Annex A: Semiannual Corporate Risk Report – June 2026

Introduction

- GPE's Risk Framework remains an essential internal management tool and oversight mechanism for the Finance and Risk Committee (FRC) and the Board, supporting informed strategic decision-making. This semiannual report, following the December 2025 update, highlights GPE's most significant risks during the transition to the GPE 2030 strategy and ahead of the 2026 Global Education Summit. The report is structured around the risk taxonomy and integrates risk, control, and performance indicators aligned to GPE 2025, while maintaining continuity across the strategy transition to GPE 2030 and replenishment timeline.
- This is the final report using the current risk management framework; future reports will follow the revised framework approved by the FRC in October 2025. Although GPE 2025 delivery remains strong, the risk environment is increasingly shaped by uncertainties linked to the GPE 2030 replenishment, tightening global fiscal space, and shifts in the development cooperation landscape that affect both external financing and country-level delivery capacity. As a result, several risks remain stable in rating but have evolved in nature, from implementation-related exposure toward risks linked to financing predictability, partner capacity, and sustaining reform momentum.
- Risk ratings continue to be based on the 2019 Board-approved methodology, combining quantitative and qualitative evidence to assess inherent and residual risks while accounting for external factors that may affect GPE operations. Ratings reflect both estimated impact and probability, as well as the direction of travel since December 2025, and are determined collectively by Secretariat risk owners through qualitative assessment supported by available data and indicators. The report highlights key trends observed during this transition period, including sustained high strategic exposure in resource mobilization and domestic financing, continued low operational risk in grant approval and allocation processes, and emerging pressures that warrant closer monitoring as GPE 2030 modalities are implemented. Annexes provide detailed data, analysis, and updates on mitigation actions.

Key Findings and Trends

I) Strategic risk remains high

Overall strategic risk remains high, reflecting a transition from the largely secured GPE 2025 financing cycle to the forward-looking uncertainties associated with launching GPE 2030. While backward-looking performance under GPE 2025 has been strong, the current risk profile is increasingly shaped by external financing volatility, domestic fiscal constraints, and

pressures within the global aid architecture that affect both resource mobilization and delivery at country level.

- **Resource mobilization remains GPE's highest strategic and overall risk (very high risk), with the risk profile increasingly driven by the transition from the largely secured GPE 2025 replenishment to the more uncertain financing environment for the 2026–2030 financing period.** While current data show that GPE 2025 is expected to reach approximately US$4.196 billion (not accounting for actual FX movements), or 84 percent of the US$5 billion target – an outcome that represents a strong achievement in a constrained geopolitical and fiscal context – this backward-looking performance does not fully capture the forward-looking exposure associated with launching the GPE 2030 replenishment cycle. The Global Education Summit initiates a new phase in which the US$5 billion target is aspirational and final outcomes remain uncertain, including the possibility that a minority of donors may face constraints in making full multi-year commitments at the outset, affecting the predictability of early financing flows. The path to achieving the GPE 2030 replenishment target remains feasible but is narrowing, with regional dynamics, including developments in the Middle East, further affecting donor capacity and contributions. At the same time, early pledges and contributions, including Germany's multi-year commitment signal continued confidence in GPE's model. Resource mobilization risk is assessed as very high based on external factors such as geopolitical pressures, competing development priorities, and fiscal tightening among donors. To mitigate these risks, the Secretariat is implementing national campaigns to build political support for replenishment, while the External Relations team is mobilizing political and public champions to strengthen the case for education as a long-term investment and broaden the coalition of partners supporting GPE 2030.
- **Co-financing exceeded expectations (very low risk), providing a strong foundation for scaling GPE's innovative financing approach under GPE 2030**. Building on the success of GPE 2025 (during which innovative finance mechanisms mobilized US$3.75 billion, surpassing the initial US$3 billion target and significantly expanding the pool of co-financiers), under GPE 2030, the financing and funding framework introduces indicative allocations for the Multiplier to enhance predictability and transparency, moving away from a first-come, first-served approach in most countries. Sustainable finance is a cornerstone, fostering country-led, system-level reforms by leveraging domestic and external resources through catalytic instruments such as the Multiplier and Debt2Ed. The increased expectations on co-financing raises the bar for success and brings its own challenges. A focus on simplification, and stronger positioning, including engagement with new partners such as regional financial institutions will be important. While interest

in co-financing remains strong, GPE's ability to effectively engage, mobilize resources, and position itself as a key player, including on domestic financing, will be critical to fully capitalize on these opportunities. The Secretariat will be closely monitoring risks associated with mobilizing additional financing particularly for LICs, SILDS, and FCAS. As requested by the Board, there will be opportunities for system transformation grant eligible countries to convert their multiplier indicative allocation into system transformation funding if they're unable to secure the necessary co-financing having made reasonable efforts to do so.

- **Domestic financing remains a high risk as declining ODA, demographic pressures, and rising debt burdens narrow fiscal space for education investment across partner countries**. Results-based financing under GPE 2025 has successfully shifted incentives toward efficiency and equity in public spending, with the majority of approved top-up triggers now directly linked to domestic financing reforms. Early results demonstrate improvements in budget execution, workforce management, and allocation equity, with US$46.5 million unlocked to date out of US$323 million in approved domestic financing related top-up funding. Nonetheless, progress is uneven and external financing alone cannot substitute for sustained national investment. In response to evolving global financing dynamics, GPE is supporting countries to develop fiscally credible sustainable education financing pathways that combine domestic and external resources, strengthen alignment with national systems, and support medium-term reform planning. Through the replenishment campaign, partner countries are also articulating voluntary commitments and budget trajectories to demonstrate how they will strengthen education financing despite continued fiscal constraints, reinforcing domestic ownership as the foundation of sustainable system transformation. The Global Education Summit is an important opportunity to demonstrate the commitments of partner countries to mobilize domestic financing.
- **Mutual accountability remains a core risk as GPE transitions to GPE 2030. The focus is shifting from securing commitments to align behind prioritized reforms, to ensuring consistent implementation, monitoring, and delivery of these (high risk)**. While 77 partnership compacts have now been endorsed (demonstrating strong country engagement), the depth and regularity of monitoring vary, underscoring the need to institutionalize annual monitoring and midterm reviews, and use these as opportunities to accelerate the delivery of priority reforms. Strengthening these mechanisms is essential not only for accountability but also to address persistent data gaps, especially in fragile and conflict-affected contexts, where weak statistical systems and limited institutional capacity continue to constrain results attribution and the effective use of data for decision-making. The introduction of a top up trigger on learning outcome data

is intended to incentivize and support closing data gaps in the availability and use of foundational learning data. Moreover, partner countries face fiscal constraints and decreased external funding for education, while some external partners are scaling back country level presence and many of those remaining operate with reduced resources. Civic space is shrinking in many contexts. The combination of these factors risks eroding mutual accountability for the implementation of reforms set out in partnership compacts. On the other hand, the GPE 2030 partnership objective puts into focus the importance of enhancing partnerships with core system stakeholders as drivers of effective reform implementation, and the Secretariat is exploring ways to strengthen the engagement of teachers, youth and others through EOL, KIX and country level engagement more broadly.

