key to acting quickly and sharing knowledge and experience. He cautioned against adopting models of other countries without taking into consideration the local context. Ramakrishna Subedi explained that Nepal was replicating good ideas and initiatives and would need more funds to accelerate progress towards achieving SDG4. Solange Akpo-Gnandi expected GPE to show that investment in education is wise, and to encourage countries to go beyond what they were already doing and to achieve the target of 0.7 per cent of GDP for official development assistance.

2.9 Panelists responded to a question from Board member of Donor 3 on how their governments and NGOs were considering climate change and environmental degradation in relation to education in terms of resilience and risks for future generations.

2.10 The Alternate Board member for CSO3 reminded that some other African countries had offered free public education and suggested that Zimbabwe make use of their experience to address possible challenges. Hon. Edgar Moyo acknowledged these challenges and stated that Zimbabwe would have a step-by-step approach.

2.11 At the end of the roundtable discussion, Board members watched a short video of GPE Youth Leaders who shared young people's ambitions from the TES Youth Declaration and the action they would want leaders to take.

2.12 In his closing remarks, David Moinina Sengeh, Minister of Basic and Senior Secondary

Education of Sierra Leone and Board member for Africa 3, considered this panel discussion important in view of the High-Level Steering Committee meeting. He highlighted GPE's significant role before TES and the commitments that GPE made in supporting youth.

3. World Bank-GPE Hosting Arrangements (BOD/2022/12 DOC 02)

3.1 At the outset, the Chair provided introductory remarks on the importance of engaging in a substantive discussion on the content of the consultants' reports to set the ground for a decision in January. The CEO, Laura Frigenti, and the Deputy CEO, Charles North, also provided framing remarks.

3.2 This was followed by a presentation by KPMG Norway on the hosting analysis (by Thomas Fugelsnes, Director, KPMG Norway), and another presentation on the legal analysis by Dr Tim Nielander, Legal Expert.

Discussion

3.3 Board members were subsequently divided into 6 randomized groups and participated in workshop-style activities and facilitated discussions to enable deeper reflections. As an outcome of the retreat, the groups prioritized GPE's greatest needs individually. Overall, there was consensus on GPE's ability to create partnerships and financing as the first priority, followed by the Board's authority and an agile operating model.

3.4 The World Bank, represented by Alberto Rodriguez, Director for Strategy and Operations, Human Development, clarified that the current Memorandum of Understanding would be valid for three more years, and that any GPE concerns about the full recovery of funds, costs and flexibility would, as per the World Bank Board's guidelines, have to be treated equally as that of all other Financial Intermediary Funds (FIFs) hosted by the World Bank. This would also mean that direct access would not be possible as a hosted FIF.

3.5 Members requested clarifications on several aspects:

- **Impact on replenishment process**: A Member requested clarifications on the impact of de-hosting on the replenishment process. The Secretariat confirmed that the fiduciary responsibility would be undertaken by the Board of an independent legal entity, but that many risk mitigation measures could be put in place provided a timely decision on hosting is reached.
- **Need to demonstrate impact**: Members strongly emphasized the need to demonstrate impact and requested further clarification on the temporary dip in performance during any potential transition that may jeopardize impact on ground.

In addition, members requested clarity on whether any requests had arisen so far that that GPE had to turn down due to lack of flexibility in structure.

- **Pain-points alleviated by de-hosting**: Members requested further information on the strategic benefits of a revised structural arrangement, the comparative advantage of GPE, problems faced by Developing Country Partners (DCPs), benefits of direct access – and whether it was a useful tool to have- and an analysis of short term and long-term benefits and risks.
- **Importance of relationship with the World Bank**: Members strongly highlighted the importance of a relationship with the World Bank, noting the great value and success brought by the current host so far.

3.6 Action Point: The Secretariat to revert to the Board with further analysis and responses to the questions posed by members during the Retreat.

3.7 This report-back was subsequently scheduled for Day 2 of the Board Meeting.

TUESDAY, DECEMBER 6, 2022

4. Opening of the Meeting

4.1 The Board Chair opened the first day of the Board meeting and noted the agenda for Day 1, including decisions on two of GPE's strategic initiatives, as well as the report back from the CEO and DCEO and an update on results report, risk management, financial position and the status of GPE grants.

5. A word from the CEO and DCEO Report

5.1 The Board Chair thanked Charles North for his outstanding leadership as Acting CEO.

Discussion

5.2 Charles North, Secretariat Deputy Chief Executive Officer (DCEO) and Acting Chief Executive Officer, provided to the Board with his reflections on GPE's progress over the past six months, as set out in DOC 03. Board members welcomed Laura Frigenti, and thanked Charles North for his leadership as Acting CEO.

- **Disbursements.** Some Board members voiced their concerns on allocations which were at high risk in some countries and suggested that GPE speed up on disbursements in light of GPE's ambition to achieve SDGs. The DCEO noted that the Board members representing multilateral agencies had sent a letter with their views on how to improve disbursements.

- **Climate change and education.** A Board member welcomed GPE's engagement at the 27th United Nations Climate Change conference (COP27), which was held in November 2022 and demonstrated GPE's relevance. Some Board members suggested that GPE make use of innovative financing in this respect and requested more information on the topic of climate change and education at the next Board meeting. DCEO noted that the Secretariat was reviewing ongoing and upcoming strategic capabilities, including the strategic capability which would be launched early 2023, and agreed to include this on the upcoming Board agenda.
- **COVID response.** Some Board members acknowledged GPE's unparalleled response to COVID crisis.
- **Agility and flexibility.** Board members noted that the new operating model could be improved, and more agility and flexibility was needed.
- **Hosting arrangements.** While one member suggested that the decision on hosting arrangements could be taken on the same day, some others stated that they would need to consult with their capitals. Several Board members called for a focused and strategic discussion on this topic.
- **Support for teachers.** A Board member highlighted the difficulties that teachers were facing as they were hit by the crisis. In addition to the issue of recruitment, their retention had become a source of concern. The Board member asked all countries to support teachers on the ground. The Secretariat stated that GPE would continue to support and work with teachers.
- **Youth Engagement.** A Board member underlined the need to engage young people in the decision-making process and suggested bringing this issue to the next Board meeting. The Chair agreed to continue the discussion on this.
- **Need for institutional changes.** A member highlighted the need for institutional changes as GPE needed to engage more on the ground in the post-pandemic period.

