CHIEF EXECUTIVE OFFICER'S REPORT TO THE BOARD OF DIRECTORS

For Information

Please note: Board papers are deliberative in nature and, in accordance with the GPE Transparency Policy, are not public documents until the Board has considered them at the Board meeting

1. OVERVIEW

1.1 The March Board meeting marked a new era for the Global Partnership for Education with the Board's decision to increase the partnership's geographic scope and put in place a financing and funding framework (FFF) that will help GPE to raise an increased level of financing and better target that financing to address the challenges faced by our developing country partners. Within weeks of the Board's decisions, we launched GPE's Case for Investment in support of our replenishment campaign. Implementing the FFF and securing a successful replenishment of our finances are my highest priorities, together with leading the management team's work to identify operational efficiencies and set out a medium-term human resources plan to deliver on GPE2020.

1.2 The FFF opens GPE's eligibility to 89 low - and lower middle-income countries (LMICs) – home to 78% of the world's out of school children – while maintaining a sharp focus on the poorest and most vulnerable and those with greatest education support needs. Seven developing countries have recently expressed interest in joining the 65 developing country members of GPE, including several LMICs and Myanmar, a large low-income country of nearly 57 million people. Myanmar has a maximum country allocation (MCA) of US$ 73.3 million and the Secretariat has been working closely with the country and its development partners to clear the path for a successful application, expected by the end of 2017.

1.3 I was very pleased with the initial response to the new GPE Case for Investment. Despite the challenge of raising significantly more funds in the current global environment, it was warmly

received in early discussions in donor capitals. There is no doubting the political momentum behind improving education outcomes in developing countries. The standing ovation for Malala in the Canadian Parliament following her call to prioritize girls' education on the global policy agenda, and the enthusiasm with which African leaders have embraced invitations to make 2017 the year for change in education financing are just two very recent examples.

1.4 The opportunity is ripe and GPE is ready to deliver the assistance needed by our developing country partners. GPE's approach to improving learning outcomes and equity through building stronger education systems has been confirmed repeatedly as the most effective path to delivering on SDG4 and the broader global goals for sustainable development. We have the delivery model to provide increasing resources more effectively and to leverage even greater levels of domestic and global financing. We monitor ourselves against the detailed GPE 2020 Results Framework, holding all partners to account for progress against measurable objectives. The presentation to this Board meeting of the first annual results report for this strategy period is a true milestone in GPE's development.

1.5 In Ottawa we will reflect on the results report data and its implications for prioritizing our work; we will advance the FFF implementation, including agreeing how to operationalize the new Leverage Fund; and we will decide on piloting of the disaster risk finance program – a true innovation designed with advice of insurance industry partners and support from the Rockefeller Foundation.

1.6 Looking ahead at a changing global education landscape, a key challenge will be to ensure that the Education Cannot Wait fund (ECW) is fully operational and integrated with GPE's work in countries affected by fragility and conflict, which now comprise 60% of our portfolio. I was very pleased to see the appointment of Yasmine Sherif as ECW Director and offer her my congratulations and committed support. The GPE Secretariat's engagement with ECW has been intense and productive, including helping to finalize grants to Chad, Ethiopia, Syria and Yemen – and ensure ECW support dovetails with GPE's existing support.

1.7 This is the first time the GPE Board will meet in Canada. We are meeting at a moment when the government's feminist international development assistance approach is expected to emphasize the empowerment of women and girls across the international aid program. We look forward to working closely with government and our civil society partners as they make education, especially girls' education, a priority. Canada is also preparing to preside over the 2018 G7 Summit. These elements provide a fitting stage for our Board meeting.

2. REPLENISHING GPE'S FINANCES

2.1 We received a very positive response to our decision to launch the **Case for Investment** together with other leading actors in global education financing. It symbolized the importance of the collective and joined-up effort that is needed to truly shift the needle on education financing. Julia was joined on the podium by UN Special Envoy and Education Commission Chair, Gordon Brown, Unicef Executive Director, Anthony Lake and former Tanzanian President and global education advocate, Jakaya Kikwete.

