



CHIEF EXECUTIVE OFFICER’S REPORT TO THE BOARD OF DIRECTORS

For Information

Please note: Board papers are deliberative in nature and, in accordance with the GPE Transparency Policy, are not public documents until the Board has considered them at the Board meeting. It is understood that constituencies will circulate Board documents among their members prior to the Board meeting for consultation purposes.

1. OVERVIEW

1.1 The announcement at the UN on September 20 by President Sall and President Macron that Senegal and France will co-host the Global Partnership for Education (GPE) Financing Conference was a watershed moment for global education. The Financing Conference will be held on February 1-2, 2018 in Dakar. As UN Secretary-General António Guterres declared, “The Global Partnership for Education’s Financing Conference is our first opportunity to turn political commitment into tangible support.”

1.2 The global education crisis is now front and center on the global development stage and the international community is energized to help the 825 million young people who will lack the skills to secure the jobs of tomorrow and will be left behind in 2030 if education financing is not dramatically scaled up. The success of the Financing Conference will send a signal that the world does not accept that more than 260 million children are out of school and that progress in the world’s low- and lower-middle income countries has stalled. And in this global challenge, we cannot overlook the important role of domestic finance, which will constitute the bulk of global financing needed for education by 2030. There is now a very visible opportunity for all partners to work together and demonstrate their commitment to the realization of Sustainable Development Goal 4 – and all the SDGs. As the newly released [*G7 Taormina Progress Report: Investing in Education for Mutual Prosperity, Peace and Development*](#) recognizes, investment in education can be a multiplier force to accelerate progress across priorities from economic development to peace and security.

1.3 As more attention focuses on education, GPE is ready to deliver results at scale. We are guided by a theory of change focused on delivering efficient and effective assistance to the countries with the

greatest needs by improving learning and increasing equity through strengthening education systems – an approach that was recently affirmed by the [World Development Report 2018](#). We have a comprehensive results framework to monitor the goals and objectives of the GPE 2020 strategic plan, and can now annually measure and report on the progress of the partnership and take action when areas of our core business need attention. Our country-level evaluation program is coming on line and will further reinforce our efforts to improve, avoid unnecessary transaction costs, and provide the best possible support to countries. The added efficacy of GPE has been examined and validated by a number of external reviews this year – including from the Norwegian Agency for Development Cooperation, the United Kingdom’s Parliamentary International Development Committee, and the Australian Department of Foreign Affairs and Trade – that will be discussed in further detail in this report.

1.4 The board agenda in Paris will continue to consolidate these key reforms to further strengthen GPE and prepare the partnership for future growth, delivery, and impact. In addition to hearing reports of progress, assessing country-level impact, assessing risk and the financial forecast, the Board of Directors will consider key decisions in relation to:

- implementing the financing and funding framework through allocations to the GPE Multiplier and design of the Knowledge and Innovation Exchange (KIX) and Advocacy and Social Accountability (ASA) funding mechanisms;
- harnessing the strengths of our partners through a Private Foundation Strategy;
- fine-tuning the funding model to ensure that GPE grants incentivize domestic financing;
- taking action in response to the first comprehensive results report; and
- positioning the Secretariat for the future with a comprehensive Human Resources Plan and a measured approach to planning future institutional arrangements.

1.5 We are grateful to Senegal and France for leading by example and demonstrating to the world the importance of our work and the impact that quality education can have on children around the world.

2. **GPE’S FINANCES**

2.1 Since our meeting in Ottawa, I have been on the road listening to our partners and witnessing the growing momentum for global education. An increasing number of national leaders in government, parliaments, and civil society recognize that a successful **replenishment** is critical to deliver on the ambition of GPE 2020 and SDG 4. As laid out in the Case for Investment, GPE is seeking to become a US\$2 billion organization by 2020, which will require US\$3.1 billion in new

commitments from donors over the 2018-20 period, Developing Country Partners (DCPs) to allocate at least 20 percent of budget expenditure to education, and private foundations and donors to step up. To this end, we are excited that a number of key donors have already indicated they are prepared to step up considerably and we expect as well to welcome significant contributions from new donor partners.

