DECEMBER 4-5, 2025 - BOARD OF DIRECTORS

BRUSSELS, BELGIUM – BOD/2025-12-DOC 02 – FOR INFORMATION

REPORT FROM THE CEO

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.

OVERVIEW

Since our last meeting in June, GPE has been in full swing preparing for its next strategic cycle, GPE 2030, and its fifth financing campaign. The world has never needed education more to equip societies to address demographic pressures and labor market demands, to engage successfully in the climate and digital transitions underway, and to rebuild social cohesion amid growing instability and inequality. Yet education is being deprioritized precisely when it matters most. Fiscal space is narrowing under the combined pressure of debt servicing, security spending, and demographic growth, while official development assistance (ODA) is projected to decline.

Amid this context, GPE partner countries are forging ahead, leading transformative national reform agendas–informed by evidence and rooted in national education systems. Such transformation requires leadership, partnerships and clear roadmaps for change. It also requires financing.

At the United Nations General Assembly (UNGA) in September 2025, GPE launched an ambitious financing campaign to respond to the urgency of the global education crisis and to highlight the opportunities that investing in education creates for children, societies and global growth and stability. It is a political opportunity to reaffirm education as a national and global priority, and to place sustainable financing at the heart of successfully transforming education systems.

Despite the continued challenges and shifts, I remain optimistic in our collective commitment to education and the decisions from each and every one of our Board members that will underpin this commitment in the months ahead of us. GPE's raison d'etre rests on a simple and powerful idea: education multiplies possibility. It is the most powerful investment we can make in the future of our children, our nations and our world.

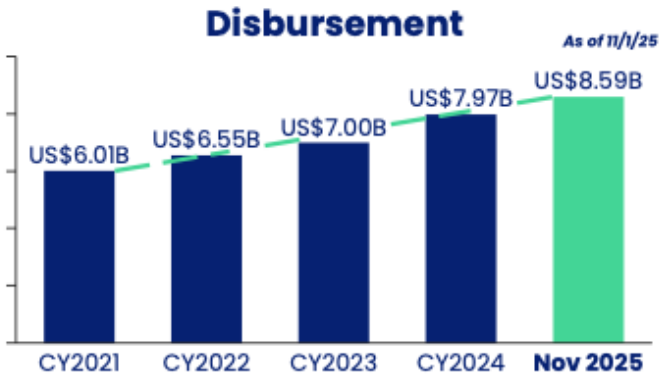
THE CEO'S DASHBOARD

$3.5 BILLION

active implementation **grants** in **77 partner** countries

372 MILLION

children (51% reached by GPE grants are girls), **4.7 million teachers** benefit from GPE2025 grants and cofinancing





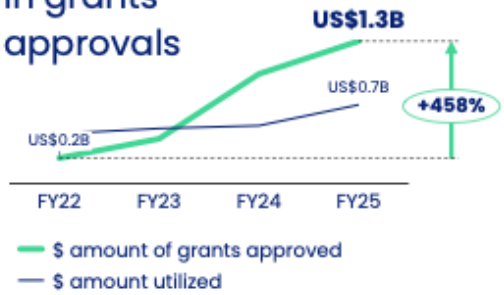
$3.7 BILLION

mobilized from 64 co-financiers in 52 countries

$1.3 BILLION

RECORD HIGH ★

in grants approvals



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SUSTAINABLE FINANCING – A SHARED RESPONSIBILITY

Today's education financing model is no longer fit for current global realities. Even if countries meet international spending benchmarks, the total investment still falls far short of what is needed to tackle the learning crisis, especially in the poorest and most fragile contexts. The challenge lies in strengthening the way education systems are financed and reformed so that resources and policy action move together toward one goal: learning for all. The over 70 partnership compacts already in motion set clear and prioritized reform agendas, mobilize joint financing, and aim for domestic and external resources to work together to deliver better results.

A fundamental shift is needed–one that is country–led and that places public finance at the center, while leveraging ODA grants and concessional finance as catalytic capital to unlock additional philanthropic and private investments in an integrated manner.

