



COMPLEMENTARITY AND COORDINATION IN EDUCATION

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.

Board Policy Reference: BOD/2018/12-01 (Extract)

The Board of Directors:

1. Notes that:

c. The global education community has also been pursuing a strategy of ambition and growth, which has seen, amongst other things, the seminal report of the Education Commission, the World Development Report 2018, the most recent Global Monitoring Report, the creation of Education Cannot Wait and work underway to create additional entities such as an International Financing Facility for Education, an Education Outcomes Fund and a Global Book Alliance. This new energy and momentum have arisen from the recognition that without significant new resources and innovation, Sustainable Development Goal 4 (SDG4) will not be achieved, and that education is pivotal to realizing many of the other SDGs.

d. The global education community is increasingly focused on what architecture will enable the most effective and efficient translation of resources into learning outcomes for children, especially the poorest and most marginalized, and the achievement of SDG 4.

2. Resolves to:

c. Adopt this continued hosting approach because it enables GPE to benefit from World Bank services and support while having strategic and operational independence and a wide range of capabilities as it pursues its current strategic plan, increases ambition in its next strategic plan and aims to be, potentially, a platform for other entities as the global education architecture further develops.

g. Instruct the GPE CEO to produce for consideration at the June 2019 Board Meeting:

iv. In consultation with relevant World Bank staff and representatives from other relevant actors in the education architecture, a plan, timetable and process for developing the detail of the 'family of funds' referred to in Section 4.5 of the WB Final Offer.

h. Ask the Board Working Group to continue and oversee the preparation of the documentation referred to in paragraph g.

1. Objective

1.1 This paper responds to the Board's instruction from December 2018 to the CEO to produce a document for consideration at the June 2019 meeting under the oversight of the Board Working Group. While the specific task refers to a plan to explore the family of funds concept, the broader context in which the decision was based relates to the broader education architecture and GPE's potential future role within it, including as a potential platform for other entities.

1.2 The Board are asked to consider the information note in Annex 1 and 1A prepared by external consultants, Rachel Robbins and Edward Hedger and to provide direction to the Secretariat on next steps on this topic.

2. Recommended Decision

2.1 The decision language below is optional and can be amended based on the Board's deliberations. It outlines two potential approaches. One is to pursue discussions with the Trustee, Education Outcomes Fund, and/or Global Book Alliance on a serious exploration of a potential joint hosting arrangement as part of a family of funds structure with the aim of making an in-principle decision to adopt such an arrangement in December 2019 subject to acceptable financial, operational, and governance arrangements which would be developed over the first half of 2020. The other option is not to pursue further efforts to develop common global structures at this moment but to keep efforts focused on the need for better country level cooperation across the various education funds and initiatives.

BOD/2019/06/XX – The Board of Directors:

- i. Emphasizes the importance of and supports efforts to promote greater strategic alignment and reductions to the risk of fragmentation and duplication in the education sector.
- ii. Requests the Secretariat and all partners to strengthen efforts to improve coordination and cooperation at the country level, including as part of EPR follow-up, with the aim to minimize transaction costs and burden on country level partners.

Optional Additions

- iii. Confirms its interest in a more integrated relationship including consideration of joint-hosting with the Education Outcomes Fund and/or Global Book Alliance.
- iv. Requests the Secretariat in consultation with such entities, and the Trustee to prepare a business case for consideration at its December 2019 meeting. And based on the outcome of such business case, will make an in-principle decision to pursue such a relationship subject to satisfactory finalization of acceptable financial, operational, and governance arrangements, or not to pursue such arrangements.

3. Background

3.1 Over the course of 2018, the Board examined its institutional arrangements with the World Bank, including examining whether these arrangements were conducive to providing GPE with the capability to potentially become a platform for hosting other emerging entities and initiatives in the sector. As part of that process, the World Bank outlined the potential for a “family of funds” for education to satisfy this capability. When the Board took the decision to remain hosted within the World Bank, it requested the Secretariat to explore this issue under the oversight of the BWG.

3.2 Both the Education Outcomes Fund and the Global Book Alliance have directly expressed interest to GPE leadership in working more closely with GPE. Subject to further exploration and the ongoing work in the strategic planning effort, these relationships could bring synergies to GPE, strategically and administratively.

3.3 The Secretariat hired Rachel Robbins and Edward Hedger who supported the BWG and Board on the institutional arrangements work. Working closely with the consultants, Trustee, and representatives of the World Bank’s Education Global Practice, the key characteristics of a family of funds were fleshed out (See Annex 1A).

