CHIEF EXECUTIVE'S REPORT

For Information

1. PURPOSE

The purpose of this paper is to highlight key strategic issues facing the Global Partnership for Education ("GPE" or "Global Partnership") and update the Board of Directors on Secretariat activities and any recent issues of misuse of funds.

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

3.1 GPE is at a critical juncture in its eleven year history. Current financing trends reveal that financial support for global education is in a crisis. Despite much progress in increasing school enrolment, millions of children are not reaching their full potential in terms of what they are learning. GPE needs to adapt in order to meet these challenges. At the Global Partnership's upcoming meeting in Addis Ababa, the Board of Directors will be asked to consider a number of key issues that will enhance how GPE works and allocates its funds. The Board of Directors will also consider aspects of the plans at the heart of GPE's upcoming replenishment campaign. Following a run-down of a few recent highlights, this CEO report outlines the core strategic narrative that is emerging for the Global Partnership as it seeks to implement the operational changes necessary to adapt to the current environment and develop a funding and replenishment strategy that will

allow it to further invest in, and strengthen, education delivery in GPE's partner countries.

3.2 Details on grant activity and financial management are contained in BOD/2013/11 DOC 06, the report of the Financial Advisory Committee ("FAC"). Details of Secretariat activity and expenditure are contained in BOD/2013/11 DOC 11, the proposed 2014 Secretariat Budget. There are no new cases of misuse to report at this time.

4. RECENT HIGHLIGHTS

4.1 **United Nations General Assembly**: GPE CEO, Alice Albright, along with various staff from the Secretariat, participated in the following high-level meetings and events in New York from **18-29 September 2013**:

- Learning for All Ministerial meetings, co-convened by GPE and the UN Secretary General's Special Envoy for Global Education. The meetings brought together Ministers of Education and Finance from six developing countries: **Afghanistan, Chad, Myanmar, Pakistan, Somalia**, and **Timor-Leste**. The meetings discussed challenges and concrete steps to accelerate progress toward ensuring that all children can go to school and learn.
- Bilateral high-level meetings with donor representatives from **Canada**, **Denmark**, **Ireland, Korea**, **Switzerland**, **UAE** and **Dubai Cares** in an effort to pave the way for the next replenishment campaign in 2014.
- Various education and development events including: Education Cannot Wait, The Clinton Global Initiative ("CGI"), Learning Metrics Task Force ("LMTF") reception, Global Business Coalition for Education ("GBCE") meeting, Global Monitoring report ("GMR") event, Millennium Development Goals ("MDG") countdown event, Global Education First Initiative ("GEFI") anniversary event, and Global Poverty Project ("GPP") concert in Central Park.

4.2 **Commissioner Piebalgs to host GPE replenishment conference**: Commissioner Piebalgs has graciously offered that the European Union would host the upcoming replenishment and that he would personally champion the campaign and host the pledging conference in June 2014. The Global Partnership is highly appreciative of his enduring support.

4.3 **Meeting of the FAC**: The FAC met in Washington DC from 15-18 October 2013 and considered the largest round of applications in the Global Partnership's history: 16 grant proposals totaling just over US$ 700 million. The report of the FAC (BOD/2013/11 DOC 06) contains the detailed recommendations to the Board of Directors. In addition to holding several days of rich dialogue about the proposals themselves, FAC members debated a number of important strategic issues about how the Global Partnership's grant-making activities have evolved. Most notably, these included possible revisions to GPE's indicative allocation model, an attempt to standardize agency fees across the group of Managing Entities ("MEs") and Supervising Entities ("SEs"), an agreement to start expanding the list of MEs and SEs to a broader list of partners, and an agreement to recommend to the Board that the Global Partnership move ahead with a results-based pilot.

4.4 **Visits to developing country partners**: Alice Albright has visited Senegal, South Sudan and Afghanistan since the May 2013 Board meeting. These visits provided a tremendous opportunity to meet with partners in these countries and witness firsthand the remarkable difference that a steady commitment to education can make in countries emerging from conflict. In Senegal, the GPE delegation witnessed a terrific example of working with the faith-based community to expand access to education. It will continue to be a priority of Alice's to spend time with GPE's developing country partners and retain focus on the core business in this busy time leading up to replenishment.

5. STRATEGIC DIRECTION

5.1 Over the last six months at the Secretariat, the CEO has engaged numerous partners to gain an even deeper understanding of the challenges facing the Global Partnership and the global education sector as a whole.

