ROADMAP FOR GPE ENGAGEMENT WITH THE PRIVATE SECTOR AND FOUNDATIONS

For Decision

1. STRATEGIC PURPOSE

1.1 The purpose of this paper is to seek the Board approval of the Roadmap for Engaging the Private Sector and Foundations at its February 28- March 1, 2017 Board meeting. The Roadmap, as presented in Annex 1, disaggregates three time-bound stages over the course of 2017 with seven sequential steps that will lead, ultimately, to the articulation of full Private Sector and Foundation strategies by December 2017.

Summary of SPC Deliberations from January 1, 2017 meeting

- SPC strongly supported the Roadmap proposed by the Secretariat
- Some SPC members highlighted the need to be cautious while engaging with Private Sector of any potential Conflict of Interest. The Secretariat recalled the committee that the Board adopted the Corporate Engagement Principles and the Annexed Conflict of Interest policy (specific to corporate organizations) in December 2015. SPC members suggested a Risk Mitigation Framework be included in the strategy development process.
- SPC supported SFWG analysis that GPE can leverage more and better private sector engagement in both the financing and funding dimensions of the FFF.
- Some SPC members stressed the importance to embed the negotiation of the Foundation Strategy and of the Private Sector Strategy within GPE's governance structure and to not systematize a parallel system of conversation with the Private sector, Foundations constituency. The Secretariat confirmed that this process will be overseen by the Strategy and Impact Committee (SIC).
- The Secretariat was invited to clarify the sequencing between the Replenishment and the development of the two strategies, with SPC noting that the strategies could be used to raise funds under replenishment. It clarified the Foundation and Private Sector constituency had requested sufficient time to develop the strategies and so shaped the sequencing. It also noted the ongoing dialogues with those partners and the milestones which will structure the replenishment: the Financing and Funding Framework (FFF), including the Contributions and Safeguards Policy, to be adopted in February, and the case for investment to be released by April 2017. The Foundation Strategy and Private Sector Strategy will be reviewed by the SIC in October 2017 and approved by the Board in December 2017.
- Some committee members noted the importance for Foundations and Private sector to develop strategic collaborations in addition to financing.
- SPC members agreed that country ownership is key and that LEGs will need to be discussing private sector and foundation engagement as the work unfolds and prior to implementation.

2. EXECUTIVE SUMMARY

2.1 As GPE heads toward replenishment and builds the Case for Investment, clarifying potential contributions of the Private sector and foundations takes paramount importance. This document offers a roadmap of steps for improving GPE's engagement with Foundations and the Private Sector, divided in three time-bound phases:

(1) Lead up to the Board meeting in February 2017 (completed);
(2) GPE's third replenishment campaign and case for investment in April 2017;
(3) Delivering full private sector and foundation strategies at the Board meeting in December 2017.

2.2 There is enormous, untapped potential for enhanced partnership and strategic collaboration between GPE, the private sector and foundations. GPE2020 recognizes the important role both constituencies have to play in supporting GPE's mandate and pursuing its vision, and there is strong appetite on the part of both GPE and the two groups to establish robust partnerships not only by building upon the Private Sector and Foundations constituency formed in 2011 but exploring new strategic, financial, and technical collaborations. At the same time there is a need for GPE to base its approach on evidence and analytic work about effective private sector engagement, to allow GPE to support strengthened capacities within developing countries to harness strategic engagements with the private sector.

2.3 The Strategic Financing Working Group (SFWG), formed by the GPE Board to finalize a financing and funding framework (FFF) for GPE's next replenishment, has proposed a framework that recognizes the particular role the private sector and, separately, private foundations have to play in supporting GPE 2020.

2.4 Through the GPE's Financing and Funding Framework (FFF), the SFWG is exploring different options, including that private capital can leverage innovative financing and be mobilized to support GPE's core fund through, for instance, blended finance mechanisms while private foundation capital could contribute to the pooled GPE fund or provide targeted financing, for specific funding mechanisms (BOD/2017/DOC 03 including Annex 1), subject to the Contributions and Safeguards Policy (CSP) of the FFF. The Strategic Financing Working Group also developed permanent safeguards for receipt of private sector and foundation funding (BOD/2017/DOC 05).