3.4 A meeting of key actors in the education sector held on the margins of the World Bank Spring meetings in April saw interest in further work on the architecture (a meeting will be convened by UNESCO in July) including some interest in exploration of the family of funds. The consultants interviewed a number of Board and Committee members exploring the broader strategic issues along with some of the practical aspects of a family of funds type arrangement. The results of this work are outlined in Annex 1 and 1A.

4. Questions for Board to Consider

4.1 The paper in annex below poses three questions for consideration by the Board:

- a. Whether, given how the Board sees GPE's role in the global architecture and its value addition, there is a strategic rationale for a closer structural relationship with EOF and/or GBA;
- b. Whether the anticipated benefits of a Family of Funds structure at the WB should lead to further exploration of that mechanism, including in particular a focus on governance changes needed; and
- c. What the timeline and process should be, if further exploration is mandated by the GPE Board.

ANNEX 1

Better Complementarity and Coordination in Global Education – How can the Global Partnership for Education contribute?

Issues and options paper for the GPE Board¹
May 21, 2019

Introduction and purpose

1. The Board of the Global Partnership for Education (GPE) decided in December 2018 that the GPE Secretariat should remain hosted by the World Bank (WB) for a further six years. This arrangement enables GPE to benefit from WB services and support, while having strategic and operational independence and a wide range of potential operating capabilities. The formal connection with the WB also provides certainty for the GPE Secretariat and a framework for greater alignment between the two organizations.
2. Meanwhile two new international entities, the Education Outcomes Fund (EOF) and the Global Book Alliance (GBA), have expressed interest to GPE about a potential future joint hosting arrangement at the WB. The agreement between GPE and the WB permits this option. However, the GPE Board has made no policy decisions. Given the interest by EOF and GBA, there is a question now for the Board about the desirability of joint hosting and whether to proceed with further exploration.
3. This short paper presents some strategic and operational considerations for the GPE Board as it evaluates the case for a potential joint hosting arrangement with EOF and GBA. It places the hosting question in a wider context of how GPE could work with other global education entities to support improved coordination, especially at country level. The paper poses some specific questions for the Board discussion on 13th June.

Strategic agenda for improved coordination

4. There is a growing recognition that SDG-4 will not be achieved without significant new resources, ideas and innovation. There is an increasing focus on what form of cooperation will support the effective and efficient translation of resources into the achievement of SDG-4 and positive learning outcomes for children, especially the poorest and most marginalized. There is widespread agreement in the global education community that the primary focus must be on improving learning outcomes at the country level.

¹ **The paper has been prepared as a piece of independent analysis by Rachel Robbins and Edward Hedger.** Although it was commissioned and guided by the Board Working Group and the GPE Secretariat, the views do not necessarily reflect those of either group. To inform the paper, we consulted a range of GPE Board members and other global education stakeholders. The synthesis and interpretation are our own, but the content derives from those interviews.

Perspectives on the challenge of coordination

5. Within this strategic context, there is a desire by many global education stakeholders to avoid institutional fragmentation and for there to be better coordination at the country level. Each of the new initiatives in the global education system – Education Cannot Wait (ECW), the International Financing Facility for Education (IFFEd), EOF and GBA – was created to fill a particular gap, such as rapid response in emergencies, concessional financing to middle-income countries, or improvement in the quality of learning materials. At the same time, there is potentially some overlap in the mandates, capabilities and country footprints of the growing number of entities. That may risk some confusion for governments and pose increasing coordination challenges at country level. Countries experiencing protracted crises in which there are multiple humanitarian and development actors operating in the education sector are an acute example.

6. Comments by GPE Board members and other institutional stakeholders reveal two perspectives on the strategic risks and priorities in the global education system.

- *Tackle fragmentation proactively now* – Some stakeholders are concerned about the need for greater strategic alignment and the risk of fragmentation and duplication. They fear the entrance of additional entities will increase complexity or confusion at country level and inefficiency in terms of allocation and operations – all of which will worsen in the next five years. They wish to minimize administrative resources so the maximum possible funding can be focused on the effective delivery of resources for children. They note that the primary focus must be at country level, but they believe there cannot be the requisite efficacy and coordination at the country level without the right accompanying actions and incentives transmitted through the global system. Proliferation in bilateral assistance alongside multilateral entities is noted as a feature here too.
- *Prioritize country-level delivery* – Others consider that the immediate risk of fragmentation is overstated and the priority is to get on with the work of improving the delivery of assistance and results at country level. They believe that focusing on structure at the global level is a distraction to more immediate priorities and that coordination must be more case-by-case in countries. They recognize there are future risks of proliferation and fragmentation which do need to be managed, but they do not view them as urgent. In the view of these stakeholders, different agencies have different purposes or mandates and what is needed is better country-level coordination, not structural or institutional change at headquarters. Clearer and stricter division of labor among international entities would be helpful in their view, with each sticking to their core business.

