REPORT OF THE MEETING OF THE BOARD OF DIRECTORS

18-19 NOVEMBER 2013, ADDIS ABABA, ETHIOPIA

INTRODUCTION

INFORMATION SESSION

A half-day information session was held on 17 of November 2013, including updates from the Financial Advisory Committee (FAC), implementation of the Strategic Plan, recommendations from the Governance Working Group (GWG), and progress on Civil Society Education Fund and Global and Regional Activities program.

The agenda for the meeting can be found on the Global Partnership for Education website ("Global Partnership" or "GPE"). A list of participants is found in **Annex 1**.

This report presents a summary of the issues discussed and the decisions approved.

1. WELCOME, AGENDA SETTING AND APPROVAL OF MEETING REPORT

1.1 The Interim Chair, Ms Geeta Rao Gupta, welcomed all participants to the meeting of the Board of Directors (the "Board"). She thanked the Government of Ethiopia for hosting the meeting and extended a special welcome to Ato Shiferaw Shigutie, the Minister of Education in Ethiopia, as the Alternate Member for the Africa 1 constituency attending aBoard meeting for the first time. She also noted that Ethiopia had made great strides in achieving the Millennium Development Goals (MDGs) for education.

1.2 In his opening remarks, the Minister congratulated the Interim Chair and the Board for holding a successful partnership results meeting and thanked the Global Partnership, Board Members and all development country partners around the table for the financial and strategic contributions to education in Ethiopia. The Minister highlighted that education continues to be important in promoting peace and democracy as well as assisting in the fight against poverty. He wished the Global Partnership success in its replenishment.

1.3 Following the Minister's opening address, the Interim Chair welcomed new Board Members, including Ms. Yvonne Stassen from the Netherlands Ministry of Foreign Affairs, representing Donor 1 constituency; Veronique Lorenzo from the European Commission, representing Donor 5 constituency; Christina Buchan from the Canadian Department of Foreign Affairs, the new Alternate Board Member representing Donor 3 constituency. She also thanked all the retiring Board members for their service to the Global Partnership.

Meeting Objectives and Outcomes

1.4 The Interim Chair reflected on the discussions held during the Partnership Results meeting. She noted that there is a lot more to be done in the field of education but that the Board should also recognize what partners have achieved as a community in reaching the MDG goals in education. She emphasized the enormous amount of progress made but asked that Board members remember the reason for this work: the children who deserve the right to education.

1.5 The Interim Chair noted that the agenda was extremely packed; which she said was both a testament to coming of age of the Global Partnership and its increased role. The Interim Chair summarized the meeting objectives, which included making decisions on improved governance arrangements, consideration of recommendations from the FAC for approving program implementation grants and for changes to GPE's funding model, allocation approaches and also eligibility criteria. She emphasized the need for a serious discussion of the upcoming replenishment. Additionally, the Board would be requested to consider implementing strategies around the improved use of data, the engagement of civil society, progress on hosting arrangements and risk management.

Overview of Agenda and Approval of Meeting Report

1.6 The Interim Chair tabled the agenda for the meeting.

1.7 The Interim Chair requested comments on the Report of the Board meeting held in Brussels, Belgium on 21- 22 May 2013 (BOD/2013/11 DOC 01A). One member requested an addition in paragraph 2.2 of the report noting that that the World Bank co-hosted the Learning for all Ministerial meetings held in Washington DC in April 2013.

1.8 The Interim Chair requested the approval of the report subject to this amendment being made.

Decision

1.9 The following decision was approved:

BOD/2013/11 01 — <u>Approval of Meeting Report:</u> The Board of Directors approves the Report of the Meeting of the Board of Directors held in Brussels, Belgium on 21-22 May 2013 (BOD/2013/06 DOC 01B) subject to the comments made at its face-to-face meeting held in Addis Ababa Ethiopia on 18-19 November 2013.

2. REPORT OF THE CHIEF EXECUTIVE OFFICER (BOD/2013/11 DOC 02)

2.1 Alice Albright, the Chief Executive Officer (CEO), provided an overview of key strategic issues facing the Global Partnership and updated the Board on Secretariat and partnership activities.

2.2 The CEO noted that there has been progress in strengthening the Secretariat over the past few months through restructuring and the hiring of new staff. The Secretariat has also created a separate monitoring and evaluation team to provide real-time feedback on how the Global Partnership is performing. Good progress has also been made in improving the relationship with the World Bank and both parties have agreed on a set of principles which will be memorialized in a hosting memorandum of understanding.

2.3 The CEO stated that the partnership has a better appreciation for the challenges it faces, but the key question is: does the Global Partnership remain fit for purpose in the current environment? Although the Global Partnership has improved visibility of education and demand for GPE funding has increased, there is a need to focus on better results, value for money, and supporting changes at the policy level. There are a number of successes to be celebrated: more children going to school, more children have access to lower secondary school and more girls in school than ever before. The Global

Partnership's unique approach to encouraging sector plans and reforms in GPE countries has created a coordinated approach for long-term solutions. However many challenges remain, including 57 million children still out of school, 250 million children who struggle with basic skills and a broad decline in support for global education financing over the last two years including a decrease of 36% in commitments between 2009-2011. Education remains out of reach for millions of the world's poorest children due to discrimination, conflict, lack of access and poor learning outcomes.

2.4 At the same time that there is a decline in donor support for education, demand for GPE funding is rising. Official Development Assistance ("ODA") has been reduced across the board, but the sharpest decline is in education. The hardest hit by this decline in ODA has been in GPE fragile and conflict-affected partners. Although domestic investment in education has increased, there is still a significant gap in meeting the demand for support to education. There is also a general consensus of the essential role that education plays in the development of overall economic growth. Education is widely recognized as critical, with 41% of World Bank client countries rating education as their top priority. However, while the global community understands the critical contribution of education, the sector has been receiving very little support; in effect only 7% of ODA. It is important to note that the private sector donates $16 to global health for every $1 for education.

2.5 Looking ahead, the CEO noted that the GPE funding model will become even more stretched due in part to the success achieved so far in funding education needs. More developing countries have joined the Global Partnership which has led to an enormous growth in the GPE footprint, while at the same time putting a strain on GPE resources. In order to address these challenges, the CEO noted that there is a need to refine GPE's business model to deliver better results and to meet high demand. The revised model has to result in more value for money; attract more diverse funding, incentivize change, respond to a wider set of contexts, incentivize more and sustained domestic investment and incorporate learning outcomes recommendations. The CEO noted that the replenishment gives the Global Partnership an opportunity to place innovation at the core of GPE's work. As part of this revision, there needs to be a shift in focus from project grant making to strengthening education sector planning and implementation and determining the Global Partnership's role, if any, in emergencies/ humanitarian crises.

2.6 The CEO discussed how replenishment would give the Global Partnership a unique opportunity to reverse some of the recent downward trends and increase the level of support for education and show delivery on results. Priorities for 2014 include: strengthening the Global Partnership and its operations, revising the GPE funding model, having a successful replenishment and engaging in the post-2015 debate.

Update on Misuse of Funds

2.7 The CEO noted that no new cases of misuse of funds have been reported since the last face-to-face Board meeting. She noted that the Government of Lesotho had fully reimbursed the Global Partnership all funds due and thanked the World Bank for resolving this issue with the Government of Lesotho.

Discussion

2.8 Board members thanked the CEO for a very helpful and strategic analysis of the challenges facing the Global Partnership. Issues noted for urgent discussion and decision included agreement on the linkage of GPE's strategic goals with prioritizing funding for the next replenishment period, agreement of a results-based funding model that prioritizes support to countries with the most pressing requirements and with demonstrated capability for effective program implementation, as well as setting of funding ceilings and prerequisites for developing country government contributions to education.

2.9 Concerning the future role of the Global Partnership, some Board members noted that the partnership should focus more on policy interventions at country level to support the efficient delivery of education programs and ensure aid effectiveness. Suggested areas for intervention included encouraging more inclusive decision-making, especially around the budgetary planning and implementation, agreement on education plans, and implementation and program review processes, including civil society and program beneficiaries.

2.10 Board members generally supported the view that there will need to be a recommitment to achieving the education agenda from all current and future partners. Both the donor community and developing country partners need to increase national budgets and support for education, while the Global Partnership needs to attract new donors and develop innovative financing mechanisms.

2.11 Several Board members noted that the recommendations of the Governance Working Group ("GWG") to establish new committees would allow the Board to focus on strategic policy issues, strategy formulation, results review and information sharing which would transform the Global Partnership into a very effective and visible partnership globally.

3. FINANCIAL FORECAST (BOD/2013/11/DOC 06 (Report of the FAC, Attachment 2)

3.1 Mr. Padraig Power, the Senior Financial Officer, presented the financial forecast contained the Report of the Financial Advisory Committee ("FAC"). He started off by giving a brief refresher on the GPE funding cycle. He reiterated the concerns expressed by the CEO concerning the capacity of the current funding model to address indicative allocations going forward, especially against a backdrop of increasing uncertainty in projected donor contributions. He noted that demand for GPE funding has accelerated while projections of contributions for 2014 have been reduced due to greater uncertainty in donor contributions. He noted that many donors may be waiting to announce any new contributions until the Replenishment Pledging Conference in June 2014. On the demand side, countries are applying for grants more quickly than anticipated. To take account of the increasing uncertainty, two forecast scenarios were prepared based on the FAC recommendations with respect to the 14 program implementation grant allocations and 2014 indicative allocations.

3.2 The Senior Financial Officer explained that at this point in time and based on the Comprehensive Funding Guidelines approved by the Board, there were sufficient funds to approve all of the FAC recommended proposals. He noted that based on the current financial forecast, GPE will require between US$491 and US$585 million from new funding under the next replenishment period to meet remaining grant commitments on approvals expected to be made by the Board during the current replenishment period ending in 2014. It is expected that if the replenishment outcome is only US$2 – 2.4 billion, then between 20 - 29% of funds generated under the next replenishment would be required to meet the funding difference created during the current replenishment period.

3.3 The two scenarios included a conservative and best estimate scenario. A conservative projection for replenishment would be at current levels of just over US$2 billion. If the next replenishment only brings in US$2 billion, the Secretariat would only have approximately US$ $1.3 billion for new allocations over the next four year replenishment period compared to the number of US$ 2 billion that was used to calculate indicative allocations in the previous replenishment cycle of three years.

3.4 The best estimate financial forecast shows that inflows are slightly more optimistic, and on the demand side, there may be a slowing down if two or three countries delay their grant requests. A replenishment figure of US$2.4 billion is slightly more optimistic and this would allow close to US$1.8 billion in new allocations since some of the funds would have to be used to cover the remaining commitments made for grant approvals during this current replenishment period and ongoing routine operating expenses of GPE.

3.5 Echoing the presentation of the CEO, the Senior Financial Officer reiterated the need to adjust the funding model to balance the need for predictability of funding to eligible countries with a predictable supply of funds to the GPE Fund. Donors that can pay earlier were encouraged to do so to reduce the risk of temporary shortfalls in uncommitted assets that could delay program implementation. The efforts of a number of donors that have already accelerated contributions were acknowledged.

3.6 The key messages of the report were that demand for funding had accelerated while projections of contributions for 2014 have been reduced, and there was likely to be continued uncertainty on the financial position until the outcome of the 2014 replenishment was known. The CEO noted that given the figures provided to the Board and increased demand for education funding, the ambition for replenishment should be higher than financial forecast's best estimate scenario of US$2.4 billion. Even if the Board adopted the more optimistic number of US$2.4 billion as a replenishment target, this would represent a scaling back in GPE programs at a time when the demand for support to education is growing.

Discussion:

3.7 Board members identified a few priority areas requiring immediate attention to ensure program sustainability. As an immediate step, revision of the funding model was supported to ensure both longer term program sustainability and to avoid increasing the current funding gap. Several members noted that the revision needs to be approved by the Board before setting targets for the next replenishment.