2.2 The prioritization actions adopted by the Board in 2014 and 2015 to manage the negative impact of a strengthening US dollar have ensured that GPE's current **financial position** has remained challenging but relatively stable. Over the past months, the strengthening of contributor currencies against the dollar has slightly improved our financial position. The outcome of the Financing Conference will be critical for improved visibility on our finances over the coming three years.

3. OPERATIONALIZING THE FINANCING AND FUNDING FRAMEWORK

3.1 The Secretariat has worked with the Committees to operationalize the financing and funding framework since its approval by the Board in March 2017. Following the Board's instruction and review during our meeting in Ottawa, we have established the **GPE Multiplier** to expand GPE's reach and impact by leveraging additional finance for education. Outreach began in July 2017 to countries eligible to apply to the Multiplier in 2018 and interest from DCPs has been robust. The Expressions of Interest leverage a diverse range of co-financing sources, from concessional lending by Regional and Multilateral Development Banks to grants from bilateral donors and foundations. In Paris, the Board will review the Grants and Performance Committee's (GPC) recommendation to approve seven Expressions of Interest, earmarking US\$67.5 million of the initial US\$100 million allocated to the facility and crowding in an additional US\$295.1 million in co-financing for education – a raw leverage ratio of more than US\$4 in new external funding for every US\$1 invested from the Multiplier. These transactions cut across a diverse range of national income levels and country contexts in Ghana, Kyrgyz Republic, Nepal, Senegal, Uzbekistan, Zanzibar, and Zimbabwe. We intend to set out options in early 2018 that would scale up the facility to US\$300 million, enable more countries to benefit from the Multiplier, and further leverage additional finance behind quality education sector plans.

3.2 In Paris, the Board will consider the Strategy and Impact Committee's (SIC) recommendation to approve the theory of change, design, and four initial thematic areas of the **Knowledge and Innovation Exchange (KIX)**, which is positioned to be the key mechanism to harness knowledge and innovation resources and capabilities across GPE. KIX will be implemented through two components: the Learning Exchange and Knowledge and Innovation Funds. Both will help reinforce

GPE's country-focused operational model by integrating knowledge and innovation in national planning cycles and accelerating progress toward the GPE 2020 goals.

3.3 With Board approval, the Learning Exchange and Knowledge and Innovation Funds will be operationalized by June 2018 and the first round of investments will be distributed in early 2019. This timeframe requires the immediate launch of technical design work on the Learning Exchange and design work in support of Knowledge and Innovation investments to develop calls for proposals in four initial themes – Learning Assessment Systems, Early Childhood Care and Education, Gender Equality, and Data Systems – and analyze five additional thematic areas. These start-up operations would require an initial budget allocation of \$1.5 million.

3.4 The Board will also consider the SIC's recommendation to approve the proposed goal, objectives, outputs, and operational components of the **Advocacy and Social Accountability** (ASA) funding mechanism. Since March 2017, the Secretariat has worked closely with external consultants and the SIC to design the ASA mechanism. The goal of ASA is to enhance civil society capacity to further GPE 2020 goals in learning, equity, and systems. This is accomplished by strengthening civil society actors to improve their participation, advocacy, and efforts to ensure transparency and increased effectiveness in national education policy and implementation processes.

3.5 ASA will be operationalized through three objectives: support to national civil society coalitions, social accountability grants, and transnational advocacy grants, including support for a successor to the Civil Society Education Fund (CSEF) III program. These components will work in concert with one another and with KIX's Learning Exchange platform. The SIC recommends funding the ASA mechanism at a minimum level of US\$60 million over the next three years and increased up to US\$100 million depending on resource mobilization outcomes.

3.6 Another key item for Board consideration is the **Private Foundations Strategy**, which is the product of significant effort between the Secretariat and the private foundations constituency. The Strategy is based on a mutual value proposition and theory of change that proposes collaboration to integrate program expertise, convening power, knowledge and innovation, and unlock financing to strengthen national education systems. This work builds on the March 2017 [*Roadmap for GPE Engagement with the Private Sector and Foundations*](#). Based on close dialogue with the foundations constituency, the Strategy identifies foundations as key technical partners in KIX and ASA and seeks to develop country-level partnerships and strengthen constituency engagement in GPE governance.