2.2 The Case for Investment sets a path for the first major step increase in education systems strengthening financing with a goal of GPE reaching US$ 2 billion per year by 2020, the ambition set for us by the Education Commission. The Case calls for donors to provide US$3.1 billion in funding over the three years 2018 to 2020; developing country governments to allocate 20 percent of government expenditure to education; and for philanthropic foundations and private donors to step up their contributions, particularly those aligned to key opportunities presented in the finance and funding framework.

2.3 The prioritization actions adopted by the Board to manage the negative impact of a strengthening US dollar has ensured that GPE's current **financial position** is stable. However overall levels of finances are insufficient to meet country needs, demand and the ambition of our Strategic Plan. The replenishment will be a critical test of the commitment of world leaders to the new SDG for education and to our GPE 2020 strategy. In the meantime, we very much welcome increased contributions from Italy, Japan and Switzerland and a new contribution from France for 2017. During Julia's visit to Brussels in mid-May, Belgium got the ball rolling announcing the first contribution to GPE Replenishment 2020. Private Foundations are also stepping up. We are finalizing agreements with both Porticus and Open Society Foundations, adding to recent contributions from Dubai Cares, Rockefeller Foundation and CIFF. We have received contributions of USD6.85 million from these three foundations and expect to receive an additional US$ 1.35 million in foundation contributions by the end of the fiscal year.

3. DELIVERING THE FINANCE AND FUNDING FRAMEWORK

3.1 The successful implementation of the financing and funding framework is a top priority and the Secretariat has moved swiftly to progress it. The Board's adoption in March of the framework

represents the pinnacle of the hard work of many partners in pushing through the operational reforms of the past four years. A table setting out progress on implementing the FFF is annexed to this report.

3.2 At this meeting the Board will consider the eligibility and allocation methodology along with the process to select the first countries to offer access to our new **Leverage Fund** that incentivizes governments to leverage additional domestic and external finance behind their Education Sector Plans. The Finance and Risk Committee's recommended approach is practical and recognizes the need for flexibility and keeps transaction costs manageable, while allowing us to identify a range of countries with different needs and circumstances to test the concept. It will allow us to move quickly towards operationalization in early 2018 with a diversity of multilateral bank partners.

3.3 In line with the Board's decision to identify opportunities for **co-financing** and act flexibly to remove existing obstacles, the Secretariat has intensified collaboration with the World Bank to facilitate the smooth programming of an additional US$50 million of IDA financing into an existing pooled fund in Mozambique, along with an additional US$10 million IDA financing into the GPE/IDA program in Sierra Leone. A number of forthcoming Education Sector Plan Implementation Grant (ESPIG) applications are also being designed as GPE/IDA co-financed programs and discussions are underway between the Secretariat and World Bank to further broaden engagement. Our World Bank counterparts have been highly helpful and supportive of these efforts.

3.4 The proposed pilot on **disaster risk financing** presents an innovative way to further strengthen GPE's offer and ability to support efforts to cope with emergencies. GPE is uniquely placed to play a critical role in risk management and building resilience in education systems and this pilot will supplement GPE's existing work by putting in place insurance contracts and related mechanisms that provide reliable, fast funding when disasters strike.

3.5 An external firm has been selected through a competitive process to assist in the design of the **Knowledge and Innovation Exchange** (KIX) and the **Advocacy and Social Accountability** (ASA) mechanisms. The firm will work from June through to September to undertake market research, thematic and benchmarking analyses to propose designs of KIX and ASA. The process is being steered by the Secretariat and overseen by the Strategy and Impact Committee who will review a final proposal in October and recommend to the Board for approval in December.

3.6 The same firm will support the development of the private **sector strategy** following the agreed roadmap. The firm will assess opportunities for raising global level private sector financing

to support the Leverage Fund and KIX and ASA mechanisms and support constituency development. Work on the Education Sector Investment Case (ESIC) will help illuminate the business case for engaging the private sector at country level. Meantime, we will continue to pursue private sector contributions to replenishment and expertise to address some of the sector's longstanding challenges.

3.7 A separate procurement process is underway to support elaboration of the **ESIC** approach, including opportunities for business sector engagement and further assessment of country level capacity and effective partnership. We expect critical input from our Developing Country Partners (DCPs) at the Ghana DCP meeting on the initial design work on the ESIC approach and the Secretariat sees potential for synergy by seeking to test the investment case approach in some of the same countries that will access the US$100 million Leverage Fund.