3.8 Board members noted that some donor countries have de-prioritized education because of their own financial constraints, but it was also acknowledged that the insufficient dissemination of results by GPE would likely diminish financial contributions even further. Engaging developing countries to increase national budgets for domestic financing during the next replenishment period must now be stepped up. Several approaches were proposed to achieve this including setting higher targets for the next pledging conference, inviting Ministers of Finance to Board Meetings, more engagement at country level and advocacy by civil society to influence prioritizing of education in developing country government budgets.

3.9 Several Board members supported the Secretariat's recommendation to develop more innovative approaches to meet growing financing needs including concessional lending, refinancing and debt buy-downs. The Islamic Development Bank shared some its relevant experience with debt buy-downs and expressed its hope that the Global Partnership would seriously consider these innovative financing mechanisms in the future.

3.10 Board members emphasized the need for strengthening the Global Partnership's role and visibility at the country level and its ability to "tell the story" of GPE's value-added. It was also noted that increased engagement at country level would likely increase the Global Partnership's ability to influence higher levels of budgetary commitment to education. Some Board members proposed that as an additional measure, the Global Partnership should invite Ministers of Finance to GPE Board Meetings and encourage them to consider higher levels of funding for the education sector. Stakeholder engagement and collaboration, especially with local donors, to ensure harmonized approaches and to improve overall aid effectiveness also received wide support.

3.11 Some Board members expressed the view that going forward, the Global Partnership was expected to play a leading role in policy dialogue, influencing countries to make the right choices that prioritize education for all children. This would include understanding what is happening on the ground, collecting and sharing data to build evidence/tools to influence policy, quality learning outcomes, domestic education budgets and defining levels of international support.

3.12 Some Board members noted that while focusing on the replenishment was important, the Secretariat will need to lead the way forward in the definition of priorities and interventions for the next replenishment period. It will need to recommend a well-planned process that will be able to highlight achievements made to date and remaining challenges, as well as define what progress will look like after the next replenishment period so that Board members can sell the GPE story.

3.13 The Board member for the Africa 2 constituency highlighted several initiatives that have been supported by the GPE secretariat and Germany's BACKUP Education which have made a notable and positive impact within the African constituencies, by strengthening communication and allowing a greater cohesion among the countries in the three African constituencies. These initiatives have allowed the constituencies to formulate regional decisions through consensus, leading to a stronger and more effective participation from the Africa Board representatives at face-to-face Board meetings. The Board member then called on the Global Partnership to continue to support this kind of regional exchange among the African countries, by endorsing and financially supporting the action plans each group had developed the week prior, during the Africa 1, 2 and 3 constituency meetings.

3.14 Many Board members suggested having a face-to-face Board meeting in early 2014 prior to the June replenishment to discuss the revised funding model and the replenishment strategy.

3.15 The CEO thanked the Board of Directors for the useful comments noting that several of the concerns around reporting on qualitative outcomes were under active consideration. The CEO also noted that the Secretariat was actively engaged in recruiting a Chief Technical Officer to lead policy and strategy. The CEO also acknowledged that it would be important to hold a face-to-face Board meeting in February 2014.

4. REPORT OF THE GOVERNANCE WORKING GROUP (BOD/2013/11 DOC 03)

4.1 Mr. Peter Colenso, Chair of the GWG, presented the recommendations of the GWG contained in its report. He noted that at the Brussels Board Meeting, the GWG had been requested to further review its initial recommendations and to develop a range of options for a revised Board structure, including the options presented at the time. The GWG Chair presented the comments of the Board made in Brussels and during its consultations over the past several months and the resulting changes to the GWG's recommendations, including options for consideration and the implications of each decision.

4.2 The proposed decisions included amendment of the Charter, approving new Board and Committee Operating Procedures, and establishment of three new standing technical committees and a Coordinating Committee, as well as amending the GPE Fund Governance document. The goals of the recommendations were to increase the strategic leadership of the Board over the partnership, strengthen monitoring of financial and programmatic performance and results, increase attention to global education issues and increase efficiency , transparency and voice.

***Amendments to the Charter*:**

4.3 The GWG Chair explained that the reason for amending the Charter was to reformulate the role of the Board of Directors and update terminology. Under the proposed revisions, the Board has the responsibility to: set strategy and policy, approve grants and monitor performance, monitor GPE management of GPE (governance, ethics, risk and finance) and exercise global education leadership. The amendments also delete operational/procedural aspects of the Board's functioning, which would be replaced by Board Operating Procedures. There were also other "clean ups" to country and global-level governance aspects.

Board and Committee Operating Procedures:

4.4 The GWG proposed new Board and Committee Operating Procedures to encompass current practice and bring consistency and transparency to the operations of the committees.

***Establishment of New Standing Technical Committees**:*

4.5 Taking into account the feedback received from the Board, the GWG developed three options for the establishment of new standing technical committees, which were mapped to the proposed description of the Board's role in the Charter.

4.6 The GWG proposed three options for the Board's consideration: (1) to maintain the status quo (no change to current committee structure); (2) "Status Quo Plus" (two standing technical committees – a Country Grants and Performance ("CGP") Committee to replace the FAC; and a Governance, Ethics, Risk and Finance ("GERF") Committee to replace the Ethics Committee; and *ad hoc* groups for matters not within the terms of reference of the two committees (including global education issues, revised funding model, etc.); and (3) establishment of three new technical standing committees (CGP Committee, GERF Committee and Policy and Strategy Committee). In both Options 2 and 3, the FAC and the Ethics Committee would be discontinued and their respective work taken over by the Country Grants and Performance Committee and the Governance, Ethics, Risk and Finance Committee.

4.7 The GWG recommended the third option – establishing three new standing technical committees which would ensure the most effective use of resources and skills on the Board with an inclusive and participatory policy development process. Detailed policy development and operational management would be delegated to the Committees and Secretariat. . The Board would retain all decision-making authority unless there is specific case-by-case delegation to a committee or to the Secretariat.

Discussions

4.8 Board members were generally supportive of the proposals and noted that the consultation process had been broad, resulting in a more transparent and inclusive set of recommendations. A few Board members questioned the need for the standing technical committees and wanted more explanation as to why the GWG felt they were necessary. The GWG Chair and members explained that many policies and initiatives such as the GRA program and fragile states took much longer than necessary to complete because there was not enough Board consultation prior to meetings and minimal time to discuss them at Board meetings due to already full agenda. It would have been more efficient to have those policies thoroughly reviewed at committee level followed by approval at face-to-face Board meetings.

4.9 Some Board members asked for clarification on the proposal that committee chairs should be required to be Board Members or Alternate Board members. The GWG Chair noted that the GWG had changed its recommendation in this regard since writing the paper as it was recognized that the time commitment for Board members may be too high. After some discussion on this particular issue, the Board accepted the GWG's revised proposed language in the Committee Operating Procedures to state that Committee chairs would preferably be Board Members or Alternate Board members, and to delete this requirement from the standing technical committee terms of reference.

4.10 Some Board members asked for clarification on how the Global Partnership's responsibility for promoting global education would be discharged under the revised governance framework. The GWG Chair noted that championing and advocating the cause of education remained a core responsibility of the Board and would not be mapped to any one committee.

4.11 Many Board members also called for the enlargement of the membership of the proposed Strategy and Policy Committee to ensure that a broad range of views are included. The GWG Chair noted that the increase may lead to some efficiency losses, but that the GWG would accept this enlargement if this was the Board's request.

4.12 Several Board members expressed the need to better define the skills needed for membership in each committee, including the chairs, to provide procedures for review of the terms of reference of Committees, clear reporting requirements to the Board, clear provisions relating to balanced representation of all constituencies to committees, feasibility of timeline for commencement of work and agreeing to a performance review period for all the committees. The GWG Chair noted that most of these were covered in the Committee Operating Procedures and terms of reference, but that the system would be monitored carefully and adjustments may be made as needed.

4.13 Regarding membership of the committees, the GWG Chair agreed that there needs to be the right balance of members, skills and preferences of the constituencies, however, he acknowledged that will require trade-offs. The Board Chair will be responsible for promoting these principles during the nominations process, and noted that the final decision on committee chairs and members will be the Board's as a whole.

Decision

4.14 Having achieved consensus on all the recommendations, subject to increasing the membership of the Strategy and Policy Committee to ten (plus the chair) the following three decisions were approved by the Board as a package:

BOD/2013/11-02 – **Amendments to the Charter:** The Board of Directors approves the amendments to the GPE Charter as set out in Annex 3 to BOD/2013/11 DOC 03.

BOD/2013/11-03 – Board and Committee Operating Procedures: The Board of Directors approves the Board and Committee Operating Procedures set out in Annex 7 to BOD/2013/11 DOC 03, subject to replacing Part 2, paragraph 3.1 with the following:

> 3.1 Board Membership. Unless specified otherwise in the committee terms of reference, committee chairs shall (i) preferably be either Board members or Alternate Board members; and (ii) possess the requisite skills and experience that align with the functions and responsibilities of the committee they chair.

BOD/2013/11-04 – **Establishment of New Technical Committees, Commencement of Selection of Committee Chairs and Members and Discontinuation of the Financial Advisory Committee, Ethics Committee and Governance Working Group**: The Board of Directors:

a. establishes the Strategy and Policy Committee, with the roles, responsibilities and membership set out in its terms of reference contained in Annex 4 to BOD/2013/11 DOC 03, subject to replacing Section C with the following:

> **C. COMPOSITION**
>
> **1. Size**
>
> The membership of the SPC shall be composed of a maximum of **11 (eleven)** members including the following:

a. a chair;

b. no more than 10 (ten) representatives from the following constituencies represented on the Board:

- 3 (three) from the donor countries;
- 3 (three) from the developing countries;
- 2 (two) from the civil society constituencies (northern/international, developing country, members of the teaching profession) or the private sector/private foundations; and
- 2 (two) from the multilateral agencies (multilateral and regional banks, UNICEF and UNESCO).

b. establishes the Country Grants and Performance Committee, with the roles, responsibilities and membership set out in its terms of reference contained Annex 5 to BOD/2013/11 DOC 03, other than the requirement that the chair be a Board member or Alternate Board member;

c. establishes the Governance, Ethics, Risk and Finance Committee, with the roles, responsibilities and membership set out in its terms of reference contained in Annex 6 to BOD/2013/11 DOC 03, other than the requirement that the chair be a Board member or Alternate Board member;

d. requests the Chair of the Board of Directors to commence as soon as possible the process for selection of the chairs and members of each of the new committees, as set out in the Committee Operating Procedures;

e. decides to discontinue the Financial Advisory Committee, Ethics Committee and Governance Working Group, which will take effect upon the latter of:

i. 31 December 2013; and

ii. the Board's approval of the chair and membership of the Country Grants and Performance Committee and Governance, Ethics, Risk and Finance Committee, and extends the term of the chair and the members of the Financial Advisory Committee until that occurs; and

f. thanks the chairs and members of the Financial Advisory Committee, Ethics Committee and Governance Working Group for their excellent work and commitment to the Global Partnership.

Establishment of a Coordinating Committee

4.15 The GWG Chair presented the GWG's recommendation to establish a Coordinating Committee. The role of this Committee would be to assist the Chair in coordinating the work of the committees, serve as a "sounding board" for the CEO and be available for delegation of time-sensitive decisions between face-to-face board meetings. The Committee would be chaired by the Board Chair (or Vice Chair), and include the chairs of the three standing technical committees and three additional Board members. If any of the three standing technical committee chairs was not a Board or Alternate Board member, then that particular member would be a non-voting member of the Coordinating

Committee and an additional Board member or Alternate Board member would be added to the Coordinating Committee. The size of the Coordinating Committee would therefore be anywhere from seven to ten members.