- **Closing data and evidence gaps remains an operational priority to ensure credible demonstration of results. While monitoring practices are expanding, the effectiveness of the system transformation approach depends on strengthening country-level capacity to generate, use, and report consistent sector data.** Capacity pressures among some grant agents and coordinating agencies have emerged as an operational concern, as broader funding constraints affect technical staffing, field presence, and the ability to sustain implementation in fragile environments. Ongoing engagement with grant agents and partners, alongside strengthened monitoring mechanisms and systems investments, aims to improve data reliability, attribution of outcomes, and collective learning under GPE 2030.
- Aligning ambition with country capacity continues to require careful calibration as GPE deepens its country-led model. **Experience under GPE 2025 shows that flexibility in defining country-specific reform actions and financing triggers is essential but must be balanced with realistic timelines and sustained technical support to avoid implementation delays or repeated revisions.** Midterm reviews and strengthened annual monitoring are expected to play a central role in maintaining this balance between ambition and feasibility. Managing expectations around the pace of results, particularly given long implementation timelines, will also require continued attention and clear communication.
- **Fragility, conflict, and political transitions continue to disrupt reform continuity and implementation in several contexts, heightening fiduciary and delivery risks and reinforcing the need for adaptable programming and sustained field presence.** At the same time, declining donor in-country presence and reduced coordination capacity among development partners risk weakening sector dialogue and mutual accountability structures, placing greater demand on GPE's convening role to maintain alignment and coherence at country level.

- **Gender equality integration continues to show strong operational progress but maintains a moderate risk rating recognizing that the broader strategic environment presents emerging challenges, including growing global resistance and political sensitivity around gender-related agendas**. Acknowledging these contextual risks is important to ensuring that gains achieved through program design translate into sustained commitment and implementation. GPE 2030 will continue embedding gender and inclusion across system reforms, supported by regional expertise and strengthened monitoring, while maintaining focus on reaching the most marginalized learners through mechanisms such as the Girls' Education Accelerator.

II) Operational risk exposure remains low

Overall operational risk exposure remains low, reflecting the maturity of the GPE 2025 portfolio and continued progress in grant approvals, allocation, and monitoring processes. However, selected sub-risks have been recalibrated to reflect forward-looking pressures associated with the transition to GPE 2030 and a more constrained external operating environment.

- **The risk associated with the GPE 2025 operating model is assessed as low, as nearly all system transformation grants (STGs) have now been approved, with the final remaining applications expected to be approved before the end of the fiscal year.** The principal parameters monitored relate to the timelines of strategic adjustments within the operating model. Earlier concerns regarding approval timelines are being mitigated through the planned use of mid-term reviews (MTR) under GPE 2030, which are expected to streamline decision-making and reduce transaction costs. Further simplification of procedures remains a priority, particularly in the context of potentially smaller grant sizes and constrained resources.
- **The risk that contributions to the GPE Fund are not allocated in a timely manner has decreased to very low. Cumulative approvals under GPE 2025 now total US$3.43 billion across all grant types (STG, Multiplier, GEA, and SCG), a further increase of US$0.6 billion since the last report.** This shows that the revision of indicative allocations following the June 2025 Board decision has not caused major delays. This progress has been enabled by strong collaboration with partner countries to adjust programs under preparation. With respect to System Capacity Grants (SCGs) where countries had not accessed the funds by end 2025, the Board approved a six-month extension to June 2026, and all countries are on track to access these funds by then. **The risk that countries are unable to access GPE Multiplier resources remains very low for GPE 2025; however, it has increased to low, reflecting the transition to GPE 2030. The new strategic framework introduces a broader menu of financing options and more predictable country**

envelopes, enabling a larger number of countries to benefit from guaranteed allocations. GPE 2030 places stronger emphasis on targeted resource mobilization, regionally tailored cofinancing strategies, and diversification of financing partners to unlock Multiplier opportunities.

- **Disbursement levels have remained strong.** Administrative costs increased slightly from 10.6% to 10.7% as of end-December 2025, driven by the addition of grants that became active between July and December 2025 with comparatively higher administrative cost, averaging 11.4%. Two of the four largest grants that became active during the period are in fragile context and have an outsized impact on the indicator. Through its quality assurance review of grant applications, the Secretariat ensures that costs are reasonable and demonstrate value for money. Operating Expenses (OPEX) remain below the Board-defined ceiling of 7% of disbursements, supported by prudent financial management and reinforced budgetary controls, including a formal budget challenge process and monthly expenditure monitoring. Additional oversight on travel and procurement, combined with increased staff presence closer to partner countries, has further supported cost containment despite inflationary pressures.
- **Grant performance risk has remained low considering continued improvements in implementation performance.** Time to effectiveness under GPE 2025 has improved to an average of approximately four months, and the proportion of programs requesting start delays has fallen below 50%, with most delays short and not leading to delay starts beyond the six-month benchmark. The percentage of GPE 2020 grants on track increased from 92.5% to 94.3%, reflecting steady progress toward closure; 13 grants closed in 2025, with most remaining GPE 2020 grants expected to close in 2026. The rating may need to be revised in the next report depending on the data that emerges on the implementation of more recent grant approvals and as the portfolio transitions to GPE 2030.
- **Mitigation measures implemented by the Secretariat continue to strengthen operational delivery. The regional structure has enabled closer engagement with partner countries and grant agents, while strengthened fiduciary oversight, proactive portfolio monitoring, and clearer technical guidance have improved performance**. Efforts are underway to simplify operational documentation, maintain user-friendly guidance in multiple languages, and orient partners to evolving GPE 2030 modalities in order to reduce complexity-related delays.
- **The external operating environment presents heightened forward-looking risks. The global aid architecture is undergoing fragmentation, shifting priorities, and budgetary contraction among traditional donors, placing pressure on cofinancing models and increasing reliance on domestic finance.** These dynamics may reduce reform ambition, slow mobilization of external resources, and heighten expectations on national systems

to sustain results. Transition risks linked to the shift from GPE 2025 to GPE 2030 including uncertainty around eligibility, allocation rules, and results reporting may also affect partner understanding and require sustained change-management support.

- **Country-level operations are increasingly influenced by constrained partner capacity and evolving coordination roles. Financial and staffing pressures affecting several grant agents and coordinating agencies, particularly within multilateral institutions, are straining their ability to deliver technical support and partnership functions, especially in fragile and conflict-affected contexts**. Coordinating agencies are expected to perform complex roles, and while support can be accessed through System Capacity Grant funding, a lower than expected number have pursued this opportunity, leaving constraints that may impact the effectiveness of partnership brokering and mutual accountability at the country level. These dynamics, combined with consolidation of partner presence in some contexts, create compounding risks that need to be considered in grant agent selection.
- **Alignment risk remains elevated, reflecting continued challenges in ensuring that GPE grants use government systems and reinforce national ownership (high risk).** The GPE 2025 alignment indicator, originally benchmarked at 50%, has proven difficult to sustain with further work required by some grant agents to increase capacity to utilize country systems. Under GPE 2030, alignment indicators will be recalibrated, and the grant agent selection process is being revised to strengthen accountability and promote more harmonized modalities, supported by reinforced Secretariat capacity at the regional level.
- **Grant management compliance risk remains moderate. While delayed completion and audit reports persist, these have not materially affected operations.** The regional team structure has improved follow-up and collaboration with grant agents, resulting in all progress reports due in 2025 being received and a reduction in reporting delays. Of ten completion reports due in the second half of 2026, only two were delayed, indicating gradual improvement in compliance performance. The Secretariat continues to work on addressing challenges associated with the timely submission of audit reports.
- **Fraud and misuse risk has increased from very low to low, in recognition of the challenging contexts that the majority of GPE funds are deployed in and risks to grant agent and partner capacity at country level due to financial constraints.** An increase in reported cases by Grant Agents over the past 12 months is viewed positively in that it signals improved detection, engagement, and transparency rather than heightened incidence. Mitigation measures include fiduciary risk assessments prior to approval, systematic audit reviews, strengthened grant agent policies, and continued reporting to the Finance and Risk Committee and Board. None of the cases reported to the Board in

December 2025 have resulted in actual loss of GPE funds, as recoveries have either already been made or grant agents have taken steps to recover misused funds.

