CHIEF EXECUTIVE'S REPORT

For Information

1. PURPOSE

The purpose of this paper isto update the Board of Directors ("Board") on Secretariat activities, as well as provide early perspectives from the new CEO on Secretariat priorities for the future.

2. RECOMMENDED DECISION

This paper is for information only and no decision is being sought at this time from the Board of Directors.

3. EXECUTIVE SUMMARY

It has been regular practice for the Head of the Secretariat to provide a report to the Board on activities at each Board meeting. The GPE CEO started work on 15 February 2013 and this report provides early insights and perspectives. It is not proposed to provide a team-by-team update on activities: the regular partnership newsletter and monthly Board updates have provided much information. The CEO report will in the future: i) highlight key strategic issues; ii) provide information on grant activity, donor contributions and financial management; iii) provide information on the Secretariat budget and expenditure; and iv) also provide new information on any outstanding cases of misuse of funds. There are no new cases of misuse to report at this time.

4. RECENT HIGHLIGHTS

4.1 **Ministerial meetings in Washington DC**: The CEO, Board Chair and senior Secretariat staff participated in a number of high-level meetings and events in Washington from 15 April to 21April:

- At the heart of the week was the Learning for All Ministerial meetings, co-hosted by the World Bank President, the United Nations Secretary General, and the UN Secretary General's Special Envoy for Global Education. The meetings brought together Ministers of Education and Finance from eight developing countries representing half of the world's out-of-school children: Bangladesh, Democratic Republic of Congo, Ethiopia, Haiti, India, Nigeria, South Sudan and Yemen. Developing country partners emphasized the need to broaden the focus of international education to include access to education as well as quality of learning, and encouraged greater engagement from GPE. Following the Ministerial meetings, there are high expectations that GPE will take a lead in the follow-up to the Ministerial, and indeed, the Secretariat has initiated follow-up steps.
- The CEO participated in a special event at the White House with various senior staff of President Obama's administration and USAID (including Administrator Raj Shah) as well as a number of other donors, UNICEF, UNESCO and the World Bank. This event was seen as a confirmation of President Obama's commitment to international education and GPE will be monitoring further developments closely.
- Bilateral high-level meetings were held with donor representatives from Norway, Denmark, Canada, the European Commission, the United Kingdom, Australia, Dubai and Qatar in an effort to obtain re-affirmation of their commitment to GPE and to pave the way for the next replenishment campaign in 2014.
- Meetings were also held with representatives of various CSOs, including the Global Campaign for Education, Education International, Oxfam, Plan, Results and Open Society Foundation, about GPE's role and how best to mobilize additional resources for education. Meetings were also held with representatives of the business community and the Global Business Coalition for Education.
- A Memorandum of Understanding was signed between the Secretariat and the Islamic Development Bank seeking to foster greater cooperation and alignment, and the sharing of information.

4.2 During the same week, the Financial Advisory Committee held meetings in Washington DC from 16-19 April. The report and recommendations from the FAC

(including a total value of US$ 438.9 million in program implementation grants) are contained in BOD/2013/05 DOC 07.

4.3 Following Board approval of the draft UNICEF Financial Procedures Agreement ("FPA") (as managing entity) on 3 April 2013, the agreement itself was signed by the Trustee and UNICEF on 8 April. Disbursements to UNICEF for Chad (US$ 6,000,000) and South Sudan (US$ 11,060,200) were made on 14 April. Following signing of the FPA with UNESCO on 24 April, the funds for the UNESCO-managed grant in Chad (US$ 2,358,881) were disbursed on 30April. Annex 1 sets out the status of all GPE grants.

4.4 The Secretariat and Board working groups have been extremely active in preparation for the Brussels Board meetings, which sets the stage for progress in a number of key areas, including: i) implementation of the Strategic Plan; ii) planning for the next replenishment; iii) governance improvements; iv) further progress in GPE's engagement in fragile and conflict-affected states; and v) realignment of the Secretariat's structure and capacity to address more effectively Board and strategic plan priorities.

5. FIRST IMPRESSIONS

The new CEO has been on the job for a little under three months and, while still very much in listening and learning mode, shares the following first impressions.