6. Key Findings of the GPE Results Report

6.1 Marie Soulié, Chair of the Performance, Impact, and Learning Committee (PILC), provided an overview of the Committee's deliberation. She highlighted that the Committee considered the key findings of the Results Report and suggested having a broader conversation to reflect on the progress and learnings derived from the report, and the Secretariat organized a webinar for the Committee. The PILC Chair noted that this report analyzes the results framework indicators using data from calendar years 2020 and 2021 and fiscal year 2022, and when historical data is available, it looks at trends since 2015.

6.2 To contextualize the discussion, Nidhi Khattri, the Secretariat Manager on Results and

Performance, and Élisé Miningou, Economist, presented the Key Findings of the Results Report as set out in DOC 04.

Discussion

6.3 The following key points were raised during this session:

- **Reporting and data.** Board members acknowledged the need to strengthen reporting and data collection at the country level. Members expressed that GPE should support countries facing data challenges and focus more on disaggregated data, particularly on disabled and refugee children. For next reports, it was highlighted the need to better determine the attribution from GPE and flag more GPE initiatives. Board members also noted that it would welcome more information on GPE's engagement in climate and education.
- **COVID-19 and gender.** Board members acknowledged that the impact of the pandemic was worse than expected, and the delay in grants has impacted the achievement of results. Board members noted that children, particularly girls, have been affected by the pandemic and are lagging behind. It was emphasized that GPE needs to support partner countries to have gender at the center of the discussion and reduce disparities, particularly on the return to school. Members called to fast-track the Girls' Education Accelerator, that in combination with the roll-out of the operating model, could help achieve gender equity results on the ground. Board members welcomed the design of the gender indicator and expressed interest to contribute on the process.
- **Financing.** Board members acknowledged that there is a mixed picture on domestic financing, called to continue working on this critical issue, and highlighted the need for more engagement and dialogue between Ministers of Finance and Education. The need to avoid delays and receive donors' contributions on time was also noted.
- **Other issues.** Board members underlined the cooperation with UNESCO Institute for Statistics and the Global Education Monitoring Report team on data sharing and requested to keep collaborating with Education Cannot Wait on accelerated funding grants. Members noted that more alignment with the Transforming Education Summit initiatives is needed in topics like climate change and education and digital learning. The need to mitigate the political risk by strengthening the local education group and building capacity of Ministries to continue delivering results was noted. More support on training teachers was also requested.

7 Risk Management

7.1 Minister Nesmy Manigat, Chair of the Finance and Risk Committee (FRC), gave an overview of the Committee's October meeting on this topic, highlighting the increased risk faced by GPE's operations in view of the challenging global economic situation and the need to focus on actions that are within the control of the Partnership. He noted that the Committee expressed concerns over risks related to the roll-out of the operating model, delays in disbursements, and the need to explore mitigation strategies. The FRC Chair conveyed that the Committee requested the need to have the pilot foreign exchange management solution operational as soon as possible to mitigate the currency exchange risk, and it was emphasized that if the de-hosting is decided, it should be addressed in the risk framework.

7.2 To contextualize the discussion, Padraig Power, the Secretariat Chief Financial Officer (CFO), presented the Financial Forecast as set out in DOC 05.

Discussion

7.3 The following key points were raised during this session:

- **Global economic situation.** Board members expressed concerns about the challenges of the global economic situation impacted by the war in Ukraine and the risks that are still arising from the pandemic, putting pressure on partner countries and donors. Members called for working closely with Ministers of Finance to address crosscutting issues, particularly domestic financing.
- **Operating expenses.** Board members noted that the delays in disbursements with the increased hosting costs could generate that the operating expenses would be temporarily outside the targeted 5-7% range. A member acknowledged that freezing resources could negatively affect the Secretariat's work. It was also underlined that grant agents, particularly the World Bank, should improve the grants' disbursements to help GPE stay within the range.
- **Currency exchange risk.** Board members welcomed that a donor has agreed to sign a dollar agreement, requested to explore the same approach with other donors, and emphasized the need to have the pilot solution operational. It was also requested that grant agents should have more grant allocations in euros as a natural currency hedge.
- **Gender equality.** Board members highlighted the inclusion of gender equality in the framework and reiterated the need to speed up the Girls' Education Accelerator.

8 GPE's Financial Position

8.3 Minister Nesmy Manigat, Chair of the Finance and Risk Committee (FRC), expressed that the Committee found the financial situation concerning and agreed with the Secretariat's recommendation to continue to monitor the situation before considering if a potential reduction in allocations is necessary. The FRC Chair highlighted that the Committee agreed that there was not an immediate need to cut allocations, which could allow GPE to maintain, for the time being, the planned grant allocations to partner countries. Minister Manigat also noted that if the situation deteriorates further, measures will need to be taken.

8.4 To contextualize the discussion, Padraig Power, the Secretariat Chief Financial Officer (CFO), presented the Financial Forecast as set out in DOC 06.

Discussion

8.5 The following key points were raised during this session:

- **Financial situation.** Board members expressed concerns about the GPE financial situation and the low level of disbursements and agreed on the Finance and Risk Committee's (FRC) recommendation that it was not the time to cut allocations. It was emphasized that country allocations should be protected, particularly for vulnerable and low-income countries. Members expressed that if there was a need to cut allocations, they should come from the multiplier and strategic initiatives allocations. Board members requested to assess the situation in some months with scenarios to compare. The Secretariat informed that scenarios will be prepared for the FRC and noted that it actively works in the diversification of grant agents. It was asked if there was any risk to the donors' contributions. The Secretariat informed that they were not aware of any cuts.
- **Currency hedging.** As in the previous session, Board members welcomed the progress made on the pilot foreign exchange management solution and reiterated the need to have it operational as soon as possible to mitigate the currency exchange risk. The need to have more grant allocations in euros was also expressed, considering that most contributions are in that currency. The World Bank Trustee welcomed the Board approval in June, acknowledged that it is working on a solution for GPE, and noted that the pilot solution is on track and would be delivered on time. The Secretariat emphasized that the pilot solution helps to have more predictability if more donors could sign the multiyear agreement. Due to donors' situations, it was noted that the pilot solution could help GPE to reduce its exposure by 20-25%.

- **Multiplier evaluation.** Board members called for the multiplier evaluation to review the impact of this tool on the ground and if there was any overlap with other funding mechanisms. It was also highlighted that there is a high demand from partner countries for the multiplier grants and a need to understand this mechanism better.

9 Status of GPE Grants

9.1 To contextualize the discussion, Padraig Power, the Secretariat Chief Financial Officer (CFO), presented the Status of GPE Grants as set out in PPT 01.