Discussion:

4.16 Some Board members raised concerns that the coordinating committee would not streamline decision-making but would create additional layers and would therefore end up being counter-productive. Some Board members were also not clear on the role of committee in relation to the Secretariat or if the committee would have decision-making powers. Other members noted that the proposal resembled the previous proposal to set up an Executive Committee which they had not supported.

4.17 Several Board members supported establishing a Coordinating Committee citing the practical difficulties that have been experienced in holding audio Board meetings, which have led to lack of inclusiveness because of the difficulty for some Board members to participate. Other views in support noted that establishment of the committee would promote strategic decision making and close existing gaps and would strengthen trust between Board members and the Secretariat.

4.18 Following further explanations provided by the GWG Chair, in particular on the requirement that delegation to the Coordinating Committee of decision-making power would need to be made by the Board as a whole, the following decision was approved, with Donor 5 constituency requesting that their concerns be recorded.

BOD/2013/11-05 – <u>Establishment of the Coordinating Committee</u>: *The Board of Directors:*

a. establishes the Coordinating Committee, with the roles, responsibilities and membership set out in its terms of reference contained Annex 8 to BOD/2013/11 DOC 03, subject to replacing Section C with the following:

C. COMPOSITION

The membership of the Coordinating Committee shall be composed as follows:

a. the Board Chair, or at the discretion of the Board Chair, the Board Vice Chair, if one is appointed by the Board, who shall chair the Coordinating Committee;

b. the chairs of each of the other standing committees established by the Board, who, if they are not Board members or Alternate Board members, shall be non-voting members;

c. three other Board members or Alternate Board members, selected on the basis of ensuring balance between constituency categories on the Board as set out in the GPE Charter; and

d. for any of the standing committee chairs who is not a Board member or Alternate Board member, an additional Board member or Alternate Board member, selected on the basis of ensuring balance between constituency categories on the Board as described in the GPE Charter.

In the event that the terms of any of the voting Coordinating Committee member as Board members or Alternate Board members and/or committee chairs expires before their term as Coordinating Committee members, their terms as Coordinating Committee

members shall end and their replacement shall be subject to the procedures set out in the COPs.

; and

b. requests the Chair of the Board of Directors to commence as soon as possible the process for selection of the members of Coordinating Committee, as set out in the Committee Operating Procedures.

Amendments to the GPE Fund Governance Document

4.19 The GWG Chair presented the proposed decision to amend the GPE Fund Governance Document as set out in Annex 9 to GWG's report. The purpose of the amendments was to update certain terminology used by the trustee, with no substantive changes to the operation of the trust fund. The Trustee noted that they had some additional very minor amendments which would not change the substance of the document. The Board agreed to approve the amendments subject to the Trustee's additions, which are contained in "Revision 1" in the Board document, and approved the following decision:

BOD/2013/11-06 – **Amendments to the GPE Fund Governance Document:** The Board of Directors approves the amendments to the GPE Fund Governance Document as set out in Annex 9 (Revision 1) to BOD/2013/11 DOC 03.

EXECUTIVE SESSION

4.20 The Board met in an Executive Session twice during the Board meeting to discuss the selection of the next Chair of the Global Partnership. The Interim Chair invited the CEO and one Secretariat note-taker to be present during the sessions. The Board did not take any decisions on this issue and agreed to further discuss progress.

5. REPORT OF THE FINANCIAL ADVISORY COMMITTEE (BOD 2013/ 11 DOC 06 A& B)

5.1 Camilla Helgø Fossberg, the FAC, presented the FAC's report.

Program Implementation Grant Allocations

5.2 The following Board members declared conflict of interest in relation to the decision on program implementation grant allocations: UNICEF (Supervising Entity for Central African Republic, Eritrea and Somalia), World Bank (Supervising Entity for remaining grants other than Tanzania), the Alternate Board member for Africa 1 (Uganda, a potential grant recipient). The Interim Chair noted that the Alternate Board member for Africa 3 from Ethiopia, also a potential grant recipient, was not present in the room.

5.3 The FAC Chair advised that a face-to-face meeting of the FAC was held from 15-18 October 2013 in Washington D.C. which was attended by all FAC members except for the representative from the Asia and the Pacific constituency who had resigned shortly before the meeting.

5.4 The FAC had reviewed a total of 16 applications for program implementation grants, two of which were not being recommended for approval at this time, while two were recommended with conditions to their funding.

5.5 The FAC Chair noted that the details of the FAC recommendations were in the report and drew the Board's attention to a number of specific countries: The FAC recommended an application for an

accelerated funding request in the Central African Republic. This was the second such request after South Central Somalia. The FAC recommended that the Gambia and Niger grants be extended to four years instead of three. In the case of Gambia, the deviation from the standard program implementation period is due to the complexity of the program and the need to ensure alignment with the country's national cycle. In the case of Niger, doubts around absorptive capacity and significant construction activities of the program informed the recommendation for a longer implementation period.

5.6 In the case of Uganda, the FAC recommended that the commitment of funds for the second and third years be conditioned on the Government not reducing its share of the domestic budget going to education below 2013 levels. The reason for this condition was because Uganda's domestic budget for education dropped from 16.8% in 2011 to 14.6% in 2013. It was emphasized that while the FAC strongly encouraged an increase in domestic funding, the condition was related to no further decrease.

5.7 For Cambodia, while there was no evidence of a decrease in funding, the FAC noted that Cambodia's domestic funding for education was very low at just 9% in 2013, an amount much lower than other countries in the region.

5.8 In the case of Nigeria, the FAC had noted that the grant proposal appeared to have been rushed. The FAC recommended that the Government resubmit the grant application as either one proposal or five proposals from each of the targeted regions. It was also recommended that the revised application address gender disparities and identify measures to mitigate security risks in the regions where the grant would be implemented.

5.9 In the case of Uzbekistan, the FAC discussions were overshadowed by an allegation of state sponsored forced child labor. The FAC Chair clarified that FAC did not make a recommendation for Uzbekistan as the application itself was deemed to be incomplete due to the need for revisions to the program documents, but were seeking the Board's guidance before considering any potential resubmission of the application. Civil Society raised concerns of forced child labor during the FAC meeting in October 2013. In addition, Uzbekistan is an IDA 3 country and technically is only eligible because the Board of Directors granted them (together with Nigeria and Djibouti which were discussed at the time) an exception in November 2012. The FAC Chair noted that it is possible that the issue of forced child labor will be raised again.

5.10 During the Board discussions, the Secretariat circulated an Information Note, Child Labor Monitoring Report from ILO and a letter that it had received from the Government of Uzbekistan on this issue. Both documents stated, which was also confirmed by the International Labor Organization ("ILO"), that the mission's observations were that the Government was not involved in forced child labor and that where child labor was found actions were taken to ensure that children were assisted and reintegrated into schools.. While the information note from ILO and the Government letter both stated that state sponsored labor by children under 18 years of age was not a feature of the 2013 cotton harvest in Uzbekistan, a second message from the Government to the Board included the statement that "These cases (of child labor) were initiated by the children themselves and their parents-farmers, government agencies were not involved."] This provoked some discussion among Board members. The Secretariat eventually confirmed with Ms. Constance Thomas, Director of IPEC (International Program on the Elimination of Child Labor) that the additional sentence was accurate from the observations of the IPEC monitoring mission and that she would be able to confirm the validity according to the monitoring mission reports. As she stated, the children that were found working in the fields were doing so either on their own free will or because of their parents' request. Ms. Thomas said that they had no reason to believe that the small number of children that were found working in the field were forced by the state and that ILO stands by its statement that there was "no systematic recourse to forced labor".

5.11 In terms of general trends and issues in program applications, the FAC Chair noted that the quality of the applications is improving. Countries are beginning to introduce innovative elements, including disbursement-linked indicators. The FAC requested Board input on whether Governments should be required to contribute a certain level of funding in order to receive GPE support and if civil society involvement in the Local Education Group ("LEG") should also become a pre-requisite for GPE funding and support in the future.

Discussion:

5.12 Board Members generally supported the view that a Government's commitment to education through sustained budgetary support should become one of the prerequisites for GPE funding. One member urged for caution because of the possible implications of this decision on GPE objectives in supporting fragile and conflict affected states.

5.13 Regarding areas of focus that should be included for funding in education plans, Board members supported prioritization of girl's education noting that this is one of the pillars of the strategic plan. Members also proposed that priority funding should go to fragile and conflict affected states especially given the funding constraints faced by the Global Partnership. One Board member noted that given the decline in GPE funding, supervision and agency fees should be reduced so that more funds can be devoted to program activities.

5.14 With respect to the proposed condition on Cambodia, it was noted that the education budget for 2014 had been approved since the FAC meeting, which has increased by 20%. Consequently, the Board determined that the proposed condition was no longer relevant and should be removed.

5.15 In the case of Uganda, Board members expressed their concern with the decline in national spending on education. One Board member recommended taking a stronger line: either resubmission based on renewed commitment from the Government to bring spending back up to 2011 levels or approve the grant pending evidence that there is an increase in levels of spending. Board members also agreed that Uganda should address some other outstanding issues, including implementing a fiduciary risk assessment and an audit framework before the grant goes forward. One Board member requested that the Supervising Entity report back to the Board on the measures being taken to address the fiduciary risk for the grant during implementation and asked that this request be noted in the Board Meeting Report. Another Board member thought that the Board should give the Government and the LEG the opportunity to address these issues rather than try to apply conditionality at this point in time. The Interim Chair suggested that interested Board members and the Secretariat work together to draft language for Uganda to be shared with the Board the next day.

5.16 The CEO noted that conditionality and incentives should be considered in the revisions of the GPE funding model.

***Decision*:**

5.17 Following the above discussions, the following amended decisions were approved:

BOD/2013/11-21 –<u>Approval of Allocations for Program Implementation Grants</u>: The Board of Directors:

a. approves the allocation from GPE trust funds for the program implementation grants as described in the applications submitted in the second round of 2013 and that are listed in Table 1 of BOD/2013/11 DOC 06b, subject to:

   i. availability of funds;

ii. Board decision BOD/2012/11-04 on commitment of trust funds for program implementation grants; and

iii. with respect to Uganda:

i. receipt of a letter addressed to the Board of Directors from the Government of Uganda confirming its commitment to increase its domestic budget and actual spending for education over the next three years; and

ii. regular reporting by the Local Education Group to the Country Grants and Performance Committee on the government's budget and spending on education.

b. requests the Secretariat to:

i. include in its notification to each of the relevant Local Education Groups of the approval of the allocations, the requests for report back and observations on the program set out in Table 2 in BOD/2013/11 DOC 06b.

ii. provide to the Country Grants and Performance Committee an update at its next face-to-face meeting on the issues listed as "report back" in Table 2 of BOD/2013/11 DOC 06b; and

iii. provide to the Local Education Groups in Nigeria the reasons that the FAC did not recommend an allocation in response to its proposal, as indicated in BOD/2013/11 DOC 06b Table 2, and encourage Nigeria to resubmit an application in 2014; and

c. requests the Financial Advisory Committee (or the Country Grants and Performance Committee, when operational) to review a revised proposal from Uzbekistan which addresses the issues raised by the Financial Advisory Committee in BOD/2013/11 DOC 06b and present its recommendations to the Board of Directors.

Indicative Allocations List 2014 and Revised Funding Model

5.18 The FAC Chair recalled that at the Board Meeting held in May 2013, the Secretariat had, as part of presenting its financial forecast figures, advised that the projected funding gap for the current replenishment period (to the end of 2014) had increased to US$ 406 million and that this was subject to further change. Considering the need to balance flexibility with predictability, the Secretariat had been asked to consider and discuss changes to the funding model with the FAC and come back to the Board with various options.