- **The risk level for PSEAH (Protection from Sexual Exploitation, Abuse, and Harassment) remains moderate.** In line with GPE's PSEAH policy, all grant agents have been assessed (as part of the accreditation process) and demonstrated that their policies and procedures meet GPE's minimum standards and good practice guidelines. Grant agents continue to apply their own policies alongside GPE requirements, to deter, detect and handle SEAH incidents. While acknowledging the risk of underreporting of cases by grant agents, there has been an increase in the number of reported cases. The Board received an update on SEAH cases in December 2025, all of which are being satisfactorily handled by grant agents. Meanwhile, the Secretariat is intensifying collaboration with grant agents through targeted initiatives, including a November 2025 workshop focused on integrating PSEAH considerations into grant design and strengthening government leadership. Additional actions include enhanced and clarified reporting requirements via a new standard operating procedure (SOP) for case reporting, introduction of annual monitoring mechanisms, and development of a mandatory training module for Secretariat staff and planned introduction of an annual declaration, wherein grant agents will be asked to confirm in writing that they have reported all SEAH cases as an additional mitigation against the risk of under-reporting.

III) GPE fund management risk exposure has remained moderate

Overall fund management risk remains moderate, reflecting stable technical indicators alongside increasing forward-looking pressure associated with the transition from GPE 2025 to GPE 2030. While the Fund remains within policy thresholds, the underlying risk profile is shaped by the timing imbalance between sustained high disbursement levels and tapering contribution inflows as the current funding cycle concludes.

- **Six months on from the previous report, GPE's financial position remains within the target range but continues to face some liquidity pressure. While cash at the end of December was at the lower end of the disbursement coverage target, levels are projected to decline further during 2026 as grant disbursements significantly exceed donor contributions (moderate risk).** This reflects sustained program delivery outflows alongside the reduction of inflows as the current funding cycle concludes.
- **The outcome of the replenishment will be critical in determining longer-term liquidity, and close vigilance is warranted, particularly from the second half of 2026, should the imbalance between inflows and outflows persist.** Although technical indicators remain within policy parameters, these forward-looking pressures justify maintaining a

moderate risk rating. The Secretariat will continue to closely monitor cash flow projections and contribution schedules during the transition to GPE 2030. Depending on the replenishment outcome, there may be a need to revisit the disbursement cover target and accept a higher level of risk in exchange for maximizing program implementation.

- **Foreign exchange (FX) risk is currently low, as GPE 2025 donor contributions are substantially complete. However, this risk is expected to rise again once new replenishment pledges are made, especially where contributions are denominated in non-USD currencies while expenditures remain largely USD-based (moderate risk).** The Foreign Exchange Framework approved by the Board in June 2023 enabled a currency hedging pilot, which was assessed by the World Bank to determine whether it should continue under GPE 2030. This assessment is positive and a recommendation to continue the approach will be reviewed by the FRC at its May 2026 meeting. As new pledges are secured, donors will be encouraged to sign multi-year contribution agreements to enhance predictability, with hedging, if continued, serving as an additional mitigation tool.

IV) GPE business continuity risk remains low

Overall business continuity risk remains low over the reporting period, reflecting continued sustained operational stability as the Secretariat continues to embed organizational, financial, and systems changes introduced under GPE Forward while maintaining effective support for program delivery during the transition from GPE 2025 to GPE 2030. Depending on replenishment outcomes for GPE 2030 and the operating expense parameters in effect, it's possible that business continuity risk will increase should there be a need for significant downsizing of the Secretariat.

- **The Secretariat's operating expenditure (OPEX) remains within Board-approved limits. However, expenditure has come under pressure in recent months due to the weakening of the US dollar, which has increased the cost of staff expenses denominated in other currencies (notably euros) when reported in USD terms (very low risk).** To ensure spending remains within budget, the Secretariat conducts monthly reviews comparing actual versus planned expenditures, with managers actively assessing performance, tracking utilization, and reallocating funds as necessary to maintain strict cost control and financial discipline.
- **Human Resources risk remains low, reflecting GPE's continued application of a proactive, risk-based recruitment approach aligned with operational needs. As anticipated six months ago, the staff fill rate has increased from 91.2% to 94.7%, strengthening workforce stability.** In light of the external environment and shifts across the development sector, only limited staff departures are expected through natural attrition. Following the World Bank Group's October 2025 announcement on the evolving

contingent workforce framework, GPE established a Contingent Workforce Support Team in November 2025 to assist short-term (ST) staff in navigating the transition. The team provides centralized guidance, responds to staff queries, and coordinates closely with the World Bank to clarify vendor options and administrative requirements. Supporting STs through this transition remains a priority to ensure continuity of expertise and operations.

- **As the Digital Transformation Project advances, IT risk is maintained at a moderate level following initial release of the Customer Relationship Management (CRM) module. The project continues to progress according to plan, with the vendor currently delivering Release 2 of the core operations module, including grant management, scheduled for March 2026.** The Secretariat has implemented a comprehensive training, communication, and rollout approach to support staff adoption, building on lessons from the CRM deployment. Risk mitigation is actively managed through an updated project risk register, regular coordination with the vendor and World Bank IT teams, and oversight from a cross-institutional Coordinating Committee.
- **Organizational culture indicators have improved overall since the previous reporting period, informed by the September 2025 Staff Survey, which showed low or very low risk across areas such as respect, dignity, team environment, and inclusion (moderate risk).** GPE has launched a Culture Engagement Team to champion and operationalize culture initiatives and will develop a Secretariat-wide workplan grounded in staff feedback. Managers have reviewed team-level survey results and agreed on practical actions to make improvements where necessary.

V) Reputation risk remains moderate

- **Reputational risk remains moderate and is managed through a proactive, integrated approach embedded in strategic planning and operations.** Established policies and procedures, including robust media monitoring, a crisis response protocol, and a functioning reputational risk mitigation plan, enable early identification of issues and timely response. Regular media and social media monitoring, alongside prepared reactive messaging, support mitigation where required. Recent anecdotal increases largely linked to wider media coverage of aid reductions rather than GPE-specific issues. The Secretariat continues to reinforce GPE's credibility through strategic communications and leadership engagement. In sensitive contexts, selected social media posts have been closed to comments as a targeted mitigation measure, while avoiding broader restrictions that could undermine transparency and engagement.