2.5 The Knowledge and Good Practice Exchange (KGPE) approach has established an initial pathway for collaboration between GPE and foundations. Appetite exists on the part of foundations and the Secretariat to explore what further targeted KGPE initiatives can be viably undertaken over the GPE2020 strategic period.

2.6 Building on existing work, the Roadmap details items within sequential steps to deepen the relationship with the constituency, generate market analysis, and define the value proposition of GPE engagement with the private sector and foundations. This will pitch GPE engagement on a strategic rather than solely financing collaboration, inform the Case for Investment under replenishment in April 2017, and lead ultimately to full strategies for Board approval in December 2017.

3. REQUESTED DECISION

3.1 Following discussion at the January 31th, 2017 meeting, the Strategy and Policy Committee (SPC) requests that the Board of Directors approves the following decision:

BOD/2017/03-XX— Roadmap for GPE Engagement with the Private Sector and Foundations: The Board of Directors:

1. Approves the Roadmap for Engagement with the Private Sector and Foundations, as presented in BOD/2017/03 DOC 08 Annex 1.
2. Endorses the objectives and steps for developing Private Sector and Foundations strategies over the course of 2017.
3. Approves the intention to focus on global level financing and advocacy by the private sector over the course of 2017, and exploration of country level private sector engagement from 2018.
4. Mandates the SIC to provide governance and advisory oversight of the two strategies.

4. BACKGROUND

4.1 At the Cambodia Board Meeting in December, 2016 the GPE Board of Directors reaffirmed (BOD/2016/12-17) its commitment to engaging in strategic collaborations with the private sector and foundations in order to achieve the goals and objectives set out in GPE2020; and

1. Noted that following previous Board discussions, some preparatory work had been conducted on engaging the Private Sector and Private Foundations in the partnership, though progress has been slower than originally envisaged;
2. Mandated the Secretariat to work with the Strategy and Policy Committee, in consultation with the Private Sector and Foundations Constituency and other interested partners to develop, for February 2016, a Roadmap for Engagement with the Private Sector and Foundations, that lays out principles and objectives and a staged approach to the development of an engagement strategy over the course of 2017;
3. Noted that the Financing and Funding Framework will have important and positive implications for the engagement of the Private Sector and Private Foundations.

4.2 In December 2015 the Board approved Corporate Engagement Principles and a Conflict of Interest policy[1]. The Corporate Engagement Principles relate to the engagement of the business community with GPE rather than business engagement in education generally, suggest different roles for the business community at global and national level, and provide a series of principles to ensure transparency and accountability of the business sector in partnering with developing countries governments. It further proposes the business sector has particular added value in bringing innovation and entrepreneurial approaches to education systems and corporate responsibility to provide financial support for national education systems. The Conflict of Interest policy mitigates against these engagements benefitting the business rather than the education system and, ultimately, the learners.

4.3 Under the Knowledge and Good Practice Exchange Strategy, the Board agreed in June 2016[2] to interim procedures and safeguards for receiving financing from foundations for targeted knowledge and good practice exchange (KGPE) initiatives. During 2016, seven foundations provided support for three KGPE initiatives: **Building Early Learning and Development at Scale** (BELDS), **Assessment for Learning** (A4L), and **GPE's Gender Equality Policy and Strategy**.

4.4 In November 2016 the Secretariat met with the International Education Funders Group (IEFG) – the premier network of private foundations working in education – and the Foundation constituency representative on the GPE Board to begin to explore how the relationship between foundations and GPE can be retooled from a basis of financial support to one between strategic allies, technical experts, and joint advocates. A similar intention has been proposed to the business community through the Global Business Coalition for Education (GBC-Ed), who have indicated their interest in taking up the private sector board seat from the June 2017 Board meeting.

