ADDITIONAL FUNDING FOR ACCELERATED SUPPORT IN 2018-2020 FUNDING PERIOD

Please note: Board documents are deliberative in nature and, in accordance with the GPE Transparency Policy, are considered public documents only after their appraisal by the Board. It is understood that constituencies will circulate Board documents among their members prior to Board consideration for consultation purposes.

Recommended by: Finance and Risk Committee supported by Grants and Performance Committee

Committee Consideration:

- The FRC requested the Secretariat to include more information on the role of government in Accelerated Funding applications and to include consideration of risks around the proposal, including transaction costs, as well as coherence with ECW.
- The GPC also stressed the importance of mitigating additional transaction costs through encouraging single submissions of ESPIG and Accelerated Funding applications and encouraging the use of the same Grant Agent.
- The GPC also requested FRC to consider implications of the proposal beyond 2020, including reassurance that allocations already made for Multipliers and ESPIGs are safeguarded, as well as sustainability and process efficiencies going forward in the next strategic period. GPC requested that the proposal clarifies that funding made available through the proposal can only be applied for through to the end of 2020, unless the Board decides otherwise.

1. Objective

1.1 The purpose of this paper is for the Board of Directors to consider approving additional funds for accelerated support (Accelerated Funding) for the 2018-2020 funding period.

2. Recommended Decision

BOD/2019/12-XX–Additional Funding for Accelerated Support: The Board of Directors:

1. Notes the existence of emergencies in many GPE countries that threaten progress made in education and the results that GPE seeks and the projected availability of GPE resources in the current funding period.

2. Notes that the *GPE Guidelines* for *Accelerated Support in Emergency and Early Recovery Situations* allow eligible countries to apply for Accelerated Funding to address urgent needs for an amount up to 20 percent of an existing maximum country allocation for an education sector program implementation grant (MCA). The ESPIG MCA is consequently reduced by a corresponding amount.

3. Restores the MCAs for those countries that have already accessed Accelerated Funding in the current replenishment period by a corresponding amount as set out in Annex A to BOD/2019/12 DOC 09.

4. Invites countries with existing ESPIG MCAs that are eligible for Accelerated Funding to submit an application by end of 2020 for up to the amount set out in Annex A t0 BOD/2019/12 DOC 09 which represents 20% of their MCA, after which either:
   a. the original MCA will be restored in full or
   b. for eligible countries that have already received an ESPIG but have not received accelerated funding, up to 20 percent of the original MCA may be applied for in accelerated funding.

5. Delegates to GPC to make any changes to the Guidelines for Accelerated Support as set out in BOD/2012/11 DOC 09 to operationalize this decision, for example how to process any requests for extending the implementation period and ensuring links between the Education Cluster and the LEG.

6. In order to avoid additional transaction costs for all stakeholders and to better ensure linkages between multiple grants: Encourages (i) a single submission of the ESPIG and Accelerated Funding proposal, as applicable; and (ii) that the same grant agent is retained for the ESPIG, the Accelerated Funding grant, and any additional financing grant, unless circumstances demand a different grant agent for Accelerated Funding.

3. Background

3.1 Given the existence of emergencies in many GPE countries that threaten progress made in the education sector and undermine the results GPE seeks, and considering the potential to make additional GPE resources available in the current funding period as set out in the Financial Forecast, the objective of this paper is for the Board of Directors to consider a proposal that would expand the funding available to countries as accelerated support.

3.2 *GPE Guidelines for Accelerated Support in Emergency and Early Recovery Situations* allow eligible countries to apply for Accelerated Funding to address urgent needs for an amount up to 20 percent of an existing MCA for an ESPIG. The ESPIG MCA is consequently reduced by a corresponding amount. This proposal would make that 20 percent additional. Notably, the proposal would:

- Offer eligible countries with an existing maximum country allocation (MCA) for an education sector program implementation grant (ESPIG) the opportunity to submit an application for Accelerated Funding while keeping the MCA for an ESPIG intact for development financing.
- Restore the original MCA of eligible countries that have already received Accelerated Funding in the current replenishment period but have not yet submitted the ESPIG application.
- Provide additional financing to countries eligible for Accelerated Funding that have already had an ESPIG approved in the current replenishment period for an amount equivalent to 20 percent of the original MCA.