5.1 GPE has an excellent country-based business model and a compelling way to work with countries. The model is highly fit for the post-2015 agenda where education is a central component within the whole development agenda and cuts across all sectors.

5.2 The GPE approach of working with countries on education sector plans has significant potential for helping effect system-wide change. This is somewhat different to the health vertical funds. This system-wide change has a greater chance of delivering better outcomes with a more effective and efficient use of financial resources. That said, the Country Support Team in the Secretariat needs to devote more time to supporting the plan development phase.

5.3 The concept of "partnership" is central to GPE and is highly compelling. More can be done to leverage the power of the whole partnership, using the full reach of its collective talent and know-how to help ministries develop strong plans and have the tools to implement them effectively.

5.4 The Secretariat has made great progress in spite of being very small. The breadth of its coverage is impressive and much of the team is smart, committed and dedicated. The depth of engagement is still lacking in some areas, mostly due to insufficient prioritization and resourcing.

5.5 The hosting arrangements with the World Bank require greater clarification following the Evans review. There is considerable confusion over the role of GPE, the multiple roles of the Bank, the relative decision-making and capacity needs.

5.6 Improvements can and need to be made in more proactive grant and portfolio management. This has been highlighted by a number of partners, including in the DFID Multilateral Aid Review ("MAR") and the Secretariat has had productive discussions with DFID during its latest MAR update, the outcomes of which will be available in the summer. The Secretariat welcomes this scrutiny and embraces feedback such as this.

5.7 Outside parties seem very willing to engage with the partnership, from the United Nations Secretary General's office to the White House, from think-tanks to the corporate sector. Clearly, the Global Partnership is being asked to take on a stronger convening and leadership role in the sector, evidenced most recently at the Ministerial meetings in Washington DC in April.

5.8 There is considerable untapped capacity for introducing more innovation into the sector and also the activities of the partnership.

5.9 The Secretariat has not been structured or functioning as efficiently or effectively as it could, principally due to a lack of alignment between core functions and partnership and Board priorities. The country-facing work has been significantly under-resourced, as has advocacy, resource mobilization and partnership support. Greater attention has to be paid to trust fund issues, operational aspects of portfolio and financial management, addressing the costs of program delivery, as well as some very basic functions such as human resources and Board services. More needs to be done to ensure improved value for money and transparency of trust fund and secretariat operations.

5.10 While there is a lot of data on education, it lacks the coherence and incisiveness to get at the right issues. Data is too enrolment focused and insufficiently outcomes and learning focused. The Learning Metrics Task Force is an important initiative in this

regard and the Secretariat will engage with it – and moreover, contribute to its work to help ensure its success.

6. KEY PRIORITIES

The CEO has highlighted the following issues as the top priorities for the coming six months.

6.1 Following the observations in paragraphs 5.2, 5.4 and 5.8 above, the CEO and the Senior Management Team are leading a **restructuring of the Secretariat.** The process is well underway and needs to be completed and bedded-down as quickly as possible. This restructuring, combined with a review of the resource needs embedded in the Implementation Plan, have resulted in a re-allocation of existing budget resources and a request for a supplemental budget. BOD/2013/05 DOC 09 sets out the details of the re-allocation and the supplementary request.

6.2 Following consideration of the Evans Review on **hosting arrangements**bothat the Board's face-to-face meeting in June 2012 and subsequent audio-conference in October 2012, the Board requested that rapid progress be made on the development of an agreement between the World Bank and the Secretariat on all issues pertaining to the relationship between the two parties. GPE has now hired a consultant to lead on this work under the direction of the CEO. An agreement will be presented to the Board for approval at its meeting in November.

6.3 The importance of **replenishment** cannot be over-stated. Demand from developing country partners is unprecedented while the global financial environment remains shaky. Indeed, donor funding for education is certainly under threat. A concerted effort on replenishment is required, though this cannot be simply a repeat of the Copenhagen conference, successful as it was. More creative thinking will be required as well as more ambition and some initial Secretariat thoughts are contained in BOD/2013/05 DOC 04. Attention will be placed on innovative financing opportunities, though it is important to note that any expectations of a rapid repeat of GAVI's successes in this regard should be tempered.