Annex: Risk levels, scores, and indicators

Annex 1: Overall risk levels per risk category



Annex 2: Risk levels and risk scores per category and sub-category and direction of travel in the past six months

STRATEGIC RISK	S2 25	S1 26	DOT
Overall category	3.50*	3.50*	=
Financing risk and resource mobilization	5.00*	5.00*	=
Financing risk and co-financings	1.00	1.00	=
Domestic financing risk	4.00*	4.00*	=
Mutual Accountability risk	4.40*	3.50*	=
Governance risk	1.00	1.00	=
Gender Equality Risk	3.00*	3.00*	=

SECRETARIAT BUSINESS CONTINUITY RISK	S2 25	S1 26	DOT
Overall category	2.00	2.25	=
Operating expenses risk	1.00	1.00	=
Human Resources (HR) risk	1.50	2.00	=
Information Technology (IT) risk	3.00	3.00*	=
People and organizational culture	2.50	3.00	=

The **Direction of Travel** (DOT) indicates whether the risk level has increased (e.g., from low to moderate), remained similar (e.g., from low to low) or decreased (e.g., from high to moderate) compared to the previous reporting exercise. The DOT does not consider changes of risk scores (e.g., changes from 1.8 to 2.3 shows "remained similar").

The **Star (*)** next to the risk score indicates when the risk level was reviewed (i.e., elevated or lowered) as the result of a qualitative risk assessment, following the quantitative assessment.

FUND MANAGEMENT RISK	S2 25	S1 26	DOT
Overall category	2.50	3.00	=
Liquidity risk	3.00*	3.00*	=
Currency exchange risk	2.00	3.00*	▲

OPERATIONAL RISK	S2 25	S1 26	DOT
Overall category	2.19	2.19	=
Operating model risk	2.00*	2.00*	=
Access to funding risk and approvals	2.49*	1.49*	▼
Access to Funding Risk and Multiplier	1.00	1.50*	▲
Alignment	3.50	3.50	=
Access to Funding Risk and Value for Money	2.50	2.50	=
Grant Performance Risk	2.00	2.00	=
Grant Compliance Risk	3.49*	3.49*	=
Risk of Fraud and Misuse	1.00	1.50*	▲
PSEAH Risk	3.00*	3.00*	=
GPE's Support to Strengthen Capacity Risk	1.00	1.00	=

REPUTATION RISK	S2 25	S1 26	DOT
Overall category (hybrid risk, with no sub risk)	2.50*	2.50*	=

Very Low (0/1-1.49)	Low (1.50-2.49)	Moderate (2.50-3.49)	High (3.50-4.49)	Very High (4.50-5)

Annex 3: Detail on risk indicators, per risk category

GPE Strategic Risk: the risk that GPE is not able to achieve its goals and objectives.			
Category Risk Level: High (same as 6 months ago)		**Flagged Risk(s):** 1. Financing Risk & Resource Mobilization (very high risk) 2. Mutual Accountability Risk (high risk)	
Risk Area	**Risk Indicators & Trends (when applicable)**	**Risk level, Impact & Direction of Travel [DoT] (when applicable)**	**Context & Specific Countermeasures**
1. Financing risk and resource mobilization: the risk that contributions to the GPE Fund do not reach target impeding GPE's abilities to fund its programs	• Total amount pledged versus US$5 billion target: **US$ 4.196 billion or 84%** (using the FX rate at the time the pledges were made, including donor cuts) • Data for S2 2025: US$ 4.185 billion or 84% --- • % of pledges converted into payment versus target (cumulative): **US$ 3.463 billion or 93%** (using FX rate as of December 31, 2025) • Data for S2 2025: **US$ 3.069 billion or 87%**	• **Very High risk** (elevated after a qualitative assessment) • High Impact • Direction of travel: ↔	• For GPE 2025, the risk is assessed as low; however, looking ahead, it increases for the next strategic cycle. The 2025 Replenishment is expected to reach approximately US$4.196 billion, or 84% of the US$5 billion target–an outcome that represents a strong result in the current geopolitical environment. • **As the financing campaign for 2026–2030 is now underway, the focus has shifted to the upcoming strategic period, with the Replenishment Conference taking place beginning of autumn 2026.** The US$5 billion target for the next Replenishment is an aspirational target, and it is too early to know which target GPE will hit. There is a moderate risk that some donors (minority) may not be able to pledge for five years on the day of the conference. **On the positive side, early public signals of support include Germany's pledge of €270 million for 2027–2032.** • To mitigate these risks, the donor team is implementing targeted national influencing campaigns to build strong political backing and reinforce the narrative around development cooperation, while the External Relations (EXR) team is engaging political and public champions to strengthen the case for education as a long-term investment.

2. Financing risk and co-financings: the risk that co-financing targets are not reached impeding GPE's abilities to co-finance its programs	• % of total co-financing mobilized per calendar year versus target: **US$ 3.75 billion against a US$ 3 billion target* or 125%** • Data for S2 2025: US$ 3.78 billion or 127% of the target	• **Very Low risk** • Moderate Impact • Direction of travel: ↔	• **Under GPE 2025, the Multiplier exceeded targets and its initial envelope was fully utilized by early 2024, demonstrating high demand**. **GPE 2030 will deploy more intentional and proactive engagement strategies, including regionally tailored approaches grounded in data, context-specific realities, and lessons learned.** These strategies will enable GPE to harness co-financing in a more agile and strategic manner, representing a step change from GPE 2025. Additionally, there will be a strong emphasis to empower and equip the Secretariat to have the tools, data, resources and information to undertake resource mobilization responsibilities in the new GPE forward configuration. This should allow co-financing opportunities to be realized and optimized in a timely manner. • **Diversification of the range of co-financers: attention and focus on consistently diversifying the range of partners whilst ensuring the existing partners stay engaged, will ensure that co-financing targets are met**. Embracing a creative, problem solving and forward-looking diversification strategy will ensure that GPE continues to deepen its footprint in scaling and incentivizing financing through its innovative finance portfolio whilst drawing closer linkages to domestic and sustainable financing agendas.
3. Domestic Financing Risk: the risk is that Partner Countries do not make progress towards GPE benchmarks in terms of domestic financing	• % of GPE countries or states persistently below GPE benchmarks for DF volume: **35%** • Data for S2 2025: 35%	• **High risk** • High impact • Direction of travel: ↔	• In a context of declining official development assistance (ODA), growing demographic pressures, and high debt service, fiscal space for sustaining quality education spending is narrowing across partner countries, **increasing the likelihood that education financing remains insufficient or volatile**. **While philanthropic financing is increasing, misalignment with national systems risks further fragmenting funding flows.** • **Under GPE 2025, results-based financing instruments (top-up triggers) shifted the focus from financing volume alone to also incentivizing efficiency and equity in public education spending.** As of 31 January 2026, 30 of 32 partner countries with approved triggers are pursuing at least one education financing result. Of the 86 approved triggers, 64 relate to domestic financing (+30 since the last risk report), representing