Discussion

9.2 The following key points were raised during this session:

- **Low disbursement.** Board members shared their concerns on low disbursement and raised the issue of instability at country level and noted the challenges.
- **Coordination with ECW.** Some Board members underlined the need for coordination between Education Cannot Wait (ECW) and GPE in fragile and conflict-affected states. The Secretariat stated that GPE has improved its coordination with ECW and had held a joint meeting on Syria.
- **Afghanistan.** Board members requested an update on the disbursement in Afghanistan. The Secretariat informed the Board that there was no conversation with the de-facto government, and UNICEF was selected as the new grant agent for a 10 million USD grant.
- **Grant agents.** Board members noted the discrepancies between grant agents in the way they handle the situation on the ground. They expressed their appreciation for the Secretariat's efforts in diversifying grant agents.
- A member suggested enabling direct financing when grant agents are not able to carry out the work and asked whether it would be possible to evaluate the performances of grant agents. The Secretariat reminded that grant agents were selected by countries and informed to the Board about its efforts to avoid problems and delays. The Secretariat added that the grants agents were not evaluated but the evaluation of the portfolio allowed for proxy analysis.
- Luis Benveniste, Board Member for MLA3, stated that the World Bank does not implement directly and was providing the recipient governments technical assistance for capacity building, and monitoring disbursements closely. He noted that due to political instability and governance challenges, operations were difficult in a few countries.

10. Strategic Initiatives

10.1 The Chairs of the Performance, Impact and Learning Committee (PILC) and the Finance and Risk Committee (FRC) provided framing remarks on the Committee recommendations to the Board on Education Out Loud (EOL) and Knowledge and Innovation Exchange (KIX). This was followed by an overview presented by the Secretariat's partnerships team manager, Margarita Focas Licht, as set out in DOC 07 and DOC 08.

10.2 The Board Member from CSO 1 declared a conflict of interest.

Discussion

10.3 The following key points were raised during this session:

- **Broad support**: Members expressed strong support for the proposed decisions. They noted that both EOL and KIX have provided a strategic entry point for discussions on design and co-financing and have both been integrated in the GPE 2025 strategy and operating model. DCP members further expressed their unanimous support for both initiatives, noting that the initiatives help the DCPs exchange knowledge and best practices, contribute towards capacity building at organizational and sectorial levels, and contribute towards achievement of GPE 2025.
- **Synergies with TES:** A member suggested postponing the decision to June 2023, thus effectively pausing the KIX initiative, to examine post-TES mechanisms and avoid duplication of goals and efforts. Members highlighted that flexibility and adaptability are already built into KIX, and any adaptations derived from TES could be integrated into KIX without the need to pause operations. Members noted that the semi-annual updates to PILC, as well as a specific update to the Board at its June 2023 meeting, would provide more information on these synergies. Rather than an amendment to the decision language, this point is being formally recorded through the report.
- **Knowledge and Innovation Exchange (KIX):** Members highlighted the importance of KIX in facilitating identification of enabling factors and balanced participation from various partners and requested clarifications on the contributions of KIX towards the achievement of the UN SDGs. Furthermore, members commended the

role of the grant agent (IDRC) in providing co-financing and support. The Secretariat noted that a new communication strategy has been developed to strengthen how KIX engages with its different partners.

- **Education Out Loud (EOL):** Members highlighted the critical role of civil society participation in education sector planning, specifically with regard to gender quality, youth, and inclusion, through EOL. The Secretariat noted that 90% of national education coalitions supported by EOL include youth.
- Finally, a member noted that country-based research institutions could be mentioned in the proposed decision language instead of country-led evidence, and another Member requested adequate spacing between Committee meetings to ensure decision-making.

10.4 The Board Chair declared consensus on the following decisions:

BOD/2022/12-01— Education Out Loud: The Board of Directors:

1. In accordance with BOD/2022/06-05, confirms that the costed extension proposal submitted by Oxfam IBIS, as grant agent, responds to the findings and incorporates the recommendations presented in the mid-term review, builds on program learning and demand from partners, and aligns with the objectives of the GPE 2025 Strategic Plan;

2. Requests that a progress update on the implementation of Education Out Loud be provided to the Performance, Impact and Learning Committee on a semi-annual basis;

3. Approves an allocation of US$60,000,000 (inclusive of agency fees of US$4,200,000) from the GPE Trust Fund to Oxfam IBIS as the grant agent for the extension of Education Out Loud, subject to availability of funds and commitment of trust funds in annual installments.

BOD/2022/12-02— Knowledge and Innovation Exchange: The Board of Directors:

1. In accordance with BOD/2022/06-06, confirms that the costed extension proposal submitted by the International Development Research Centre, as grant agent, responds to the findings and incorporates the recommendations presented in the mid-term review, builds on program learning and demand from partners, and aligns with the objectives of the GPE 2025 Strategic Plan;

2. Requests that a progress update on the implementation of Knowledge and Innovation Exchange be provided to the Performance, Impact and Learning Committee on a semi-annual basis;

3. Approves an allocation of $80,000,000 (inclusive of $5,233,644 in agency fees) from the GPE Trust Fund to International Development Research Centre as the grant agent for the extension of Knowledge and Innovation Exchange, subject to availability of funds and commitment of trust funds in annual installments.

WEDNESDAY, DECEMBER 7, 2022

11 Opening of Meeting

11.1 The Chair reviewed the objectives for Day 2, including an update on the roll-out of the operating model, and continued discussing the World Bank-GPE hosting agreement as a follow-up to the Board Retreat.

12. Delivering on GPE 2025: Update on Roll-Out of Operating Model

a. Update on country progress, learning to date and adaptation

12.1 Jo Bourne, Chief Technical Officer, presented an update on the operating model, including an update on country progress, learning to date and adaptation, as set out in PPT 02.

12.2 This was followed by a testimonial from CSO 2, who shared experiences from Kenya, El Salvador, and Nepal, and noted that the operating model's consultative, inclusive, and participative nature has helped improve sectorial dialogue and priority identification. CSO 2 highlighted that in Kenya, having information from local communities, capacity building, and agreement on outcomes by local coalitions were instrumental in successful results. In Nepal, community-based information was taken into account, but noting, however, that the decentralization of the education function from center to state has resulted in language challenges. In all cases, further simplification of the process and increased local participation were encouraged.

Discussion

12.3 Members commended the Secretariat for the thoughtful analysis, synergies and collaboration, and assured their support to ensure the continued implementation of the operating model. They noted that a lot of support has been provided by the Secretariat in the process and expressed belief that GPE is moving forward with implementation.