3.7 The Secretariat will adopt a similar collaborative approach to design the Private Sector Strategy in 2018 with the guidance and support of the private sector constituency. The Strategy will build on GPE's existing Corporate Engagement Principles and Conflict of Interest policy and lay out how GPE will engage with the private sector at both country and global levels to achieve GPE 2020 goals and objectives. The Strategy will be based on a solid analysis of opportunities and build in full consultation across the partnership during 2018, leading to a final recommendation from the SIC to the Board in December 2018. The development of the first phase of this work will align with the Global Business Coalition for Education representative joining the Board; work will begin immediately to build out the constituency, agree on areas of focus, and initiate a consultative group.

3.8 GPE also continues to refine its funding model to better serve DCPs. The Board will consider a recommendation to improve accountability for **domestic financing commitments**. This is an opportunity to clarify the funding model, define effective monitoring, and promote reliable data on domestic financing while also ensuring we help DCPs achieve their goals. While the funding model sets out broad provisions on monitoring and verifying commitments, the GPC recommends that the provisions be improved based on the partnership principle of mutual accountability.

4. GPE AT WORK

4.1 GPE continues to deliver efficient and effective support at the country level. We have invested US\$4.64 billion in the education systems of 60 DCPs, and as of the end of October 2017 there were 61 financially active Education Sector Program Implementation Grants (ESPIGs) in the GPE portfolio, representing an allocation value of US\$2.41 billion. Total ESPIG calendar year disbursements as of October 31, 2017 were US\$361.6 million. We anticipate between US\$450 million and US\$500 million in annual disbursements this year, based on projections from Grant Agents.

4.2 Improving learning outcomes remains a priority among ESPIGs, including 40 active grants in FY 17 invested in teacher training, 35 grants supporting curriculum development and the distribution of teaching material, 35 grants providing funding for the development and improvement of learning assessments, and funding for learning assessment systems in 29 grants. In **Eritrea**, a US\$25.3 million GPE grant supports 80 school communities across four districts through the distribution of more than three million textbooks and training for 1,530 teachers. The program has significantly contributed to the decrease in the number of out-of-school children in the country – more than 17,000 out-of-school children (6,785 girls) have enrolled in school. The program also supports the construction of 315 additional classrooms and adopts innovative approaches, such as community based school construction and nomadic education for children from underserved communities, to ensure that all children can go to school and learn.

4.3 In GPE's portfolio of active grants, 30 invest in activities geared toward improving access to education for girls, including 17 in Fragile and Conflict-Affected Countries. In **Nigeria**, the GPE-supported Nigeria Partnership for Education Project promotes gender equality and inclusiveness through scholarships for girls' enrollment in primary school, scholarships for female teachers, and community mobilization to prevent drop out. This work is critically important because 60 percent of the 10.5 million out-of-school children in Nigeria are girls and the impact has been outstanding: 100,000 girls have received scholarships across five states, leading to a significant rise in girls' enrollment, and more than 6,000 female teachers have received scholarships to specialize in early childhood education and primary education. In **Cote d'Ivoire** and **Niger**, GPE grants have awarded scholarships that recognize girls with high final examination scores to encourage girls to stay in school and improve performance.

4.4 As part of its commitment to the education of child refugees, the Secretariat undertook a joint mission for the first time with UNHCR and Education Cannot Wait (ECW) to **Kenya, Uganda** and **South Sudan** in September 2017. The team worked collaboratively to assess education service provision for refugee children, map existing policy and program interventions, and identify joint actions the three organizations could take to support refugee children. As a result of the mission, the Kenyan government agreed to distribute textbooks to 6,000 primary level students in the Kakuma refugee camp and Kalobeyei refugee settlement areas of Turkana Province in Kenya. This landmark policy decision represents the first time schools in refugee camps will receive textbooks from the government in any country partner.