5. IMPLICATIONS FOR SECRETARIAT RESOURCES

5.1 Two existing Secretariat staff will coordinate the activities with oversight from the Secretariat Strategy, Policy and Performance (SPP) and Partnership and External Relations Team (PERT) managers. Specific items under any of the steps that may need additional capacity from consultants or firms will be supported through the FY17 secretariat budget.

[1] Corporate engagement principles and conflict of interest 2015 - http://www.globalpartnership.org/content/corporate-engagement-principles-and-conflict-interest-december-2015

[2] Options And Proposal For Strengthening Country Capacity Through Knowledge And Good Practice Exchange: Report From The Strategy And Policy Committee - http://www.globalpartnership.org/content/16-report-strategy-and-policy-committee-knowledge-and-good-practice-exchange-june-2016

6. NEXT STEPS

6.1. Following Board approval, the Secretariat will initiate the steps and develop a draft Private sector and a draft Foundations Case for Investment for Strategy and Impact Committee review at its April 2017 meeting, and Board approval of the full strategies at its December 2017 meeting.

7. PLEASE CONTACT

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8. ANNEXES

8.1 This paper includes the following annex:

Annex 1 – Roadmap for GPE Engagement with the Private Sector and Foundations

ANNEX 1: ROADMAP FOR GPE ENGAGEMENT WITH THE PRIVATE SECTOR AND FOUNDATIONS

1. DEFINITIONS

1.1 The GPE Charter defines private sector partners as "national businesses or country offices of international corporations where the predominant part of their strategy focuses on for-profit activities, as well as private sector associations and networks"[3].

1.2 Private foundations are defined within GPE's development partners who are comprised of "local representatives from bilateral and multilateral development partners and other donors (including private philanthropic foundations)"[4].

1.3 Both types of partner are accorded specific roles and responsibilities that enumerate how, by joining the partnership, they commit to support the GPE Compact specifically to: (1) increase support to government education sector plans, including through technical and financial support; (2) assist in mobilizing resources and aligning them with the priorities of developing country partners, and (3) harmonize procedures and utilize country systems as much as possible.

2. OBJECTIVES FOR GPE ENGAGEMENT WITH THE PRIVATE SECTOR AND FOUNDATIONS

2.1 **GPE's engagement with Foundations** and their support for GPE 2020 are driven by distinct objectives:

- Uncover shared goals and identify opportunities to drive shared value through strategic partnerships with foundations.
- Structure collaborations that unlock more and better foundation contributions to education sectors in direct support of education sector plans.
- Secure financial contributions from private foundations to the GPE pooled fund and/or targeted financing for Innovation, Knowledge and Good Practice Exchange, and Advocacy and Social Accountability, as articulated in the Financing and Funding Framework.
- Leverage foundation expertise and resources and develop technical and policy collaboration to support GPE engagement with developing country partners.

[3] Charter of the Global Partnership For Education 2016 - http://www.globalpartnership.org/content/charter-global-partnership-education
[4] Ibid.

- Increase the understanding of and support for the work of the Global Partnership, and basic education, amongst the foundations through advocates and advocacy initiatives at both global and country level.
- Strengthen the role foundations in GPE through a vibrant and engaged board constituency.

2.2 **GPE's engagement with the private sector** is motivated by the following additional objectives that will lead to the achievement of improved equity, better learning outcomes and more efficient education systems:

- Uncover shared goals and identify opportunities to drive shared value with like-minded investors and private sector partners
- Secure new and additional financing directly for GPE or indirectly for GPE-aligned sector investments as defined in the Financing and Funding Framework from companies and private organizations which have a shared vision for basic education,;
- Develop mutually beneficial high-impact transformational partnerships that can accelerate progress towards GPE's goals through leveraging complementary capabilities and expertise
- Increase the understanding of and support for the work of the Global Partnership, and basic education, amongst the business community through private sector leaders and advocates at both the global and country level;
- Deepen understanding of effective approaches to engaging the private sector's in education planning and policy dialogue at national level.
- Through increased engagement on GPE's board, enhance the private sector's engagement in global policy dialogue.