GPE's approach places public finance as the anchor by advancing its results-based funding (RBF) approach and rewarding countries that strengthen domestic financing. Since January 2025, the first four countries to meet their domestic financing targets have unlocked US$40 million in GPE support. Across 26 additional partner countries, ministry of education (MoE) are pursuing actions that will trigger further RBF, hereby strengthening accountability and reinforcing the link between financing and performance. GPE is evolving its approach to domestic-financing between education and finance actors–both in global fora and at country level–so that MoE can engage confidently in macro-fiscal conversations that create and protect sustainable funding for education.

Building on its long-standing support to protect, expand, and improve the equity and efficiency of domestic education spending, GPE is proactively working with Ministries to connect education priorities with national budgets and plans, improve financial management, and engage more effectively with finance officials. Through this role, GPE helps countries negotiate credible fiscal space for education and unlock complementary sources of financing (including private and philanthropic) that would otherwise remain out of reach. As part of this effort, the Secretariat completed a rapid study on engagement between ministries of education (MoE) and finance (MoF) in **Bangladesh**, **Cameroon**, **Indonesia**, and **Rwanda**. The study explored factors shaping MoE–MoF dialogue and identified entry points and messaging to support more effective collaboration. This exercise serves as a springboard for deeper engagement and the capture of good practices as GPE advances this strategic direction. In addition, in **Guatemala,** GPE is exploring a collaboration with the International Monetary Fund (IMF), which is promoting higher social spending–particularly in education–to drive inclusive and sustained economic growth. The IMF has recently launched technical assistance to the Ministry of Public Finance, including expenditure-policy analysis within the Medium-Term Fiscal Framework. GPE is engaged on an exploratory basis to share data in a reciprocal exchange that will inform both the IMF's analysis and the Enabling Factors analyses, and to facilitate MoE participation in workshops aligning education-financing reforms with the broader macro-fiscal dialogue.

GPE's innovative finance work continues to build upon the success and track record set in the previous strategic cycle that mobilized US$3.7 billion in cofinancing. The evolution of GPE's innovative financing portfolio differs across partner countries depending on context and the opportunities available to capitalize on the high demand for the Multiplier. Recently, the Hempel Foundation has joined forces with Japan International Cooperation Agency (JICA), the German Committee for UNICEF, and the Government of Japan through the GPE Multiplier, to expand access to quality, inclusive education in **Madagascar**. Channeled through GPE, a combined US$10.2 million financing

package is set to enhance the capacity of school management committees, provide remedial lessons, increase school retention, facilitate the re-enrollment of out-of-school children and build teachers' pedagogical skills.

Through cross-sector partnerships, GPE is helping to ensure every dollar works twice as hard to secure win-win outcomes across sectors, while unlocking new resources for education. For example, in July, the Green Climate Fund approved the US$41 million Building Resilience of Children and Communities through the Education Sector (BRACE) program, co-financed with an additional US$26 million from GPE. BRACE is the first large-scale climate finance initiative for education, supporting **South Sudan**, **Cambodia**, and **Tonga** to achieve climate adaptation and education outcomes for children. The program will build climate-resilient schools, integrate climate change into curricula, and strengthen early warning systems to keep children learning when disasters strike. BRACE is also paving the way for other countries to advance similar programs: GPE is investing in technical assistance across **35 countries and territories** through the Climate-Smart Education Systems Initiative (CSESI), helping governments prepare finance-ready bankable education proposals to ensure that all education systems are climate-ready.

Responding to GPE's renewed focus on using national budgets and public financial management systems as the foundation for sustainable financing and reforms, the Secretariat has worked to improve coordination and alignment of external funding. This includes supporting aligned funding approaches, joint financing and pooled funds where possible. GPE is also building the capacity of its regional teams on aid modalities, national Public Financial Management (PFM) systems, risk management, and engagement with Ministries of Education, helping countries use resources more effectively. For example, Togo's analysis identified fragmented projects and weak alignment with national PFM systems as challenges. The country's Partnership Compact established a pathway to develop an aligned sector pooled fund, and the grant agent selection prioritized aligned financing. The government and the new grant agent, AFD, are now designing a ring-fenced budget support mechanism with strong risk-management measures.