7. These views are not entirely distinct. The point is about emphasis and priority. Nonetheless, there is also a recognized degree of tension between the demand for faster results delivered efficiently through specialized agencies, and the need for country-level coherence to support government plans and systems and to avoid duplication. Improved coordination and complementarity is a shared goal, but whether that can be achieved solely through changing incentives or it also requires structural alignment is a live debate.

Developing Country Partner priorities for better coordination

8. The view of almost all global education stakeholders is that better in-country coordination among global education actors is needed to strengthen and support government leadership. As GPE considers its role in improving the efficacy of education resources, it can play an important role in streamlining the delivery of services on the ground through greater coordination and cooperation of all actors, each accountable for its discrete function, operating at the direction of an empowered and better resourced country leadership.

9. From the Developing Country Partner (DCP) perspective, streamlining the requirements of assistance providers and simplifying the processes of reporting and compliance would enhance their ability to achieve better outcomes. Mobilizing resources from new donors and through new innovative instruments and rationalizing resource mobilization among existing donors are equally important priorities. Pooled funding mechanisms and the use and strengthening of country systems – including through knowledge sharing and technical assistance – remain critical objectives. DCP officials also are looking for innovative ideas, lessons learned from other sectors and countries, and good practices that may work in their own country.

10. DCP ministers and senior officials note that they have limited resources and already face differing requirements from funders. They need to engage with many different partners, who have different planning, monitoring, results measurement and reporting requirements. From their point of view, harmonization and alignment, greater clarity on roles and responsibilities, and greater transparency of results are the keys to improving efficacy.

11. They also point out the important role GPE can play in ensuring better coordination and accountability through the Local Education Groups (LEGs). The LEGs are currently voluntary groups, without accountability, that rely on the goodwill and personalities of the individuals involved. A helpful suggestion from one DCP Board member was that the GPE Board should consider creating a binding charter for the LEGs, that could be passed down to country level to ensure accountability and coordination.

Issues and options for future joint hosting of GPE, EOF and GBA

What are the Education Outcomes Fund and the Global Book Alliance?²

12. The goals of EOF are to improve learning outcomes for children across Africa and the Middle East; to strengthen sustainably education systems by harnessing the capacity and capabilities of non-state actors to support government priorities; and to advance innovative finance and the growth of outcomes funds and impact bonds as tools to help achieve SDG-4. Through new and better knowledge and data collection tools, EOF aims to support policy-makers on what works in each local context and the cost efficiency of different programs. EOF will work with governments to set learning objectives and determine how results will be measured. It will, together with governments, partner with education organizations to achieve the agreed learning outcomes. It aims to pool US\$1 billion of public funds, aid, philanthropy and corporate contributions, from

² Further information <https://www.educationoutcomesfund.org/> and <http://globalbookalliance.org/>.

which it will repay investors and implementing organizations their initial investment plus a modest return if the objectives are achieved. It was created in 2016 by the Education Commission and other partners, has a small core staff, and does not currently have a host agency.

13. GBA is a new initiative focused on improving the quality of education. It aims to improve the quality, affordability and availability of early grade reading material in the most cost effective and efficient manner. Recurrent expenditure on books and learning materials is second only to teacher salaries in terms of national budget expenditure. There are significant efficiencies to be gained from doing book development, procurement, provision and use better. It was created in 2015, has a small Secretariat, and is currently hosted by USAID.

Anticipated benefits from partnerships with EOF and GBA

14. The case for partnership with EOF rests on complementary objectives and the potential efficiency of developing shared operational functions. Given the sizable annual gap in funding needed to achieve the SDGs, private sector funding is considered critical. EOF promises to bring much needed new private capital to education in its target geographies. EOF and GPE working together could support the coordination of public sector funding from GPE and private sector, donor and philanthropic funding through EOF. The explicit outcomes-orientation of EOF could influence a stronger and more coherent results-based focus across actors at the country and global levels. The additional financing provided by EOF and the use of a framework based on measurable outcomes could help to strengthen country systems and to enhance government capacity and accountability – all of which are core objectives for GPE. A common results and reporting framework could be developed, thereby simplifying obligations of partner governments. The back office administrative support that EOF would share with GPE and jointly receive from the WB could offer an efficiency argument to help accelerate the growth of funding for education.