volume during implementation			US$323 million -over 90% of approved top-up funding. In 2025, five countries (Tanzania, Federal Government of Somalia, Cambodia, Guinea, and Sierra Leone) met their domestic-financing targets, unlocking US$46.5 million. GPE allows for certain revisions to top-up triggers, and 15 countries have been granted revisions so far, mostly extensions or clarifications of means verification, and in a few cases a change to a top-up trigger. • **To remain relevant and pragmatic as risks to sustained and predictable education financing increase, GPE has renewed its approach to education financing, supporting countries to define fiscally credible financing pathways that combine domestic resources and external support to sustain education reforms.** Pathways help to fit fiscal realities, strengthen national systems, and support medium-term financial planning for reform implementation. Through the Replenishment Campaign, partner countries are presenting voluntary commitments and medium-term budget projections aligned with national policies, helping to anchor reforms in realistic fiscal frameworks while signaling continued commitment despite constrained economic conditions.
4. Mutual Accountability Risk: the risk that partners at the country level do not take accountability for their commitments in the compact, impeding GPE's ability to mobilize global, and national	• % of partnership compacts that include specific commitments by country-level partners or a specified monitoring mechanism in the prioritized reform area: **90.3%** (**low risk**) • Data for S2 2025: 90.1%	• **High risk** • Moderate Impact • Direction of travel: ↔	• The first indicator covers now 77 endorsed partnership compacts, adding just one new compact. It focuses on partners' commitments to reform and their stated intentions for monitoring progress, as expressed in the compacts. **Results indicate strong partner commitment to implementing prioritized reforms, establishing a sound foundation for mutual accountability through the partnership compact approach.** • The second indicator, reported one year after compact endorsement, and then annually, assessed monitoring activity related to 70 partnership compacts, meaning close to all compacts, spanning between one and four years since they were established. Around 2/3 of countries assessed have provided some evidence of reform and compact monitoring. However, the risk exposure remains very high. Monitoring activity is weakest in countries with the most recent compacts – 32 were assessed for the first time - whereas countries with older compacts demonstrate

partners and resources for sustainable results	• % of partnership compacts where agreed monitoring mechanism is implemented by country-level partners: **64.8%** (**very high risk**) • Data for S2 2025: 69%		more monitoring activity, including annual enabling factor monitoring, midterm reviews or other joint monitoring practices (joint sector reviews, trigger performance review, reform dialogue, learning). **Assessment results, using this indicator, would therefore be expected to reach lower risk levels, as more countries will complete or engage in mid-term reviews, and when annual monitoring kicks in as part of the GPE 2030 results monitoring.** • **The high-risk level of this indicator over GPE 2025 has contributed to making the case for a partnership approach to results, ensuring annual monitoring of reform efforts, as part of the adaptations of the GPE operational model and the GPE 2030 result framework reporting.** This includes asking country partners to identify 6-10 actions that they agree to take to accelerate reform implementation. The tool for this monitoring, embedded in the GPE 2030 results framework's annual monitoring (one ask to countries), has been developed, and will be piloted during the first half of CY2026. As to mid-term reviews of partnership compacts, 25 countries are expected to complete theirs this calendar year, in addition to six countries that have already completed one. Together, these measures, shaping how the partnership works, are expected to strengthen mutual accountability for reform delivery, and support reform progress, learning, and adaptation under GPE 2030.
5. Governance Risk: risk that the systems by which GPE makes and implements decisions in pursuit of its goals and objectives are	• % of Board decisions approved without modification (i.e., approved "as is") out of all Board decisions in the last 12 months: **97%** • Data for S2 2025: 100%	• **Very Low risk** • Moderate Impact • Direction of travel: ↔	• During this reporting period, GPE governance continued to operate effectively, supporting officials with clear, focused and predictable processes and deliverables. **The Board received concise documentation with the information needed for decision-making, approving 97% of recommendations as presented, with only a few needing minor revisions.** • Focused documentation (including decision language) is supported by a communication loop, allowing members to request information as needed. This occurs through Q&A sessions during meetings or via an online platform for intersessional decisions. By providing relevant information and familiarizing all members with Board-approved rules

not fit for purpose			and procedures, governance operations have steadily improved over the years, ensuring a shared understanding and commitment to effective Board functions.
6. Gender Equality Risk: the risk that gender equality is not hardwired during the implementation of GPE 2025 operating model	• % of programs that are on track at an early stage of the program design (QAR1 stage) in hardwiring gender equality: **74%** • Data for S2 2025: 73% --- • % of grants (weighted by value) that include interventions with gender equality as an objective: **94.8%** • Data for S2 2025: 94%	• **Moderate Risk** (elevated after a qualitative assessment) • High impact • Direction of travel: ↔	• Since the last reporting period, concept notes reviewed increased from 71 to 77, with **five of six assessed in the past six months on track**. One would benefit from deeper gender analysis to better address intersecting vulnerabilities, highlighting the need to continue strengthening inclusion-focused design, particularly under GPE 2030. • Portfolio data indicates that **94.8% of active grants include at least one activity contributing to gender equality**, though residual risk remains due to ongoing implementation challenges and the need to embed gender at a systems level. GPE 2030 has been designed to mitigate these challenges, with Regional Gender and Inclusion Specialist (RGIS) roles now embedded in the regional structure and operational to provide country support and facilitate lesson sharing as well as regional engagement. • The Girls' Education Accelerator (GEA) will remain central to reaching marginalized girls, now integrated into the main financing window to overcome earlier limitations of a first-come, first-served model and oversubscription linked to insufficient financing. The GPE Board has agreed the GEA will continue to GPE 2030, allocations are capped at US$10 million per country and are contingent on replenishment, with 4% of newly available grant funds earmarked for GEA and that "available funds will first be made available for existing eligible countries that met the requirements for the Girls' Education Accelerator under GPE 2025 but did not receive an allocation." This means future access depends on successful fundraising and donor commitments, creating uncertainty for planning and implementation. So far, GPE has received two pledges for the GEA for GPE 2030.

GPE Operational Risk: the risk that GPE is not able to deliver on its country-level objectives.			
Category Risk Level: Low (same as 6 months ago) **Flagged Risk(s):** 1. Operating model risk and approval risk (low risk) 2. Grant performance risk (low risk)			
Risk Area	**Risk Indicators & Trends (when applicable)**	**Risk level, Impact & DoT (when applicable)**	**Context & Specific Countermeasures**
1. Operating Model Risk: the risk that Partners are unable to progress through key operating model stages of the system transformation approach in an effective manner	• % of applications approved within 24 months of cohort start date (actuals, including pilot countries): **17%** • (Data for S2 2025: 21%) --- • **Phase 1:** % of applications on track to have strategic parameters approved within 16 months of cohort start date (actuals and projections): **24%** • (Data for S2 2025: 24%) --- • **Phase 2:** % of applications on track to have GA selected, grant developed, QA completed, and approval made within 8 months of approval of strategic parameters	• **Low Risk** (lowered after a qualitative assessment, noting the end of the 2020-2025 funding and grant cycle) • High Impact • Direction of travel: ↔	• The risk associated with the GPE 2025 operating model for the system transformation grants (STG) is assessed as very low, as nearly all have been approved, with final remaining request expected to be approved before the end of the fiscal year. Parameters measured relate to the GPE 2025 operating model, with the main risk – time to approval of strategic parameters – addressed through the ability to use mid-term reviews of partnership compacts under GPE 2030.

