DECEMBER 4-5, 2025 - MEETING OF THE BOARD OF DIRECTORS

BRUSSELS, BELGIUM - BOD/2025/12 DOC 04 – FOR INFORMATION

FINANCIAL FORECAST

Please note: In accordance with the GPE Transparency Policy, documents are public only after their appraisal by the relevant governance instance. Governance officials may circulate documents to their constituency for consultation purposes, except for documents of a confidential nature.

Key issues for consideration:

- At its October meeting, the Finance and Risk Committee (FRC) considered the financial position of the GPE Fund.
- Members noted the financial position was stable but remained challenging.
- Members inquired about the risk of some donors not fulfilling pledges and noted that the Secretariat has discounted expected contributions to account for this risk.
- Members noted the Secretariat's confidence in maintaining high disbursements in 2025 and 2026 but also acknowledged that replenishment outcome will impact allocation sizes which directly impact disbursement rates from 2027 onwards.
- Members inquired about scenario planning given resource mobilization risks and were reminded that different replenishment scenarios (US$3-US$5 billion) were considered by the Board in determining eligibility and allocation criteria in June 2025.

Objective

1. This document provides an update on the financial position of the GPE Fund.

Background

1. In June 2025, the Board decided to reduce the value of planned allocations to respond to lower expected donor contributions and increased uncertainty, which has helped to stabilize the financial position (BOD/2025/06-02).
2. The demand for GPE funding remains robust, with all remaining eligible countries anticipated to fully access their indicative allocations. Disbursements exceeded US$1 billion in FY25 (July 2024 to June 2025) for the second consecutive year, and will continue to remain high throughout the remainder of 2025 and in 2026.
3. High levels of disbursements and significant risks to resource mobilization are increasing pressure on GPE's liquidity. Cash levels have fallen by close to US$400 million in the last 6 months as disbursements far outstrip the value of contributions. This trend will continue over the coming months, reducing cash levels to the bottom of the target range.

4. A successful replenishment combined with fulfillment of outstanding donors' contributions as soon as possible will be critical for GPE to be able to approve new funds in a timely manner under GPE2030 and to manage risks to liquidity.
5. While there were no official reductions in pledges since the last financial forecast, and there was a small increase in the pledge from Japan, there is an increased risk that some donors will not fulfill all their pledge. The Secretariat has increased the discount on the value of donor pledges in the forecast to factor in this risk.
6. There have been cases where certain donors have postponed their contributions. In one instance the contribution was partially hedged under the Foreign Exchange (FX) management pilot. In this case, the Trustee, in consultation with the GPE Secretariat, was able to utilize funds in the Euro Fund to settle the hedge, avoiding the need for the Trustee to purchase Euro from the open market. This allowed the GPE Fund to avoid absorbing the associated transaction costs. The review of the FX management pilot by the Trustee will commence in October and be reported to the FRC at its first meeting in 2026.
7. There are a number of minor positive (higher investment returns and FX gains) and negative movements (discounting value of donor pledges for risk, and higher agency fee assumptions) in the forecast. The overall effect is generally offsetting, with a small deficit above the carryover level projected. Given the relatively low value of this projection, no further action beyond close monitoring is warranted at this time.

Annex A – Financial tables
Annex B - Donor contributions and grant outflows

Annex A - Financial Tables[1]