15. The case for partnership with GBA rests on some common objectives and the potential efficiency of using GPE’s existing operational functions. If GBA is co-located with GPE, the two entities are more likely to develop common approaches to the book chain in developing countries. GBA would also enhance the communications, technical expertise and advocacy on a key component—the development, procurement and use of books—for the education sector to support good practice and policy change through GPE programs at the country level. Joint hosting would also enable the two entities to work together to deliver higher quality learning materials that can be more effectively used. As GPE develops its Knowledge and Innovation Exchange (KIX), there could be synergy with GBA’s knowledge management initiative. At the global level, there could be funding synergy. Donors could fund GBA through a window of GPE, thereby allowing GBA to avoid establishing a separate fiscal sponsorship arrangement and new funding agreements.

16. In both cases, joint hosting should permit a more streamlined interface with DCPs. It would reduce transaction costs on governments if GPE, EOF and GBA were able to combine some of their operations and to exercise mutual reliance. It could avoid further duplication or fragmentation of processes and engagement at the country level. The opinion of staff from GPE and EOF and stakeholders in GBA is that, compared to discrete partnership agreements, formal joint hosting would be more likely to increase the incentives and opportunities to pursue collaboration and to ensure effective partnership and create resource efficiencies.

Joint hosting at the World Bank – A “Family of Funds” model

17. If GPE, EOF, GBA and perhaps other education initiatives to be developed in the future wish to pursue a joint hosting arrangement at the WB, the applicable mechanism to do so would be a Family of Funds (FoF). The idea of a Family of Funds for global education emerged in the discussions between GPE and the WB in the context of the work on future Institutional Arrangements for GPE in 2018. The WB suggested that a FoF structure could be used by GPE and other entities as a potential platform to support stronger alignment and greater efficiency in the global education architecture.

18. The WB FoF model is an investment platform comprised of funds that share a common theme (e.g., climate change, health, education) and a common high-level governance structure. A single high-level governing body provides strategic coordination, whilst recognizing the distinct mission of each component fund. It coordinates the respective Boards and Committees responsible for overseeing day-to-day operations. Economies of scale are achieved through a shared Secretariat function that can support resource mobilization, communications and advocacy, financial planning and reporting, risk management, monitoring and evaluation, governance support, and country relationship management. The model has successful precedent in the WB structure through the climate and environment funds and facilities (Global Environment Facility and Climate Investment Funds), and is compatible with the new model of umbrella programs as part of the WB Trust Fund Reform.

19. The GPE Board asked the BWG and the CEO to take forward exploratory work on a Family of Funds for global education ahead of the June 2019 Board meeting.³ The question of participants was left open at that stage, but has since been narrowed down to EOF and GBA potentially joining GPE in a FoF. The WB has reconfirmed its willingness to facilitate the design and establishment of a FoF, should the respective governing bodies so decide. At a high-level meeting convened jointly by the WB Vice President for Human Development and the GPE Board Chair on 13th April 2019, the FoF concept was further discussed and several donors noted their interest in GPE and WB pursuing it.

20. See Annex A for further description of the standard design specifications for a FoF.

³ Board decision language of December 7, 2018:

g. Instruct the GPE CEO to produce for consideration at the June 2019 Board Meeting:

iv. In consultation with relevant World Bank staff and representatives from other relevant actors in the education architecture, a plan, timetable and process for developing the detail of the ‘family of funds’ referred to in Section 4.5 of the WB Final Offer.

h. Ask the Board Working Group to continue and oversee the preparation of the documentation referred to in paragraph g.

Specific hosting requirements by EOF and GBA

21. The CEO of EOF and the Chair of GBA have indicated that finding a long-term hosting arrangement is a priority for both entities. They each suggested that joint hosting with GPE through a FoF at the WB would be an interesting option. No decisions have yet been taken by the governing bodies of EOF or GBA.

22. EOF is presently considering whether it would be preferable to establish itself as a FIF or a MDTF within a prospective FoF. Direct discussions are ongoing among EOF, GPE and WB about design considerations. EOF has indicated three matters of concern about the FoF design: governance, funding and disbursements.