	(actuals and projections): **21%** • (Data for S2 2025: 27%)		
2. Access to funding risk and approvals: the risk that contributions to the GPE Fund are not allocated timely impeding GPE's abilities to implement its programs	• Cumulative % of SCG STG MLT GEA funds approved under GPE 2025 versus targets: **US$ 3.419 billion against a US$ 3.630 billion target or 94.2%** • Data for S2 2025: 80.1% (US$ 2.832 billion against a US$ 3.553 billion target)	• **Very Low risk** • Very High Impact • Direction of travel: ↓	• **The risk that contributions to the GPE Fund are not allocated in a timely manner has decreased to very low.** Cumulative approvals under GPE 2025 now total US$3.43 billion across all grant types–STG, Multiplier, Girls' Education Accelerator (GEA), and System Capacity Grant (SCG)–an increase of US$0.6 billion since the last report. This shows that the revision of indicative allocations following the Board's June 2025 decision has not caused major delays. This has been accomplished by strong cooperation to revise the programs under preparation accordingly. However, mentioned revision of the allocations has led to a slowdown in SCG approval, creating a risk for countries not accessing their grants by the end of 2025. This risk has been managed by the Board providing an additional six-months to related countries.
3. Access to Funding Risk and Multiplier: the risk that partners do not, or are not able to, apply for GPE Multiplier, impeding GPE's ability to implement its programs	• % of Multiplier envelope allocated (= EOIs approved) per calendar year versus target **100%** • Data for S2 2025: **987.7 million against the target of US$ 562.5 million or 176%** •	• **Low Risk** (elevated after a qualitative assessment) • Moderate Impact • Direction of travel: ↑	• **Expanded access and proactive cofinancing under GPE 2030**. Building on lessons from GPE 2025, the GPE 2030 approach introduces indicative allocations for the GPE Multiplier for many countries, moving away from a first-come, first-served model and enabling more predictable access to financing. The Secretariat will complement this with more proactive and context-specific engagement to support countries in mobilizing cofinancing and unlocking Multiplier opportunities. At the same time, there is a risk that some countries may face challenges in mobilizing the required additional financing. This will be closely monitored, with provisions to convert unutilized indicative Multiplier allocations to System Transformation Grants where warranted, particularly for eligible Low-Income Countries (**LICs**), and Small Island Developing States (**SIDS**). Operational guidance and partner outreach will accompany the roll-out to ensure countries and partners can effectively access these opportunities.

4. Alignment Risk: the risk that GPE grants insufficiently use government systems for implementation and thus increase transaction costs and limiting an enabling factor to support system transformation	• % of GPE grants (i.e., ESPIG, STG/GEA, Multiplier) in volume that is aligned out of total grant funding: **45.9%** • Data for S2 2025: 45.9% (to note: this data point is reported annually and captures all active grants) --- • % of countries where use of country systems is expected, that effectively implement a majority of GPE 2025 grants (STG-GEA, MLT) using country systems: **53%** • Data for S2 2025: 53%	**High Risk** • Moderate impact • Direction of travel: ↔	• To explain continued high risk, the alignment indicator under GPE 2025 was premised on sustaining a 50% baseline achieved in previous years; however, this target has proven overly optimistic to maintain. • Key challenges include strained mutual accountability within an increasingly competitive aid architecture and insufficient consideration in some grant agent selection processes, resulting in missed opportunities to align with country systems. • Looking ahead, fragmentation in the global aid environment is likely to continue including competition for GPE funds. Some grant agents may need to strengthen capacity, experience and/or commitment to use government systems or aligned modalities. • While alignment and harmonization remain core GPE principles, these shifts require renewed emphasis on strengthening country systems as the foundation for sustainable financing and results. • Recognizing the changed environment, the alignment risk and its indicators will be recalibrated to a more realistic and sustainable target. The grant agent selection process is undergoing a significant revision, to increase transparency, accountability and oversight (cf. December 2024 Board decision), including on the criterion encouraging more and better aligned modalities. Thirdly, the capacity of the Secretariat, now organized under a regional structure, will be reinforced to engage more strategically at the country level and ensure that alignment emerges as a credible and preferred modality.
5. Access to Funding Risk and Value for Money: the risk that GPE investments do not demonstrate	• Active grant portfolio as of the FY-end: **10.7%** • Data for S2 2025: 10.6% --- • Operating expenses (OPEX) as a % of total GPE Fund transfers: **6.62%** • Data for S2 2025: 6.60%	• **Moderate Risk** • High Impact • Direction of travel: ↔	• Administrative costs increased slightly from 10.6% to 10.7% as of end-December 2025, reflecting the activation of several grants during the July–December 2025 period with comparatively higher administrative cost structures, averaging 11.4%. Two of the four largest grants that became active are in fragile contexts, which has had a disproportionate effect on the overall indicator. Grant management and administrative costs remain subject to strict oversight and supervision and direct management costs reviewed in detail through the quality assurance process prior to grant approval.

Value for Money	**Active grant portfolio administrative costs represent all agency fees, supervision allocations, and management costs as a % of the total active grant portfolio.*		• OPEX remain below the Board-defined parameters of 7% of disbursements, supported by increased grant disbursements which are now monitored at the regional level, prudent financial management, and effective resource allocation. Robust budgetary controls are in place, including a budget challenge process at the start of the year and now monthly expenditure monitoring. Enhanced oversight is in place for Secretariat travel costs and major procurements, with a newly established procurement committee for large purchases and increased scrutiny on the necessity of travel and efforts to reduce costs. More staff based closer to partner countries in Nairobi and Paris also contribute to lower travel costs. These measures ensure expenditures align with strategic objectives while maximizing efficiency, despite inflationary pressures.
6. Grant Performance Risk: the risk that GPE grants do not achieve results in the intended timeframe	• % of system transformation grants and Multiplier grants effective within targeted approval date (GPE 2025): **53%** • Data for S2 2025: 52.4% --- • % of active grants on track with implementation* (GPE 2020): **94.3%** • Data for S2 2025: 92.5% --- • % of active grants on track with implementation* (GPE 2025): **88.46%** • Data for S2 2025: 92.3% ---	• **Low Risk** • High Impact • Direction of travel: ↔ * These indicators look at grants on track with implementation (as opposed to on track with implementation and utilization).	• The time to effectiveness has strongly improved under GPE 2025, to an average of around four months. The proportion of programs requesting a start delay has fallen below 50%, and the majority of delays granted were short in duration, and not leading to grants delaying their start beyond the 6-month benchmark. • **The percentage of GPE 2020 grants on track has further improved, rising from 92.5% to 94.3 over the past six months.** This reflects steady progress toward completion by their closing date. 13 grants have closed in 2025, with most remaining GPE 2020 expected to close in 2026.