Following the Fourth International Conference on Financing for Development (FfD4) event co-organized with various partners in Sevilla, GPE has launched a series of discussions and consultations with partners, rooted in the FfD4 joint statement, to take forward a sustainable financing agenda centered around three principles: **public finance as the anchor**, **system alignment**, and **national leadership**. As an example, in October, GPE co-organized discussions on sustainable financing with African ministers of education and finance at the Association for the Development of Education in Africa (ADEA) Triennale, hosted by the Government of Ghana. Additionally, a sustainable financing roundtable was held during the Organization of Eastern Caribbean States (OECS) Council of Ministers of Education, where ministers analyzed domestic financing data and discussed strategies to strengthen domestic resource mobilization. Across Latin America and the Caribbean, GPE supported dedicated exchanges with ministries, coordinating agencies, and local education groups to advance this partnership approach at the country level. And I look forward to continuing this conversation at the December 2025 Board.

IMPROVE EFFECTIVENESS IN OUR WORK WITH PARTNER COUNTRIES

Today's context demands greater ambition if we are to educate the largest generation of young people coming of age in low- and lower-middle income countries. GPE's approach to system transformation is more relevant than ever. Recent evaluations and lessons from GPE 2025 have

shown that system transformation is most effective when countries focus on a small number of priority reforms that are politically supported, technically sound, and aligned with sector plans. Prioritization, strong delivery through national systems, and aligned financing that builds a trajectory towards a less aid-dependent future are essential for results. The partnership has adapted by sharpening its focus on delivery and accountability, embedding Mid-Term Reviews (MTRs) and adaptive planning into its Partnership Compacts, and creating opportunities to leverage innovative financing instruments in support of sustainably financed systems. Results-based incentives and support focus on unlocking bottlenecks in domestic financing and learning outcomes.

Midterm reviews (MTRs) are strengthening country leadership, partnership alignment, and the delivery of education reforms across the GPE portfolio. Since June 2025, **Cambodia** and **Tanzania** have completed their MTRs; Kenya's review is under way, and the Democratic Republic of Congo (DRC) concluded its policy dialogue forum in October 2025. In **Cambodia**, the MTR process reinforced partner alignment, renewed national ownership, and identified teachers as central change agents in reform delivery, supported by expanded use of digital tools and strengthened subnational capacity. In **Tanzania**, the MTR recalibrated the partnership compact to focus on inclusive quality learning outcomes, adding a fourth reform area–governance, leadership, and accountability–and introducing a results framework to enhance transparency and performance tracking. **Kenya's** review has emphasized government leadership and evidence-based decision-making, with technical support from the Global System Capacity Grant (GSCG) to strengthen data quality and indicators. Despite a challenging political and humanitarian context, the **DRC**'s review has created space for structured dialogue with the MoF, the IMF, and private sector partners on long-term sustainable education financing. Lessons emerging from these reviews feed into adaptive management and peer learning across the partnership. Between October 2025 and April 2026**, 17 additional countries**–including Nepal, Lesotho, Bhutan, Indonesia, Rwanda, Zimbabwe, Liberia, and Malawi–will undertake MTRs, with nearly **30 more expected in 2026**. These processes collectively demonstrate that the partnership compact mechanism is maturing as a platform for evidence-informed dialogue, accountability, and course correction.

In 2025, GPE partner countries are accelerating progress toward more inclusive, resilient, and equitable education systems. **Mauritania** is improving teaching and school management across six vulnerable regions by establishing 740 school management committees, training more than 5,200 educators, and building 390 classrooms. **Zimbabwe** advanced equity by supporting over 2,800 disadvantaged schools and nearly 900,000 learners, including upgrading 240 remote schools and training 1,000 young women as peer mentors to reduce girls' dropout in schools with the highest gender disparities. In **Sudan**, facing the world's largest child displacement crisis, unprecedented coordination between government and partners enabled joint planning, reopening 181 schools, establishing 365 safe learning spaces and over 100 e-learning centers, and reaching more than 210,000 crisis-affected learners. **Nepal** is aligning local planning to national priorities through a new "Calibration Toolkit," enabling all 753 municipalities—287 supported by GPE—to tailor and finance education plans within a unified, government-led framework. Together, these examples illustrate how GPE's model is driving tangible results and systemic change across diverse contexts.