3.8 Implementation of the **foundations strategic roadmap** is well underway. Guiding principles for engagement have been developed with input from the Foundation constituency and the International Education Funders Group (IEFG) and a consultation is planned for June. Progress is being made on the foundations supported pilot **knowledge exchange and good practice** initiatives – Building Early Learning and Development at Scale (BELDS), Assessment for Learning (A4L), and GPE's Gender Equality Strategy and Policy (GESP). Work programs for BELDS and GESP have initiated, and offers of recruitment for a gender specialist and an early childhood specialist are drawing to conclusion.

4. GPE AT WORK

4.1 GPE is continuing to deliver effectively at the country level. We have invested US$4.6 billion in the education systems of 60 developing country partners, and as of the end of April there were 59 financially active ESPIGs in the GPE portfolio representing an allocation value of US$2.35 billion. Total ESPIG calendar year disbursements as of April 2017 were US$136.1 million. We anticipate approximately US$500 million in annual disbursements this year, based on projections from Grant Agents. These investments are delivering real results.

4.2 In **Kenya**, almost 5 million mathematics and science textbooks were distributed to grade 1 and 2 students. At the same time, 95,000 teachers were trained on how to use those textbooks as part of the ongoing US$88.4 million GPE implementation grant. These activities are expected to improve early grade mathematics competencies. All children are expected to be able to do two digit number recognition, subtractions and additions as a result of these interventions. Currently only

about 20% of the Kenyan children are able to do those mathematics functions as found in the baseline study. Textbooks are essential for learning to read and count, a fundamental skill that is critical for learning. A recent World Bank study found a high incidence of impact of textbooks on primary school learning outcomes.

4.3 In **Senegal**, an IDA co-financed GPE grant of US$ 46.9 million is supporting teacher training, school based management committees and school level quality improvement agreements. The project is exceeding targets in improving early grade math and reading, with almost 60% of grade 2 students demonstrating ability to read and comprehend grade level texts against a target of 39%, and 60% demonstrating ability to compute and solve grade level math problems against a target of 56%. Engaging school communities and improving school management impacts the quality of learning outcomes.

4.4 In **Cote d'Ivoire** we saw a very welcome development with teacher's unions and civil society organisations joining the Local Education Group (LEG). In 2015 only World Bank, AFD, UNESCO and UNICEF were members. Through GPE engagement, with AFD as Coordinating Agency, international NGOs, the national NGO EFA coalition and the private sector (international cocoa companies) have joined the LEG and have collaborated in the development of the country's ten year sector strategy and their contributions have greatly enhanced sector dialogue. It is a tenant of GPE's theory of change that inclusive sector dialogue improves the effectiveness and relevance of sector plans. We are developing further guidance to strengthen the effectiveness of LEGs and the Ghana DCP meeting provided a focused opportunity to better identify DCP expectations and needs.

4.5 In **Malawi** a Common Financing Mechanism was formally signed by development partners improving the alignment of donor financing. In **Mozambique** GPE funds are channeled through a pooled fund (FASE) that includes nine donors, with all expenditures agreed upon on an annual basis and aligned with the Education Sector Plan (ESP). In April 2017, we worked with the World Bank to restructure FASE and bring in US$ 50 million additional financing from IDA. Alignment and effective delivery of education aid is a cornerstone of GPE's model and critical for sustainable systems building. The results report revealed poor performance on GPE's aid alignment indicator and we are responding by examining our approach to **alignment of finance to national systems**, assessing the strength of levers to promote more aligned modalities at country level and designing a comprehensive roadmap to reinforce them. A key strength of the partnership is its ability to work together with development partners to coordinate funds and sector work in a given country.

4.6 With 32 ESPIG applications in the pipeline and mutual recognition that strong education sector plans are the foundation for achieving the objectives of GPE 2020, we are devoting increasing Secretariat resources to assisting developing country partners improve sector planning. We also are drawing on the strengths of the partnership to develop technical guidance as well as providing direct financial and technical support. We are currently supporting **education sector analysis** (ESA) in 13 countries/states and in 19 countries/states education sector plans are under development with GPE support. Ten **education sector plan development grants** (ESPDGs) were approved between January and April 2017, the same number approved in the entire calendar year of 2015. Since July 2014, GPE has invested over US$ 13 million in 43 ESPDGs, including ESAs. Increased efforts in sector analysis, plan development and agreeing variable tranche performance targets are resource-demanding but valuable investments. The focused dialogue on equity, efficiency and learning outcomes, and ensuring the strength of necessary data systems to support government policy and program decisions and monitoring, underscores quality plans and has a positive impact well beyond the immediate grant program.