12.4 There were three main areas of concern expressed by members:

- **Delays**: Members expressed concern about delays in partnership compact development and disbursements, noting that delays could have a disproportional impact on implementation. They requested further analysis on the root causes of the delays, potential mitigation measures, and incorporation of lessons learnt. Some members encouraged consideration of feedback from partner countries.
- **Data**: Members highlighted that further efforts are needed to strengthen country data availability, which would subsequently fuel results, attention, and action. Some members also noted that the Secretariat is best placed to verify and analyze data. The Secretariat noted that while this is a sector-wide issue, a specific data strategic capability has been initiated by the Secretariat, with the objective of leveraging business expertise to support government data capabilities.
- **Grant agent selection in fragile contexts**: In order to better inform the grant agent selection process by local authorities and partners, some members encouraged further guidance from the Secretariat on grant agents who have barriers to working in fragile and sensitive contexts. The Secretariat clarified that the grant agent selection process and guidelines had been further streamlined to ensure that priorities are agreed upfront and that internal processes for grant agents are adapted to risks and potential emergencies.

12.5 In order to enhance the operating model implementation, members suggested improvements in several key areas:

- **Simplification**: Members strongly encouraged further simplification of the overall model and processes involved, noting that a flexible, simple model will be understood and implemented better at all levels, potentially reduce delays, and ensure clarity in results (e.g., translating the millions funded into the number of students going to school).
- **Reduction of transaction costs**: Members proposed a time-bound action plan to address issues, clarify roles, and reduce transaction costs. The Secretariat noted that the value-addition of the transactions should be borne in mind while considering their costs. A Member suggested the creation of an automated dashboard to enable optimization of steps to be taken and thereby reduce transaction costs and multiple communications.
- **Role of coordinating agencies**: Members highlighted the key role played by coordinating agencies, and noted the need for quality dialogue, inclusion of all

agencies in the process, and requesting recommendations and concerns from coordinating agencies.

- **Knowledge exchange:** Members welcomed the collaboration between GPE and Education Cannot Wait (ECW) and requested clarifications on the alignment with programming. The Secretariat clarified that funding and contexts both need to be aligned as part of the collaboration. In addition, members suggested the organization of regional exchanges to ensure sharing of lessons learnt. The Secretariat emphasized that learning is captured both through systematic learning and exchange as part of an operating model learning framework and through ongoing feedback through webinars with partners of all categories, adding that one learning webinar had already taken place where pilot countries shared experiences with others.
- **Country ownership**: Members highlighted the need to strengthen country ownership and adaptation to country contexts, with participation at all local levels, partnership dialogue, and capacity building at all levels, particularly for grant agents and teachers in fragile contexts. The Secretariat assured the Board that these ideas would be taken forward and noted the dynamic engagement with countries at the Africa DCP constituency meeting the previous week.
- **Incentivization**: Some members suggested integrating issues better in grant proposals and add conditionality around progress to ensure great commitment.
- **Inclusion of specific themes**: Members noted that while gender is a priority, children with disabilities should also be taken into consideration. In addition, members requested further synergies between the operating model implementation and outcomes of the agreements in the Transforming Education Summit. The Secretariat assured members that adaptions would be underway towards this. In addition, the Secretariat informed the Board about a cross-Secretariat learning team, which is systematically obtaining feedback about the model, examining questions, and bringing back learning to improve implementation.

12.6 In response to comments from some members, the Secretariat confirmed that the operating model presentation had already been made available to the Board.

12.7 The Vice-Chair thanked the Secretariat for its presentation, and further thanked the MLA category for its letter on the operating model. The Chair noted that any future letters from constituencies should be directed to the Executive Committee as part of standard GPE governance processes.

12.8 Action Point: The Secretariat to revert to the Board on a) how lessons learnt can be integrated to solve issues identified by the Board, b) how the issue of children with disabilities is being addressed.

b. Update on gender

12.9 Sally Gear, Senior Education Specialist (Gender Equality), presented an update on gender hardwiring in GPE, including updates on lessons learned and adaptations, as set out in PPT 02.

Discussion

12.10 Members widely appreciated GPE's commitment on this topic and the comprehensive and systematic approach being taken. They also welcomed the establishment of a gender hub within the Secretariat. Members noted that it is challenging to integrate gender perspectives while implementing a new operating model and requested clarifications on whether the gender equality strategy would be updated bearing this in mind. Some members offered to jointly explore open data for the benefit of gender initiatives.

12.11 Members provided input around the following areas:

- **Results**: Some members requested gender indicators and results in order to build a stronger investment case.
- **Synergies**: Members suggested involving local foundations to reduce transaction costs and emphasized that GPE should be part of the TES dashboard and data evidence hub to capture existing monitoring against commitments. The Secretariat confirmed that it is already working on this integration.
- **Girls Education Accelerator (GEA):** Members welcomed the progress on this initiative and highlighted the importance of this for DCPs. Some members noted that while they welcome the upcoming GEA compact, they would like to see further implementation success in this initiative. Members expressed their concern on the first-come, first-served funding approach, and requested clarifications on whether there would be anything left for the last group similar to the first. The Secretariat clarified that ways to balance supply and demand for funding will be considered by the Committees, including exploring reduced allocations, waiting lists or getting more resources. The Secretariat emphasized that increased funding- including even an expression of pledging – would be very useful in being able to predict demand and supply.

- **Inclusion**: Some members noted that the roll out of the Girls Education Accelerator has been impacted by the economic crisis and the current international context, and thus needs greater emphasis to integrate inclusion in the discussion on equity. Members particularly noted the need to address support to children, and particularly girls, with disabilities. The Secretariat confirmed that local agencies would be taking on this role, and that the Nepal compact further brings to light the issue on disabilities and gender.
- **Incentivization**: Similar to discussions on the operating model, members suggested incentivizing gender initiatives and supporting full country ownership, including developing narratives and experience sharing.

12.12 Africa 2 provided a quick testimonial of how GPE gender equality initiatives had reduced disparities in local contexts, with its frameworks contributing towards a national policy document drafted on gender and another on people with disabilities.

12.13 Action Point: The Secretariat to provide a response to the 2018 Board document on gender hardwiring.

13 World Bank-GPE Hosting Arrangement (BOD/2022/12 DOC 02)

13.1 The CEO provided framing remarks, emphasizing that the Secretariat is neutral and does not have an opinion on the way forward. She identified key drivers of the discussion, including the need to put in place a mechanism with ambition while balancing constraints, taking all stakeholder views into consideration, ensuring accountability to implement the decision taken, and finding the best way possible to keep the partnership centerstage.