4.5 In **Somaliland**, GPE used an accelerated funding mechanism to address the immediate humanitarian crisis caused by severe drought that led to population displacement and an increased risk of school drop out. The ten-month program began in June 2017 and is supported by a US\$1.92 million grant that provides continued access to education through teacher incentives, learning materials, learning spaces, school feeding, and water trucking. This program reaches more than 5,000 primary school students across 35 schools and targets nearly 500 teachers with incentives and training on psychosocial support to affected students. In addition, the program supports more than 200 Community Education Committees that participate in community mobilization efforts such as the "Go to School" campaign. This work will help affected schools meet their immediate- and mid-term teaching, learning, feeding, and water needs.

4.6 GPE grants also encourage a wide range of activities to strengthen data systems, including funding to develop and improve Education Management Information Systems across 32 ESPIGs. An ESPIG in **Sierra Leone** provides specialized support to establish robust and consistent school data collection, analysis, and utilization processes. This work ensures that an annual school census is

consistently conducted during the academic school year and has helped the ministry of education decentralize collection and clean up of data and institutionalize a sustainable system for data collection and analysis. More specifically, the grant supports a technical data collection and monitoring and evaluation team in the ministry, which in turn strengthens education sector plan monitoring, enhancement of infrastructure, and the development of a monitoring and evaluation needs assessment. As a result of this groundwork, the ministry can be expected to deliver reliable, timely reporting on education sector indicators, allowing the government and partners to track progress on the sector.

4.7 Interest in GPE grants has been robust and moving to four application rounds per year has helped spread out the volume of applications. Since the Board meeting in June, grant applications from Puntland and Liberia have been approved; however, the Board agreed that formal notification of the Liberia grant would be sent after the election and the Secretariat is exploring how to move forward given the delayed conclusion of the election. In Paris, the Board will consider grant applications from Burkina Faso and Zanzibar. A further six ESPIG applications were submitted in November for GPC review in January 2018: Cape Verde, Cambodia (fixed part), Cote d'Ivoire, the Gambia, Guinea Bissau, and Madagascar. In addition, 10 applications are expected in February according to current expressions of intent by the countries: Afghanistan, Cambodia (variable part), Chad, Comoros, Myanmar, Sierra Leone, Somalia (Federal), Somaliland, South Sudan, and Zimbabwe (variable and multiplier). As previously mentioned, the GPC recommended the Board approve seven Expressions of Interest for GPE Multiplier allocations.

4.8 The Secretariat continues to develop new tools, policy briefs, and technical guidance to reinforce GPE's country-level activities. In the first quarter of 2017, GPE published [*How GPE Supports Teaching and Learning*](#) and [*Effective Joint Sector Reviews as \(Mutual\) Accountability Platforms*](#). The Secretariat also launched a partnership Task Force focused on improving Education Sector Management Information Systems and hosted the second of three capacity building events on gender responsive sector planning. Initial activities to strengthen support for early childhood education and learning assessment systems were launched under Better Early Learning and Development at Scale (BELDS) and Assessment for Learning (A4L) Knowledge and Good Practice Exchange (KGPE) and outputs are expected in early 2019. The Secretariat also developed and published additional tools to support Quality Assurance of sector plans and guidance on transitional sector planning and domestic financing. Finally, the Secretariat supported country-level work in the global-level policy dialogue this year by preparing a concept note on financing through the Education 2030 Education Finance Working Group, which GPE co-chaired with France, and supporting

international initiatives such as the Global Alliance to Monitor Learning, the Teachers Task Force, and the Global Book Alliance.