4.7 Lesotho's application for a US$ 2.3 million grant delivered through an IDA co-financing mechanism has been submitted for the Board's consideration at this meeting. In addition, the Secretariat is working closely on **19 ESPIG applications** from Afghanistan, Burkina Faso, Cabo Verde, Cambodia, Chad, Comoros, Cote d'Ivoire, The Gambia, Guinea Bissau, Madagascar, Myanmar, Nicaragua, Sierra Leone, Somalia-Somaliland, Somalia South-Central, South Sudan, Tanzania-Zanzibar and Zimbabwe (variable part only). ESPIG applications from Liberia and Somalia-Puntland will be reviewed by the Grants and Performance Committee (GPC) at its June meeting. The Board's decision in December 2016 to increase the number of rounds for ESPIG submissions from 2 to 4 every year, combined with the streamlining of Secretariat organization and decision-making processes, better aligns with country needs and processes.

4.8 **Eight implementation grants have been approved under the funding model and are underway** – Mozambique, Nepal, Rwanda, the Caribbean Island States (OECS), the Democratic Republic of Congo (DRC), Malawi, Zimbabwe, and Ethiopia – and a surge of new country applications is anticipated in the coming year. The total dollar amount of grants under the funding model is US$ 418.7 million, with the variable tranches totalling US$ 125 million. The variable tranches seek to incent improvements in equity, efficiency and learning in some of the most underserved regions of these countries, including encouraging more inclusive learning environments by increasing the School Grant allocation to support special needs in Ethiopia and reducing the repetition rate in Grades 1 through 4 in the 8 most disadvantaged districts through development and institutionalization of a National Implementation Strategy on Repetition in Malawi. A working paper

analyzing GPE's experience of **results-based financing** through the variable tranche of ESPIGs will be published in July and we anticipate continuing improvements and revised country guidance over the coming period.

4.9 GPE's work depends on strong engagement by all of its partners globally and at the country level. **Multilateral agency partners** are demonstrating an ever-deepening commitment to our collective GPE mission. We have intensified collaboration with the **World Bank** to bring IDA finance and GPE funding together synergistically as well as to operationalize the Leverage Fund. We are working with **UNICEF** and other partners on the joint development of the ECW operational model, results framework and governance structure, and cooperating to advance the first ECW investments. We continue to engage with **UNESCO** and its institutes on the critical work of sector plan appraisal, improving data availability on learning outcomes, tracking domestic financing for education, and strengthening Education Management Information Systems. We are also deepening engagement with **UNHCR**, whom we hosted at the GPE Secretariat last month to agree specific collective strategies for a number of countries with significant refugee populations, including possible joint research around forced displacement, sector planning and innovative practices.

5. GPE SUPPORT IN FRAGILE AND CONFLICT CONTEXTS

5.1 GPE support in countries affected by **fragility and conflict** and in response to emergencies and protracted crises continues to rise, with disbursements now representing approximately 60% of the GPE grant portfolio. Most recently GPE accelerated funding of US$ 1.8 million to **Somaliland** responded to the drought-related humanitarian crisis to ensure continued access to education opportunities for 7,500 primary school children in vulnerable drought-affected communities in the Sanaag, Sool, Togdheer, Marodijeex, and Awdal regions of Somaliland. The funding supports formal schools, provision of Temporary Learning Spaces, school feeding programs and potable water. During the 2011 famine, 90% of the children who dropped out of school never returned, and lessons have shown that many deaths caused by the drought could have been prevented if children had had access to life-saving services at safe and protected schools.

