GLOBAL PARTNERSHIP *for* EDUCATION

2020/2021 FINANCING CAMPAIGN STRATEGY

Board of Directors' Meeting
Nairobi, Kenya
December 2019



Financing Campaign 2020-2021

Purpose:

- To outline the strategy for the 4th Financing Campaign for GPE, including replenishment of the GPE Fund as well as focus on domestic financing and more aligned external financing
- To provide background for the discussion scheduled for Tuesday 12 December in Nairobi
- To provide additional background to support the FRC recommendation on a replenishment surge budget (see Board paper BOD/2019/12 DOC 10)

Background:

- Dakar Financing Conference saw $2.3bn pledged to GPE Fund (supplemented by $200m in further pledges in 2018 & 2019), and $114bn by Developing Country Partners (DCPs) in domestic financing
- Exchange rate variations (in absence of hedging capacity) has reduced funds available by approximately $300m (12%)
- ESPIG Maximum Country Allocations (MCAs) set to run until end-2020, Multiplier MCAs into 2021
- New strategic plan 2020-2025 sets the framework for new fundraising campaign
- These slides explore the issues, strategy, broad outcomes and risks of the next campaign

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Prerequisites for successful campaign

- **Clear sense of ambition:** Early indication from the Board whether it wishes GPE to continue as medium-sized niche fund or whether it wishes to see graduation into a true "global-fund" capable of seriously addressing the learning crisis. This would ideally come with a high level goal to act a rallying-cry
- **Robust Strategic Plan:** The current planning process is on-track to see a dynamic and compelling new strategic plan in mid-2020
- **Strong evidence and results base:** Significant progress on this front from both evaluation work and also much improved monitoring and data gathering. Much advanced on previous replenishment campaigns
- **GPE as a Fund capable of moving significant $:** Will GPE be able to demonstrate that it can effectively utilize the rapidly growing annual growth of the current replenishment? This question is addressed in slide 11
- **Ability to link $ to outcomes:** The results framework of the new Strategic Plan requires some indicators that show greater outcomes based on higher financial contributions to the GPE Fund
- **Early identification and commitment of hosts:** This would occur in first half of 2020
- **Apply lessons from 2018 replenishment:** Some important lessons are revisited on the next slide

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2018 Replenishment: Lessons Learned

2018 Independent Review of the last replenishment campaign (English; French) – key findings and responses

1 Make the core "GPE offering" stronger

- Draw on new performance and impact data (Results Reports; Country Level Evaluations; program evaluations; third-party evaluations and reviews)
- Leverage Finance and Funding Framework initiatives: Multiplier; Knowledge and Innovation Exchange (KIX); Education Sector Investment cases (ESIC)
- Ensure clarity on replenishment goal – confirm level of ambition; build defensible methodology
- Build communications capacity – implement communications review findings