GPE continues to effectively hardwire gender equality throughout its operations. For implementation grants active in 2024, the share of funds aimed at gender objectives rose from 34% under grants approved prior to GPE 2025 to 68% under GPE 2025. An independent learning review of the gender hardwiring approach found a significant improvement with GPE's operating model leading to stronger country-level commitments to gender equality in access to, within, and through education. A notable example of this commitment is **Chad**, where significant gender disparities in education

persist with only 36% of girls and 56% of boys completing primary education. This disparity is exacerbated by early marriage, gender-based violence, and entrenched socio-cultural norms. Security challenges, displacement, and climate-related risks further disrupt learning and impede the strengthening of the education system. Complementing the integrated gender approach in the partnership compact that is intended to be funded through the System Transformation Grant (STG), the Girls' Education Accelerator (GEA) intends to tackle intersectoral barriers ranging from social norms to health, social protection, and inclusion, favoring a long-lasting change for girls' education and more broadly in the Chadian society.

The GPE Secretariat continues building the partnership's collective capacity through greater engagement, coordination, and knowledge exchange. In November 2025, a regional constituency meeting in Ethiopia brought together partners to stress-test the GPE 2030 Strategy and Results Framework, explore sustainable financing approaches, and align regional priorities. Between July and December 2025, nearly 20 workshops and webinars were organized, including the first in-person workshop of coordinating agencies and regional representatives from 19 countries held at GPE's new hub in Nairobi in October. The workshop focused on understanding and planning for partnership compact MTRs. Since the last Board meeting, consultations on the draft GPE 2030 Results Framework engaged over 50 partners, reinforcing inclusive governance and evidence-based decision-making.

GPE's partnerships such as the Knowledge and Innovation Exchange (KIX), Education Out Loud (EOL), and Technical Assistance Initiatives (TAI) play a vital role in driving education system change by mobilizing global expertise; fostering collaboration and strengthening national capacity.

In Nigeria, **KIX**-supported dialogue led the Ministry of Education to revise national re-entry policies for married and pregnant adolescent girls, expanding access to education. In the Maldives, KIX training on geospatial analysis helped policymakers identify disparities and expand secondary education for students on remote islands. In Niger, KIX research prompted the Ministry of Education to fund 145 new community learning centers for out-of-school youth. In Latin America and the Caribbean, KIX strengthened collaboration between Honduras and Chile, leading to curriculum updates, improved evaluation systems, and a restructured research unit in Honduras. The regional KIX meeting also produced the "Antigua Commitment," endorsed by 10 Ministries of Education, to advance foundational learning and equitable reforms.

In Uganda, civil society advocacy supported by **EOL** contributed to an 11.4% increase in the education budget, including dedicated funding for special needs education and teacher training. In Ghana, EOL partners helped secure a 20% salary increase and housing support for teachers in rural areas, strengthening incentives to reach underserved communities. In Liberia, EOL supported national dialogues on girls' education and increased engagement of women's groups in policy monitoring. EOL also strengthens inclusive education coalitions: by June 2025, most supported coalitions included women's organizations, disability groups, teacher associations, and marginalized youth, ensuring diverse voices shape reform.

A systems approach also opens pathways to connect education with other sectors like health, climate, and technology—where cross-sector collaboration through the TAIs strengthens reform efforts. GPE's Safe Learning Initiative is helping **Nepal** and S**ierra Leone** strengthen child protection and complaint response systems, with similar efforts starting in **Honduras** and **Sri Lanka**. Through the Climate Smart Education System initiative, **Zimbabwe** developed a climate finance roadmap, piloted climate-smart school inspections, updated EMIS tools to track climate risks, and integrated climate education into curricula and teacher training. In **Kenya** and **Lesotho**, support for School Health and Nutrition has translated school meal priorities into action: Kenya launched a National

School Meals Coalition and clean-cooking efforts, while Lesotho activated a national policy, new coordination bodies, and work on sustainable financing and menus. As part of the Tech4Ed initiative, GPE, UNICEF, and the Cambridge Partnership for Education are launching a Fellowship to help policymakers in countries including **El Salvador, Ghana, Malawi, Maldives, Tajikistan, Pakistan, and Ukraine** design and scale effective education technology solutions.