13.2 The Secretariat (Charlie Tapp, Chief Operating Officer, and Padraig Power, Chief Financial Officer) presented its observations on institutional arrangements, including possible capabilities and risk mitigation considerations. The Secretariat noted that GPE can do a lot under its current hosting arrangements, and that GPE is not broken. Information from the Secretariat presentation is provided in Annex 1 of this report.

Discussion

13.3 MLA 3 and the Secretariat declared conflicts of interest.

13.4 The Vice-Chair emphasized that she and the Chair were not expressing any views, but the Board should bear in mind the need for resilience and agility.

13.5 Members observed that the presentation provided a balanced view of the challenges, spoke to the caliber of staff and confidence that members have in GPE, and went a long way in answering several questions raised by the Board during the Retreat. A member noted that the presentation focused solely on internal issues, while instead, GPE should be put in the bigger picture of education mechanisms and governance of SDG 4.

13.6 There was broad consensus around the importance of the hosting decision, the valuable relationship between the World Bank and GPE, and that GPE is not broken. Indeed, members emphasized that GPE is achieving many of its visions and has the potential to bring further positive impact to the education sector. It was also noted that giving any perception of GPE being broken – and hence discussing de-hosting to fix it- will risk future funding.

13.7 Members identified several factors that would impact the decision on hosting:

- **Strategic benefits:** Some members emphasized that while organizational constraints will be part of any current or future institutional set-up, the decision on hosting should be driven by whether these constraints cripple the ability of GPE to act. Members requested further clarity on the strategic benefits that a change in institutional arrangements may bring, noting that there is a broad need for greater agility, impact and focus on the overall goal of reducing the number of children out of school. Some members highlighted that these needs could perhaps be met by additional tools instead of institutional changes.
- **Impact:** Members reiterated their commitment to the mission of GPE and requested additional clarity from DCPs on the initiatives and tools required to ensure impact on ground. Members expressed concerns about the temporary dip in performance that would result from shifting institutional arrangements, stressing that the dip's impact on delivery on the ground might negatively influence future funding.
- **Ambition:** Many members expressed a need to clarify the level of GPE's ambition. On the one hand, some members recalled GPE's development mission, with the commitment to do whatever it takes to achieve impact on the ground, mobilize education funding and ensure that a strategic, instead of transactional, GPE Board. On the other hand, some members questioned whether another implementing and resource-mobilizing agency is needed in the global education sector, noting that the mission of GPE should instead be even higher as a facilitator of funds and convener of the sector.

- **Autonomy**: Some members highlighted the need for autonomy in decision-making, thus ensuring a nimbler and more flexible GPE. They emphasized that decisions made by the GPE Board should be without constraints and without being held back by the limitations of other institutions.
- **Timing**: Some members highlighted the importance of taking a decision on hosting at the right time, also factoring in the time needed for implementation. They noted that the current global economic situation is resulting in shrinking domestic funding for education and resources for GPE and emphasized that this may not be the time to undertake reputational, financial, and operational risks by de-hosting permanently. Some other members noted that postponing the hosting decision might result in a further increase in the cost of hosting and a repeat of the same discussion from scratch in the future. They emphasized that the risks of continuing to be hosted would also be reputational, financial, and operational in nature, and noted that short term pain can be managed for long term gains.
- **Direct Access**: Members highlighted the important relationship between the World Bank and GPE, also noting that the World Bank has links with the Ministries of Finance and would continue to act as both Trustee and grant agent even if de-hosted. In its role as Trustee, the World Bank clarified that in a scenario in which GPE continues to be hosted by the World Bank, direct access i.e., transferring funds directly to the countries, would not be possible due to a 2019 decision barring direct access for Financial Intermediary Funds (FIFs). The only exception is the Global Infrastructural Facility, which had the approval to conduct direct access even before the 2019 policy decision. The Trustee also noted that if GPE de-hosts and becomes an independent legal entity, the World Bank- as Trustee- would be able to provide direct access based on the needs of GPE. The Trustee highlighted that the only minor difference will be the lack of a need for no objections from the World Bank on accrediting new grant agents- which is only required for hosted Financial Intermediary Funds.

13.8 CSO 1 & 3 presented a formal statement, which has been recorded in Annex 2 of this report.

13.9 Members requested further clarifications on the voting process that may take place at the January 2023 Board meeting. The Secretariat clarified that the Board aims to make decisions on a consensus basis, and that a detailed description of the voting process is given in the GPE Board and Committee Operating Procedures. In response

to members, the Vice-Chair confirmed that the topic of hosting is critical and will require consensus to ensure a quality decision.

13.10 Action Point: The Secretariat to share excerpts of the GPE Board and Committee Operating Procedures to clarify the decision-making process at Board meetings, including consensus and voting.

13.11 The Vice-Chair requested further clarifications on how de-hosting can bring strategic benefits, and on DCP perspectives on hosting. Members welcomed the additional information.

13.12 Action Point: The Secretariat to share a 2-pager on how de-hosting will increase agility, resilience, and impact, and the actions GPE would be able to undertake that it currently cannot.

13.13 Action Point: The DCPs, with the support of the Secretariat, to share a 2-pager on their perspectives on de-hosting, identifying their pain-points and exploring whether these can be solved by the existing arrangements or needs structural change.

13.14 Action Point: With the Chair's approval, the Board to take a consensus-driven decision on hosting at its upcoming January 2023 Board meeting.

14 Close of Meeting

14.1 On behalf of the Chair, herself and the Board, the Vice-Chair thanked Charles North for his exemplary work as Acting CEO. The Vice-Chair also thanked the Secretariat for successfully organizing the first in-person Board Retreat and Meeting since the COVID-19 pandemic.

14.2 The meeting was adjourned at 16:00hrs.

Annex 1: Information from the 7th December presentation on hosting

Context

At the Board retreat on Monday December 5, the GPE Board asked the Secretariat two broad questions:

- What is it that GPE cannot do now that it could do if outside the World Bank?
- How would the Secretariat try to mitigate risks if GPE were to leave the World Bank?

<u>What follows is a summary of what was covered during a presentation made to the Board after lunch on Wednesday December 7 by GPE's COO and CFO.</u>

The Secretariat is not making any recommendations or assessing the relative merits of the various additional capabilities the Board discussed, some of which may become more important than others, with some proving irrelevant. The Secretariat is also not making any assessment of the multiple risks facing the global economy or wider policy and security contexts.