2 Deepen and broaden engagement with DCPs and donor countries

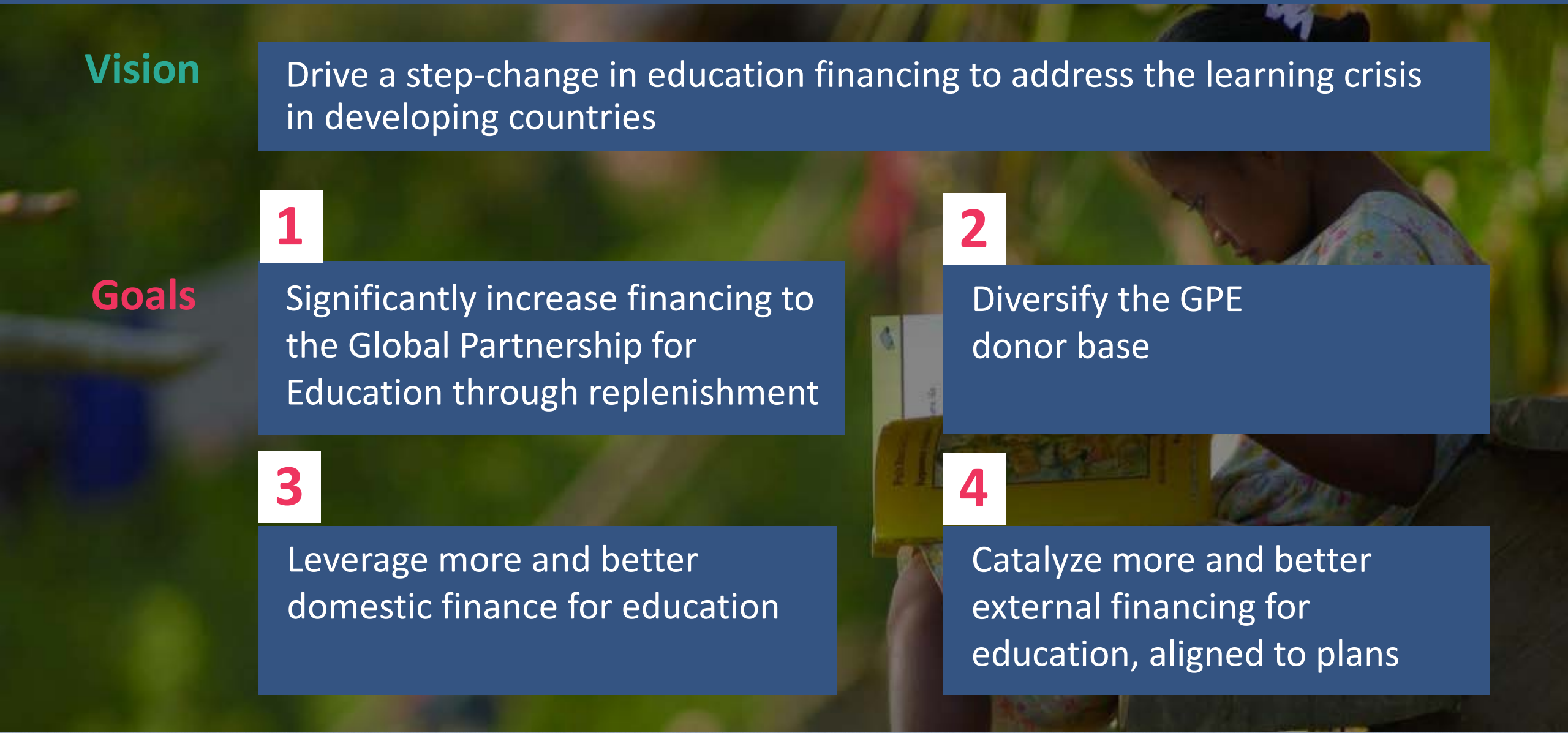
- More extensive engagement – increase advocacy capacity; expand leadership engagement in DCPs and donor countries

3 Better leverage DCP leadership in financing

- Sequence domestic and donor financing events
- Identify DCP champions (including host)

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2020/21 Campaign Strategy



Vision

Drive a step-change in education financing to address the learning crisis in developing countries

Goals

1

Significantly increase financing to the Global Partnership for Education through replenishment

2

Diversify the GPE donor base

3

Leverage more and better domestic finance for education

4

Catalyze more and better external financing for education, aligned to plans

2020/21 Campaign Strategy

Goal 1: Significantly increase financing to the Global Partnership for Education Fund to enable more extensive support to DCPs — "Replenishment" of GPE Fund

CONSIDERATIONS AND NEXT STEPS:

- Agreeing duration: Recommending five years, to align with strategic plan and optimal DCP predictability
- Target setting: Target needs to be evidence based and compelling: e.g., the Global Fund
- Preparing the Case for Investment: Directly linked to the Strategic Plan development
- Determining Co-Hosts: First half of 2020
- National engagement: national is where funding decisions get made, so need to work with Board members, donor partners and other stakeholders to support decisions to invest further in GPE. This is supported by a global and regional drumbeat that supports bold national decisions
- Advocacy partner engagement: Building the “coalition” of supporters and advocates
- Champions engagement: Political and popular culture, global and local