6.4 The partnership has shown commendable commitment to the development and early engagement on the **Implementation Plan**. However, it will be very important to

ensure that implementation is dynamic and partnership-wide. To this end, the Secretariat restructuring will ensure much stronger support to plan implementation.

6.5 There are **higherexpectations of leadership** from the Global Partnership, demonstrated most recently by the calls for a central role for GPE in the follow-up to the April Ministerial meetings in Washington and the prominence of GPE in the High Level Education Meetings held in Doha. We have to be up to this challenge and need todefine quickly GPE's game plan for successful follow-up, including ensuring education has a very strong focus and profile at this year's United Nations General Assembly leaders' meetings. Other high-value advocacy and outreach opportunities need to be identified and pursued.

6.6 Much needs to be done to develop a dynamic and coherent approach to **innovation** within the Partnership, including embedding a focus on innovation in the work of the Secretariat.

6.7 While the Secretariat and Board Chair have been active in the **post-2015 MDG** debate and consultations, further attention needs to be given to this.

6.8 The CEO will be visiting a number of developing country partners and donors between now and November.

7. MISUSE

7.1 Since the update that took place during the last meeting of the Board, in November 2012 in Paris, there have been no new cases of misuse of funds to report. The FAC was briefed on the latest situation in both Lesotho and Zambia at its meeting in Washington in April 2013 and a brief summary of the key points on each is set out below. The Board has received earlier briefings on both countries and the Secretariat has followed up closely with the respective supervising entities and Local Education Groups.

7.2 Lesotho:The Board has been informed of some issues in Lesotho in previous communications.On 2 April 2013, the World Bank (as supervising entity) issued a letter to the Minister of Finance of Lesotho requesting the reimbursement of some funds associated with the construction component of the program (US$ 234,226) and also requesting that the Government take all necessary steps and actions in repairing nine schools at its own cost to ensure adequatesafety.

7.3 Zambia: GPE contributed US$ 60 million to the NIF phase II Program, which is expected to be finalized by May 2013. Zambia and its partners have acknowledged challenges that culminated in suspension of support for the NIF phase II Program in 2010. As the Board has already been informed, by the end of 2011, all issues were resolved, with the reimbursement of ineligible expenditures. Two audits (pre-award audit and procurement audit) are part of the finalization process for the closure of this program. It has been agreed that if any ineligible expenditures are found, then reimbursement of funds will be necessary. This issue has been thoroughly discussed among members of the LEG and an agreed plan of action has been set out in a letter submitted as part of the NIF phase III grant application from the Ministry of Education to Cooperating Partners.

8. IMPLICATIONS FOR SECRETARIAT RESOURCES

The implications for Secretariat resources are outlined in detail in BOD/2013/05 DOC 09.

Annex 1: Global Partnership for Education – Status of Program Implementation Grants as of 30 April 2013

All Amounts Expressed in United States Dollars (USD)