	• % of off-track grants that have shown improvements in the past 12 months: **91.8%** • Data for S2 2025: 92%		
7. Grant Management Compliance Risk: the risk of a breach of the policies and procedures on grant management	• % of grants reports (progress, completion, audit) received late: **51.8%** • Data for S2 2025: 56.6% --- % broken down as follows: ○ 12.90% delayed progress reports (vs. 17.8%) ○ 50.0% delayed completion reports (vs. 80.7%) ○ 86.4% delayed audit reports (vs. 71%)	• **Moderate Risk** (lowered after a qualitative assessment) • Moderate impact • Direction of travel: ↔	• **Grant management compliance risk remains moderate based on a qualitative assessment, as the high percentage of delayed completion and audit reports has not materially affected operations, with most delays for completion reports typically under a few weeks.** Nonetheless, compliance remains critical. The introduction of a regional team approach has strengthened the Secretariat's capacity and resources, fostering closer collaboration with grant agents to improve compliance. As a result, all progress reports due in 2025 have been received, with delays further reduced. For completion reports due in the second half of 2026 (since regional teams have become fully operational), only two out of 10 were delayed. The regional structure has enabled the Secretariat to step up engagement with grant agents on collection of audit reports, with early indications showing improvement.
8. Risk of Fraud and Misuse: the risk of losses due to fraud or misuse in GPE-funded programs	• % of misuse cases satisfactorily addressed within an appropriate timeframe: **96%** • Data for S2 2025: 100%	• **Low Risk** (elevated after qualitative assessment) • Low impact • Direction of travel: ↑	• **The risk of fraud and misuse has increased from very low to low, reflecting the complex environments in which the majority of GPE funds are utilized, as well as forward-looking risks due to financial constraints impacting grant agent and partner capacities at the country level.** The Board received an update on misuse cases at its December 2025 meeting, and while there has been an increase in reported cases, there is no loss of GPE funds as funds have either been fully recovered by grant agents or there are concrete plans to recover funds. The increased reporting reflects enhanced engagement between the GPE Secretariat and grant agents, coupled with improved detection mechanisms at the level of grant agents. The Secretariat implements comprehensive risk mitigation by ensuring grant agents have strong policies, conducting fiduciary risk assessments prior to

			grant approvals, reviewing audit reports, maintaining engagement with grant agents, and reporting all credible misuse cases to the FRC and the Board.
9. PSEAH (Protection from Sexual Exploitation, Abuse, and Harassment) Risk[1]	• % of SEAH cases where information is provided by grant agents to allow the GPE Secretariat to monitor and track status, and report to the Board accordingly: **100%** • Data for S2 2025: 100%	• **Moderate Risk** (elevated after a qualitative assessment) • Very high impact • Direction of travel: ↔	• **Grant agents actively work to prevent and address SEAH incidents in GPE programs, adhering to their policies and GPE's PSEAH policy.** As required by the PSEAH policy, all GPE grant agents have been assessed against safeguarding minimum standards and PSEAH good practice guidelines and demonstrated required capacity. Concern with potential underreporting of cases persists, but there has been an increase in the number of reported cases all of which are being satisfactorily handled by grant agents, including provision of support to survivors. The GPE Secretariat is enhancing collaboration through initiatives such as a workshop (November 18-19, 2025) focused on strengthening SEAH risk mitigation, better integration of grant agents' PSEAH policies into GPE grant design, implementation and monitoring and developing a partnership approach paper on PSEAH and gender-based violence (GBV) to clarify roles and responsibilities across the Partnership. Additional efforts include establishing stronger grant agent requirements, improved monitoring, development of a training module, and enhanced risk reporting for grant agents and the introduction of annual declarations for grant agents to certify that they have reported all SEAH cases to GPE.
10. Support to Strengthen Capacity Risk: the risk that GPE is not able to connect expertise,	• Overall % KIX and EOL milestones met in the last FY: **97.5%** • Data for S2 2025: 97.5% --- • % of approved country Climate Smart Education Systems Initiative work	• **Very Low Risk** • Moderate Impact • Direction of travel: ↔	• Over the past six months, 100% of EOL and over 95% of KIX milestones were achieved. Minor KIX delays and country changes occurred due to fragility and political unrest. Strong collaboration between the Secretariat, grant agents, and KIX Hubs remains the primary mitigation for implementation risks. Following PILC endorsement in October, the Board approved adapted design frameworks in December. The KIX framework strengthens alignment with GPE Strategy 2030, increases

[1] PSEAH risk or the risk that GPE governance officials, staff, partners involved in grant implementation are not able to prevent, manage the risk of and address SEAH incidents, should they occur in the delivery of GPE programs.

innovation, and knowledge to support partner countries to build stronger education systems	plans that are on track in their implementation: **100%** • Data for S2 2025: 95%		Secretariat engagement and hub resourcing, and sharpens focus on priority research areas. EOL adaptations prioritize national education coalitions, with 80–90% of funding directed to national grants. Calls for grant agents launched in January and close on 27 March. Awareness of budget pressures facing international organizations and volatile country contexts, combined with close coordination among program and country teams, grant agents, and partners, will help mitigate implementation disruptions alongside effective grant agent selection and subsequent program redesigns. • GPE's Technical Assistance Initiative (TAI) portfolio currently comprises five initiatives, including the Climate-Smart Education Systems Initiative which is being rolled out across 35 eligible countries. To date, work plans for 30 countries and territories have been approved and are under implementation, with a further five in the inception phase and expected to be operationalized shortly. • Experience in 2025 suggests that while workplan activities are largely on track, further effort is needed to ensure that capacity inputs are effectively taken up and used at country level. Key risks relate to capacity constraints at central and decentralized levels of government and fragmentation across institutional actors, which can slow down integration into planning, budgeting and operational systems. To address this, GPE and partners are focusing on anchoring support in existing sector processes and policies, strengthening coordination across ministries, and prioritizing practical tools and capacity that ministries can directly apply. Experiences from CSESI are also being used to inform the pathways for mainstreaming climate across GPE's policy dialogue (e.g. Partnership Compact MTRs, other GPE grants) and to mobilize additional co-financing from climate finance for greater impact. • GPE has commissioned a Mid-Term Review (MTR) of its Technical Assistance Initiatives portfolio which will surface lessons learned on the implementation of support and opportunities for greater efficiencies.

			The findings will be shared with the GPE Board committees in October 2026 to support Board decisions on the future direction of the portfolio.

GPE Fund Management Risk: the risk associated with the ineffective or underperforming financial management of the GPE Fund			
Category Risk Level: Moderate (same as 6 months ago)		**Flagged Risk(s):** Liquidity risk (moderate risk)	
Risk Area	**Risk Indicators & Trends**	**Risk level, Impact & DoT**	**Context & Specific Countermeasures**
1. Liquidity risk: the risk that GPE is unable to ensure that all payment obligations are met when they come due or that excess funds on hand impact ability to demonstrate funding need to donors	• GPE Fund balance within targeted range: **11.5 months** expected disbursement held in cash (very low risk): • Data for S2 2025: 12 months (low risk)	• **Moderate Risk** (elevated based on qualitative assessment, despite quantitative data indicating very low risk level) • High impact • Direction of travel: ↔	• While cash at the end of December was at the lower end of the target range, cash levels are expected to continue to decline over the course of 2026 as disbursements on grants significantly exceed donor contributions. The outcome of the replenishment will be critical in forecasting longer term liquidity risks and close vigilance is warranted particularly in the second half of 2026.
2. Currency Exchange (FX) Risk: The financial risk arising from fluctuations in foreign exchange rates,	• Value of unhedged outstanding non-USD contributions as a % of total replenishment pledges: **9.4%** • Data for S2 2025: 18%	• **Moderate Risk** (elevated after a qualitative assessment) • High impact • Direction of travel: ↑	• FX risks are currently low as GPE 2025 donor contributions are substantially complete. This risk is expected to rise again significantly once replenishment pledges are made. In June 2023, the Board approved the Foreign Exchange Framework to allow for a currency hedging pilot as an important tool in managing this risk. The pilot is currently being assessed by the World Bank to determine whether it should be continued under GPE 2030. This matter will be reviewed by the FRC at its upcoming meeting.

which can impact the value of substantial GPE donor pledges.			• As donors make new pledges, they will be encouraged to sign multi-year contribution agreements to enhance the predictability of incoming funds and improve forecasting, Currency hedging if available based on the outcome of the pilot will assist in mitigating this risk.