GPE is not broken. Far from it. Any decisions of the Board pertaining to hosting do not reflect repairing something that isn't working. Rather it is a strategic question of what more GPE might wish to do in order to achieve its vision, mission and future aspirations.

A: Capabilities – What is it GPE cannot do now that it could do if outside the World Bank?

(Built around the three priorities identified in the Board retreat)

A-1 GPE's ability to create partnerships and financing options to achieve greatest impact at country level

Capability	Hosted Now	If Independent
Identity, partnership leadership	• Important progress made with brand	• Provides full independence in brand; GPE can represent GPE fully • Ability to enter into MoUs and agreements as GPE

Broader array of delivery options	• Diversity of GA arrangements has grown	• Larger pool of options: direct financing, local CSOs, firms (see A-3 below)

Hosting arrangements have not prevented GPE brand development and partnership work, and have not prevented GPE from being a major fund and entity in the education architecture. However, being hosted has meant restrictions on GPE representation, engagement and travel since Secretariat staff are World Bank employees (e.g. we were limited to two staff attending COP; we were not able to have a face-to-face Board meeting in June in Paris). GPE staff were not able to travel or facilitate travel of partners during certain periods in 2020 and 2021 when the World Bank restricted travel due to COVID.

GPE cannot enter into MoUs or agreements as GPE but can only do so as the World Bank or a unit within the World Bank. The implication is that as MOUs must clearly reference the role of World Bank, they can dilute GPE's brand or cause confusion with external partners as to the relationship with the World Bank and the legitimacy of GPE as a separate organization with its own identify. The MOUs need to be compliant with World Bank policy and are often subject to World Bank legal review.

A-2 GPE Board's authority, decision making ability and effectiveness

Capability	Hosted Now	If Independent
Board autonomy	• World Bank can change its own policies which could override decisions of the GPE Board which could negatively impact ability to execute decisions (doesn't mean World bank would or will, but it has done so in the past)	• Board would have full autonomy on all decisions and accountability • Addresses conflict of interest perceptions, should any exist
Privileges and Immunities	• GPE Board members do not have P&I coverage collectively or individually	• Board would have P&I coverage in host country as well as access to insurance

The report by the legal expert, Tim Nielander, was clear on these points and the Secretariat refers the Board to his report. With respect to Board autonomy, it should be understood that under no circumstances is this a criticism of the Bank. It would be untenable for its leadership to enter into arrangements with GPE or any hosted entity that would impede its own Board's decision-making in the future. Nevertheless, it means the GPE Board must accept that it does not have certainty in terms of future financial implications of decisions it takes concerning the GPE Secretariat or the Secretariat's ability to carry out the Board's instructions.

A-3 GPE's operating model and its secretariat to be agile, efficient and cost effective

Capability	Hosted Now	If Independent
Hedging	• World Bank Trustee has afforded GPE a partial hedging option (contribution agreements)	• GPE could have a more comprehensive approach to hedging (pledges)
Innovative Financing	• Current arrangements offer a lot of options via Grant Agents	• There may be some benefit from ability to customize legal agreements and flow of funds in ways that can't be facilitated by Trustee • We have not explored this in any detail yet: was not on the table for this replenishment / strategic plan period
Direct financing of governments, local NGOs, private firms	• Not possible under hosted arrangements	• Possible under de-hosted arrangements

Hedging

The World Bank solution for GPE is the first time the Bank has provided this service for any FIF, which is an important step forward. However, it will only allow GPE to hedge based on

signed contribution agreements and it takes time for many of GPE's major donors to sign such agreements, or these agreements can only remain in effect for one year at a time, or shortly before a payment is made. This will reduce the effectiveness of the Bank approach, although it will still be helpful and an improvement on the current situation.

Since the Global Education Summit 18 months ago, over $400 million has been reduced from the value of the replenishment due to FX rate volatility. If GPE had the capability to hedge a portion of non-USD pledges (for example 50% of the pledge), then it could have avoided US$200 million of this, as well as significantly reduced the risk of further volatility. The World Bank will not facilitate hedging based on pledges. To do this, GPE would need to engage and contract with commercial banks and establish a treasury function within the Secretariat in the same manner as GAVI and Global Fund have done. We would need a legal entity and the ability to open up our own Bank accounts in addition to the GPE Fund to facilitate such arrangements.

Perhaps in time if more donors were able to sign multi-year agreements or if the World Bank adopted a more flexible approach to allow hedging of a portion of pledges then GPE might be able to achieve the same result within the current hosting agreement, but the Secretariat does not see that possibility as likely right now.

Innovative Financing

Much has already been accomplished with regards to innovative financing, and the Secretariat does not see anything mission critical right now that GPE loses out on by being hosted. However, the Secretariat has not fully explored this area and cannot predict the future. The ability to customize agreements and use commercial bank accounts might get around issues of the Trustee not being able to facilitate certain transactions. It might also allow GPE to do some market shaping or offer a pooled procurement facility for a common commodity or technology that country partners need if the Board decided at some point in the future that such capabilities would make sense for GPE.

Direct Financing

One of the capabilities that GPE could gain under de-hosted arrangements would be the ability to expand the choice of organizations that can receive funding directly from the GPE Fund. This could include governments, local NGOs, private firms.

The Global Fund is a useful comparator with GPE. Both were founded in 2002, are multistakeholder partnerships with similar governance structures, have nearly all the same

sovereign donors, are financing entities that are World Bank managed FIFs, and both do not have in country offices but rely on country coordinating mechanisms. The Global Fund was hosted by the WHO until 2009 but is now an independent entity. The Global Fund disburses on average $4-5 billion annually.

The Global Fund approach to funding partners is that the vast majority of Global Fund disbursements go directly to Government – usually Ministry of Health or National Center for Disease Control, or disease specific agencies like a National AIDS Council. The Global Fund also prefers to directly finance local entities from the public or private sector or civil society. Use of the equivalent of Grant Agents still occurs but is the exception. When a multilateral acts as a grant agent, it typically is UNDP. Organizations like WHO are also sub-contracted and funded from within its grants to provide technical assistance to the Government on specific diseases or broader health systems strengthening.

Direct financing does not remove the need for oversight, and since GPE is not an implementing agency and does not have an in-country presence, GPE would need to adopt a "local fund agent" (LFA) approach or something similar to provide independent assessment, verification, advice and recommendations to GPE on implementation arrangements and grant performance.

While LFAs could be observers at LEG meetings and provide advice to the Secretariat, they would not have a role in the design or implementation of programs, such as providing technical assistance or participating in program decisions at the country level. Price Waterhouse Coopers (PWC) is an example of one of the largest Global Fund LFAs, currently active in 75 countries.