Fund Country Name	Supervising / Managing Entity	Fund Status	Grant Agreement Date	Closing Date	Grant Amount USD	Disbursements USD	Undisbursed USD
DRC	World Bank	Pending	TBD	TBD	6,400,000	0	6,400,000
DRC	World Bank	Pending	TBD	TBD	93,600,000	0	93,600,000
Mali	World Bank	Pending	TBD	TBD	41,700,000	0	41,700,000
Burundi	Belgium	Pending	TBD	TBD	52,900,000	0	52,900,000
Guinea Bissau	UNICEF	Pending	TBD	TBD	12,000,000	0	12,000,000
Chad	UNESCO	Active	04/30/2013	04/29/2016	7,060,000	2,359,881	4,700,119
Nicaragua	World Bank	Active	04/20/2013	04/30/2016	16,700,000	0	16,700,000
Chad	UNICEF	Active	04/15/2013	04/14/2016	40,140,000	6,000,000	34,140,000
South Sudan	UNICEF	Active	04/15/2013	04/14/2016	36,100,000	11,060,200	25,039,800
Sudan	World Bank	Active	04/11/2013	02/28/2017	76,500,000	0	76,500,000
Vietnam	World Bank	Active	01/09/2013	05/31/2016	84,600,000	13,000,000	71,600,000
Ghana	World Bank	Active	11/22/2012	10/31/2015	75,500,000	10,000,000	65,500,000
Afghanistan	UNICEF	Active	08/03/2012	09/30/2015	56,257,000	9,090,000	47,167,000
Cote d'Ivoire	World Bank	Active	07/16/2012	09/30/2015	41,400,000	1,974,367	39,425,633
TimorLeste	World Bank	Active	06/25/2012	07/31/2015	2,800,000	0	2,800,000
Burkina Faso	World Bank	Closed	04/10/2012	09/30/2012	35,000,000	35,000,000	0
Moldova	World Bank	Active	03/27/2012	11/29/2013	4,400,000	447,691	3,952,309
Mongolia	World Bank	Active	03/06/2012	06/30/2014	10,000,000	2,000,000	8,000,000
Madagascar	UNICEF	Active	01/13/2012	06/30/2013	26,982,000	26,982,000	0
Rwanda	DFID	Active	09/12/2011	09/30/2014	70,300,000	44,000,000	26,300,000
Mozambique	World Bank	Active	07/18/2011	07/31/2014	90,000,000	46,739,739	43,260,261
Burkina Faso	World Bank	Closed	03/29/2011	12/15/2011	45,000,000	45,000,000	0
Kyrgyz Republic	World Bank	Active	03/23/2011	12/31/2012	6,000,000	5,908,730	91,270
PNG	World Bank	Active	03/03/2011	06/30/2014	19,200,000	2,194,433	17,005,567
Nepal	World Bank	Active	12/07/2010	12/15/2014	120,000,000	102,921,404	17,078,596
Malawi	World Bank	Active	11/22/2010	06/30/2013	90,000,000	38,208,000	51,792,000
Madagascar	UNICEF	Active	11/18/2010	12/31/2012	22,018,000	22,018,000	0
Cameroon	World Bank	Closed	11/11/2010	12/31/2011	24,564,100	24,564,100	0
Djibouti	World Bank	Active	10/30/2010	03/31/2013	4,000,000	3,626,743	373,257
Togo	World Bank	Active	10/29/2010	05/01/2014	45,000,000	23,901,534	21,098,466
Liberia	World Bank	Active	09/29/2010	06/29/2015	40,000,000	8,220,590	31,779,410
Guinea	UNICEF	Active	08/28/2010	12/31/2012	24,000,000	24,000,000	0
Lesotho	World Bank	Active	08/25/2010	05/31/2013	20,000,000	1,425,867	18,574,133
Lao PDR	World Bank	Active	08/12/2010	08/31/2013	30,000,000	18,188,181	11,811,819
Ethiopia	World Bank	Active	07/26/2010	06/30/2013	98,000,000	92,539,780	5,460,220