5.2 **Global education goals still out of reach**. In spite of significant progress on the agenda to improve access, one in four children in GPE countries still do not complete primary school. 180 million children are not learning basic skills. Whole generations are missing out on education due to conflict, poverty and discrimination.

5.3. **Major challenges to improving public education, including sufficient finance, persist**. Profound challenges in the poorest countries prevent improvements in education access, equity and quality. Governance and public education systems

require far stronger responses by governments and development partners. Financing for basic education is decreasing in terms of both bilateral and multilateral aid. And, funding for education in humanitarian emergencies has hit nearly zero-level. As the Secretariat's Portfolio Review and the Results for Learning Report make very clear, current funding mechanisms and modalities are often ill-suited to respond to the financing needs of the diverse contexts in GPE partner countries and are not ideal for supporting sustainable education delivery (see BOD/2013/11 DOC 06).

5.4 **The Global Partnership must continue to evolve to address these challenges and achieve system-wide change**. It is clear that the Global Partnership needs to take further steps to improve the way it works. Though the Global Partnership has a decade of experience and progressive reform to build on, it is now well-positioned to further adapt its model to address the major challenges facing the education sector at the global and country levels. The focus for the next two years has to be on delivering the powerful policy platform laid out in the GPE Strategic Plan. In the lead up to 2015, GPE must have a stronger focus on achieving system-wide change and sustainability to ensure that efficient public systems are in place to deliver universal quality education. The Global Partnership must work to reinforce this outcome through all channels– thereby dramatically accelerating progress towards other international development goals.

5.5 **Key areas of operational improvement.** The Secretariat has identified three key areas of operational improvement that are addressed by all of the papers before the Board of Directors for its meetings in Addis Ababa.

i. **MORE FUNDING, BETTER SPENT**. A revision of the GPE funding model, including funding eligibility, allocation and structure, is needed to mobilize additional resources, respond to country contexts and incentivize system strengthening to fulfill the catalytic role of GPE at country level. The following changes have been identified to attract more education financing from domestic and international sources and to make that funding more predictable (see BOD/2013/11 DOC 06 and BOD/2013/11 DOC 04):
    a. Introduce incentives to increase and sustain levels of domestic education spending;
    b. Attract external funding to education by improving sector wide planning, implementation, monitoring and alignment; and

c. Change the GPE Fund structure to provide greater flexibility to deliver more financing for better results.

ii. **BETTER GOVERNANCE**. Improve the *country level processes* to ensure strong country ownership, better governance and clear accountabilities. At the same time strengthen global GPE governance structures to align with core GPE functions. The following issues will be developed further in the Report of the Governance Working Group (BOD/2013/11 DOC 03) and the Hosting Memorandum of Understanding paper (BOD/2013/11 DOC 09):

a. Increase assistance to support national government engagement in the development of education sector policies;
b. Generate stronger support for local education groups to ensure more inclusive and effective policy dialogue processes and increased capacity;
c. Implement a strategy to improve civil society participation in sector dialogue and monitoring;
d. Change the GPE Board committee structures to align with primary work functions of the Global Partnership; and
e. Ensure that GPE has a clear, and optimized, operational platform through a revised hosting arrangement (see BOD/2013/11 DOC 09).

iii. **EVIDENCE FOR BETTER POLICY MAKING**. Revolutionize the *collection and use of data* in the education sector to improve sector policy and planning, build local monitoring capacity, and improve the quality of data. GPE hopes to do this by:

a. Improving the use of evidence in the development and analysis of education sector plans;
b. Placing greater emphasis on reporting of education sector indicators by national education authorities;
c. Prioritizing the strengthening of national monitoring systems, including learning assessment systems; and
d. Implementing minimum reporting requirements for GPE's Supervising and Managing Entities.

This will be discussed in greater detail in the paper on data strategy for improved education sector planning and monitoring (BOD/2013/11 DOC 07).

6. KEY PRIORITIES

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

6.2 **Replenishment.** The Global Partnership's upcoming replenishment in June 2014 is the organization's top-most priority for the next 8 months. Next June, the global community will have a "turning point" opportunity to demonstrate that it has the political will to reverse the current downward trend in education finance. Significant time will be devoted to making the case for renewed investment in education and in the Global Partnership and its approach.