Table 1A – Forecast of Assets Available for Allocation (All Figures in US$ millions)		
Opening Cash	1,031.5	*GPE Fund cash balance as of August 31*
Balance on Donor Pledges	785.8	*Value of outstanding donor contributions based in USD*
Projected additional donor contributions	(32.2)	*Includes projections for donors who haven't formally pledged less risk-based discount for donors unlikely to make full payment on pledge*
Projected Investment Returns	35.0	*Estimate of future investment returns on the GPE Fund through remainder of FY26*
(A) Total Resources Available	**1,820.1**	
Disbursements on approved allocations	(2,138.7)	*Funds required to disburse to Grant Agents on existing approved allocations*
Balance on Multiplier Expression of Interest	(136.0)	*Existing indicative allocations yet to be converted into GPE grants.*
Provision for System Transformation Grants	(544.4)	*Provision for remaining System Transformation Grants including Top ups to be approved*
Multiplier	(10.0)	*Amount available for ringfenced Multiplier MCAs*
Girls' Education Accelerator	(25.0)	*Available funds for approved Indicative allocations for the GEA*
Program Development Grants	(0.5)	*Estimated Balance of the PDGs for Replenishment 4*
System Capacity Grants	(56.9)	*Balance of the SCG MCAs for Replenishment 4*
Provision for Strategic Capabilities	(8.0)	*Balance on Board approved TAIs*
Provision for Agency Fees	(81.3)	*Estimate for agency fees on grant allocations*
Provision for Operating Expenses (OPEX)	(22.0)	*Assumptions for Secretariat OPEX for remainder of FY26 less funds to be returned to Trustee for unspent OPEX from prior periods*
Provision for Trustee Budget	(0.0)	*Trustee fees for FY26 already disbursed*
Provision for World Bank Indirect Cost Recovery	(5.5)	20.48% mark up as communicated by World Bank on projected Secretariat OPEX
Discounting for allocations that will not be approved or fully disbursed	250.0	Discount to account for allocations that may not be fully approved, or if approved, fully disbursed, or utilized.
(B) Total Funding to be set aside	**(2,778.3)**	
(C) Authorized Carryover to be financed from next financing period	950.0	*The amount that will need to be financed in the 2026-2030 period from future pledges*
(A+B+C) Projected Surplus/ (Deficit)	**(8.2)**	**Projected deficit above Carryover**

[1] Totals in the tables may not equal the sum of individual transactions due to rounding.

Table 1B – Girls' Education Accelerator – capped at US$ 250 million	
Donor	**US$ millions**
Belgium	2.5
Ireland	12.0
Germany	120.0
OSF	1.0
Dubai Cares	1.25
Harry Hole Foundation	1.5
Lego Foundation	15.0
Denmark	7.5
United Kingdom	40.83
Spain	3.3
Unlocked matching from PF/PS[2]	20.0
Total Funds Available	**224.9**
Partner Country	
Benin	(12.9)
Central African Republic	(10.0)
Chad	(25.0)
Cote d'Ivoire	(22.5)
Congo, Dem. Rep	(25.0)
El Salvador	(5.0)
Eritrea	(5.9)
Ethiopia	(25.0)
Guinea	(10.0)
Mozambique	(10.0)
Sao Tome and Principe	(1.3)
Somalia (Federal)	(18.8)
Somalia (Somaliland)	(6.2)
South Sudan	(10.0)
Zimbabwe	(12.4)
Total Grants Approved	**(199.9)**
Niger	(25.0)
Total Indicative Allocations based on approved Strategic Parameters	**(25.0)**
Balance Available for Allocation	**0.0**

[2] Matching funds are available for contributions to the Girls' Education Accelerator (GEA) from Private Foundations and the Business Community – the matching funds are sourced from the overall Multiplier allocation and therefore subject to available funds.

Table 1C - Financing Breakdown by Income Status (in US$ millions)		
Income Status	**Amount Available for STG Financing**	**Percentage of STG Financing**
Low Income Countries	1,511.0	65%[3]
Other Countries	811.9	35%
Total	**2,322.8**	**100%**

[3] This is the current expected breakdown of System Transformation Grants approved or to be approved under GPE2025 to the countries classified as Low Income (LIC) at the start of GPE2025. It takes into account the changes in indicative allocations approved by the Board in June 2025. Several of these countries have since graduated to Lower Middle-Income status.