Update on grant agent diversification. GPE continues to make deliberate efforts to diversify its pool of grant agents to better match partner country needs and priority reforms. The number of grant agents for implementation grants serving active or pending programs has grown from 13 in 2023 to 19. This figure is expected to increase following the Board's review of the Afghanistan and Myanmar applications, where Aga Khan Foundations and World Food Program respectively will serve as a grant agent.

GPE's disbursements and grant approval. Under GPE 2025, the Secretariat has delivered record efficiency with the approval of system transformation grants. Average approval time is now 10.3 months, outperforming the World Bank's 12-month target. As of October, all system transformation grants applications have been submitted, including those with revised allocations following the June 2025 Board decision. GPE has also shortened the time to effectiveness–from grant approval to the legal start of a program–reducing it from nearly **seven** months in FY22 to **under four** months in FY25. This improvement reflects faster processing of post-approval steps, enabling partner countries to begin implementation sooner. As a result, GPE now manages an active portfolio of approximately **US$3.5 billion**, projected to grow to **US$3.9 billion** by June 2026 as the full GPE 2025 portfolio becomes operational.

Disbursements exceeded US$1 billion in FY25 for the second consecutive year and are projected to remain high through the remainder of 2025 and into 2026. While this strong delivery reflects effective grant implementation and continued country demand, it is placing growing pressure on GPE's liquidity position. Cash levels have declined by approximately US$400 million over the past six months as disbursements have significantly outpaced incoming contributions and are projected to fall to the lower end of the target range of 9-to-12 months of disbursement coverage held in cash in the coming period. A successful replenishment–together with the prompt fulfillment of outstanding donor commitments–will be essential to sustain high levels of program delivery under GPE2030 and to manage emerging liquidity risks effectively.

Grant approval levels remain strong, reflecting sustained demand and progress across GPE's funding windows. Between January and end of October 2025, grants totaling over US$1.2 billion were approved, with an additional ~US$192.5 million anticipated for approval between November 2025 and April 2026. From May to October 2025, GPE has approved approximately US$617.1 million in implementation grants. These include System Transformation grants (STG), Multiplier (MLT), Girls' Education Accelerator (GEA), Accelerated Funding programs (AF), along with an extra US$20.7 million in System Capacity grants (SCG). This strong approval and implementation pipeline underscores GPE's role as a stable and effective financing mechanism amid a volatile external environment.

Oversight. The Secretariat continues to strengthen oversight and risk management related to sexual exploitation, abuse, and harassment (SEAH) and misuse of funds, maintaining a zero-tolerance policy across all operations, and with grant agents being responsible for investigating cases of misuse of funds and SEAH. As part of the accreditation process for new grant agents, the Secretariat ensures that prospective grant agents have robust policies to prevent misuse of funds and SEAH, as well as detect their occurrence, investigate cases and take corrective actions.

Subsequently, as part of the quality assurance process for all grant applications, the Secretariat ensures that grant agents have properly identified risks and proposed appropriate mitigation measures for both misuse of funds and SEAH. The Secretariat's monitoring of active grants includes close collaboration with grant agents on misuse of funds and SEAH cases. Since the last report, there have been **nine** new SEAH cases and **eight** new misuse of funds cases, while **five** misuse of funds cases were closed following completion of investigations. Engagement with grant agents on reporting practices has improved case visibility and responsiveness. The Secretariat has reinforced PSEAH capacity through cross-team collaboration, the recruitment of a senior safeguarding consultant, and enhanced training for staff and partners.