3. OVERVIEW OF THE APPROACH

3.1 GPE is committed to enhancing its engagement with the private sector and foundations, and to developing, through consultation and evidence based analysis, separate strategies for its engagement with these different constituencies. At the same time, GPE is entering a replenishment period that requires a plan for engagement with the Private Sector and Foundations. This Roadmap lays out a set of steps that will lead to:

1. Approval of a phased approach to engaging private sector and foundations at the February 2017 Board meeting.
2. An engagement plan for replenishment, including a Case for Investment, by April 2017.

3. A Private Sector Engagement Strategy and a separate but linked of a Foundations Engagement Strategy for approval at the December 2017 Board meeting.

3.2 Consultation with the two constituencies will be used to assess how each type of partner can add greatest value through global level financing and advocacy, and will form the core of the Roadmap for the February Board meeting. A more detailed strategy focusing on improving country level engagement will be developed in the second half of 2017, guided by further analysis of evidence about promising approaches to engaging with the Private Sector and Foundations in education sector strengthening.

3.3 In terms of approach, the Strategy and Impact Committee (SIC) will provide strategic and governance oversight to guide the strategy process through to completion. The consultation framework will involve Board members, and outreach to private sector and foundation partners. Partners will contribute substantively to the design process by committing time and resources to ensure the steps, principles and resulting strategies are truly co-constructed, embody mutually agreed value propositions, and strengthen the achievement of GPE's three strategic goals of improved learning outcomes, increased gender equity and inclusion, and more effective education systems.

The table below summarizes the key steps that are detailed in the following sections.

<table>
<tr><th rowspan="2"></th><th colspan="4">Key steps (2017)</th></tr>
<tr><th>Q1
(Jan/Feb/Mar)</th><th>Q2
(Apr/May/Jun)</th><th>Q3
(Jul/Aug/Sep)</th><th>Q4
(Sep/Oct/Nov)</th></tr>
<tr><td>Phase 1: February Board meeting (COMPLETED)</td><td>1. Engagement in the FFF
2. Roadmap consultations
3. Strategy and Policy Committee Meeting</td><td></td><td></td><td></td></tr>
<tr><td>Phase 2: GPE's third Replenishment</td><td colspan="2">4. Develop the private sector engagement plan and case for investment
5. Develop the Foundations engagement plan and case for investment</td><td></td><td></td></tr>
<tr><td>Phase 3: Private Sector and Foundation strategies</td><td></td><td colspan="3">6. Private sector strategy development
7. Foundations strategy development</td></tr>
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Phase 1: Run up to February 2017 Board meeting (COMPLETED)

Immediate actions are needed to deepen the engagement of both constituencies in burgeoning work and ensure consultations with a broader range of constituency representatives inform the surge of interest and opportunity to shape GPE's future work.

Step One*: *Engagement in the Financing and Funding Framework (FFF)

Representatives from the PS/F constituency will be invited to join two of five sub-groups of the SFWG. One member will be asked to join the Contributions and Safeguards Policy sub-group, the other to join the Operational Implications sub-group. The former seeks to ensure alignment with GPE and WBG principles for financial contributors while the second aims to lay out the transaction costs to operationalize the Financing and Funding Framework (FFF).

GPE will also seek the support of the PS/F constituency for exploring the role of private capital in leveraging innovative financing mechanisms, and corporate social responsibility for resourcing targeted financing windows for innovation, knowledge and good practice exchange, and advocacy and social accountability. This will complement the support sought for Foundation financing for targeted financing windows.

Step Two*: *Roadmap Consultations

Consultations will be held with the private sector and foundations constituency on 13th January and with Board participants of the Cambodia breakfast meeting on 19th January to review the draft Roadmap, agree the phased approach and timelines, and decide the steps necessary to ensure the development of linked private sector and foundations strategies by December 2017.