5.19 At its October 2013 meeting, the FAC reviewed the indicative allocations for 2014 and potential revisions to the allocation methodology going forward. The FAC was concerned over the deterioration of expected contributions through the end of 2014 and the projected increase in the funding difference to between US$ 491 to US$ 585 million expected to be required from contributions in the next replenishment period to cover remaining commitments based on approvals expected to be made in the current replenishment period. The Secretariat presented three options on the indicative allocations to the FAC for its consideration. The first option was the least conservative and recommended retaining an indicative allocation for Angola (no longer technically eligible for GPE Funding), providing an indicative allocation for newly eligible countries, adding Rwanda, Nepal and Malawi (existing grants ending in 2014), and retaining Togo (performance at time of FAC review was delayed). Option 2 was recommended by the Secretariat and recommended no allocation for Angola, newly eligible countries, or Rwanda, Nepal and Malawi, retaining Togo and no other changes to the

list. Option 3 was the most conservative and recommended no allocations for Angola, newly eligible countries, or Rwanda, Nepal, and Malawi, not retaining Togo and reducing all other allocations by 25%.

5.20 The FAC agreed to the second option recommended by the Secretariat noting that it balanced the need to meet existing obligations to countries while not increasing the funding difference to the levels outlined in Option 1. The FAC did not reach a consensus on the issue of providing an indicative allocation to countries like Rwanda, Malawi or Nepal which were all on track to complete existing grants in 2014 but the majority view was not to provide an indicative allocation. Due to the current funding situation, it was agreed that these countries could re-apply in 2015 after the replenishment campaign, assuming that they will be provided with an indicative allocation. There was recognition of the need to mitigate the impact on those countries who do not have an indicative allocation in 2014, and in principle the Secretariat informed the Board that they would be happy to have a round of early applications in 2015 if this was feasible taking into consideration the ability of countries to be able to prepare an application under the proposed new funding model in time. In relation to Togo, a slim majority of FAC members supported retaining the indicative allocation, and it was noted that the disbursement rate for Togo had accelerated significantly by the time of the Board meeting.

5.21 Regarding potential reviews to the GPE Funding Model, the FAC debated the ability of the current model to provide funding to developing country partners against declining contributions. The difficulty in deciding on the indicative allocations for 2014 was in part due to the current funding model. There was consensus among the FAC members to move to a new funding model that balanced predictability of funding to countries with a predictable supply of resources to the GPE Fund. The FAC noted that the options for the revision of the model should seek to keep administrative costs to a minimum, and have clear indicators and criteria. It was also noted that a review of the eligibility criteria and the needs and performance framework need to be incorporated in the options and the work needs to be completed before the next replenishment. At this Board meeting, the FAC was looking for broad agreement on the principles of revising the funding model so that the Secretariat could begin to formulate options.

5.22 The FAC Chair invited the Senior Financial Officer to present recommendations for developing options for a revised funding model for the next replenishment period. The strengths and weaknesses of the current model were first reviewed. The strengths include promoting predictability and generating demand through provision of an indicative allocation, and reducing subjectivity when deciding on the allocation of funds through the use of a formula based approach (needs and performance framework). The weaknesses included a failure to account for implementation readiness, underestimation of demand, use of uncertain elements of supply in calculating allocations, and the use of a maximum indicative amount that may have created a perception that this amount was an entitlement which in turn created a level of expectation that the Board felt obliged to meet.

5.23 The Secretariat proposed to revise the model by providing a minimum indicative allocation based on a more predictable supply of resources, with the ability to access a higher amount if funds are available. The ability to access the higher amount could be linked to incentives related to development effectiveness, value for money, and results. The CEO noted that this approach, if taken together with clear performance expectations would improve aid effectiveness, and value-for-money, program results and outcomes could be even stronger. She noted that timing of the change is critical but will need to be collapsed and done on a conceptual basis given the time constraints. She also noted that we would need to figure out the appropriate consultation mechanisms given the accelerated timeframe for completing the options. The Secretariat will communicate the 2014 indicative allocations following the Board meeting and will start developing options for a revised funding model for presentation to the Board during the first quarter of 2014.

Discussion:

5.24 With regard to the indicative allocations for 2014, the FAC recommendations received broad support. Several members proposed that performing countries like Rwanda, Nepal and Malawi should continue to be supported. One Board member objected to the inclusion of Uzbekistan as having now become a middle income country while excluding Angola. However, it was noted that Uzbekistan had been approved as an exception previously and the Board did not want to continue making exceptions.

5.25 Board members were supportive of the recommendations to revise the funding model. Various suggestions were made concerning the general principles. Many Board members stressed the importance of incentives, alignment and predictability. Others emphasized the need to consider domestic funding and willingness to mobilize alternative financing for education, as well as demonstrating results and accountability evidenced by data. Additional elements to consider would be broad criteria around specific country circumstances (such as fragility and IDA countries) and linkages to GPE's strategic plan. Board members also emphasized that even the minimum indicative allocation should not be perceived as an entitlement, and therefore consideration of basic requirements to access funding should be incorporated in the design of the new model.

5.26 In terms of timing, consultations and communications, Board members agreed that the review is urgent and needs to be completed and communicated before the next replenishment. Several Board members recommended that a special face-to-face Board Meeting needs to be convened by late February in order to approve the recommendations. The Strategy and Policy Committee also needs to meet to work with the Secretariat on the revised funding model on a priority basis.

5.27 It was also proposed that there needs to be direct communication with developing country partners so that expectations can be managed. One Board member noted that while the funding shortfall is a major driver, country commitment, alignment to strategic plan, performance, accountability and results should be equally important. These important aspects should be given equal priority in the revised funding model and communications to developing country partners.

5.28 The Interim Chair noted that there was agreement to the revision of the funding model and to the principles that would guide and shape the development of different options. The Interim Chair asked the Secretariat to prepare new decision language reflecting the discussions of the Board of Directors, and these new decisions were presented and agreed at the next day's meeting.

Decision

5.29 Following discussions and agreement to review the decision language, the following decisions were approved:

BOD/2013/11-07 — Indicative Allocations List 2014: The Board of Directors approves the revised list of indicative allocations for program implementation grants 2012-2014 set out in Annex 3 of the Report of the Financial Advisory Committee (BOD/2013/11 DOC 06A), which shall be in effect for the first and second round of funding in 2014.

BOD/2013/11-017 — Options for Revision of the GPE Funding Model: The Board of Directors:

a. recognizes the need to adapt the funding model to balance the need for predictability of funding for developing country partners with the predictable resources available for the Global Partnership;

b. further recognizes that GPE funding must be allocated and managed in a way that maximizes the efficient and effective use of GPE resources towards achieving the mission of the Global Partnership; and

c. requests the Secretariat to:

i. develop options for a revised funding model for the 2015 – 2018 period taking into account that GPE funding should seek to:

- incentivize and reward the delivery of results against strategic plan objectives, development effectiveness and increasing value for money with context specificity; and

- attract additional domestic and external financing for education; and

ii. consult with GPE partners and present the options to the Board of Directors at its special face to face meeting currently anticipated to be held in February 2014.

Supervision, Agency, and Management and Administration Costs:

5.30 The FAC Chair presented a proposal to introduce a more flexible approach to supervision allocations. For agency fees, , the Secretariat would be mandated to engage with partners and where possible, obtain reductions/exceptions in fees charged. There would also be a cap of 7% on agency fees of the entire allocation for newly eligible Supervising and Managing entities. The Secretariat would also be asked to analyze and clarify roles of Supervising and Managing Entities, strengthen guidance on management and administration costs and facilitate the review of such costs through the portfolio review.

Discussion

5.31 The proposal received broad support of the Board. Suggestions made to improve overall effectiveness and manage costs included determination of whether a Supervising Entity was always required or not. Some Board members also suggested that the Secretariat should put in place a framework that seeks accountability for Supervising Entity performance.

Decision:

5.32 The following recommended decision was approved:

BOD/2013/11-08 — <u>Supervision, Agency, and Management and Administration</u> <u>Costs:</u> The Board of Directors:

a. approves the approach to supervision allocations described in Annex 8 of the Report of the Financial Advisory Committee (BOD/2013/11 DOC 06A);

b. requests the Secretariat to engage with and seek exemptions/reductions on agency fees from all GPE partners currently charging them to GPE grants and report back at the next face-to-face meeting of the Board on progress;

c. calls on GPE partners to support requests for reductions in fees where feasible;

d. approves a maximum agency fee of 7% of the entire grant amount (including agency fees charged within the grant by sub-contractors) for newly eligible Supervising or Managing Entities that may be approved by the Board of Directors under the Supervising and Managing Entity Eligibility Expansion Plan;

e. requests the Secretariat to analyze further the roles of Supervising and Managing Entities and provide a clear definition on each and/or develop alternate terminology to better reflect the broader spectrum of roles, and report back to the relevant committee at its next face-to-face meeting;

f. requests the Secretariat to:

i. prepare guidance on management and administrative costs that may be charged to GPE grants which includes a discouragement of including contingency line items; and

ii. strengthen the Quality Assurance Review process in relation to review of management and administrative costs; and

iii. report back to the relevant committee at its next face-to-face meeting.

g. requests that the Secretariat continue to monitor and analyze supervision, agency, and direct management and administrative costs on an ongoing basis and provide this information in the annual portfolio review report.

Supervising and Managing Entity Eligibility Expansion Plan

5.33 The FAC Chair presented a proposal to implement a supervising and managing entity eligibility expansion plan. The main purpose for the expansion is to address the need identified in the strategic plan to expand the number of entities that can take on the role of managing a program in a fragile context, although the expansion would also allow access to all types of GPE grants. Through the proposed expansion, increased flexibility would also be provided to LEGs where an existing entity needed to be replaced. The proposal establishes eligibility criteria and an assessment process, and includes initial nomination to create a pool of eligible organizations by the Board/LEG with final approval at Board level. It was also noted that country ownership is fully respected as only the LEG may nominate the Supervising or Managing Entity for a country level grant.

It was explained to the Board that the provision of US$150,000 requested in Clause 1b of the original decision language in the FAC Report, page 11 of Document 6A, Part I, would be covered by the Secretariat budget and the decision language had been changed accordingly. It was further noted that if these changes were approved, all donors would need to agree to modifications in the definition of a Supervising Entity and Managing Entity in the GPE fund governance documents.

Discussion:

5.34 The recommendation received overall support from the Board of Directors. Some Members suggested that the Secretariat look at ways of mitigating and tracking supervision costs and nomination processes to promote more country ownership and effectiveness. It was also proposed that in appropriate cases, the LEG should be the supervising entity to bring down the costs of supervision. One Board member proposed that agency fees should not be included in computation of the approved grant amount and that the possibility of LEGs serving as monitoring bodies should be examined.

5.35 One Board member asked why the expansion plan should be limited to non-profit organizations. The Senior Financial Officer explained that the issue was raised in the FAC, but there was no significant support at this time for it, but that it could be something that could be reviewed at a future point by the relevant Board committee.

Decision:

5.36 The following decision was approved:

BOD/2013/11-09 — <u>Supervising and Managing Entity Eligibility Expansion Plan:</u> The Board of Directors approves:

a. the Supervising and Managing Entity Eligibility Expansion Plan as set out in Annex 9 of the Report of the Financial Advisory Committee (BOD/2013/11 DOC 06A), including the required modifications to the GPE Fund Governance Document ;and

b. the Guidelines for assessment of newly eligible supervising and managing entities as set out in Annex 10 of the Report of the Financial Advisory Committee (BOD/2013/11 DOC 06A.)

Portfolio Review

5.37 The FAC Chair presented the portfolio review report. The report was submitted to satisfy the requirements of the FAC terms of reference which requires annual reports on grant portfolio performance and make recommendations for future funding priorities and strategies. The FAC Chair acknowledged the very high level of support and dedication displayed by the Secretariat, including discussions at FAC meetings, and receiving feedback up to the time of submission of the final report.