5.2 In **Yemen**, where the more than two-year long conflict now affects 80 percent of the country, GPE has played a vital role helping to keep schools open and operable, and the education system functioning. Our grant funds have been reprogrammed to respond to urgent needs – including ensuring supplies of essential education materials reach teachers and students across the country – and most importantly, we have played a brokering role bringing the Local Education Group, including education officials from both Aden and Sana together. GPE is today the largest external

donor to Yemen's education sector, targeting 13 (from a total of 25) of the most vulnerable and disadvantaged governorates. The most recent report catalogues achievements including rehabilitation, repair and replacement of buildings and furniture, training over 6000 teachers, provision of school kits and pyscho-social support, and continuing Education Management Information System support. GPE's program serves a critical role in helping to keep about 90 percent of schools open – although many are only functioning a few hours a day and about 2 million Yemeni children remain out of school.

5.3 One year ago the Board asked the Secretariat to engage further in the development of **Education Cannot Wait** (ECW) and I'm very proud of our contributions. GPE staff has played central roles together with UNICEF and other agency colleagues, including serving on the interim leadership team awaiting the Director appointment; shaping program development; coordinating technical review of country proposals; and, in a range of countries, helping bring humanitarian and development partners together, including to ensure ECW grants dove-tailed into existing and developing GPE and other support. With thanks to DfID, the process to determine a permanent host for ECW is now well underway and a timely decision is expected. GPE remains committed to bridging the gap between humanitarian and development funding, making ECW a success, and helping those children whose chances to secure an education in the most difficult of circumstances a reality.

5.4 GPE Secretariat staff have been intensively engaged in operationalizing ECW, and in partnership with local partners our country support team have supported the development of successful ECW grant applications for Syria, Yemen, Chad and Ethiopia. For the latter three, it was important to ensure the linkages and complementarity with current and planned GPE grants. Syria has only recently become eligible for GPE support but we were pleased to help broker agreement between donors, humanitarian and development actors within the broader framework of the international response to the crisis. The Syrian crisis has rendered one in three schools no longer operational and nearly six million children dependent on humanitarian assistance. As we know, the lack of opportunity for education that was one of the motivating factors for Syrian families seeking refuge in Europe in 2015.

5.5 GPE has played a leadership role to support local partners develop strong proposals and is leading on a lessons learned exercise from the initial investments to help inform further investments from ECW and strengthen the operational model. GPE engagement with partners in facilitating the development of a joint proposal for Yemen in particular has resulted in a viable proposal to respond to urgent prioritized education needs and build for future investments in a challenging and complex

environment. GPE is also supporting countries and partners develop "first response funding" in crisis situations and global public goods through ECWs acceleration funding facility.

6. STRENGTHENED SECRETARIAT OPERATIONS

6.1 Delivering country support depends in large part on an efficient Secretariat and GPE has invested considerable attention and effort to ensure it has a strong operational model, principally on quality assurance, risk management, fiduciary oversight and stewardship. The strengthening of GPE's Quality Assurance and Review (QAR) and peer review processes is providing improved and more consistent support and feedback to country partners. The adoption of a **risk-based approach** rooted in the Operational Risk Framework deploys Secretariat staffing more effectively and is supported by improved tools and methodologies aligned with GPE 2020 objectives.

6.2 The Secretariat's new risk specialists will be in place in the coming weeks, which will enhance the Secretariat's **risk management** capabilities. We are implementing risk management plans for all countries with an active ESPIG with a focus on high-risk countries and reassessing operational risk across the portfolio both on an annual basis and in real-time when risk levels change significantly. The Secretariat will link data from grant portfolio reviews and results-framework country analytics with the Operational Risk Framework to determine risk levels and better target Secretariat resources, and the finalized methodology for operational risk assessment will be presented to the Finance and Risk Committee in due course.

6. 3 Progress has also been made to reduce a number of risks identified in the **risk matrix**, and implementation of the financing and funding framework will reduce risk further. However, risks in many cases remain above our target levels and strong vigilance and mitigation actions are needed. The critical risks highlighted by the FRC merit close consideration by the Board.

6.4 We have further strengthened the **fiduciary oversight** of GPE funds, reviewing audit reports and implementation progress to identify issues and guide follow up with Grant Agents. Of the 12 audit reports where significant issues were identified, all have been satisfactorily addressed. The strengthening of the **program finance** team is sharpening our focus on fiduciary oversight, particularly in high risk countries where reviews of grant applications are systematically incorporated as part of our new quality assurance processes. A successful capacity assessment of the Save the Children country office for Somalia marks an important milestone in expanding the range of organizations performing this role. The ESPIG for Somaliland is on track to be our first ESPIG with an International NGO as Grant Agent.