4.9 The Secretariat, in close coordination with the Committees, is focused on learning from the implementation of reforms agreed to over the past couple of years in order to determine how GPE processes can be further improved to deliver effective and efficient support. In October, the GPC began discussions on streamlining the GPE quality assurance process to ensure that GPE enhances the quality of program proposals without duplicating the work of Grant Agents. In another effort to streamline processes, the GPC also agreed in October that the Secretariat could approve additional grant extensions of up to a year in cases where grants have already had longer-term material extensions approved by the GPC. Finally, the GPC and Secretariat are overseeing a capacity review, as requested by the Board in March, that will examine the efficiency and effectiveness of the partnership in delivering on GPE 2020. An external firm is under contract to complete the review and will begin to conduct interviews with Grant Agents, Coordinating Agencies, and DCPs in early 2018 after the inception report is finalized. Review findings and recommendations will be presented to the Board in June 2018 and help clarify roles across GPE in providing capacity building and technical advice. As discussed in more detail below, the Secretariat will also use the country-level evaluation stream to determine how GPE outputs and activities contribute to outcomes and impact at the country level and where GPE's operating model can be further refined.

5. RESULTS AND IMPACT

5.1 The success of GPE's reforms and strong performance has been recognized again in recent months. The Norwegian Agency for Development Cooperation's [*Rising to the Challenge*](#) report concluded that "GPE has made important changes to the partnership in order to better deliver on its goals" and noted the "strengthening of the secretariat's capacity to link operational activities to the results framework." The United Kingdom's Parliamentary International Development Committee recently released a [report](#) calling for donor partners to fully fund GPE's replenishment and noted that DFID's impact on GPE had driven "necessary reforms to make the organization more efficient and increas[e] its focus on fragile and conflict-affected states and gender equality." The Australian Department of Foreign Affairs and Trade's *Multilateral Performance Assessment* found that "GPE is particularly strong on collaboration, partnership behaviour and stakeholder engagement" and affirmed that "GPE's needs-based funding model systemically gears financing allocations and activities toward the poorest."

5.2 In addition to the external reviews, the Results Report is also providing valuable feedback. The 2016 Results Report analyzed the three goals and five country-level and global objectives in GPE

2020 and highlighted progress in 16 of the 19 intermediate targets. Importantly, the report also identified three areas where GPE did not meet the 2016 milestones within the 2020 results framework and highlighted an overarching concern about the lack of availability of data. For each of these areas, the Secretariat designed an integrated set of actions for improvement, included in the current overall budget envelope for FY 2018, that will require coordination across the partnership. Moving forward, the Secretariat will include additional or modified actions in the July 2018-June 2019 budget work program when the 2017 Results Report is presented to the Board in June 2018 in order to align results reporting, planning, learning, and the decision-making cycle.

5.3 The Secretariat proposes an integrated set of **management actions in response to the three 2016 milestones missed**: pre-primary gross enrollment, gender parity index for out-of-school rate, and alignment. Work is already underway to address areas for improvement and will require complementary actions and close cooperation across GPE. The Secretariat will use disaggregated country-level data to inform prioritization of support for countries to address pre-primary enrollment and gender parity, leveraging GPE investments in sector planning and plan implementation and its proposed KIX program. The GPE funding model, which requires ESPIG proposals to articulate a data strategy, will also help address concerns regarding the availability of data. On grant alignment, work is underway to update GPE's policy on alignment, focus on country-level opportunities for alignment in upcoming ESPIGs, share knowledge and good practice, understand Grant Agents' institutional constraints and leverage opportunities, and update the Secretariat's upstream quality assurance activities. The Secretariat will also work with the GPC to identify additional opportunities based on a thorough technical review of the alignment indicator scheduled for Q2 2018.

5.4 In addition, a robust stream of evaluation work is underway to explore how GPE outputs and activities contribute to outcomes and impact at the country, thematic and programmatic, and overall GPE 2020 levels. An inception report for country-level evaluations is complete and country missions are set to begin. The first set of case studies will be available in June 2018 and will help refine GPE's business processes and approaches. In addition, actions in response to the DCP constituency pre-Board meeting evaluation are being implemented by the members of the DCP constituency with support from the Governance and Ethics Committee (GEC). Two key evaluations are also underway. The CSEF evaluation will be completed in March 2018 and is expected to yield findings that will be useful in the design and implementation of ASA. Finally, an evaluation on ESPDGs will begin in December and provide a first preview of the effectiveness of GPE work in sector planning.