ANNEX A: BACKGROUND AND REASONS FOR RECOMMENDATION

1.1 In 2012, the Board adopted the *Guidelines for Accelerated Support in Emergency and Early Recovery Situations* (Accelerated Funding) to allow countries to respond to urgent needs and to allow GPE to maintain continuous support through crisis situations, including coup d'état. Under the guidelines, countries with an existing ESPIG MCA that have an ongoing humanitarian appeal published by UN OCHA may apply for up to 20 percent of the MCA to address the emergency. This amount is deducted from the MCA.

1.2 Accelerated Funding programs are different from ESPIGs in that they are based on the Education Cluster's needs assessment, in addition to being aligned with Transitional Education Plans or Education Sector Plans, where possible. Furthermore, the Local Education Group collaborates closely with the Education Cluster to initiate the process to apply, to designate a Grant Agent, as well as develop the application. The government also collaborates on and endorses the proposal, and all past Accelerated Funding grants have aligned with TEPs and ESPs (8 cases) or supported Ministry of Education efforts otherwise (2 cases). The only type of situation where government might not be central to an application is if sector partners invoke GPE's Principles for Complex Emergencies (adopted by the Board of Directors in December 2018), which has not happened so far. Accelerated Funding programs are expected to be completed within a year to 18 months, after which the application for an ESPIG for the remainder of the MCA is submitted.

1.3 The above characteristics – joint coordination between the Education Cluster and LEG, aligning with national priorities and linking interventions to the formal system, and having such a flexible mechanism available in the first place – make Accelerated Funding a mechanism that strengthens humanitarian-development coherence. So far, 10 countries have applied for Accelerated Funding, out of which six countries have applied in the last 18 months. While GPE has therefore seen a marked increase in Accelerated Funding applications, most eligible countries do not apply for accelerated support. The main reason is that Accelerated Funding decreases GPE funding available for an ESPIG, which governments have wanted to safeguard for longer-term system building and reform.

1.4 The Secretariat notes, however, that it is in the best interest of GPE that eligible countries do address emergencies to protect education systems and that GPE currently has the resources to fund both additional Accelerated Funding and ESPIGs at current levels. Doing so would also align with the risk appetite statement approved by the Board in June 2019, which outlines that GPE is "particularly committed to focus its resources on the most marginalized children and youth, including those affected by fragility and conflict. GPE believes that considerable risk taking is justified to achieve its goals in fragile and conflict affected states, where opportunities for building systems are available. It is willing to accept potential negative impacts arising from working in these

environments." Providing emergency support while keeping the size of the ESPIG the same is an effective measure to safeguard both the predictability and success of GPE funding.

1.5 The added value of GPE investing further funds into emergencies in partner countries at this time is three-fold: firstly, protecting education systems under stress; secondly, making systematic progress to link displaced children to formal education opportunities provided through national systems, in alignment with the Global Compact for Refugees; and thirdly, building capacity of governments to respond to, and prepare for, natural disasters and population movement. GPE is well placed to capitalize on its systems approach and existing relationships with governments to move the needle on these areas.