6.5 We continue to proactively monitor and engage on **stewardship of funds** and follow up to ensure repayment. In terms of updates on previously reported cases, full repayment was received from the Government of Madagascar in December 2016 for a case relating back to the 2010 to 2012 period. In April 2017, repayment was made by the Government of Benin relating to fraudulent expenditure on a school feeding program from 2013-2016, this is in addition to a previous repayment made in 2016. In my CEO report in December, I mentioned an ongoing investigation in an unnamed country. This investigation has now concluded and no evidence was found to support the allegation of fraud that had been made. In terms of new cases, I wanted to highlight Ghana and Afghanistan, where internal oversight within countries has detected misuse and taken corrective action. In Afghanistan, there was a total of $122,000 which is in the process of being recovered from two provincial offices where cash was misappropriated by the cash custodian; and in Ghana, there was a total of $19,000 which is in the process of being recovered from 40 individual head teachers. In each case country systems have effectively identified and dealt with the misuse. We will continue to regularly monitor and report on existing and new cases of misuse and a separate report will be given as part of the Risk Management session in Ottawa.

6.6 Strengthening of the **grant monitoring** system to report qualitative and quantitative information has enabled grant coding to capture sub-sectors and thematic areas of focus, underpinning efforts to improve **quality data**. An interagency working group on Education Information Systems has been established to generate knowledge, identify good country practices and share experience on Education Management Information Systems (EMIS) development, implementation and use, and identify capacity building needs of country partners.

6.7 GPE's **public expenditure on education** methodology and data collection yielded substantive information on 49 Developing Country Partners DCPs in 2016 with a similar number expected for 2017. We have initiated technical collaboration with the UNESCO Institute of Statistics (UIS) to integrate the data in their system. This will improve the quality and coverage of education financing data available in both the UIS database and GPE's Results Framework. We are also developing a guidance note to maximize country stakeholder engagement in policy dialogue and monitoring of domestic resource mobilization and bringing together international public finance experts from GPE partners and representatives of Ministries of Education and Finance.

6.8 A wealth of new **tools, policy briefs and technical guidance** are available to support country advisory work, including on early childhood, domestic financing, gender equality and fragility and conflict. The Secretariat published technical guidance on **gender responsive education sector planning** in early 2017 and the first of a series of regional workshops was hosted

by Tanzania in March with country teams from Zanzibar, Malawi, Uganda, Zambia and Mozambique. Through the Global and Regional Activities (GRA) Program, UNESCO IBE published a report on teaching and learning to read in a multi-lingual context. The GRA program also supported a UNICEF synthesis report on **school-related gender based violence** for four GPE countries – Cote d'Ivoire, Ethiopia, Togo and Zambia – that makes recommendations for policy and practice in each country and for cross national collaborations. A stock take on **inclusive education** in ESPs and ESPIGs for 42 GPE countries is also underway and the Secretariat is working with UNICEF on the development and piloting in Ghana of Education Sector Analysis Methodological Guidelines on Inclusive Education with a focus on children with disabilities.

7. RESULTS AND IMPACT

7.1 This year's **Results Report** is the first in a series that will document progress on our five year strategy, GPE2020 and provides a critical tool to help guide GPE's work and drive a focus on results for children across the partnership. It shows progress in 16 of the 19 intermediate targets where trend data is available and establishes baseline data for the remaining indicators. The report also includes descriptive and financial data about GPE funding and its grant portfolio. Many of the indicators provide useful guidance for country dialogue and they are also being used in Quality Assurance Reviews. For example, the methodology for monitoring the quality of Joint Sector Reviews (JSRs) is being used to inform Secretariat engagement with local education groups on how to improve sector monitoring. We are also developing a knowledge base for supporting improved quality JSRs. A research paper will be published in June and development partners, ministry officials and CSO representatives are also being mobilized to support the development of guidance for effective JSRs.