6.3 **Improvements to the GPE operational model**. The improvement of GPE's operational model is a key priority of the Global Partnership and the Secretariat's Leadership Team due to its high impact on the Global Partnership's core work. The Global Partnership needs to refine how it works and how it allocates funds. The GPE Secretariat will be presenting proposals for key changes in the Global Partnership's operational model to the FAC (or its successor committee) and the Board in the early months of 2014.

6.4 **Strengthening Secretariat structure and staffing**. The new organization (effective 3 June 2013), combined with a focus on systems, performance, results and outcomes, and global level visibility have represented somewhat of a culture shift for the GPE Secretariat. The new organizational structure was designed to enable the Secretariat to adapt to the changing environment and do three things better:

i. Focus more on "upstream" strategic policy dialogue with countries;

ii. Manage its operations more effectively; and

iii. Strengthen its outreach, advocacy, and communications reach at the global level.

6.5 Further, the Secretariat created a separate Monitoring and Evaluation team to provide more real-time feedback on how the Global Partnership is performing. The CEO created a stronger and more joined-up Leadership Team. While the change management process has proceeded smoothly thus far, it will be a top priority for both the CEO and the Leadership Team to continue to embed a new way of thinking and operating.

6.6 Among other things, the new organization has meant that the Secretariat will no longer be undertaking its own direct technical project work in countries, independent of the Country Support Team's work. Instead, the Secretariat will work with partner governments and ministries to help them improve how their education systems deliver. New areas of work will include financing modalities, use of data in policy development, and monitoring implementation. Further, the Secretariat will help coordinate the work of partner organizations as they focus on delivery of the Implementation Plan.

6.7 The hiring process for the 12 new headcount slots approved in Brussels has taken longer than expected, but all of the new staff members are expected to be in their jobs by early January 2014. In several cases, the Leadership Team has been dissatisfied with initial short-lists and has needed to re-post to improve the quality and diversity of the field. Given the critical importance that the Chief Technical Officer role holds for the Global Partnership's future, the CEO decided to engage an executive search firm for this assignment. Progress is steady and there is now a promising short list of candidates.

6.8 **Innovation and innovative financing**. A consistent theme from the CEO's early conversations with partners has been the appetite and need for innovation in the delivery of education – whether in the use of data, financing, teacher training, use of technology, and assessment. The Learning Metrics Task Force is a terrific example of how the field is advancing. Given its reach and membership, the Global Partnership could and should play a key role in helping to harness and deliver some of the best new thinking to GPE developing country partners to help them continue to invest in and strengthen their education systems. The Secretariat has several initiatives that are beginning to explore areas of innovation. First, the staff has begun to work on an innovative finance program. Second, following the Board's decision to discontinue the Global and Regional Activities program (BOD/2013/11 DOC 14), staff have put together early thinking on an innovation center –which will seek to identify the most promising ideas and take them to scale. Finally, with the recruitment of a private sector specialist, the Secretariat will be developing a private sector strategy to define GPE engagement with this key sector. Staff will be discussing the innovative finance work in Addis Ababa.

6.9 **Hosting**. Following the Board of Director's decision to improve the hosting relationship with the World Bank (BOD/2012/06-11), the Secretariat has now completed its first draft Hosting Memorandum of Understanding ("MoU") (BOD/2013/11 DOC 09). The dialogue with the World Bank has been productive and the Secretariat is grateful for

the time that the World Bank has devoted to this matter. The draft MoU seeks to achieve a philosophical shift in the relationship from "report under" to "partner with" which would allow both parties to focus on more strategic matters. In particular, the draft MoU seeks to establish a clear operational framework for the GPE Secretariat with delegation of authority for certain administrative matters, which historically have absorbed too much time. The Secretariat will present the current version of the Draft Hosting Memorandum of Understanding to the Board of Directors in Addis Ababa to seek broad endorsement for the overall direction and delegate to the CEO the responsibility for finalizing negotiations such that it can be signed within 3-6 months. The CEO will update the Board on progress by March 2014.

6.10 **Post-2015 MDG Debate**. While the Secretariat and many Board members have been active in the post-2015 MDG debate and consultations, further attention needs to be given to this.

7. MISUSE

Since the update that took place during the last meeting of the Board of Directors, in May 2013 in Brussels, there have been no new cases of misuse of funds to report.

8. IMPLICATIONS FOR SECRETARIAT RESOURCES

There are no immediate resource implications at this time.