Table 2 (A/B) – FORECAST OF ASSETS

Table 2A - FORECAST OF CASH BALANCE						
All Figures in US$ Millions	**2025 (from Aug 31)**	**2026**	**2027**	**2028**	**2029**	**2030**
A. Opening Cash Balance (as of Aug 31 2025)	1,031.5	874.3	224.9	(382.2)	(825.1)	(945.4)
B. Inflows	293.2	326.3	159.2	10.0	0.0	0.0
C. Outflows	(450.4)	(975.7)	(766.3)	(452.8)	(120.4)	(12.8)
D. Closing Cash Balance 31 December (A + B – C)	874.3	224.9	(382.2)	(825.1)	(945.4)	(958.2)
While the information in Table 1 is used to calculate overall resources available for allocation, this table shows the projected inflows (i.e. predominantly donor contributions) into the GPE Fund and outflows (i.e. predominantly grant disbursements) and the impact on the cash balance. GPE aims to keep cash balances within a range of 9-12 months of disbursements and the projections through end of 2025 are expected to be within that range. For a graphical representation, see Graph 1 below.						

Table 2B - FORECAST OF UNCOMMITTED ASSETS						
All Figures in US$ Millions	**2025 (From Aug 31)**	**2026**	**2027**	**2028**	**2029**	**2030**
A. Opening Uncommitted Cash Balance (as of Aug 31 2025)	813.3	812.9	178.3	(404.7)	(882.9)	(1,069.1)
B. Inflows	293.2	326.3	159.2	10.0	0.0	0.0
C. Estimated Commitments	(293.5)	(960.9)	(742.2)	(488.2)	(186.2)	(8.5)
D. Funds Available to Commit (A + B – C)	812.9	178.3	(404.7)	(882.9)	(1,069.1)	(1,077.6)
While a grant may be approved for a 3,4, or 5-year implementation period, the funds are only committed (earmarked in the fund as available for the Grant Agent) on an annual basis. To commit funds, the cash must be available in the Trust Fund. Therefore, the level of uncommitted assets is important for GPE's ability to make grant approvals and funds available for Grant Agents. As donors make contributions into the Fund, it increases the funds available for commitments, however as grants are approved and subsequently committed on an annual basis, it reduces the available funds for commitment. The current forecast shows that GPE will run out of commitment authority in 2027 meaning that existing programs may need to be placed on hold. However, there may be periods when levels of uncommitted funds are under pressure and therefore timely payment of donor contributions are important. It is also noted that a replenishment campaign will be expected to fund the 2026-30 period.						

Annex B - Donor contributions and grant outflows[4]

Table 3 - STATUS OF 4th REPLENISHMENT (All figures in Millions)		Pledge (local currency)	Paid as of Aug 31, 2025	Remaining Value Aug 31, 2025	Total Value Aug 31, 2025
Donor	**CUR**	**Pledged Amount**	**US$ Value**	**US$ Value**	**US$ Value**
Australia	AUD	169.0	115.7	0.0	115.7
Belgium	EUR	28.0	30.2	0.0	30.2
Canada	CAD	300.0	179.4	43.6	223.1
Denmark	DKK	1,050.0	116.4	40.0	156.4
Dubai Cares	USD	2.5	0.0	2.5	2.5
Estonia	USD	1.0	1.0	0.0	1.0
European Union	EUR	700.0	450.6	318.5	769.1
Finland	EUR	25.0	29.2	0.0	29.2
France	EUR	333.0	290.5	77.7	368.2
Germany	EUR	330.0	278.1	87.5	365.6
Harry Hole Foundation	USD	1.5	0.6	0.9	1.5
Ireland	EUR	60.0	66.9	0.0	66.9
Italy	EUR	25.0	22.1	5.8	27.9
Japan	USD	30.4	30.4	0.0	30.4
Kuwait	USD	30.0	0.0	30.0	30.0
Lego Foundation	USD	38.0	38.0	0.0	38.0
Luxembourg	EUR	2.5	2.8	0.0	2.8
Netherlands	USD	59.2	59.2	0.0	59.2
Norway	NOK	1,850.0	184.5	5.0	189.5
Open Society Foundations	USD	1.0	1.0	0.0	1.0
Republic of Korea	USD	15.8	12.1	3.7	15.8
Saudi Arabia	USD	38.0	38.0	0.0	38.0
Spain	EUR	25.3	27.4	0.0	27.4
State of Qatar (through EAA)	USD	20.0	0.0	20.0	20.0
Sweden	SEK	1,200.0	81.6	42.2	123.8
Switzerland	CHF	39.7	42.9	0.0	42.9
United Arab Emirates	USD	100.0	80.0	20.0	100.0
United Kingdom	GBP	430.0	461.2	87.5	548.7
United States of America	USD	480.0	480.0	0.0	480.0
Total			**3,119.9**	**785.0**	**3,904.9**
Balance on 3rd Replenishment Pledges				**0.8**	**0.8**
Total Donor Pledges				**785.8**	**3,905.6**