Main benefits of additional funding for accelerated support

1.6 The potential beneficiaries of additional funding include an approximate 14.1 million displaced children in the eligible countries, both refugees and IDPs.[1] This figure is in addition to other children affected by conflict and natural disasters, including those in communities hosting refugees. In relation to natural disasters, the number and scale of disasters is set to increase in the future as a result of climate change. Out of the group of countries that would be eligible for additional accelerated support under this proposal, the majority (15 countries) have high or very high risk of future hazards, including natural disasters.[2]

1.7 Additional funding for accelerated support would provide an incentive for governments to protect development gains; address needs of conflict-affected children, including displaced populations and host communities; as well as include displaced children in national systems, thus supporting the Global Compact for Refugees. It would also allow GPE to provide continuous support to systems in crisis, strengthen resilience of these systems to future crises, and improve humanitarian-development coherence in a wide range of countries. Past Accelerated Funding grants have respectively contributed to all the above ends, which leads the Secretariat to believe that additional funding could be used to scale up these impacts. Subject to uptake from eligible countries, this proposal has the potential to inject approximately US$250m in additional financing to these ends over the coming 12-18 months.

1.8 The feedback that GPE has heard from partners aligns with the observations noted above. In May 2019, GPE consulted a group of 30 partner organizations in the margins of the Inter-Agency Network for Education in Emergencies meetings on two questions: (i) how the Accelerated funding

[1] These figures have been calculated from UNHCR data (http://popstats.unhcr.org/en/overview), using the average shares of children in displaced populations calculated by UNICEF (https://data.unicef.org/topic/child-migration-and-displacement/displacement/). According to this data, 41% of IDPs are under the age of 18, 58% of refugees in Africa are under 18 (by country of asylum), and 44% of refugees in Asia & Middle East are under the age of 18 (by country of asylum).

[2] According to the INFORM Index, which forms part of GPE's Country Risk Index. The INFORM Index looks at exposure to hazards, vulnerability, as well as coping capacity.

mechanism could be used to greater effect, and (ii) what role GPE could play in relation to the displacement crisis. Partners noted that any actions from GPE that could support inclusion of refugees in national systems would be helpful. Furthermore, partners highlighted that the displacement crisis could be used as an opportunity to improve the ways that education systems address preparedness to future crises. Finally, partners saw value in Accelerated Funding aligning with government priorities.

1.9 The additional financing is expected to have a concerted impact on girls' education in emergencies, who are 2.5 times more likely to be out of school than boys in conflict-affected countries. Meanwhile, refugee girls at secondary level are only half as likely to enroll as boys. Attention is paid to gender in Accelerated Funding applications both during the proposal development stage and during the Secretariat's review. The Education Cluster needs assessments include gender as a key thematic area that requires distinct and focused attention. During the Secretariat's review of applications, attention is paid to the ways that gender is considered, be it training more female teachers in emergencies or addressing the lack of appropriate toilet facilities, which can block girls' access to schools.

Mitigating Risks Associated with the Proposal, including Additional Transaction Costs

1.10 The Secretariat acknowledges that the proposal comes with additional transaction costs, notably for applicant countries in preparing the Accelerated Funding application, the Secretariat in quality assuring the application, and the Grants and Performance Committee in reviewing and making a decision on the additional grant applications.

1.11 While there are transaction costs for country partners to apply for Accelerated Funding, the benefits of additional resources to address learning needs are likely to outweigh them. As Accelerated Funding relies on existing needs assessments, no further data collection is required during the development of an application. The process also relies on existing sector coordination mechanisms. Finally, the existing guidelines for Accelerated Funding would be used to mitigate additional transaction costs.

1.12 As advised by the Grants and Performance Committee, in order to mitigate additional transaction costs and to better ensure linkages between multiple grants, country partners would be encouraged to make a single submission of the ESPIG, Accelerated Funding and additional financing proposal, as applicable, and to retain the same Grant Agent for all, unless circumstances demand a different grant agent for Accelerated Funding.

1.13 For the Secretariat, Accelerated Funding applications are much less burdensome than regular ESPIG applications. Where applications do not raise major issues, the Secretariat proceeds immediately to a final readiness review of the application package, with due attention to the relevance, quality and feasibility of the planned activities, and prepares a summary for decision. The increase in the workload of the GPC would be lower if the Committee recommends and the Board

approves the proposal to increase the levels of delegation of grant approvals as set out in GPC/2019/10 DOC 08: per Annex 1, 6 of the 20 countries eligible for an accelerated funding grant in the current funding period include grants under US$10 million, for which approval authority could sit with the Secretariat.