GPE Forward continues to advance as planned, reinforcing the Secretariat's capacity to serve partner countries through a more regionally distributed structure. Over the past six months, staffing has been strategically realigned across offices in Washington D.C., Paris, and Nairobi to strengthen leadership and technical capabilities and bring expertise closer to partners. This realignment, involving targeted promotions, relocations, and new recruitments, has been implemented through a coordinated transition process scheduled between July and October 2025. Monitoring of the associated role and process changes continued, and the latest checkpoint indicates greater role clarity, clearer accountabilities, and simpler processes. In response to input collected during the monitoring exercises, additional workshops and training sessions were held targeting staff new to their roles. Monitoring will continue throughout FY26 to ensure full realization of expected benefits of the changes.

Regional approaches and strategies. All three regional teams are now fully operational and increasingly central to the Secretariat's delivery model. The regional structure is strengthening GPE's proximity to partner countries and enabling more coherent and efficient engagement across the partnership. Acting as the key interface between country-level stakeholders and the Secretariat, the three regional teams are driving a more contextualized and coordinated approach to country support, while facilitating peer learning and collaboration across borders. The regional presence in **East Africa**, anchored in **Nairobi** (**Region 1**), is now fully operational and focused on consolidating partnerships and developing a regional engagement strategy to promote collaboration across national reform agendas. In **West and Central Africa**, the regional team based in **Paris** (**Region 2**) is deepening engagement with country partners and aligning support to regional priorities. **Region 3**, covering a diverse set of countries across **Asia**, the **Pacific**, **Eastern Europe**, **Central Asia**, the **Middle East**, and **Latin America** and the **Caribbean**, is pursuing subregional strategies aimed at expanding the partnership and mobilizing additional education financing from both traditional and non-traditional sources. Collectively, these efforts mark an important step toward a more responsive, regionally grounded GPE Secretariat–one that is better positioned to deliver faster, more effective support to partner countries and to strengthen education outcomes across regions.

SETTING GPE UP FOR A SUCCESSFUL REPLENISHMENT

A quality education holds the key to unlocking this generation's potential to seize opportunities and overcome 21st-century challenges. Yet education systems are under immense pressure.

GPE has continued to advocate for more, better and more sustainable financing for education through engagement with partners and in key global and regional moments. Since the last CEO report, GPE has intensified advocacy for financing that is equitable, efficient, sustainable and aligned with national education systems. Engagements at major global and regional forums–including the FfD4, the Tokyo International Conference on African Development (TICAD), the ADEA Triennale, the

Arab Coordination Group meeting, and the World Social Summit (WSS)–have positioned GPE as a leading voice for reforming international finance for education.

GPE continues to advocate for stronger domestic financing through policy dialogue and technical support in all partner country engagements, emphasizing education's central role in inclusive economic growth and social stability. High-level missions by GPE Leadership and High-Level Envoys to **Japan**, **Australia**, **the United Kingdom**, **Norway**, **Denmark**, **Italy**, **Germany**, **Finland**, **Ireland**, **Spain**, **Sweden**, **Canada**, **France**, and **Qatar** have reinforced political commitment to sustainable education financing. **Education Multiplies Possibility: GPE Financing Campaign.** On September 24, 2025, GPE launched its fifth financing campaign–***Education Multiplies Possibility***–at a high-level event during the 80th UNGA. The launch marked the announcement of campaign co-hosts, President **Tinubu** of Nigeria and Prime Minister **Meloni** of Italy, and introduced GPE's Case for Investment 2026-2030. The event brought together nearly 300 participants in person and reached thousands more through UN Web TV in four languages. Headlined by Vice President **Kashim Shettima** of Nigeria, Deputy Minister of Foreign Affairs and International Cooperation **Edmondo Cirielli** of Italy, and GPE Board Chair **Jakaya Kikwete.** Other key speakers included Hon. **Jozef Síkela**, European Commissioner for International Partnerships; Hon. **Dr. Maruf Tunji Alausa**, Minister of Education, Nigeria; Rt Hon **Baroness Chapman** of Darlington Minister of State (International Development, Latin America and Caribbean), UK; Hon. **Dr. Yevhen Kudriavets**, First Deputy Minister, Ministry of Education and Science, Ukraine; **Inger Ashing**, CEO, Save the Children; **Simon Sommer**, CO-CEO, Jacobs Foundation; **Stefania Giannini**, ADG, UNESCO; and **Rochelle Prasad**, GPE Youth Leader.