GPE Secretariat Business Continuity Risk: the risk that the Secretariat is unable to operate its critical business functions.			
Category Risk Level: Low (reduced from Moderate six months ago)		**Flagged Risk(s):** none	
Risk Area	**Risk Indicators & Trends (when applicable)**	**Risk level, Impact & DoT (when applicable)**	**Context & Specific Countermeasures**
1. Operating Expenses Risk: the risk that GPE's operating expenses are not aligned with needs	• Actual vs. projected Secretariat expenditures overall (%): **92%** • Data submitted for S2 2025: 92.7%	• **Very low risk** • Moderate impact • Direction of travel: ↔	• Actual expenditure remains within Board-approved limits. There has been pressure on expenditure as the US dollar weakened over the past few months pushing up staff costs that are paid in other currencies (e.g Euros) when accounted for in US dollars. To ensure expenditure remains within budget, monthly reviews are conducted to compare actual versus planned expenditures and Managers assess performance, track spending, and reallocate funds as necessary to maintain strict cost control.
2. Human Resources (HR) Risk: the risk that people, culture, and governance factors that cause uncertainty in the business environment	• % of staff (excluding short-term and extended-term consultants) currently employed out of the total number of approved positions: **94.7%**	• **Low Risk** • High to Very High Impact • Direction of travel: ↔	• **GPE continues to apply a proactive, risk-based approach to recruitment aligned with real-time needs**. The fill rate has increased as projected six months ago, rising from 91.2% to 94.7%, positioning the Secretariat in a low-risk category. Considering the external environment and ongoing shifts in the development sector, only limited staff departures from the Secretariat are anticipated. • In response to the World Bank Group's announcement of October 31, 2025, on the evolving contingent workforce framework, GPE established the Contingent Workforce Support Team in November 2025, to help

could adversely affect operations	• Data for S2 2025: 91.2%		short-term (ST) consultant staff navigate the transitional challenges. The GPE support team offers centralized resources, channels for questions, and updates on World Bank Group policies and guidelines. Currently, the support team is liaising with partners from the World Bank to understand available vendor options and administrative requirements. This remains a priority, with a focus on ensuring timely support to STs during this transition.
3. Information Technology (IT) Risk: the risk that GPE IT systems are not fit for purpose to effectively enable the organization to deliver on its objectives (implementation side/ supply side)	• GPE IT systems are effectively supporting GPE objectives: **Major but manageable adverse impact to GPE's business processes as a result of IT systems unavailability, as the systems may prevent achieving business objectives (*high risk*).** • Data for S2 2025: same as above	• **Moderate risk** (lowered after a qualitative assesment) • High impact • Direction of travel: ↔	• **As the GPE Digital Transformation Project advances and following initial release of the Customer Relationship Management (CRM) module, the overall IT risk rating has been adjusted to moderate.** Implementation remains on track, with mitigation measures in place, and the vendor is currently delivering Release 2 of the core operations module, including grant management, scheduled for March 2026. • To facilitate effective change management and promote staff adoption, the Secretariat has developed and implemented a comprehensive training, communication and rollout plan. This approach was successfully applied during the Release 1 CRM deployment and will be utilized again for Release 2. • The IT team is actively managing risks by maintaining and updating the project risk register, conducting regular consultations with both the vendor and the World Bank IT team, and collaborating with Corporate Procurement to ensure vendor accountability. A Coordinating Committee with representatives from all key WBG units has been established to support this effort. Regular reporting to the GPE Chief Operating Officer ensures that this first-ever time-and-materials (T&M) contract remains aligned with project objectives.
4. People and Organizational Culture Risk: The risk that the GPE Secretariat is not working in an	• Composite score reflecting the level of risk associated to each of the seven Diversity, Equity and Inclusion risk areas	• **Moderate risk** (based on qualitative assesment) • High impact	• **Based on a qualitative assessment, almost all indicators have improved since the previous reporting, informed by the results of the September 2025 Staff Survey.** The survey assessed eight areas and indicated low or very low risk across harassment, respect, dignity, staff success, team environment, and identity. The results point to significant improvements in internal communications, diversity, equity and

environment that reflects its values	based on the latest staff survey: **Low risk** (based on latest staff survey from September 2025) • Data for S2 2025: **Medium risk** (based on latest staff survey from December 2024)	• Direction of travel: ↔	inclusion, and staff confidence in GPE's ability to adapt and position its work for future success. • However, the ability for staff to speak openly with their manager remains a high-risk area. Survey feedback highlighted the continued need to strengthen psychological safety, improve focus amid competing priorities, and reinforce collaboration and cohesion within and across teams. In response, GPE is advancing a robust body of work grounded in staff feedback. This includes the **creation of a new Culture Engagement Team, with representatives of staff and management to champion, advise on, and amplify GPE's culture and values.** The team will develop a Secretariat-wide culture workplan informed directly by staff input. In parallel, managers have met with their teams to review team-level results and agree on concrete next steps to improve morale and work dynamics.

GPE Reputation Risk: the risk of threat or danger to the good name or standing of the GPE.

Category Risk Level: Moderate (same as 6 months ago) **Flagged Risks:** None

Risk Area	Risk Indicators & Trends (if applicable)	Risk level, Impact, DoT (if applicable)	Context & Specific Countermeasure
The risk of threat or danger to the good name or standing of the GPE	• % negative media coverage out of total GPE media coverage: **5%** • Data for S2 2025: 9.5% --- • % of negative coverage in social media: **8.6%** • Data for S2 2025: 10%	• **Moderate risk** (elevated after a qualitative assessment) • Very High Impact • Direction of travel: ↔	• **The indicators for this risk have remained relatively constant year to year. Anecdotal increases in the past year are related to overall news coverage of aid cuts – a 'negative' story per se but not specifically related to GPE.** A reputational risk and mitigation plan is in place and functioning well, including regular media and social media sweeps on current affairs, thematic and country-level issues and the development & update of reactive talking points for use by designated secretariat staff.

	It is important to note that these two indicators measure a sentiment, which is an imperfect metric since posts or tweets that mention education challenges (i.e., displacement, COVID, child marriage) are usually counted by algorithms as negative, even if the message itself is not.		• Also, given sensitivities in the aid environment and in certain partner countries, GPE has recently closed select social media posts to comments to mitigate potential reputational risk. This approach appears to be working well for specific posts but should not be used as a blanket measure. This would generate reputational risks of its own by diminishing GPE's openness, engagement and transparency. The Secretariat continues to strengthen GPE's reputation through strategic communications highlighting its role in mobilizing and aligning financing for education, supported by leadership engagement in high-level forums and sustained media outreach.