[4] Sub-totals in the tables may not add up due to rounding, and pledges may be subject to legislative approval processes. Some pledges are scheduled for payment beyond 2025.

Table 4 - List of Remaining Indicative Allocations Approved for 2021-2025 as of August 31, 2025 (All figures in US$ Millions)[5]					
Country name	**System Transformation Grant Indicative Allocation Balance**	**Multiplier Indicative Allocation Balance[6]**	**System Capacity Grant Indicative Allocation Balance**	**Girls' Education Accelerator Indicative Allocation Balance[7]**	**Top Up to be Approved at a later date**
Afghanistan	50.05	-	-	-	-
Algeria	-	-	-	-	-
Angola	-	-	1.80	-	-
Bangladesh	48.84	50.00	-	-	-
Belize	-	-	1.00	-	-
Benin	-	-	1.00	-	-
Bhutan	-	-	-	-	-
Bolivia	-	-	1.00	-	-
Burkina Faso	-	-	1.65	-	10.11
Burundi	-	-	1.38	-	-
Cabo Verde	-	-	1.00	-	-
Cambodia	-	-	-	-	-
Cameroon	31.25	-	1.36	-	-
Central African Republic	-	-	0.21	-	-
Chad	-	30.00	1.80	-	-
Comoros	-	-	1.00	-	-
Congo, Dem. Rep.	-	-	1.00	-	50.00
Congo, Rep.	-	-	1.35	-	-
Cote d'Ivoire	-	-	1.15	-	8.98
Djibouti	-	-	1.00	-	-
Egypt, Arab Rep.	-	-	2.10	-	-

[5] Amounts already approved have been reduced from these numbers.
[6] Based on approved Expressions of Interest
[7] Based on approved Strategic Parameters

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El Salvador	-	-	-	-	-
Eritrea	-	-	-	-	-
Eswatini	-	-	1.00	-	-
Ethiopia	-	-	-	-	-
Gambia, The	-	-	-	-	-
Ghana	-	-	0.20	-	-
Guatemala	-	-	-	-	-
Guinea	-	30.00	0.73	-	-
Guinea-Bissau	5.71	-	1.07	-	-
Haiti	-	-	1.00	-	-
Honduras	-	-	1.00	-	-
India	-	-	-	-	-
Indonesia	-	-	-	-	-
Jordan	-	-	1.00	-	-
Kenya	-	-	-	-	-
Kiribati	-	-	-	-	-
Kyrgyz Republic	-	-	-	-	-
Lao PDR	-	-	-	-	-
Lebanon	-	-	1.00	-	-
Lesotho	-	-	-	-	-
Liberia	-	-	-	-	-
Madagascar	-	1.45	1.69	-	-
Malawi	-	-	1.73	-	-
Mali	37.98	-	1.69	-	-
Mauritania	7.53	15.00	0.43	-	-

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Micronesia, Fed. Sts.	-	-	-	-	-
Moldova	-	-	-	-	-
Mongolia	-	-	0.08	-	-
Morocco	-	-	-	-	-
Mozambique	-	-	-	-	-
Myanmar	18.11	-	-	-	-
Nepal	-	-	-	-	-
Nicaragua	-	-	-	-	-
Niger	58.79	-	1.28	25.00	-
Nigeria	53.79	-	1.70	-	-
Pakistan	-	-	2.91	-	-
Papua New Guinea	11.18	-	1.00	-	-
Philippines	-	-	-	-	-
Rwanda	-	-	-	-	-
Sao Tome and Principe	-	-	0.80	-	-
Senegal	-	-	1.00	-	-
Sierra Leone	-	-	-	-	-
Solomon Islands	-	-	0.02	-	-
Somalia	-	-	0.03	-	-
South Sudan	-	-	0.02	-	-
Sri Lanka	-	-	1.20	-	-
Sudan	38.25	-	2.13	-	-
Syrian Arab Republic	-	-	1.00	-	-
Tajikistan	-	-	-	-	-
Tanzania	-	-	-	-	-