The launch generated strong visibility for education financing globally. The campaign press release and three opinion pieces by the CEO, Board Chair HE Jakaya Kikwete and Nigeria President HE Bola Tinubu noted initial contributions totaling US$50 million from philanthropy and foundations. These articles resulted in media engagement of 250 mentions across global outlets, while digital outreach achieved a 7.7% engagement rate and a reach of more than 200,000 people. Traffic to the GPE website rose 24% in the week of the launch, indicating heightened global interest in the campaign and its objectives.

The global launch was complemented by national launches in many donor countries including Denmark, Spain, France, Norway, Ireland and Germany. At the German launch GPE received its first pledge of €320 million from Germany: €270 million covering 2027 to 2032. This is in addition to €50 million pledged by Germany for 2026 is an important demonstration of leadership and which we hope will set an ambitious example for other donors. Additional launches are being planned to stimulate policy attention and build momentum toward the replenishment event.

As part of the Education Multiplies Possibility campaign, GPE is engaging the partnership through social media, creative communications and youth-led activities, including an Education Multiplies Possibility: Young People's Call to Action, signed by over 5,000 young people, calling for support for education financing and GPE. From January 2026, GPE's campaign will step up a gear, and from the International Day of Education, will drive further action, asking partners to share their memories of school–to show how education multiplied possibility for them.

Foundation for GPE. Following the June Board decision to endorse the Coordination Memorandum of Understanding between the GPE Board and the Foundation and acknowledge its statutes (BOD/2025/06-01), the Foundation for Global Partnership for Education (Foundation for GPE) is now officially registered and operational. The Foundation Board of Directors met in August and October

to oversee its operationalization, including approving its key policies and discussing its budget, and potential funding pipeline. The Directors also met in the sidelines of UNGA with GPE's CEO and partners/sector experts to explore the Foundation's mandate, mission, and future impact. The Foundation is set to play a key role during GPE's 5th replenishment: it is a unique feature and offering in GPE's Case for Investment. The official launch will be tagged to key partnership announcements and is currently planned for early 2026. Meanwhile, there are some positive developments regarding fundraising, and strong prospects of initial partnerships.

INCREASE THE EFFICIENCY OF OUR BUSINESS AND OPERATIONS

GPE remains in a relatively strong position due to years of proactive planning, cost discipline, and strategic investments in organizational efficiency. GPE began implementing cost cutting initiatives well before the shifting aid environment, including reducing staff numbers in Washington DC; establishing a lower-cost, back-office functional hub in Chennai; introducing travel restrictions; reducing consultant and vendor costs; and freezing staffing numbers below Board-approved levels. Management has also put in place various contingency plans for further reductions as needed in the months ahead.

The Operating Expenses budget for FY25 accounted for 93% of the approved budget. Most of the US$4 million in FY25 savings are attributable to underspending on multi-year initiatives, including the Monitoring, Evaluation, and Learning (MEL) Strategy, Knowledge Management and Information Systems (KMIT), and Replenishment Surge budget–primarily due to timing issues. US$3.1 million will be carried forward to FY26 (US$1.4 million higher than originally estimated), while the remaining savings, including hosting-related savings, will be returned to the GPE Fund and made available for allocation.

Expenditure for FY25 as an overall percentage of disbursements from the GPE Fund was 5.75%, broadly in line with FY24 levels (**5.6%**). Cumulatively, expenditure under GPE2025 (i.e., FY21-FY25 combined) stands at **6.6%**, reflecting continued prudent fiscal management combined with high levels of disbursements driven by strong implementation and high approval volumes contributed to the low percentage. As previously agreed with the Board, cumulative for FY25–FY27 is projected to remain within Board-approved parameters. Disbursements are expected to remain high in FY26, and with continued focus on cost control, operating expenses should remain within the Board-approved parameters for the FY25-FY27 period as agreed with the Board.