5.5 Overall, the Secretariat will use its coordinated work in monitoring, results reporting, and evaluation to improve GPE's core business processes by embedding data and evidence in our day-to-day work of planning, budgeting, and implementation on a regular basis.

6. STRENGTHENING SECRETARIAT CAPACITY

6.1 The Secretariat **Human Resources Plan** (2018-2020) provides the Board, as requested, with a three-year view on the expected human resources needed to implement GPE 2020, including the financing and funding framework, and address capacity gaps. To this end, the Plan has identified twenty key organizational shifts focused on improving efficiency, effectiveness, and addressing capacity gaps. The Plan draws on input from external firms, particularly the Dalberg Capacity Review considered by the Board in November 2016, an additional review and analysis by Dalberg and Boxer Advisors conducted in the lead up to the June 2017 meeting, and significant internal work. It also incorporates initial input from the Finance and Risk Committee (FRC) and the GEC arising from their meetings in October 2017.

6.2 I hope the Plan will form the basis for a dialogue around ensuring the Secretariat is fully equipped to support the needs of GPE and to leverage the collective strength of our members. The Board is not being asked to approve the Plan because the outcome of the Financing Conference and Secretariat human resources needs are interlinked. While the proposed scale up in human resources is significant, the majority of the expected positions will not be requested until June 2018 when the Board considers GPE's FY19 budget and workplan. This will give time to reflect on the outcome of the Financing Conference and for the Secretariat to make further refinements that take into account the Board's guidance and the Secretariat's proposed workplan. While the Plan, if fully implemented, would increase Secretariat operating expenses in dollar terms, it should result in a decrease when expressed as a percentage of total expenses from current levels of 7% to 5%, assuming an increase in overall GPE financing following a successful Financing Conference. In Paris, I am asking the Board to consider extending a small number of temporary positions approved under the replenishment surge budget, along with approval of six new positions that will be key to implementing these organizational shifts and for implementation of the KIX and ASA mechanisms. I am also asking the Board to delegate authority to the FRC to approve nine more positions following the Financing Conference in February.

6.3 One key variable in the Plan is the permanent hosting review of ECW, which is expected to be completed by early 2018. The Secretariat was informed on November 27th that GPE is on the shortlist of potential hosts and received the hosting criteria from the hosting review team. The Secretariat will work collaboratively with the hosting review team as they move into the next phase

of their assessment to ensure that they have the information needed to prepare a final report and recommendation. Changes to the Plan will be required should GPE be asked to host ECW, the extent of these changes will be considered as part of our engagement in the next phase of the hosting review.

6.4 The Board will also consider a paper on GPE's **institutional arrangements** with the World Bank. GPE has benefited from a productive and collaborative relationship with the World Bank, which serves as Trustee, a Grant Agent, and as administrative host to the Secretariat. As GPE continues to evolve to meet the ambitions of GPE 2020, its expectations and responsibilities have and will continue to increase. This warrants a dialogue and further examination of the institutional arrangements that will be required for GPE over the coming years, particularly on issues such as currency risk management, Secretariat staffing, and potentially expanding the range of actors that can directly access funding. This issue is very timely considering the World Bank is also undergoing a Trust Fund reform process which is expected to identify recommendations that may be relevant for GPE in the coming months.

7. CONCLUSION

7.1 Over recent years, GPE has sharpened its business model through a series of operational and management reforms to position itself as a country-led partnership with a results-based funding model focused on improving learning and increasing equity through strengthening education systems. In 2017, GPE approved and operationalized a financing and funding framework that will allow it to mobilize twenty-first century development financing from public and private donors around the world as GPE becomes a US\$2 billion a year organization by 2020.

7.2 The momentum around financing global education is growing and, under the leadership of President Sall of Senegal and President Macron of France, leaders from around the world will meet this coming February in Dakar to declare a turning point on financing a global response to the education crisis. With the help of our many partners, the Financing Conference will be a pivotal moment for the partnership and for the sector, and will not be one to miss. Our hope is that it will not just deliver new resources to GPE but that it will usher in a new era of global education financing, bringing us closer to realizing the vision of inclusive and equitable quality education for all.