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2020/21 Campaign Strategy

Goal 2: Diversify the GPE donor base to help secure long-term financial security, demonstrate global reach and reduce dependence on a smaller group of donors

— Also part of "replenishment" of GPE Fund

CONSIDERATIONS AND NEXT STEPS:

- Identify priority new donor targets, develop strategies and allocate resources
- Seek support from current donor champions in diversification efforts
- Identify and leverage other development institutions/ banks for co-financing/Multiplier
- Explore opportunities with private sector, foundations and philanthropy: unlikely to support pooled fund, so may be mileage in targeted support for e.g. KIX
- Early assessment needed on level of effort for resource returns from new donors, foundations and private sector

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2020/21 Campaign Strategy

Goal 3: Leverage more and better domestic finance for education

CONSIDERATIONS AND NEXT STEPS:

- Highlighted in external assessment of 2018 replenishment as a major plus, needing to be further strengthened
- Country Level Evaluations (CLEs) showing that global advocacy has impact on domestic financing: N.B. FRC recommendation for greater engagement with Finance Ministries through the campaign
- Determine how to maximize political leverage of domestic financing trends
- Analysis of GPE role in domestic financing and document projected increases 2021-2025
- Ensure robust reporting on domestic financing indicators in results framework
- Consider nature, timing and host of domestic financing event

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2020/21 Campaign Strategy

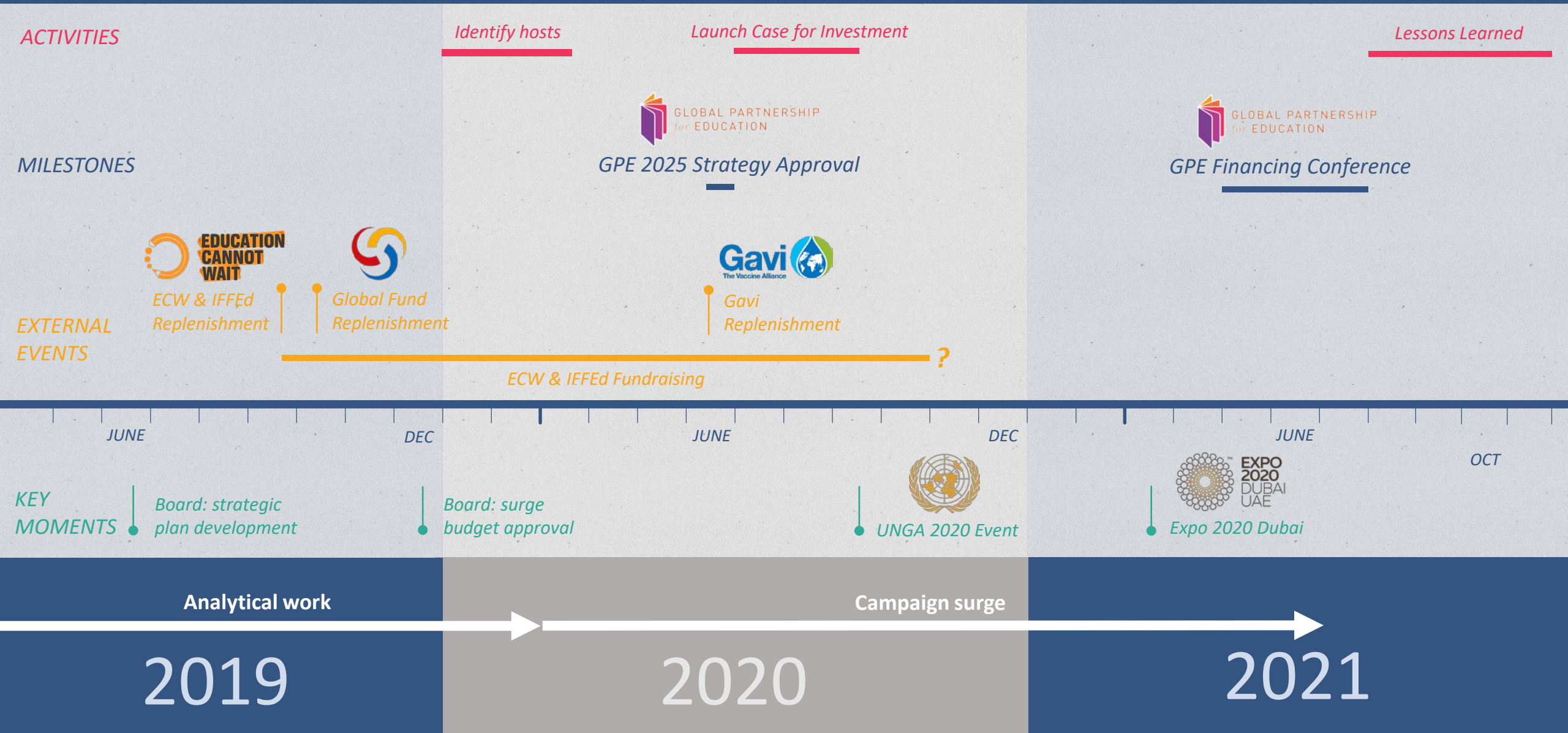
Goal 4: Catalyze more and better external financing for education aligned to national systems and plans