1.14 In parallel, the proposal mitigates several of GPE's corporate risks. For example, it allows partner countries greater, more flexible access to funding, which is one of the highest risks currently for GPE. It is not envisioned that the proposal would have a negative impact on ESPIG applications. The reasons are two-fold: firstly, ESPIGs are the main source of financing to support educational reform, the need for which will not be displaced by Accelerated Funding, which generally supports more urgent needs; and secondly, for countries experiencing crisis and associated difficulty with reaching funding model requirements, Accelerated Funding is a way to support these vulnerable systems in the meantime, protecting development gains until the ESPIG can be applied for. The proposal also reduces strategic risk, allowing GPE to use resources towards advancing its mission, while safeguarding allocations for Multipliers and ESPIGs. Absorption capacity has not been an issue in past Accelerated Funding programs, even while some of them have used country systems for parts of implementation (e.g. provision of teacher incentives).

1.15 In terms of any risks in the aid architecture, these are mitigated by the fact that Accelerated Funding applications will be coordinated with Education Cannot Wait (ECW) through the Local Education Group and Education Cluster to ensure that programs complement support provided through the First Response and/or Multi-Year Resilience Plans, where applicable. It is common for there to be overlap between the partners that are represented on the Local Education Group and MYRP Steering Committee, to which the LEG is invited to participate. The Education Cluster also plays a key role in the MYRP development process, allowing further information sharing. In the countries where all these types of funding are available, country partners are therefore in a central position to steer this complementarity. Accelerated Support is designed not to displace other funding, and partners are directed to assess funding needs and complementarity early in the process.

1.16 The extension of additional funding for accelerated support would be put into effect in the immediate term, with applications for Accelerated Funding due by the end of 2020. As a longer-term solution and depending on resource availability in the next replenishment and the development of priorities in the next strategic plan, GPE could consider various options for sustaining a flexible mechanism such as Accelerated Funding that can support partner countries in crisis. As part of these deliberations GPE will need to consider equity, recognizing that some refugee-hosting countries are not currently eligible for Accelerated Funding, as well as process efficiencies. Weighing the trade-offs, the benefits of addressing urgent needs and protecting systems under stress are considered to be greater than revising the eligibility criteria, which would increase transaction costs, or delaying support until the completion of the next GPE Strategic Plan.

ANNEX B: LIST OF COUNTRIES ELIGIBLE FOR ACCELERATED FUNDING AND MAXIMUM FINANCIAL IMPLICATIONS

Eligible to apply for accelerated funding	
Country	**Amount in USD Millions**
Afghanistan	20
Bangladesh	10.78
Burundi	9.38
Burkina Faso	11
Chad	10.01
Congo, Dem. Rep.	20
Ethiopia	20
Haiti	3.3
Madagascar	13.28
Mali	9.14
Mozambique	20
Myanmar	14.74
Niger	17.02
Nigeria	20
Pakistan	20
Somalia (Federal)	9.17
Somalia - Puntland	2,89
Sudan	11.8
Syria	5
Yemen, Rep.	6.48
Zimbabwe	2.34
Total	**256.33**

Approved accelerated financing and MCAs to be restored	
Country	**Amount in USD Millions**
Cameroon	7.76
Central African Rep.	6.32
Somalia (Somaliland)	4.92
South Sudan	6
Total	**25**

1) The value is calculated based on 20% of the amount listed in the financial forecast in 2018.
2) For Burkina Faso, as its MCA in the 2018 Financial Forecast factored in an approved application of $33.8m from December 2017, the 20% is based on the combined amount.
3) MCAs awarded as a result of the Multiplier are excluded in the calculation as those funds are secured based on new and additional co-financing.
4) For countries eligible to access an amount above their US$100m MCA as a result of the Board's decision to increase the cap to US$125m, the above calculation is limited to 20% of the US$100m.
5) Eligibility for Syria is subject to Board Decision on operationalization of the MCA for Syria.
6) In the case of OCHA flash appeals, the application is expected to be based on unmet needs for education and may be for less than the amount that countries are eligible for under this proposal.