Haiti	World Bank	Active	06/10/2010	10/31/2015	22,000,000	19,739,258	2,260,742
Tajikistan	World Bank	Active	01/19/2010	06/30/2013	13,500,000	11,073,832	2,426,168
Madagascar	World Bank	Closed	12/18/2009	06/30/2011	15,000,000	15,000,000	0
Rwanda	World Bank	Closed	10/22/2009	06/30/2010	35,000,000	35,000,000	0
Niger	World Bank	Active	10/15/2009	05/31/2012	8,000,000	7,642,592	357,408
Yemen	World Bank	Active	09/30/2009	08/31/2013	20,000,000	20,000,000	0
Gambia, The	World Bank	Active	08/06/2009	06/30/2013	28,000,000	28,000,000	0
Zambia	Netherlands	Closed	08/03/2009	12/31/2011	60,200,000	60,200,000	0
Senegal	World Bank	Active	07/29/2009	09/30/2013	81,500,000	65,084,070	16,415,930
Burkina Faso	World Bank	Closed	06/29/2009	12/15/2009	22,000,000	22,000,000	0
CAR	World Bank	Active	04/06/2009	06/30/2013	37,800,000	35,770,334	2,029,666
Ghana	World Bank	Closed	04/01/2009	06/30/2011	0	0	0
TimorLeste	World Bank	Closed	02/12/2009	09/30/2010	4,861,428	4,861,428	0
Sao Tome and Principe	World Bank	Closed	01/26/2009	06/30/2011	3,600,000	3,600,000	0
Ethiopia	World Bank	Active	11/21/2008	07/07/2013	70,000,000	68,364,886	1,635,114
Sierra Leone	World Bank	Active	09/15/2008	09/30/2012	13,900,000	11,691,405	2,208,595
Mozambique	World Bank	Closed	08/21/2008	12/31/2010	79,000,000	79,000,000	0
Guinea	World Bank	Active	08/13/2008	12/31/2013	40,000,000	29,199,544	10,800,456
Cambodia	World Bank	Active	06/13/2008	12/31/2012	57,400,000	57,360,856	39,144
Benin	World Bank	Closed	04/18/2008	06/15/2012	75,108,025	75,108,025	0
Mauritania	World Bank	Active	04/08/2008	03/31/2012	14,000,000	13,998,039	1,961
Mali	World Bank	Closed	12/04/2007	12/31/2010	6,553,547	6,553,547	0
Rwanda	World Bank	Closed	09/11/2007	06/30/2010	70,000,000	70,000,000	0
Cameroon	World Bank	Closed	06/06/2007	10/31/2008	22,500,000	22,500,000	0
Kyrgyz Republic	World Bank	Closed	05/22/2007	05/31/2010	8,990,278	8,990,278	0
Mongolia	World Bank	Active	03/16/2007	12/31/2013	29,400,000	29,400,000	0
Nicaragua	World Bank	Closed	11/01/2006	10/31/2010	17,000,000	17,000,000	0
Ghana	World Bank	Closed	08/25/2006	08/31/2007	11,000,000	11,000,000	0
Lesotho	World Bank	Closed	07/06/2006	06/30/2010	11,671,512	11,671,512	0
TimorLeste	World Bank	Closed	06/12/2006	06/30/2009	8,188,095	8,188,095	0
Tajikistan	World Bank	Closed	05/29/2006	09/01/2010	18,250,293	18,250,293	0
Moldova	World Bank	Closed	05/25/2006	08/31/2010	8,768,414	8,768,414	0
Djibouti	World Bank	Closed	05/03/2006	09/20/2010	8,000,000	8,000,000	0
Gambia, The	World Bank	Closed	02/22/2006	12/31/2008	9,400,000	9,400,000	0
Yemen	World Bank	Closed	01/21/2006	11/21/2007	10,000,000	10,000,000	0
Kenya	World Bank	Closed	11/10/2005	12/31/2008	121,000,000	121,000,000	0
Madagascar	World Bank	Closed	07/20/2005	12/31/2010	60,000,000	60,000,000	0
Ghana	World Bank	Closed	02/16/2005	01/31/2006	8,000,000	8,000,000	0
Niger	World Bank	Closed	01/12/2005	06/30/2008	8,000,000	8,000,000	0
Gambia, The	World Bank	Closed	11/04/2004	12/31/2005	4,000,000	4,000,000	0
Niger	World Bank	Closed	10/06/2004	06/30/2005	5,000,000	5,000,000	0

Guyana	World Bank	Closed	09/28/2004	12/31/2012	32,919,857	32,919,857	0
Nicaragua	World Bank	Closed	08/19/2004	06/30/2005	7,000,000	7,000,000	0
Mauritania	World Bank	Closed	04/23/2004	06/30/2007	4,000,000	4,000,000	0
Yemen	World Bank	Closed	04/23/2004	08/30/2005	9,777,701	9,777,701	0
Mauritania	World Bank	Closed	04/23/2004	03/31/2006	5,000,000	5,000,000	0
TOTAL					**2,673,410,250**	**1,788,485,207**	**884,925,044**

Explanatory Notes

1. The table is sorted by Grant Agreement Date with unsigned and newest grant agreements first.
2. Program Implementation Grants above are funded from a number of GPE related Trust Funds.
3. Disbursements where the World Bank is the Supervising Entity refer to funds transferred by the World Bank for implementation purposes. Disbursements where other organizations are the Supervising or Managing Entity refer to transfers from the GPE Trust Funds to these entities.
4. Grant Amounts may not match initial allocation amounts approved by the GPE Board as closed grants are reduced to match the value of funds disbursed, while allocations may have been split into individual grant agreements for administrative purposes. In some cases an existing grant agreement was extended to accommodate new allocations.