Step Three: Strategy and Policy Committee (SPC) meeting

A subsequent meeting of the Strategy and Policy committee on 31st January will deliberate the consultation findings and suggest amendments to the Roadmap and the following draft decisions for Board approval at its February meeting:

The Board of Directors:

1. Approves the Roadmap for Engagement with the Private Sector and Foundations...
2. Endorses the objectives and steps for engaging both constituencies over the course of 2017.
3. Approves the intention to focus on global level financing and advocacy by the private sector over the course of 2017, and exploration of country level private sector engagement from 2018.
4. Endorses the role of the SPC in providing governance and advisory oversight of the two strategies.

Phase 2: GPE's Third Replenishment

A Replenishment Engagement Plan will describe how the private sector and foundations will be engaged in and throughout GPE's replenishment period. Board decisions in February on the Financing and Funding Framework and the associated Contributions and Safeguards policy will guide the approach to developing separate but linked components for the private sector and foundations throughout the replenishment timeline from April when the replenishment campaign is likely to be launched through to November 2017 at the likely GPE replenishment event[5]. Between Q2 - Q4, in alignment with the FFF, the Secretariat will embark on outreach targeting strategic private sector and foundation organizations as outlined in the respective case for investment.

Step Four: Private Sector component

GPE's strategic collaboration with the private sector is multidimensional and recognizes the complementary capabilities and resources that the business sector can bring to basic education. As part of GPE's replenishment, and in line with the FFF, the Global Partnership will prioritize financial engagement with the private sector.

Given the complexities of private sector engagement the focus for GPE's replenishment will be global resource mobilization and advocacy relationships. Following the Board decisions on the FFF and CSP, specific activities will include:

1. *Elaboration of co-constructed principles*

   The GPE Secretariat will coordinate a series of consultations as from February with the private sector constituency to refine the mutually defined principles set out in the corporate engagement guidelines[6]. This will be imperative in order to develop a Case for Investment (point 4 below).

2. *Diversify GPE's financing mechanisms under the Financing and Funding Framework.*

   In February Dalberg will assist GPE to identify key investment options as entry points for global resource mobilization through private capital and investments. A work plan will be developed by the Secretariat to operationalize the financing mechanisms and cover administrative and financial modalities as identified by the FFF and CSP. Country level opportunities for private investment will be explored in FY18, with close attention to strengthening national systems.

[5] A detailed replenishment timeline will be clarified in February
[6] See footnote 2.

3. *Market analysis of ways in which the private sector contributes to basic education in GPE countries*

   A firm will be contracted in February to undertake an analysis of how the private sector contributes to basic education. Not only will this inform the case for investment but it will help gauge the appetite of the sector for GPE's replenishment. This analysis will also reference innovative collaborations in various relevant sectors e.g. health, mining, agriculture.

4. *Build a compelling case for investment to replenishment.*

   The private sector case for investment will be developed by April 2017. This will spell out the mutually-beneficial and compelling value proposition, in alignment with the FFF and CSP, for the private sector's reference during GPE's next replenishment cycle.

Step Five: Foundations component

A Foundations component of the Replenishment Engagement Plan will be developed and implemented concurrently with that of the private sector. It will be built on systematic consultation with foundation partners, including meaningful engagement in the thinking and design of the Innovation, KGPE, and Advocacy and Social Accountability funding windows under the FFF, as well as the Contributions and Safeguards Policy. Specific activities will include:

1. *Elaboration of co-constructed principles*

   The GPE Secretariat will coordinate a series of consultations as from February with the foundation constituency to co-construct and agree mutually defined principles for collaboration. This will be essential to set the terms of engagement but also as a precursor to developing a Case for Investment (point 5 below)

2. *Operationalize the three pilot KGPE initiatives and exploring further targeted funding initiatives*

   The GPE Secretariat will finalize the administrative, financial, and operational functions of the existing KGPE pilots by March, ensure supporting foundations are strategically engaged at the programming level by way of exploring further and future targeted financing initiatives with the constituency, and incorporate lessons learned from the existing initiatives in to the replenishment campaign.