LFA services would be secured through competitive procurement and allow for tailored services, as well as retendering at short notice to deal with sub-optimal performance. The role of LFAs could be outlined as below:

BEFORE IMPLEMENTATION	DURING IMPLEMENTATION	CLOSING

• Capacity assessment
• Analyze budgets and work plans
• Analyze Results Framework
• Assist in grant-making and negotiations
	• Scope varies based on risk but could include:
	  ○ Review progress reports and disbursement requests
	  ○ Various site visits and spot checks, including financial, programmatic/M&E
	  ○ Review of internal controls, systems and processes
	  ○ Risk assessment; review of implementation arrangements
	  ○ Ongoing oversight
		• Review activities related to grant closure
		• Advise on issues and risks related to grant closure
		• Verify assets, including closing cash balance
		• Review financial closure report

B: Risk Mitigation – How Would GPE Try to Mitigate Risks If GPE Were to Leave the World Bank?

B-1 Governance and Project Management

The Secretariat would propose the following goverance and Secretariat team structure to manage the process of exiting the World Bank in a well planned manner that gives the Board sufficient oversight:

- A Board Transition Sub-Committee (likely to be FRC in interim).
- A dedicated project team in Secretariat reporting to CFO and COO and supported by a Master Consulting Firm.
- A Staff consultative group to ensure staff are engaged through the whole process.

The GPE Board and Secretariat needs to be able to concentrate on core business. A dedicated sub-committee of the Board could be established that would oversee the transition arrangements receiving regular updates from the Secretariat on progress and approving key policies guided by the principles established by the Board (see an indicative list of principles below). The Chair of this sub-committee would provide regular updates to the Executive Committee and Board. Until the sub-committee is established, the FRC could provide oversight.

Within the Secretariat, a project team reporting to CFO and COO would be responsible for executing the transition. The team would be comprised of a small number of dedicated staff to manage the transition, supported by a Master Consultant Firm responsible for overall delivery of multiple workstreams, including change management and internal communications. Core staff would not be reassigned from delivering GPE 2025 and grant projects through the operating model to work on this assignment.

Staff would self-select a representative group to engage with Management and the project team throughout the process, ensuring staff perspectives are shared and taken into account to the extent practicable and in line with the principles agreed by the Board.

B-2 Indicative Principles to Guide a Transition

- The Board is the supreme governing body of GPE.
- The CEO is responsible to the Board for the day-to-day management of GPE, and for specific duties and responsibilities assigned by the Board.
- GPE should have independent legal personality with privileges and immunities commensurate with those of an international organization in the country in which it is headquartered.
- GPE should operate with a high degree of efficiency and effectiveness, with operating costs comprising a minimal portion of total annual disbursements.
- GPE should retain a close partnership with the World Bank.
- GPE should be able to attract and retain top talent from around the World with a staffing mix reflecting the diversity of the partnership
- There should be minimum disruption or hindrance to core business of GPE during or following any transition

- Transition of people and business processes to new locations and systems will proceed in sequenced and coordinated phases.
- The timeframe for any transition will be carefully paced and will take upcoming new strategic plan and replenishment needs into account.

B-3 Location Selection

Location is probably the most important early decision that needs to be made, and once known would allow for the creation of a legal entity. On this foundation the organizational structure, the policies and procedures, and systems and business processes can be custom built to suit the mandate and business model of the new organization. The criteria for selection and the process itself would need to be elaborated based on GPE's own experience from soliciting location offers in 2018, plus the experience of other global funds such as the Green Climate Fund that completed a headquarter selection process in 2013. This process could possibly include the selection of a headquarter location for GPE and the identification of satellite offices in other regions of the world.

Suggested process for selecting a location might be

- Quick Board agreement on the criteria for a headquarters location and the solicitation process.
- Launch a solicitation process giving partner countries two or more months to respond with a formal offer.
- The Board would select a location by mid-2023.

Indicative Principles to Guide the Selection of a Host Country

- Political commitment to GPE of the Host Country
- Proximity to GPE Partners and wider development/humanitarian actors, in particular those from the education sector.
- Travel connectivity to GPE partners.
- Attractiveness as a location for a diverse international workforce and their families – dimensions to consider include: political and social environment, schools and

education, medical and health considerations, public services and transport, consumer goods, recreation, socio-cultural environment, natural environment, housing, economic environment.

- Ability to facilitate visas for staff and their families from any country, Board members, advisors, and visitors on official GPE business.
- Ability/Willingness to provide financial (e.g. special and additional contribution to defray transition costs and/or subsidize recurrent costs) and/or other in-kind support (e.g. premises).
- Ability to facilitate the establishment of a legal entity with privileges and immunities in the territory equivalent to an international organization for GPE and its employees in the country within 12 months of decision.
- Potential to support GPE operating expenses remaining as a minimal part of total GPE disbursements.

B-4 Change Management Planning and External Support

Suggested process for preparing for change management might be

- Submit a project plan to the Board sub-committee soon after a possible decision is made with initial budget.
- Contract external consultants with de-merger capabilities.
- Contract international legal expertise to support the creation of a legal entity.
- Based on location offers and any accompanying cost analysis, Board decision mid-2023

Indicative Principle to Guide Change Management

- Leverage as much as possible from the World Bank and other entities as appropriate to GPE's needs.

A 2.5-year transition requires very strong change management planning and implementation. The Secretariat would work with the Board sub-committee, quickly preparing a project plan and initial budget, launching the location solicitation. Once

location options and a detailed cost analysis is complete, the Board would be asked to make a decision on location by mid-2023.

The Secretariat will need expert help from firms and experts who have a wealth of expertise in various aspects of the transition. This type of transition is common in the private sector and this expertise is widely available. A Master Consultant firm would be competitively selected to be responsible for delivering and sub-contracting (as needed) experts on the various workstreams required to create a new organization, including: Human Resources, Financial Management, IT, Legal, Procurement, Internal Audit, Travel and Security, Facilities, Pension, Transition management with World Bank, and Change Management. A contract to be activated as soon as a location selection was made.

The Secretariat would also seek legal expertise to establish GPE as an independent legal entity.

To mitigate risks of new policies and accordingly securing smooth donor institutional assessments, the Secretariat would seek to adopt as much as possible from the Bank or other similar entities as appropriate to GPE's business needs.