5.38 The FAC Chair noted that the report focused primarily on progress made on grant approvals and implementation rather than results and impact. The Monitoring and Evaluation Unit of the Secretariat had prepared a grant performance report which provided results and impact of GPE grants. Program implementation and disbursements were noted to be on track for the majority of grants and additional details were provided in the report for those countries that were delayed.

5.39 The portfolio review identified challenges and offered recommendations for addressing them. The report highlighted the need for greater focus on implementation readiness and a need for basic standardized reporting to improve GPE's ability to report on results. It also demonstrated the lack of progress on using most aligned modalities and a need for an examination of the role of Supervising Entities and Managing Entities. Most of the issues identified would be addressed through initiatives such as increasing the number of Supervising and Managing entities, introduction of program quality assurance reviews, increase in resources for the Secretariat's country support team and establishment of the Monitoring and Evaluation Unit within the Secretariat. Other issues raised would need to be addressed through revision of the GPE funding model which would allow for incentives to be built into the model to encourage development effectiveness, value for money and a focus on results.

Discussion:

5.40 The Report was well received and the Board appreciated the efforts of both the FAC and the Secretariat in completing the exercise. The merits of the recommendation to review the funding model to assure development effectiveness and predictability of funding were re-affirmed.

5.41 Many Board members agreed with the need for standardized reporting. The FAC Chair explained that a standard template for reporting would be established in consultation with the Supervising Entities and Managing Entities. It would not take the place of country reporting.

Decision

5.42 The following decision was approved:

BOD/2013/11-10 — Portfolio Review Recommendations: The Board of Directors requests the Secretariat, working with interested Supervising and Managing Entities to develop:

a. a proposal on standardized reporting of basic programmatic and financial information for GPE grants to be used for reporting to inform the Board and its committees;

b. options that may include a potential revision to the "Policy on Timeframes for Grant Agreement Signing and Implementation and Procedures for Proposed Revisions to Implementation Grant Programs" to increase the focus on implementation readiness of program implementation grant applications; and

c. provide the options to the relevant committee, and for such committee to present its recommendation to the Board at its face-to-face meeting currently scheduled for in 2014.

6. DATA STRATEGY FOR IMPROVED EDUCATION SECTOR PLANNING AND MONITORING (BOD/2013/11 DOC 07)

6.1 Jean-Marc Bernard, Monitoring and Evaluation Lead, and Paul Coustère, Lead of the Country Support Team, presented the Data Strategy for Improved Education Planning and Monitoring. The Secretariat was seeking a decision from the Board to move towards a comprehensive approach to data within the Global Partnership that will improve education sector planning and monitoring at all levels.

6.2 The Interim Chair observed that a working group had been previously established by the Board to reflect on the indicators for the strategic plan. The data strategy proposal builds on some of the conclusions of the working group, particularly in terms of the lack of reliable and timely data. She noted that progress in terms of indicators for education sector planning and monitoring are directly linked to the availability of relevant data and analyses. The same is true for aid effectiveness. Progress in harmonization and alignment also relies on good information and assessment. The Interim Chair called on Board members to discuss the proposal in depth as it is a strategic element that is capable of significantly improving the way the Global Partnership operates.

6.3 Building on the introductory remarks, the presenters informed the Board that the proposal aimed at addressing broader data issues that will contribute to improve education planning and monitoring and help demonstrate education results. Implementation of a data strategy for the Global Partnership would also be in line with international standards and builds on partners experience and expertise. Thus, partnership synergies would be harnessed to avoid duplication. The presenters went on to explain that the Global Partnership faced two major data challenges. The first challenge is a gap in education sector data which is critical in order to demonstrate education results. This gap includes a lack of data on learning and financing, timely reliable data for sector monitoring, thorough and systematic education sector analyses and sector specific public finance assessments. The second gap is in GPE grant data. The Supervising Entities and Managing Entities use different reporting formats so that is difficult, if not impossible, to compare data. In addition, there is also at times a lack of basic data, which makes GPE grant monitoring very challenging.

6.4 Based on the observed challenges, the Secretariat proposed that the Global Partnership adopt a comprehensive strategy to address the gaps in data, both at the education sector level and with GPE grants. The Global Partnership needs to systematically address data issues, better support evidence based policies , and adopt a more proactive approach to public finance management issues. With regard to gaps in GPE data, the Global Partnership needs to revise data requirements for GPE grants, ensuring that reporting requirements are realistic and relevant to both inform the grant portfolio review and provide data to assess grant performance.

6.5 In terms of indicators of the GPE Strategic Plan, the Secretariat proposed a sequenced approach. In the short term, the Secretariat will continue to monitor standard indicators currently in the Strategic Plan (Gross enrolment ration in pre-primary education, primary completion rate, ratio of transition to lower secondary, etc.). And, in the longer term, new indicators, developed with partners (learning indicators with Learning Metrics Task Force (LMTF), equity indicators, safety and condition of schools, etc.), will be considered for the monitoring of the implementation of the Strategic Plan.

6.6 Concerning the way forward, the Secretariat proposed to (i) update GPE process (guidelines) to ensure that the data issue is systematically addressed; (ii) develop a proposal to finance education sector analyses and public expenditure and financial accountability assessments to be presented to the Board at the end of March; (iii) develop in consultation with Supervising Entities and Managing Entities, the minimum requirements for monitoring and evaluation of GPE grants; and to integrate the data strategy in the ongoing work on innovation.

6.7 In terms of the requested decision language, the Secretariat proposed some changes to what had originally been proposed in the Board paper to more accurately reflect a broader approach to define the strategy and implement the next steps. It was noted that the changes did not change the substance of earlier recommendations and the overall thrust of the decision was a request for approval to go forward with the proposal to define a data strategy.

Discussion

6.8 Board Members supported the recommendation to implement a comprehensive data strategy noting that reliable data was an important issue to the Global Partnership. All Board members agreed on its critical importance to achieving GPE's strategic objectives. Board members provided comments on data issues, the potential role of the Global Partnership and collaboration with other institutions.

6.9 Board members underlined the importance of the link between the indicators in the strategic plan. They emphasized the priority on learning outcomes measurement that leads to improved learning outcomes, supporting the LMTF work and strengthening country systems. They also confirmed the importance of systematic education sector analyses and public expenditure and financial accountability assessments. Several Board members noted that it is essential to avoid duplication and work closely with the different partners involved in these topics (UIS, World Bank, LMTF, etc.)

6.10 The Secretariat thanked the Board for a very positive discussion, noting that data is a collective responsibility of all partners. In terms of collaboration, the Secretariat confirmed the it would work closely with partners in order to avoid duplication and exploit synergies. With regard to the proposal to obtain data at point of delivery, the Secretariat advised that this would be reviewed subject to practicability, complexity and cost considerations.

6.11 The Interim Chair congratulated the Secretariat on the presentation and requested that the proposal for financing be submitted to the Board by the end of February 2014.

6.12 The following Decision was approved:

BOD/2013/11-11— <u>Data Strategy for Improved Education Sector Planning and Implementation</u>: The Board of Directors:

a. approves the data strategy for improved education sector planning and monitoring contained in BOD/2013/11 DOC 07;

b. requests the Secretariat to develop a proposal for financing (i) education sector analysis and (ii) education sector specific public expenditures and financial accountability assessments by the end of February 2014;and

c. requests the Secretariat to develop minimum reporting requirements for monitoring and evaluation in consultation with Supervising Entities and Managing Entities by the end of March 2014.

7. INDEPENDENT EVALUATION (BOD/2013/11 DOC 08)

7.1 Due to the unavailability of the Interim Chair, the CEO was asked to chair the session. In her temporary role of chairing the meeting, the CEO informed the Board that the Secretariat had invited Karen Mundy, (Professor, University of Toronto) Acting Chair of the Independent Steering Committee ("ISC"), to present on the independent evaluation of the Global Partnership and to facilitate a discussion of the draft concept note summarized in the Board paper.

7.2 Karen Mundy summarized the comments received from Board members. Most of the comments reflected a need to clarify objectives and expectations of the Board with regard to the evaluation exercise. The ISC needed agreement from the Board as to whether the evaluation should be summative or formative, as well as the scope and the timelines required. Outcomes and cost would be based on a refined understanding of the requirements. Ms. Mundy noted that the initial terms of reference indicated a need for a summative evaluation; however, the feedback received and the current situation of GPE would suggest a leaning towards a formative approach. She noted that understanding of the overall objectives would also allow for a discussion of the scope whether the evaluation would be for national level education systems or would also encompass the Global Partnershipas a partnership, the broader global education environment and the relevant periods that would be brought into scope. The final strategy and cost for the evaluation exercise would be developed based on a clearer understanding of the Board's requirements.

Discussion:

7.3 Board members welcomed the presentation and confirmed the need for an independent evaluation of the Global Partnership. They requested Ms. Mundy to explain the difference between a summative and formative approach providing clear options and cost implications for each option. Many of the Board members noted some concerns. Several donors felt that the proposed cost in the draft proposal was reasonable given the scope of work, however, they questioned whether a summative evaluation was needed at this time. The second issue raised was whether the evaluation should be completed before the development of the next strategic plan. Board members also wanted to discuss how the integrity of the process could be assured through, perhaps, receipt of findings and discussions with the Board or a Committee constituted for this purpose. Other Board members noted that the purpose of the evaluation had likely changed due to many of the decisions already taken by the Board of Directors to revise the GPE funding model and to establish a new governance structure with four standing committees.

7.4 Regarding scope, timelines and the period to be covered by the evaluation exercise, some Board members noted the need to balance short and longer term requirements. Consensus was reached on implementing a sequenced approach. The initial step would be to conduct a "light touch" evaluation to be completed during the current strategic plan period with the objective of informing the development of the next Strategic Plan. This light touch evaluation would be part of a broader evaluation plan that the ISC would present to the Board, recommending how best to implement it, as well as describing the roles of all stakeholders, including the Board in this process. It was also noted that the evaluation will need to look at GPE engagement in countries and the choices that the Global Partnership has made about which countries to work in and the value add of GPE model. Some Board

members also proposed to provide additional support from their institutions to help with the monitoring and evaluation eexercise.

7.5 Based on the above discussion, the Board agreed that the ISC should play a more prominent role in advising the Partnership on evaluation issues. The ISC will present a longer-term evaluation plan to the Policy and Strategy Committee which would include a proposal for a shorter term light-touch evaluation requested by the Board. The follow up should be undertaken by the Policy and Strategy Committee.

8. RESOURCE MOBILISATION (BOD/2013/11 DOC 04)

Replenishment Campaign Strategy

8.1 Charles Tapp, Acting Manager of the External Relations and Partnership Team ("PERT") presented the Secretariat's proposed strategy for the next replenishment as outlined in the Board paper with many proposed amendments to the decisions being sought since the writing of the paper..

8.2 The Interim Chair urged the Board to be ambitious in setting the replenishment target so that the education sector and the Global Partnership itself would not be consigned to second tier-dom.

8.3 The Acting Manager PERT gave a summary of the replenishment discussions held by the Board at the last face-to-face meeting in Brussels in May 2013. He informed the Board that since then, a venue for the pledging conference in Brussels had been identified and the date fixed to (June 26, 2014). He outlined that there has been a major decline in external financing for education since 2011 and this was a concern for the upcoming GPE replenishment. He also noted some positive initiatives were being undertaken to counter this crisis, such as the work with Qatar's Educate a Child Initiative.

8.4 The unmet net financing needs in GPE eligible countries for the period 2015-2018 are approximately US$9 billion for primary and US$16 billion for lower secondary, leaving an annual funding shortfall to be covered from various sources (domestic financing, the GOPE Fund, other forms of external financing) of a little over US$ 6 billion per annum. The Secretariat was proposing a 4-yr replenishment cycle so as to align the inflow of funds to the periodicity of the grant making process (which averages four years). GPE will be looking for funding pledges for: 1) the GPE Fund; 2) domestic financing; 3) bilateral financing, including emerging donors; and 4) multilaterals and other partner financing.