3. *Market analysis of priority themes, funding modalities, and modes of foundation collaboration*

A firm will be contracted in February to analyze global and country level trends, priority focus areas and geographies of foundations working in education. Analysis will also cover funding and collaboration modalities of foundations in multi-stakeholder partnerships in the health, environment and other relevant sectors.

4. *Design of Targeted Financing funding windows*

   In addition to foundation representatives engaging in the SFWG sub groups, consultations will be held to solicit foundation views on the thinking and design of the Innovation, KGPE, and Advocacy and Social Accountability funding windows under the FFF.

5. *Build a compelling case for investment to replenishment.*

   The foundations case for investment will be developed by April 2017. It will draw from the research and partnerships described above, be informed by consultations with the constituency during March, and align with the FFF and CSP.

Phase 3: Private Sector and Foundation Strategies (April to December 2017)

'Full' private sector and foundations strategies will be delivered by the Strategy and Impact Committee for the December 2017 Board meeting. Building on the Replenishment Engagement Plans the strategies will describe the respective value propositions of collaboration between GPE, the private sector and foundations, specify the goals and objectives of the partnerships to drive GPE2020, and enumerate the ways in which these are to be realized over the strategic plan period. The departure point and approach for developing both strategies through to completion will be elaborating co-constructed principles via through regular consultations with each constituency.

Step Six: Private Sector Engagement Strategy

The main deliverable will be a comprehensive strategy on how GPE will, under shared goals and values, strategically collaborate with the business community. The strategy will not cover private education provision, which will be explored later in 2018. Specific activities will include:

1. *Build the private sector constituency and deepening the sector's participation in global policy dialogue*

   On-boarding the Global Business Coalition for Education (GBC-Ed) as the private sector constituency representative, with a GBC-Ed corporate member representing the private sector on GPE's board, will begin in January 2017 and ensure engagement in the development of the strategy.

2. *Commissioned research*

   Evidence-based reviews of where and how the Private Sector can add value in education systems (e.g. curriculum, testing, training, use of technology, books, infrastructure and service provision), including the role of local private capital and public-private partnerships, will be commissioned from April.

3. *Develop a knowledge sharing and learning component*

   Case studies, guidelines, a tool kit, and related knowledge dissemination activities on best practices in private sector engagement in the education sector to support developing country partners to engage with the private sector around advocacy and partnerships for education will be developed by October/November.

4. *Refine private sector engagement in country level processes*

   Throughout 2018 and 2019, the focus will be to (1) analyse the role of the private sector in sector policy dialogue; (2) assess the need for regulatory oversight capacity at national level and market shaping roles to harness private sector contributions; (3) consult on where GPE has comparative advantage to support private sector added value.

Step Seven: Foundations Engagement Strategy

As with Step Six, the main deliverable will be a comprehensive strategy on how GPE will, under shared goals and values, collaborate strategically with foundations. Specific activities will include:

1. *Building the foundation constituency*

   Regular meetings with the Board constituency will be established that include communication and updates on GPE business, as well as strategic discussions on how to expand and strengthen the constituency's work, representation and coordination.

2. *Strengthening foundation engagement in GPE governance processes*

   The constituency will be brought more squarely in to GPE governance processes by engaging through membership and chairing roles in Board sub-committees

3. *Cementing strategic relationships with key Foundation partners*

   Several historical or burgeoning relationships between GPE and foundations will be strengthened as from March, including with the Gates Foundation, MasterCard, the LEGO Foundation, Comic Relief, Dubai Cares, Education Above All and the Clara Lionel

Foundation. These relationships will generate insights for joint policy work, advocacy, and programming modalities.

4. *Develop a knowledge sharing and learning platform*

   Case studies, guidelines, and related knowledge dissemination activities on best practices in foundation engagement in the education sector to support developing country partners to engage with foundations around advocacy and partnerships for education will be developed for October/November.