CONSIDERATIONS AND NEXT STEPS:

- Country evaluations highlight poor alignment of external financing
- Taking advantage of political momentum around a campaign, GPE has an opportunity to confront this problem
- Already proving a useful means to attract emerging donors to the partnership, since not seeking contributions to the GPE Fund, but active engagement in Local Education Groups and bilateral alignment with the Education Sector Plans
- An early decision will be needed on the extent of focus on this Goal and resources to be allocated to it

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Replenishment timeline





Replenishment 2021: Why Timing Matters

Questions are being asked whether to delay replenishment pledging due to current low disbursements

The Secretariat believes this would be a mistake:

- DCPs have for some years been requesting greater predictability in allocations, adequate time for program development and reduced volatility in the funding model
- An early announcement of allocations will significantly reduce the peaks and troughs of the application and disbursement pipeline witnessed for many years
- A backloading of applications and disbursement in the current replenishment had always been predicted: by mid-2021 total grant approvals since 2018 will be $2.5 billion
- Timing decision should be based on projections for mid-2021, not December 2019
- Important to separate issue of timing of replenishment which is key for predictability with fundraising target which links to Board's aspiration and ambition, and with projected cash needs over the 2021-2025 period

2020/2021 Campaign Pillars

GPE LEADERSHIP

- Chair, Vice-Chair
- CEO, Secretariat
- Board

ADVOCACY PARTNERS

- Hosts
- Champions
- CSOs
- Board members

PUBLIC POLICY ENGAGEMENT

- Education sector
- International development
- Broader public policy ‘hot topics’

EXTERNAL COMMUNICATIONS

- Case for investment
- Strong results narrative
- Communications assets for partners
- Media

Secretariat Recommends 5-year Timeframe

- Aligned with strategic plan timing
- Better VFM in terms of campaign investment costs in dollars/staff time
- Increased predictability for grant allocations
- More closely aligned to average grant cycles
- It has worked well for GAVI
- “Replenishment fatigue”



Risks

1

Failure to address adequately the Prerequisites outlined in Slide 3

2

Other funds (ECW, IFFED) continuing to raise funds into GPE campaign conveys image of a crowded market and mixed messages

3

Fragmentation in the education architecture undermining political commitment/ confidence

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Points for Board Discussion

1. Five-year fundraising period vs three years
2. Secretariat recommendation of a mid-2021 financing conference
3. Aspiration for the Strategic Plan and how this impacts fundraising ambition
4. Goals of the campaign strategy
5. Risk mitigation

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Thank you

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