7.2 The data in the results report confirms that significant progress has been made, including the growing proportion of children completing school and improvements in equity outcomes. Milestones have been met on lower secondary completion, pupil to trained teacher ratios, reporting of data to UIS, implementation of the funding model's results-based variable tranche, raising financing from non-traditional donors and improving the proportion of Secretariat staff time spent on country facing functions. There are however challenges that require attention. The report suggests that our focus over the coming years should be on six specific areas: strengthening learning assessment systems, extending early childhood education, targeting more support to countries falling behind on gender equality, increasing the focus on lowering drop-out and repetition rates, reinforcing the quality of education sector plans and mutual accountability around these plans, and diversifying GPE's funding base to catalyze more external financing for education.

7.3 The results report is complemented by GPE's **evaluations strategy** covering three streams: country-level (formative and summative), thematic and programmatic level, and the final overall evaluation of GPE 2020. A first evaluation on GPE's DCP meetings, will be presented at the Board meeting. Over the next 12 months the first summative country level evaluations will be shared with the Board and prospective country evaluations will begin. Three programmatic evaluations are planned during 2018 on the Global and Regional Activities (GRA) program, the ESPDG program and the Civil Society Education Fund (CSEF).

8. MANAGEMENT AND BUDGET

8.1 The Secretariat **2017-2018 budget** submitted for the Board's approval keeps our operating costs within the Board-approved range of 5 to 7 percent of projected expenditure. This is despite a 33 percent increase in human resource costs, primarily due to an increase in the World Bank's cost recovery charges imposed on non-salary related staff costs, coupled with the full year employment costs of the additional posts approved by the Board in December 2016. Achieving this outcome required a reduction in the core variable budget (short terms consultants, travel, contractual services) and reinforces my commitment to a lean, value for money organization.

8.2 The approval of additional headcount in December provided urgently needed additional **capacity** in the Secretariat and we are concluding an intense period of recruitment. With a clear schedule for the FFF design and implementation work, new timing for a decision on ECW hosting, together with the timing of replenishment, I have decided to submit our GPE 2020 HR plan in December. At that point we will have greater clarity on the impact of these factors and will have taken appropriate time to properly consider our HR needs for the coming three years.

8.3 Dalberg Global Development Advisors is examining key business areas where we have identified the **potential for efficiency**, a greater need for clarity on processes, roles and responsibilities, or capacity gaps. They confirm that we have made progress implementing many of the recommendations from their December report, including strengthening quality assurance and our risk and fiduciary oversight functions. More work remains and Dalberg have identified a number of important pivots to ensure that we are best using data and analytics, learnings from our results report, and our risk framework to drive the Secretariat's work program and ensure that human and budgetary resources are aligned to priorities and deployed as efficiently and effectively as possible.

8.4 Given the significant period of growth and change I have retained an HR firm to do a short focused exercise to advise on **strengthening management** arrangements and practices. The firm has identified a number of practical streamlining recommendations and together with the rest of my

management team I have begun to enact these changes. I am confident that taking the time now to make these investments in the efficiency of the Secretariat is the right foundation for a credible medium-term human resources plan. Finally I note that there is a close relationship between the Secretariat's future HR needs and our collective success at strengthening the partnership at country level.

9. CONCLUSION

9.1 The launch of GPE's Case for Investment in April marked the formal start of the replenishment campaign to raise the resources to implement GPE 2020. In the current global political and economic environment, there is no doubt that reaching US$ 2 billion a year by 2020 is an ambitious goal. But there is also every reason to believe that the world is ready to make a step-change in education financing and drive the change in learning and equity outcomes that are so urgently needed.

9.2 We have together spent the past few years rebuilding GPE–defining a theory of change, developing a strategy and results framework and, piece by piece, putting the building blocks in place. The March decision on the financing and funding framework was the penultimate piece. It defined our scope with a new eligibility and allocation model–focusing GPE's support where the needs are greatest: 89 low- and lower middle-income countries that are home to 78 per cent of the world's out of school children–and it gave us cutting edge tools to raise the finance and to most effectively target our funding. We now need to secure the resources.

9.3 A lot has been said of the growing momentum behind global education. About how there's never before been such high recognition of the need and value of investing in education. The GPE replenishment presents a clear and specific opportunity to demonstrate that commitment. I look forward to working with you to land this opportunity to make a real difference in not just the lives of millions of children but the future prosperity of their families, communities and nations.

10. PLEASE CONTACT Alice Albright (aalbright@globalpartnership.org) for further information.

11. ANNEXES

Annex 1 – Financing and Funding Framework (FFF) Implementation