ANNEX C: EXAMPLES OF APPROVED ACCELERATED FUNDING GRANTS

Somaliland: Protecting development gains in response to drought-related crisis
Amount: US$ 1.92 million
Program timeline: 2017-2018 (10 months)

Due to failure of three consecutive rainy seasons during 2015-2016, drought conditions exacerbated in Somaliland at the end of 2016. The severe drought conditions led to large population displacement and put an increased number of children at risk of dropping out from school. The humanitarian situation prompted the Ministry of Education of Somaliland to request accelerated funding from GPE.

The grant supported continued access to education opportunities in affected communities in Somaliland through the provision of teacher incentives, teaching and learning materials, temporary learning spaces, and school feeding programs. The grant supported fifty primary schools and five temporary learning spaces (TLS) located in all the regions of Somaliland. The five TLS were established in five IDP settlements where communities had migrated to as a result of drought.

The grant was able to support the Ministry of Education to protect the system from collapse, ensuring continued learning for children. Teacher incentives, which were paid through the government payroll system, encouraged teachers to remain in schools as opposed to migrating from drought-affected areas in search of a livelihood. The grant also provided remedial classes for students who missed school as a result of drought, allowing them to complete end-of-year examinations and continue with their schooling.

Cameroon: Supporting displaced children and host communities
Amount: US$ 7.8 million
Program timeline: 2019-2020 (18 months)

Cameroon received US$7.8 million in accelerated funding to support the education of 36,500 children fleeing conflict in Central African Republic, Chad and Nigeria. More than half of the 3.3 million people who have sought refuge in Cameroon are school-age children with urgent education needs. Responding to education needs of displaced children as well as children of host communities, the grant helps local schools to prepare accelerated learning programs for 1,000 children currently not in school, build 300 primary classrooms and 32 latrine blocks and help promote good health and better hygienic practices at school, including by providing 2,000 hygienic kits to girls in the upper grades.

The funding also supports a more inclusive and protective learning environment by training teachers on peace education and social cohesion, providing psychological support for traumatized children and distributing 36,000 education kits, school supplies and textbooks on math and reading. Part of the funding is used to assess the needs of students in the western areas of Cameroon, which have been affected by unrest since the end of 2016.

The grant builds on progress from a previous GPE grant of US$53.3 million which supports the recruitment of qualified teachers and their deployment to areas most in need, the dissemination of textbooks to improve children's learning and the establishment of a learning outcomes unit in the education ministry to improve the availability and analysis of education data.

Central African Republic: Flexible and sustained support to a system in crisis
Amount: US$ 6.3 million
Program timeline: 2018-2020 (18 months)

In September 2018, GPE approved accelerated funding to CAR, to support a system in crisis to provide pre-primary and primary students with continued and quality learning opportunities. The grant supports the implementation of the revised Transitional Plan: it improves school supply and the learning environment for better access to pre-primary and primary education, including construction of 50 classrooms and 100 semi-permanent pre-primary classrooms in tents for schools without a pre-primary level; and water, sanitation and hygiene infrastructures to raise the proportion of girls in school. At the same time the grant invests in the quality of education, including pre-service training for teachers.

It also provides for temporary learning and child protection spaces (ETAPES) to be set up on displacement sites and for increasing host community school-intake capacity to ensure an emergency supply of education for children out of school. The grant strengthens the emergency management capacities of the Ministry for Primary, Secondary and Technical Education and Literacy (MEPSTA) Emergency Unit, supports the government with the implementation of the Safe Schools Declaration, and provides capacity building on EMIS.