8.5 The CEO spoke about the specific replenishment needs for the GPE Fund. She reminded the Board that US$491-$585 million would be needed from the next replenishment to cover current commitments. She noted that maintaining the current levels of donor funding would result in a replenishment of around $2.4 billion, but given the current over-programming, this would result in a reduction in allocations to countries. In order to maintain the status quo in terms of country commitments, a replenishment target for the GPE Fund of US$3 billion would be the minimum required. However, she recognized that there is an urgent need to identify new donors and new innovative financing options. While recognizing current constraints, but balancing these with increased education needs of children, the CEO asked the Board for agreement to a replenishment target that reflected "**ambition beyond business as usual**," subject to the revision of the GPE funding model. She also proposed that a special face-to-face Board Meeting should be held during the last week of February 2014 to set a specific replenishment target and agree to reforms of the funding model.

8.6 The Acting Manager PERT noted that if an "ambitious" replenishment is agreed upon, the Global Partnership can leverage other resources to achieve a 12% improvement in primary completion

over 4 years to 92% in developing country partners by 2018, and can put 17 million more children through primary school, achieving better learning outcomes.

8.7 He explained that a public relations firm M&C Saatchi has offered to assist the Secretariat on a pro bono basis with messaging and the narrative for the value-added of GPE. He also explained the notable progress to date on bringing on board Champions for the replenishment, including some Heads of State and other senior luminaries.

Discussion

8.8 The ensuing discussion involved 18 of the 19 Board constituencies and covered much ground. The developing country partner constituencies voiced strong support for the replenishment and highlighted the disconnect between the overall demand for education financing and the falling levels of external funding. The developing country partner constituencies also underlined the critical importance of increased domestic financing for education and agreed that this should be a central plank of any replenishment campaign. This point was supported by other Board members.

8.9 Board members agreed that any form of ambition for the replenishment of the GPE Fund had to be matched by real and substantive reform of the funding model and the proposal for a special face-to-face Board meeting in late February 2014 was supported. Only at that point would it be possible to gauge a realistic funding target and also assess how compelling the narrative, story-line and targets for any replenishment investment case would be. Many Board members highlighted the importance of the need for a compelling case for further funding to the GPE Fund and while reassured by some of the points raised in the presentation, underlined that in the current funding environment the need for a clear and achievable value proposition and set of targets could not be understated.

8.10 While Board members supported the Secretariat's judgment that four years was preferable to three years for the replenishment period, some caution was expressed that this could reduce the annual funding levels. Many Board members called for greater engagement from new donors and other forms of financing and welcomed the upcoming development of a private sector engagement strategy. Many useful and constructive ideas were offered and there was much support for the idea of working to include as much as possible the voice of local communities in the replenishment campaign.

8.11 The role of champions was seen as very important, though it was noted their utility would depend on the quality of the replenishment narrative and the story they were provided to make the case for the Global Partnership. Board members underlined the importance of the narrative needing to go beyond just access and financing, and to include learning, equity and system building.

8.12 A number of Board members reiterated the importance of the replenishment being inclusive and that all members of the partnership should make contributions, not simply monetary. A tight pledging framework would be required; building on the lessons from the previous pledging conference held in Copenhagen where the loose framework meant monitoring of pledges was extremely difficult.

Decision

8.13 The following amended decision was approved:

BOD/2013/11-18 — **Replenishment:** The Board of Directors:

a. agrees to a four-year replenishment period from January 2015 to December 2018;

b. notes the unmet funding needs of US$25 billion from 2015-2018 (for primary and lower secondary education in GPE countries) required to achieve a 3% per annum increase in primary

completion rate and a commensurate increase in lower secondary completion, including improvements in equity and education quality that will lead to improved learning outcomes;

c. calls for an ambitious replenishment of the GPE fund to allow the Global Partnership to deliver "more than business as usual" and linked to reforms to the GPE funding model in order to deliver better results;

d. will hold a special face to face meeting in February 2014 to :

i. endorse the case for investment in GPE and a replenishment strategy and related communication strategy ; and

ii. set the final funding targets for the GPE fund and other replenishment targets from GPE partners for the replenishment period.

Proposal to Establish a Humanitarian Revolving Fund

8.14 The Acting Manager PERT presented a proposal for GPE's role in humanitarian funding in order to address significant lacunae in the current humanitarian financial architecture.

Discussion

8.15 The proposal received mixed reactions from the Board. While many Board members welcomed the increased GPE interest on humanitarian issues, the general consensus was that more consideration was needed on the topic in order to be clear on the value added offered by the Global Partnership. Board members noted that the GPE Strategic Plan called for greater analysis of GPE's role in humanitarian crises and that this work should be concluded before any concrete decisions were taken.

Decision

8.16 The following decision was approved:

BOD/2013/11-20 – **Global Partnership's Role in Humanitarian Contexts** The Board of Directors requests the Secretariat, in consultation with the community of interest on fragile states and other relevant partners, to develop as soon as possible options for the Global Partnership's role in humanitarian and complex emergency contexts, paying particular attention to education's role in building the resilience of children, communities and systems. Such options should be based on an analysis of gaps in mandate, funding and action, taking into account GPE's comparative advantage, and include potential financing mechanisms.

Innovative Funding

8.17 The Acting Manager PERT introduced the work undertaken to date on loan buy-downs, an attempt to leverage and crowd-in additional financing to, for example, IDA category iii countries. He introduced Mr. Nicholas Burnett from the Results for Development Institute (R4D) who had developed a background paper on loan buy-downs (Annex 4 of the paper BOD/2013/11/DOC 04).

8.18 Mr. Burnett gave a thorough presentation on the background to and potential of the loan buy-down concept. R4D felt that the greatest potential lay in buying-down non-concessional loans to concessional terms (e.g. IBRD or Islamic Development Bank) since this would be most attractive to those countries on the cusp of graduating from IDA. He recommended a pilot programme be undertaken to determine both interest and proof of concept.

Discussion

8.19 Board members were appreciative of the Secretariat's efforts to look at new ideas to finance education and commended Mr. Burnett for his presentation and work. The general concept of seeking to leverage additional resources into the sector was broadly agreed, though there were different views over whether grant funds should be used to buy-down non-concessional loans. Board members agreed that the approach needed to be looked at in the context of the broader review of eligibility for GPE funding under the proposed funding model reforms and should not be looked at in isolation. The general sense was the approach would apply better to IDA 3 and middle income countries than to LDCs. More analysis of the concept is clearly warranted, but the proposed pilot program was broadly agreed. Reservations were aired over the possible buying-down of IDA funds and if working with the World Bank focusing on IBRD lending would be much preferable. Some concerns were also raised over increasing debt burdens in LDCs. Board members were generally supportive of undertaking a pilot with the Islamic Development Bank in the first instance.

Decision

8.20 The following decision was approved:

BOD/2013/11-19 – **Innovative Funding**: The Board of Directors notes the background paper on loan buy-down mechanisms to leverage additional financing for basic education as set out in Annex 4 of (BOD/2013/11/DOC 04) as an example of innovative funding and requests the Secretariat to:

a. present a more detailed proposal to the Board of Directors at its face to face meeting in June 2014 in the context of the reform of the GPE funding model; and

b. explore more fully a pilot program with the Islamic Development Bank.

9. CIVIL SOCIETY ENGAGEMENT STRATEGY (BOD/2013/11 DOC05)

9.1 The Acting Manager PERT and Ms. Sarah Beardmore, Advocacy Officer, presented the Civil Society Engagement Strategy seeking approval of the Secretariat's recommended approach to improve civil society engagement.

9.2 The Acting Manager PERT reminded Board members of the decision taken to approve funding of a two-year program for the Civil Society Education Fund with UNESCO as Managing Entity at the Board meeting in held in Paris in November 2012. At the time there was a great deal of discussion about the need for a comprehensive strategy for civil society engagement and the Secretariat was asked to think early about the nature of any future funding after the end of the current program. This paper was a first step in this process. The Advocacy Officer noted that two other decisions were being requested in addition to seeking overall confirmation of the civil society engagement strategy, namely, i) approval to release an additional US$ 7.25 million to support the Civil Society Education Fund for the period of 2014/2015 and ii) to develop a detailed proposal for further civil society support for the period 2015-2018.

9.3 The Advocacy Officer highlighted that greater engagement with, and involvement of civil society within the partnership is a key element within the GPE strategic plan. She cited several examples of civil society improving education in developing partner countries including Togo, Burkina Faso, Solomon Islands and Mali, which had been funded through CSEF. GPE is also playing a role to encourage engagement of civil society in policy dialogue. For example, civil society involvement in LEGs has increased in many GPE partner countries although in some countries civil society organizations are still excluded.

9.4 The broad objectives of the civil society engagement strategy are to: i) increase the focus of Secretariat in facilitating participation of civil society in GPE processes; ii) increase support for GPE country partners to engage in country-level process; and iii) build capacity and improve the level of participation of civil society representatives at the global level

9.5 In terms of the current CSEF grant, the Advocacy Officer noted that the Secretariat, UNESCO and the Global Campaign for Education had worked very hard on establishing and achieving critical milestones for grant implementation. The Secretariat was very comfortable in recommending the release of the second tranche of funding based on the achievement of these milestones.

Discussion:

9.6 Board members were supportive of the recommendation and commended the Secretariat for the comprehensive papers and presentation and work done so far to engage civil society. There was strong Board support for the greater role of civil society in the processes and workings of the partnership, both at the country and global level. Many Board members welcomed the specific examples of the successes achieved to date and requested more updates in the future and greater public promulgation of these successes. The Secretariat was asked to share the independent evaluation of the first CSEF program more widely. Some caution was expressed for the level of fees applied by the Supervising Entity, though it was noted that the issue of agency fees was under broader consideration by the FAC. The Private Sector/Private Foundation constituency welcomed the process established for the development of the CSO strategy and suggested a similar process should be used for the imminent development of a private sector engagement strategy. There was some discussion as to whether the funding cycle for civil society support should be linked to the replenishment period or to the period of the next GPE Strategic Plan.

Decision

9.7 The Board approved the following decision:

BOD/2013/11-12 – <u>Civil Society:</u> The Board of Directors:

a. approves the recommended strategy for GPE and its partners to better implement the principle of Civil Society engagement as outlined in Annex 1 of BOD/2013/11 DOC 05;

b. approves the second commitment of funds by the Trustee to UNSECO as Supervising Entity in the amount of US$7.25 million to support the Civil Society Education Fund for the period of 2014/2015, US$508,078 as an agency fee, and US$324,227 as a supervision allocation; and

c. requests the GPE Secretariat to develop a Civil Society Support Proposal 2015-2018, in consultation with the Global Campaign for Education, Education International and other stakeholders, for consideration by the Board of Directors at its next face-to-face meeting in June 2014.

10. SECRETARIAT AND CHAIR BUDGETS (BOD/2013/11 DOC 11)

10.1 The CEO presented the Secretariat's proposed budget for the period 1 January through 31 December 2014 of US$16,648,600, inclusive of the Chair budget of US$125,000, as well as a supplemental amount of up to US$723,859 for the upcoming replenishment campaign and conference scheduled for June 2014. The CEO mentioned that the supplemental amount requested for the replenishment has been brought down by a contribution of €100,000 from Germany. She expressed the hope that there will be future contributions to lower this even further as was the case for the last replenishment.

10.2 The budget presentation also showed a request for additional funding of US$160,000 for running of the three new standing technical committees and Coordinating Committee as well as US$150,000 to enable Developing Country Ministers to travel to the replenishment conference in Brussels. In addition, US$100,000 was needed for the Independent Steering Committee to prepare the concept note for the GPE evaluation was missing. At the Interim Chair's request, the Board agreed that the final decision would include this additional amount.