Table 4 - List of Remaining Indicative Allocations Approved for 2021-2025 as of August 31, 2025 (All figures in US$ Millions)[5]					
Country name	**System Transformation Grant Indicative Allocation Balance**	**Multiplier Indicative Allocation Balance[6]**	**System Capacity Grant Indicative Allocation Balance**	**Girls' Education Accelerator Indicative Allocation Balance[7]**	**Top Up to be Approved at a later date**
Timor-Leste	-	5.00	-	-	-
Togo	15.48	-	1.00	-	-
Tunisia	-	-	1.00	-	-
Uganda	-	-	-	-	50.0
Ukraine	-	-	0.25	-	-
Uzbekistan	-	-	0.07	-	-
Vanuatu	-	-	-	-	-
Viet Nam	-	-	-	-	-
West Bank and Gaza	-	6.00	1.34	-	-
Yemen, Rep.	30.79	-	1.77	-	-
Zambia	12.62	-	1.55	-	-
Zimbabwe	-	-	-	-	4.97
Dominica	-	-	0.56	-	-
Fiji	-	-	0.12	-	-
Grenada	-	-	0.56	-	-
Guyana	-	-	1.00	-	-
Maldives	-	-	-	-	-
Marshall Islands	-	-	-	-	-
Samoa	-	-	-	-	-
St. Lucia	-	-	0.56	-	-
St. Vincent and the Grenadines	-	-	0.56	-	-
Tuvalu	-	-	-	-	-
Tonga	-	-	-	-	-
OECS Region	-	-	1.00	-	-
Pacific Region	-	-	0.01	-	-