- On the common governance structure, EOF wants to ensure there is no risk of its mission and approach of working with for-profit entities being obstructed by GPE Board members. The GPE Board will at a minimum need to confirm at the outset its acceptance of the EOF model and commit to not opposing it.
- On receipt of funds, EOF needs flexibility for income from non-traditional funders. The WB has already confirmed a willingness to support diversified funding, provided that funds from individuals (either high net worth individuals or crowd-funding) come through an external intermediary foundation.
- On disbursement and delivery arrangements, EOF needs flexibility to contract with and make outcome payments to non-state actors – possibly including for-profit entities. The new WB hosting agreement for GPE offers two mechanisms – either through an intermediary grant agent or directly through the WB. Under the latter arrangement, the WB would need to modify its trustee framework, but is conceptually willing to do so to support innovative, outcomes-based financing.

23. GBA will remain partly hosted by USAID for the next two to three years to ensure continuity in current and planned programs. In addition it requires a separate fiscal agent and operational platform for the receipt, management and utilization of funding from other (i.e., non US government) sources as it scales up operations.

24. GBA has indicated three priorities for a hosting arrangement: the ability to take money from governments and other donors, the ability to grant money to partners (including directly, rather than through a Grant Agent), and a competitive hosting fee. Further discussion is needed among GBA, GPE and WB to determine whether a FIF or MDTF would be the appropriate mechanism – including the option of a new window within GPE. The need to grant money to partners directly would require establishment as a MDTF, unless direct payments to service providers and to for-profit entities selected through an international competitive process could be treated as equivalent to a Grant Agent function within a FIF structure.

Other critical partnerships for GPE – World Bank, ECW and IFFEd

25. Only EOF and GBA are currently in scope for the discussions about a potential joint hosting arrangement through a FoF at the WB. However, three other partnerships are critically important for GPE and for the effectiveness and impact of the wider global education system. There is a relevant question of how a FoF might relate to or affect those other actors and GPE's partnerships with them.

26. ECW could potentially become part of a FoF in the future but is not interested in pursuing the discussion at this juncture. ECW has determined to continue its current hosting relationship with UNICEF through 2021 and not to invest further time in hosting matters until that decision point. ECW operates within the humanitarian coordination system of the United Nations, which prioritizes speed of disbursements and delivery in emergency situations. In the view of ECW, the model of the WB and GPE would not allow ECW the flexibility and speed it needs to operate effectively on the ground. It is a widely-held view that GPE and ECW will need to work closely together, in particular at country level, and build trust irrespective of the FoF option.

27. IFFEd has noted that its requirement for separate legal status for credit rating purposes would be not compatible with a FoF. The WB has made a policy decision not to host separate legal entities as FIFs or to permit co-hosting arrangements involving some staff within the WB and some outside in a separate legal entity. IFFEd will separately have a close relationship with the WB by virtue of its mission and mandate to mobilize capital using the balance sheets of the Multilateral Development Banks and it will use the WB's trustee services. It will establish a small independent administrative presence. Earlier discussions with IFFEd suggested the possibility of partnership with GPE in countries of common focus, relating to the inclusive country-level education sector planning and investment processes that GPE supports.

28. The Education Global Practice of the World Bank (EGP) clearly would not be a member of the FoF. However, senior executives in the WB have confirmed their support for the design and establishment of a FoF at the WB. Furthermore, there is good potential for a FoF to enable stronger coordination and strategic alignment between the EGP and other parts of the global education community. That could have valuable systemic benefits. In any case, it is important for GPE to take advantage of its co-location with the EGP and to meet at senior levels on a regular basis to share information.

29. The impact of a prospective FoF on improved coordination at global and country levels would be reduced if there are not also effective partnerships forged between the FoF and ECW, IFFEd and WB. Interest by ECW to participate as a member of the FoF would have boosted its scale and the potential benefits significantly. Nonetheless there is merit to a smaller incipient FoF with only GPE, EOF and GBA. Other entities could decide to participate at a later stage.

Considerations for the Board about a Family of Funds

30. The GPE Board should consider whether joint hosting is in the strategic interest of GPE and the global education sector more generally, and whether now is the time to pursue it. This question raises the issue of where the Board sees GPE's future role in the education architecture and its own

value addition. While GPE works on improving its own operational effectiveness through the EPR, the interest by EOF and GBA presents an opportunity for GPE to become a platform for new initiatives and innovative ideas in global education. Joint hosting of these two new initiatives in a FoF could leverage the institutional support of GPE and the WB and promote valuable strategic alignment.