10.3 In terms of budgetary performance, the CEO noted that current expenditures were in line with approvals given at the previous Board Meeting. She emphasized to the Board that the Secretariat has been very economical in spending and has made efforts to reduce travel and administrative costs where possible. The proposed budget of $16,648,600 represents a 3% cost increase with no new headcount requests. The only increase above 3% is in the area of professional development which the leadership has judged to have been lacking in the past.

10.4 The CEO noted that the Secretariat has an ambitious work plan for 2014. In addition to its core functions, other activities for the period include replenishment, revising the GPE funding model, strengthening Secretariat operations, embedding a monitoring and evaluation culture and capabilities, and completing the Hosting MoU.

Discussion

10.5 Board members supported the proposals. Clarifications and advice were sought on the following: the possibility of the Secretariat bringing bring down the costs of the surge capacity for the replenishment by asking partners for temporary staff; whether the Secretariat budget included costs of a Vice Chair, the costs of the new standing technical committees and the newly planned Board meeting in February 2014, whether consultancy costs would decrease now that permanent staff had been recruited and questions about the Secretariat travel policy for staff and Board members.

10.6 The CEO addressed these different queries. The Chair budget should accommodate both Chair and Vice-Chair. The Secretariat would try to cover the costs of the February face-face Board meeting under the approved FY2014 budget. However, if required, the Secretariat would prepare a supplemental budget to address any shortfall. With regard to the travel policy, she explained that GPE's policy is to travel economy as much as possible. The Secretariat does have a travel policy for both its own staff and Board members and would be happy to share it with the Board. In terms of costs associated with the four new committees established by the Board, the Secretariat calculated that there would be at least two face-to-face meetings per year per committee and that these costs would be somewhat offset by the savings from no longer supporting the FAC or GWG meetings. The CEO also stated that once all twelve new positions had been filled, consultancy costs should come down.

10.7 The Acting Manager PERT summarized the surge capacity budget information in the Board document and noted that this event will be bigger than the last replenishment, and will therefore require more resources. The Secretariat plans on recruiting event management specialists to ensure there is adequate human resource capacity to manage an event of this scale.

Decision

10.8 The following decision was approved:

BOD/2013/11-13—<u>Secretariat Budget</u>: The Board of Directors approves:

a. the budget of the Secretariat of US$16,648,600 for the period 1 January 2014 to 31 December 2014 inclusive of the Chair Budget of US$125,000 for the same period as set out in BOD/2013 /11 DOC 11; and

b. a supplemental amount of :

i. up to US$723,859, representing additional costs for the second replenishment campaign and conference scheduled to be held in June 2014;

ii. US$150,000 for developing country ministers acting as champions to travel to the replenishment pledging conference;

iii. up to US$160,000 representing additional costs related to the committees established by decision BOD /2013/11-04 &05 ;and

iv. up to US$100,000 for the costs of the independent steering committee for the evaluation.

11. TRUSTEE BUDGET (BOD/2013/11 DOC 14)

11.1 The Interim Chair presented the proposed Board decision for the Trustee Budget for the period 1 January 2014 to 31 December 2014. There was no formal presentation of the Trustee's budget but the Board paper had been circulated in advance of the Board meeting. The Interim Chair advised that the trustee was available to respond to any questions from the Board.

Decision

11.2 Board members appeared satisfied with the Trustee Budget and the following decision was approved:

BOD/2013/11-14-Trustee Budget: The Board of Directors approves the budget of the Trustee of US$544,000 for trustee services for the period of 1 January to 31 December 2014. The Board of Directors also approves the additional estimated administrative expenses of US$60,400 for trustee services for the period 1 July 2012 to 31 December 2013.

12. HOSTING ARRANGEMENT (BOD/2013/11DOC 09)

12.1 Ms. Lisa Gomer, Chief Operating Officer ("COO") presented the principles agreed for the Hosting Memorandum of Understanding ("MoU") between the World Bank and the Global Partnership for Education as discussed in the Board paper.

12.2 The COO presented a short summary of the history leading up to the negotiations of a hosting arrangement with the World Bank. In 2012, Dr. Alison Evans carried out an independent review of GPE's hosting arrangements with the World Bank. In her review, Dr. Evans recommended several options for improving operational performance within the World Bank at Secretariat level and at the country level. At its face-to-face meeting in October 2012, the Board adopted the "Status Quo Plus" option from the Evan's report which recommends optimizing the relationship between the Global Partnership and the World Bank through strengthening administrative, partnership and country-level collaboration. A key element of the Status Quo Plus option was the recommendation for the Global Partnership to conclude a Hosting MoU with the World bank clarifying roles and responsibilities. Over the past six months, the Secretariat and the World Bank have agreed on key principles that fulfill the requirements of the Status Quo Plus implementation plan which will form the basis of the Hosting MoU. Both parties have committed to finalize the Hosting MoU and have it signed by 31 March 2014.

12.3 The principles that have been agreed to and which will be memorialized in the Hosting MoU include: GPE's status as financially independent of the World Bank and recognition that the GPE Board approves the Secretariat's annual objectives, outcomes, staffing, budget and work plan; establishment of a GPE-World Bank Working Group to serve as a planning, coordination and issue-identification body; more discretion and responsibility given to GPE in human resources, performance management, procurement and information technology in exchange for more accountability by the Global Partnership; financial coordination and trustee role and other matters such as the possibility of the Global Partnership establishing an external nonprofit entity to carry out work that the World Bank is unable to do. The COO noted that if the Secretariat takes on additional responsibility and accountability, it may need to set up a reserve to cover potential liabilities.

12.4 The COO explained that the Hosting MoU had not yet been finalized because of two main reasons. The first reason is that the World Bank has never signed a Hosting MoU with any of the other partnerships it currently hosts. There is no precedent for this type of agreement and so representatives of the World Bank in various departments need to review and clear it before it can be signed. Secondly, the World Bank is in the midst of a major restructuring and so it has been difficult to get the attention of senior officials. In addition, the World Bank's Human Development Network, where the Global Partnership is currently housed, will no longer exist since the Global Practice Groups are set up. It has not yet been decided where the Global Partnership will reside within the new World Bank structure. Both the CEO and COO thanked the World Bank for the excellent cooperation received over the past few months in negotiating the agreed principles for the Hosting MoU.

Discussion

12.5 The Board member representing the Multilateral and Regional Banks constituency noted that the World Bank is open and supportive of this process and will be as flexible as possible. The main outstanding issue is to determine where to situate the Global Partnership in the reorganized World Bank framework. There is a lot of due diligence that needs to be conducted by the World Bank before execution of the Hosting MoU. As a GPE Board member, she advised that it will be critical for the Board to establish an institutional/oversight structure for the Secretariat as the World Bank's role diminishes.

12.6 Board Members broadly supported the agreed principles for the Hosting MoU outlined in the presentation. Board members sought clarification on a few issues such as: whether the Hosting MoU would come to the Board before it was signed; whether the World Bank internal restructuring would affect the completion timelines; clarification of how the Global Partnership would deal with fraud or misuse of funds; whether the Board would be consulted on new staff appointments; possible oversight implications and responsibilities for the Board.

12.7 The CEO and COO both assured the Board that GPE intends to follow World Bank rules and procedures. There is a general ongoing importance of rule-based operations in an environment where the Secretariat is transitioning to more independence and autonomy. The CEO acknowledged that it may be necessary for the Global Partnership to adopt certain policies that are GPE-specific, recognizing the more independent status of the Secretariat. The CEO clarified that financial independence implies that the Bank will not rescue the Global Partnership if it is unable to meet its obligations in the future. Regarding the possible establishment of an independent external entity, no firm decision has been made and the Board would be fully consulted. The COO explained that it will not be feasible to circulate a draft of the Hosting MoU to the Board before signing. She further clarified that the Hosting MoU is not a legal agreement since the Global Partnership is not an independent legal entity and has no authority to sign legal agreements. The Hosting MoU will be a living document that will be amended from time to time to adapt to changing circumstances between the parties.

Decision

10.8 Based on the discussions, the following decision was approved:

BOD/2013/11-15— Principles of the Hosting Memorandum of Understanding between the World Bank and the Global Partnership for Education: *The Board of Directors:*

a. endorses the principles which are agreed for the Hosting Memorandum of Understanding ("Hosting MoU") as set out in BOD /2013/11-09;

b. delegates authority to the Chief Executive Officer ("CEO") to complete negotiations with the World Bank to finalize and sign the Hosting MoU based on these principles, by 31 March 2014; and

c. requests the CEO to consult with the Governance, Ethics, Risk and Finance committee, as soon as it is established, on the negotiations of the Hosting MoU as needed.

13. GPE RISK MANAGEMENT FRAMEWORK (BOD/2013/11 DOC 10)

13.1 The COO presented the proposed Board decisions for the Risk Management Framework as set out in the Board document. Unfortunately due to time constraints, the COO was unable to give her planned presentation. The Interim Chair asked the Board if there were any questions for the COO prior to asking the Board for its approval of the Board decisions.

13.2 One Board member asked if the Board was being asked to approve the individual risks listed in the Risk Management Matrix contained in Annex 2 of the Board document. The COO clarified that the Board was only being asked to approve the methodology being proposed and not the individual risks or ratings. It was agreed that the decision language would be modified to reflect this.

Decision:

13.3 The following decision was approved:

BOD/2013/11-16 — Risk Management Framework: The Board of Directors:

a. endorses the approach in the draft Risk Management Matrix set out in Annex 2 of BOD/2013/11 DOC 10;

b. requests the Governance, Ethics, Risk and Finance Committee, once operational, to finalize a comprehensive Risk Management Framework for the Global Partnership that includes risk mitigation measures, responsible parties and estimated timeframes for implementation for each of the identified risks; and

c. requests that a comprehensive Risk Management Framework be submitted to the Board of Directors for approval at its next face-to-face meeting in June 2014.

14. ANY OTHER BUSINESS

Notice of Next Board Meetings

14.1 The Interim Chair informed Board members that there will be a special face-to-face meeting of the Board of Directors in February 2014, followed by a face-to-face meeting on June 26 – 27, 2014 in Brussels, Belgium. The Secretariat will circulate detailed information in due course.

14.2 There being no other business, the Interim Chair closed the meeting at 18:30 hours.

Annex 1

	Full Name (Last, First)	Job Title	Institution/Organization	Country	Constituency
1	Abdel Razig Mohamed, H. E. Soad	Minister	Sudan Ministry of Education	Sudan	Observer
2	Abdullahi, Abdi	Senior Education Specialist	The Islamic Development Bank	Saudi Arabia	Constituent of Multilateral & Regional Banks (M Agency 3)
3	Aheto-Tsegah, Charles	Deputy Director-General	Ghana Education Service	Ghana	Board Member-Constituent of Africa 3
4	Albright, Alice	CEO	Global Partnership for Education	United States	GPE Secretariat
5	Ambühl, Hansjürg	Head West Africa Division	Swiss Agency for Development and Cooperation (SDC)	Switzerland	Alternate Board Member-Constituent of Donor 1
6	Andersen, Jesper	Senior Adviser	Ministry of Foreign Affairs	Denmark	Constituent of Donor 4
7	Archer, David	Head of Programmes	ActionAid	United Kingdom	Board Member-Constituent of CSO 1 (International / Northern)
8	Ba, Ben	Lead Financial Management Specialist	IDB - Islamic Development Bank	Saudi Arabia	Observer
9	Beardmore, Sarah	Advocacy Officer	Global Partnership for Education	United States	GPE Secretariat
10	Beddi, Abderrahman	Manager, Education	Islamic Development Bank	Saudi Arabia	Constituent of Multilateral & Regional Banks (M Agency 3)
11	Bernard, Jean-Marc	M&E Team Lead	Global Partnership for Education	United States	GPE Secretariat
12	Biney, Francis	Coordinator	Ministry of Education	Ivory Coast	Constituent of Africa 2
13	Bogale, Solomon	Director	Minister of Education	Ethiopia	Constituent of Africa 3
14	Bouapao, HE Lytou	Deputy Minister	Minister of Education	Lao People's Democratic Republic	Alternate Board Member-Constituent of Asia & The Pacific
15	Bourne, Jo	Associate Director, Education	UNICEF	United States	Interim Board Member-Constituent of UNICEF (Multilateral Agency 2)