B-5 Staff Attrition

Secretariat staff have indicated to Secretariat management in the past few weeks their strong commitment to GPE's mission. Staff are concerned lest it be perceived they are only interested in pay and conditions. It is difficult for them to compare an unknown possible dehosted future with the current known hosted reality. Staff attrition will occur, the extent of which will better be understood in mid-2023 when more details would be known. The impact of staff attrition will vary depending on specific staff roles: admin and finance functions are easier to fill rapidly in any labour market whereas the education expertise is much harder.

Indicative mitigation measures to manage staff attrition might be:

- Retain a DC based office for US citizens and staff authorized to work in the US
- Extend all World Bank contracts through to 2026
- Provide transition incentives, especially for staff in critical roles
- All new hires from 2024 will be by the new entity and based in the new location

- Provide options to mitigate challenges to operational travel and P&I limitations for staff

B-6 Drop in Operational and Financial Performance

Similar to staff attrition, there will be a drop in operational and financial performance with any transition. The KPMG report and presentations show a graph that underscores this point. It is important to understand a few points associated with this performance drop.

- It is not possible to quantify now the extent or the duration of the performance drop. This will depend on a number of factors, including location choice, quality of transition implementation, incentives etc
- According to the KPMG report, the performance drop will apply mainly to admininstrative functioning and IT operations . We are not convinced it will be so limited and the risk for all aspects of GPE's operations shoud not be underestimated.
- The impact on core operations will happen. The unknown factor is how large such an impact might be.
- A performance dip seems most likely to happen in 2024/2025.

Indicative mitigation efforts to reduce the depth and longevity of a performance drop are

- Sufficient timeline for a sequenced and phased change to implement the transition
- Prioritize most at risk aspects of GPE's operations before the 2024/ 2025 estimated drop period for early and extra support.
- Agree on governance and project team structures, project plan, and authorize management to implement fully.

The risk of lower donor contributions is arguably a different issue from dehosting from the World Bank as the current ODA environment in Europe is already difficult, with some donors struggling to meet existing commitments much less increase their commitments.

Annex 3: CSO 1 & 3 statement on hosting

I am speaking on behalf of CSO1 and CSO3. CSO2 has not yet consulted its constituency, so will not be making a statement at this time.

We find the hosting decision a deeply strategic and important decision. We will be ready to make the decision in January and encourage Board colleagues to support the timeline as outlined.

From the reports, the discussions, our experience on the Board and the discussions over the last 3 days, we would like to highlight where we are currently in our internal deliberations.

In these deliberations, we place particular emphasis on three things:

- The clear recommendation from developing country Board colleagues who are on the forefront of delivering for children, youth and learners and who know more than any of us what is needed to create impact at national level
- Concerns about our decision-making ability, our flexibility, our nimbleness, and the importance of the discussions we have on this Board being effectuated – in short if we have the tools in our toolkit not only to implement the current strategic plan, but also to be able to handle future shocks, crises, and pandemics. While some suggestions for future capabilities we will be unlikely to support, we find it important that such strategic decisions are made in this room, by this Board without outside constraints.
- The importance of Board control of our finances and the worry that if we decided not to de-host, it might lead to a re-opening of this discussion if the World Bank was to increase the cost of hosting again

We have repeatedly discussed issues around short-term pain for long-term gain. We believe that with the clear recommendation from DCPs and the presentation just now, the long-term gain is clearer and we believe that the short-term pain can be managed as outlined in the consultants' reports. We also believe that there is financial and reputational risk associated with both staying hosted and de-hosting.

We recognize that there is a lot of volatility in the partnership at the moment and that there is never a perfect time to make a decision of this magnitude. However, we know a decision needs to be made now to provide the secretariat with clarity and stability and allow for enough time for an orderly change management process.

While we recognize that this is not a space where we are sharing positions on “leave or stay” at this stage, in the interest of transparency and in the spirit of trust that we have around this table, we want to share our position as it stands. We’re still listening and very willing to discuss, learn and adjust.

But based on the considerations I have mentioned above is and with the knowledge we have currently, we are leaning towards supporting that GPE de-hosts from the World Bank and sets up its own legal entity while maintaining the World Bank as Trustee.

Thank you.

Annex 3: List of Board Retreat and Meeting Participants

	Name	Constituency	Role
	Board Members		
1	Edgar Moyo	Africa 1	Board Member
2	Farah Sheikh Abdulkadir	Africa 1	Alternate Board Member
3	Komla Dodzi Kokoroko	Africa 2	Board Member
4	David Moinina Sengeh	Africa 3	Board Member
5	David Andrew Adejo	Africa 3	Alternate Board Member
6	Ramkrishna Subedi	Asia and Pacific	Board Member
7	Aishath Ali	Asia and Pacific	Alternate Board Member
8	Saidzoda Rahim	EEMECA	Alternate Board Member
9	Didacus Jules	Latin America and Caribbean	Board Member
10	Frederic Depetris	Donor 1	Board Member
11	Martina Ramming	Donor 1	Alternate Board Member
12	Line Friberg Nielsen	Donor 2	Board Member
13	Per Magnusson	Donor 2	Alternate Board Member
14	Judith Herbertson	Donor 3	Board Member
15	Louise Holt	Donor 3	Alternate Board Member
16	Camilla Helgo Fossberg	Donor 4	Board Member
17	Rashid Al Shamsi	Donor 4	Alternate Board Member
18	Martin Seychell	Donor 5	Board Member
19	Heike Kuhn	Donor 5	Alternate Board Member
20	Aedan Whyatt	Donor 6	Alternate Board Member
21	Kira Boe	CSO 1	Board Member
22	Yona Nestel	CSO 1	Alternate Board Member
23	Solange Akpo-Gnandi	CSO 2	Board Member
24	Abeer Tamimi Darwazeh	CSO 2	Alternate Board Member
25	Haldis Holst	CSO 3	Board Member
26	Dennis Sinyolo	CSO 3	Alternate Board Member
27	Stefania Giannini	MLA 1	Board Member
28	Valerie Guanieri	MLA 1	Alternate Board Member
29	Robert Jenkins	MLA 2	Board Member
30	Rebecca Telford	MLA 2	Alternate Board Member
31	Luis Benveniste	MLA 3	Board Member

32	Syed Husain Quadri	MLA 3	Alternate Board Member
33	Andrew Cunningham	Private Foundations	Alternate Board Member
34	David Boutcher	Private Sector	Board Member
35	Emily Friedman	Private Sector	Alternate Board Member
	Board and Committee Chairs		
35	H.E. Jakaya Kikwete	Board	Chair
36	Susan Liautaud	Board	Vice-Chair
37	Marie Soulie	PILC	Chair
38	Nesmy Manigat	FRC	Chair