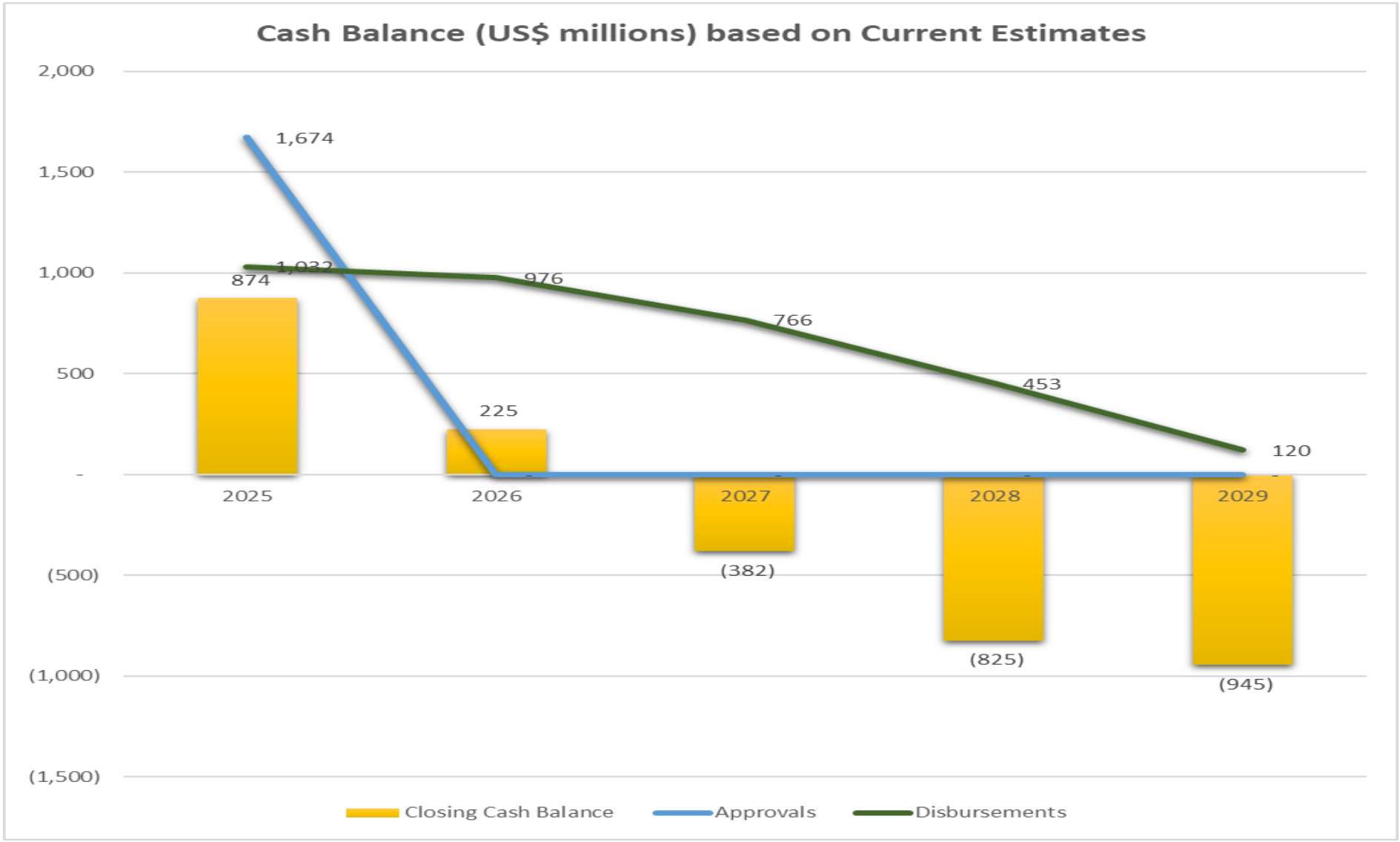
Table 4 - List of Remaining Indicative Allocations Approved for 2021-2025 as of August 31, 2025 (All figures in US$ Millions)[5]					
Country name	**System Transformation Grant Indicative Allocation Balance**	**Multiplier Indicative Allocation Balance[6]**	**System Capacity Grant Indicative Allocation Balance**	**Girls' Education Accelerator Indicative Allocation Balance[7]**	**Top Up to be Approved at a later date**
Total	**420.4**	**137.5**	**56.88**	**25.0**	**124.0**

Table 5a – Information on Active Grant Portfolio as of 31 August 2025 (All figures in US$ millions)

Total Value of Approved & Active Grants	5,360.0
Total Value of Disbursements from the GPE Fund	3,221.3
Balance to be Disbursed from the GPE Fund for Grants	2,138.7

Table 5B – Information on Active Grant Portfolio as of 31 August 2025 (All figures in US$ millions)

Grant Agent	Value of Approved and Active	Value of Disbursements	Value to be Disbursed
ADB	20.0	15.0	5.0
AFD	324.2	282.3	41.9
CAMFED	12.4	12.0	0.4
CARE	18.8	5.7	13.1
CDB	14.0	1.7	12.3
GIZ	117.6	29.0	88.6
IADB	76.7	16.0	60.7
IDRC	153.5	113.1	40.4
Imagine Worldwide	15.2	13.0	2.2
IsDB	123.5	15.2	108.3
OECS	10.0	7.2	2.8
OXFAM	133.3	92.6	40.6
Save the Children Australia	56.0	29.0	27.0
Save the Children Italia	2.6	0.9	1.7
Save the Children Norway	24.5	15.4	9.1
Save the Children UK	82.2	58.7	23.6
Save the Children US	164.9	131.0	33.9
Sida	282.2	226.4	55.9
UNESCO	175.9	82.4	93.5
UNICEF	1,359.9	904.3	455.5
WFP	0.9	0.9	0.0
World Bank	2,191.6	1,169.4	1,022.2
Total	**5,360.0**	**3,221.3**	**2,138.7**



Note: The above figures don't take into account the impact of new donor contributions arising from new pledges for the 2026-2030 financing period, or the impact of any new grant approvals for this period and related disbursements.