	Full Name (Last, First)	Job Title	Institution/Organization	Country	Constituency
16	Bridges, David	Program Officer	Global Partnership for Education	United States	GPE Secretariat
17	Brinkhaus, Michaela	Officer for Primary Education	Ministry for Economic Cooperation and Development	Germany	Constituent of Donor 5
18	Brown, Donal	Head, Global Funds Department	DFID	United Kingdom	Board Member- Constituent of Donor 3
19	Buchan, Christina	Director	Department of Foreign Affairs, Trade and Development Canada	Canada	Alternate Board-Constituent of Donor 3
20	Burnett, Nicholas	Managing Director	Results for Development Instituite	United States	Observer
21	Caires, Yousuf	Deputy Director of Programs	Dubai Cares	United Arab Emirates	Observer
22	Cauldwell, Jonathan	Senior Advisor	UNICEF	United States	Constituent of UNICEF (Multilateral Agency 2)
23	Christensen, Olav Rex	Sr. Public Finance Specialist	The World Bank	United States	Constituent Multilateral & Regional Banks (M Agency 3)
24	Colenso, Peter	Executive Director of Investments	The Children's Investment Fund Foundation	United Kingdom	Board Member-Constituent Private Sector/Private Foundations
25	Coustere, Paul	Lead Education Specialist	Global Partnership for Education	United States	GPE Secretariat
26	Crowder, Beau	Director of Programs	Dubai Cares	United Arab Emirates	Observer
27	Dansie, Grant	Education Advisor	NORAD	Norway	Constituent of Donor 4
28	De Marcken, Natasha	Director, Office of Education	USAID	United States	Board Member-Constituent of Donor 6
29	Dessalegn, Abiy	Director, Communication Affairs	Ministry of Education	Ethiopia	Constituent of Africa 3
30	Diouf, Djibril Ndiaye	Director of Planification and Reform of Education	Ministry of Education	Senegal	Constituent of Africa 2
31	Edwards, David	Deputy General Secretary	Education International	Belgium	Alternate Board Member-Constituent of CSO 3 (Teaching Profession)

	Full Name (Last, First)	Job Title	Institution/Organization	Country	Constituency
32	Elshikh Abdelrahman, Muatasim	Project Implementation Unit	Sudan Ministry of Education	Sudan	Observer
33	Feinberg, Nathalia	Head of Department	Ministry of Foreign Affairs	Denmark	Alternate Board Member-Constituent of Donor 4
34	Fife, Paul	Asst. Director General	NORAD	Norway	Board Member-Constituent of Donor 4
35	Focas Licht, Margarita	Senior Education Specialist	Global Partnership for Education	United States	GPE Secretariat
36	Fordham, Elizabeth	Education advisor	UNESCO	France	Constituent of UNESCO (Multilateral Agency 1)
37	Fossberg, Camilla	Chief of Education Section	Norad	Norway	Presenter (FAC Chair)
38	Fujimori, Yukako	Education Specialist	UNICEF Sudan	Sudan	Observer
39	Gantenbein, Nicole	Program officer education	Swiss Agency for Development and Cooperation (SDC)	Switzerland	Constituent of Donor 1
40	Gardiner, Amanda	Head of International Affairs	Pearson	United States	Alternate Board Member of Constituent Private Sector/Private Foundations
41	Golden, April	Donor Relations Analyst	Global Partnership for Education	United States	GPE Secretariat
42	Gomer, Lisa	COO	Global Partnership for Education	United States	GPE Secretariat
43	Goudiaby, Gisele	Board Logistics	Global Partnership for Education	United States	GPE Secretariat
44	Gutierrez, Francisco	Head of Education Division	AECID	Spain	Alternate Board Member-Constituent of Donor 2
45	Hæreid Seim, Olav	Director	UNESCO	France	Alternate Board Member-Constituent of UNESCO (Multilateral Agency 1)
46	Hailegiorgis, Demissew	Sr Communication Assistant	UNICEF	Ethiopia	Observer
47	Hamilton, Evelyn	Chief Planning Officer	Ministry of Education	Guyana	Constituent of Latin America & The Caribbean

	Full Name (Last, First)	Job Title	Institution/Organization	Country	Constituency
48	Hasabala Elbakri, Hassaballa	Director General	Gedarif State Ministry of Education	Sudan	Observer
49	Hertel, Ulrika	Programme Manager	SIDA	Sweden	Constituent of Donor 4
50	Hoelzer, Ronja	Project Manager, German BACKUP Initiative Education in Africa	GIZ	Germany	Observer
51	Humme, Alexandra	Team Leader, Communications & Media	Global Partnership for Education	United States	GPE Secretariat
52	Hunde, Mitiku	Head, Foreign Relations and Scholarship Office	Ministry of Education	Ethiopia	Constituent of Africa 3
53	Jones, Dan	Campaigns Manager	Results UK	United Kingdom	Observer
54	Kaffouba, Touré	Director	Ministry of Education		Constituent of Africa 2
55	Karakoski, Jussi	Senior Education Adviser	Ministry for Foreign Affairs	Finland	Constituent of Donor 4
56	Karimata, Atsushi	Senior Coordinator, Global Issues Cooperation Division	Ministry of Foreign Affairs, Japan	Japan	Alternate Board Member-Constituent of Donor 6
57	Karjalainen, Marja	Deputy Head of Unit	European Commission	Belgium	Constituent of Donor 5
58	Ketsela, Mekdim	Sr. Executive Assistant	UNICEF	Ethiopia	Observer
59	King, Elizabeth	Director, Education	World Bank	United States	Constituent Multilateral & Regional Banks (M Agency 3)
60	Koziol, Margaret	Senior Policy Advisor	USAID	United States	Constituent of Donor 6
61	Laurie, Emily	Advocacy Manager	Plan International	United Kingdom	Observer
62	Lefebvre, Francois	Senior Financial Officer	World Bank	United States	Trustee

	Full Name (Last, First)	Job Title	Institution/Organization	Country	Constituency
63	Lindenthal, Roland	Head of Education Division	Federal Ministry for Economic Cooperation and Development	Germany	Alternate Board Member-Constituent of Donor 5
64	Lorenzo, Veronique	Head of Unit	European Comission	Belgium	Constituent of Donor 5
65	Mareso, Miriam	Education Specialist	UNICEF	Sierra Leone	Observer
66	Mbow, Cheikh	Coordonnateur National	COSYDEP	Senegal	Board Member-Constituent of CSO 2 (Developing Country)
67	Mesen, Michelle	Developing Country Partnerships Officer	Global Partnership for Education	France	GPE Secretariat
68	Mowe, Kjersti	CSEF Networks and Learning Manager	Global Campaign for Education	Norway	Observer
69	Mundy, Karen	Professor	University of Toronto	Canada	Presenter
70	Naidoo, Jordan	Senior Advisor	UNICEF	United States	Interim Alternate Board Member-Constituent of UNICEF (Multilateral Agency 2)
71	Nkaada, Daniel	Commissioner Basic Education	Ministry of Education	Uganda	Alternate Board Member-Constituent of Africa 1
72	Onyancha, Ruth	Senior Board Relations Officer	Global Partnership for Education	United States	GPE Secretariat
73	O'Reilly, Joseph	Head of Education	Save the Children	United Kingdom	Alternate Board Member-Constituent of CSO 1 (International / Northern)
74	Ouko, Janet	National Coordinator	Elimu Yetu Coalition	Kenya	Observer
75	Palacios, Alejandro	Director, Special Projects	Global Partnership for Education	United States	GPE Secretariat
76	Pascual, Jay	Counsel	World Bank	United States	Trustee
77	Pessi, Jefferson	Coordinator	Education International	Belgium	Observer
78	Power, Padraig	Senior Financial Officer	Global Partnership for Education	United States	GPE Secretariat

	Full Name (Last, First)	Job Title	Institution/Organization	Country	Constituency
79	Rahimee, Sifatullah	Advisor to the Minister of Eduation	Ministry of Education	Afghanistan	Constituent Eastern Europe Midle East & Central Asia
80	Rao Gupta, Geeta	Deputy Executive Director	Interim CHAIR	United States	Interim Chair
81	Raymond, Michèle	Assistant Secretary General	ACP Secretariat	Belgium	Observer
82	Sagorsky, Tal	Consultant	Global Partnership for Education	United States	GPE Secretariat
83	Sakho, Marieme	Syndicat	Sypros	Senegal	Board Member-Constituent of CSO 3 (Teaching Profession)
84	Samba, Madiana	Advisor	Education for all Sierra Leone Coalition	Sierra Leone	Alternate Board Member-Constituent of CSO 2 (Developing Country)
85	Sanchez, Sandra	Vice Minister of Education	Ministry of Education	Honduras	Alternate Board Member-Constituent of Latin America & The Caribbean
86	Schmitt, Sylvia	Advisor education	German Cooperation (BMZ/GIZ)	Germany	Observer
87	Schroh, Karen	EU Representative	Global Partnership for Education	Belgium	GPE Secretariat
88	Segueda, Benewende Bonaventur	Inspecteur de l'enseignement du premier degré	Ministry of Education	Burkina Faso	Constituent of Africa 2
89	Siebes, Ronald	Deputy Head Education Division	Ministry of Foreign Affairs	Netherlands	Constituent of Donor 1
90	Sow, François	Head of Gender and Human Development	French Foreign Ministry	France	Constituent of Donor 5
91	Stassen, Yvonne	Deputy Director	Ministery of Foreign Affairs	Netherlands	Board Member-Constituent of Donor 1
92	Stockill, Jennifer	Policy and Programme Officer	DFID	United Kingdom	Constituent of Donor 3
93	Sturrock, Christine	Director, Sectoral Funds	AusAID	Australia	Constituent of Donor 2

94	Tanaka, Shinichiro	Senior Advisor	Japan International Cooperataion Agency	Japan	Constituent of Donor 6
95	Taniguchi, Satoshi	Official	Ministry of Foreign Affairs	Japan	Constituent of Donor 6
96	Tapp, Charles	Senior Replenishment Advisor	Global Partnership for Education	United States	GPE Secretariat
97	Taylor, Aleesha	Deputy Director	Open Society Foundation	United States	Observer
98	Tebbe, Kerstin	Deputy Director	INEE	Switzerland	Observer
99	Thiam, HE Serigne Mbaye	Minister	Ministry of Education	Senegal	Board Member-Constituent of Africa 2
100	Tinning, Chris	Minister Cousellor (International Development)	AusAID	Australia	Board Member-Constituent of Donor 2
101	Vilsack, Christie	Senior Advisor for International Education	USAID	United States	Constituent of Donor 6
102	Waples, Sally	Acting Deputy Head, Global Funds Department	DFID	United Kingdom	Constituent of Donor 3
103	Wardak, HE Ghulam Farooq	Minister of Education	Minister of Education	Afghanistan	Board Member-Constituent Eastern Europe Midle East & Central Asia
104	Waruku, Boaz	Programme Manager	ANCEFA	Kenya	Observer
105	Wolassa, HE Shiferaw	Minister	Minister of Education	Ethiopia	Constituent of Africa 3
106	Xaymountry, Bounpanh	Deputy Director General	Ministry of Education and Sports	Lao People's Democratic Republic	Constituent of Asia & The Pacific
107	Yoshida, Kunihiko	Second Secretary	Japanese Embassy in Addis Ababa	Japan	Observer
108	Zida, M. Jean Edmond	Economiste Planificateur	Ministry of Education	Burkina Faso	Constituent of Africa 2