Operating Expenses for GPE2030. Despite the challenging funding environment, GPE has been able to keep costs within agreed parameters by being proactive in taking actions to keep costs low while responding to increasing demand. This has included:

- Internal restructuring to clarify roles and streamline processes
- Investments in IT systems and centralized back-office functions in Chennai to improve delivery and reporting
- Strategic staff relocations to bring us closer to partner countries - Paris, Chennai, Nairobi, and Brussels serve as cost-effective hubs, with now less than 50% of GPE staff based in Washington, DC
- Focused effort to reduce variable costs including consulting, vendors, and translations
- Reduction in travel spend – we remain flat compared to 10 years ago despite increased volume and destinations

- Multi-year planning cycles to provide predictability and flexibility in managing costs effectively.

As we look out into GPE2030, it will be beneficial to have guidance from the Board on the operating expense parameters that apply under GPE2030 to help GPE develop budget, and staffing plans that account for different replenishment scenarios. Being prepared early will allow for timely implementation post replenishment that will reduce risks to delivery of GPE2030 while limiting costs.

Enhancing Secretariat capacity. In keeping with efforts to expand secretariat capacity without adding staff, management recently launched a Staff Learning & Development Framework. The framework provides a holistic view of learning and development expectations and resources in the Secretariat, and aims to strengthen staff skills and knowledge, and bring greater consistency to how we implement. As part of this effort, the management team identified required and recommended learning for every role and developed new learning courses to address gaps. A platform was created to make the **300+** learning resources easily accessible to staff. While staff already spend **over six days** on learning and development annually, the learning framework, tools and content will ensure that time is focused on areas most critical to GPE's current needs. Secretariat Operations team also developed the capability to design and build e-learning courses, to meet future Secretariat learning needs internally, with significant cost savings over hiring external vendors. E-learning courses recently developed or currently under development include GPE's Due Diligence Framework, GPE's PSEAH Framework, and courses in grant operations and innovative finance.

As mandated by the Board, the GPE Secretariat continued to engage with the World Bank to seek cost savings and ensure value for money on the cost recovery charge of 20.48% that is applied to our operating expenses to cover the costs of hosting the Secretariat1. It was agreed that these charges will cover the cost of accommodating all GPE Paris based staff in the new French Development Agency (AFD) flagship building from 2027 since the World Bank office cannot accommodate GPE's needs. The GPE Secretariat is also finalizing discussions with the World Bank to recognize GPE's own investments in customized IT solutions. These efforts form part of GPE's commitment to keeping the overall operating expenses as low as possible and the GPE Secretariat will continue to engage with the World Bank on opportunities to increase savings where possible.

The GPE Digital Transformation Project continues to advance on schedule, introducing a new IT service delivery model–a hybrid approach negotiated with the World Bank Group (WBG) ITS that provides GPE with greater flexibility to define technology needs and select optimal solutions while WBG ITS maintains responsibility for core infrastructure and integration. A major milestone was achieved with the onboarding of a WBG-approved IT vendor to support implementation of GPE CONNECT; the new digital platform designed to streamline operations and enhance organizational efficiency. The platform's first application–a Customer Relationship Management (CRM) system–was launched on 3 September 2025, supported by an organization-wide change management program with training and technical assistance to ensure adoption. This transformation is expected to deliver significant efficiency gains, reducing administrative burden and freeing staff time to focus on strategic priorities. By optimizing processes and limiting reliance on additional staffing or external consultants, GPE CONNECT positions the organization for sustainable growth and improved service delivery.

[1] The cost recovery charge does not include GPE grants.

CONCLUSION

Now is the time for renewed ambition, innovative partnerships, and sustained domestic and international investment. GPE's fifth Financing Campaign is not just a replenishment event, it is a unique political and strategic opportunity to reposition education financing as a top national and global priority. Replenishment must shift the political dial to protect and elevate to elevate education within fiscal and development agendas. And it must be about leadership–with partner countries encouraged to lead with integrated financing strategies—not only by committing to percentage benchmarks, but by mobilizing, sequencing, and aligning all available capital: domestic, concessional, philanthropic and private.

My resolve is as strong as it was in June 2025 and I hope to count on your leadership to mobilize bold, sustained investments; to prioritize our efforts on what we do best–convening partners; leveraging financing; supporting country partners; so as to ensure every child—regardless of circumstance—is learning thanks to a quality education.