31. The GPE Board will also need to consider whether a FoF potentially with EOF and GBA could benefit GPE's own strategic agenda and country-level impact. Some partners have expressed the view that the GPE Board should reach a decision on GPE's private sector strategy before deciding whether EOF and GPE should form a closer relationship in a FoF. If the Board considers that GPE should focus only on improving its traditional core work of supporting education sector plans and promoting harmonization and alignment with country systems, the case for joint hosting with EOF and GBA may be less apparent. Instead of joint hosting, GPE could pursue more limited partnerships without formal alignment or shared operations. The risk is that GPE might then miss the opportunity for structured engagement with some of the more cutting-edge ideas about how to achieve impact in education sector support. GPE has a key role to play in promoting coordination at country level and potentially serving as a platform to share knowledge, innovative ideas and comparative practices.

32. The main argument for joint hosting through a FoF is that it would allow the three organizations to find and pursue economies of scope and scale, and for GPE to assist with incubating EOF and GBA at their formative stages. The expressed preference of the global education community is to avoid fragmentation and to encourage coordination. Whilst it may not make a major difference to existing country-level coordination because EOF and GBA have little presence yet, it would help to prevent the risks of future fragmentation and lack of coordination. The co-location may also offer spill-over benefits from close collaboration in ways that are not yet known.

33. The most significant implication for GPE concerns governance. If the GPE Board decides to pursue the FoF model, a change to the governance structure of GPE may be necessary. For example, were the GPE Board to offer to serve as the strategic coordinating body, there would need to be clear agreement on the limits of the mandate. That would mean defining the high-level strategic matters that the overarching body would address on behalf of the FoF, whilst preserving separate EOF and GBA executive committees for the operational oversight of those entities. EOF and GBA would likely need their own safeguards and other policies appropriate to their separate and distinctive missions. For example, they might wish to appoint representatives to the overarching body for the FoF. GPE would also need to consider whether the full GPE Board should meet only for matters particular to GPE strategy and delivery. A smaller executive sub-group of the GPE Board, possibly with additional representation from EOF and GBA, could take on the overarching role for coordinating the FoF.

34. Some concerns have been raised that time invested by GPE in exploring and establishing a FoF with EOF and GBA could be an unnecessary distraction at this juncture. The fear is that it will require dedicating Secretariat staff and budget resources, as well as Board time, which could distract from core business and existing work plans or from the wider delivery of GPE's strategic plan. Some Board members expressed the view that GPE has not been able to address some core

initiatives because of limited capacity. These partners question whether the Secretariat has the bandwidth to take on a FoF. Discussions with the WB team responsible for Trust Funds suggest it need not be a complicated process on the mechanical side provided there is clear agreement among the three organizations about what is intended. A basic design of common overarching governance structure and some shared secretariat functions could be set up and permitted to evolve gradually. Accordingly, it is not anticipated that establishing a FoF would need to divert significant Secretariat resources from critical core functions.

35. A potential risk of pursuing a FoF is that it becomes perceived as an attempt at GPE “empire building”. That could be mitigated by careful explanation of what is envisaged – which is probably rather modest in practice – and by the right messaging from the Board. Striking the right balance between the benefits of greater integration and the maintenance of separate brand identity and autonomy by each of participating entities will require further discussion, but should not be overly difficult. EOF and GBA have stated that it will be important for them to retain their distinctive profiles and ability to execute their respective missions.

36. Overall, the potential option of joint hosting with EOF and GBA seems to offer the preemptive benefits of avoiding future fragmentation, achieving some administrative efficiencies, incubating new and innovative approaches to improving outcomes, and creating positive incentives for strategic alignment around delivery. However, the extent of the strategic benefit will depend on GPE’s own future strategic direction. The implementation costs in terms of time and money need not be high and the degree of integration could be modest. Establishing some strategic parameters at the outset will be important. The idea of a FoF would be a more powerful and effective construct for achieving stronger coordination if it eventually included ECW and if it could build strong relationships with IFFEd and WB, but that does not rule out some clear potential benefits for and from a smaller group of GPE, EOF and GBA.

Alternative coordination and partnership approaches

37. The GPE Board and governing bodies of EOF and GBA may decide not to proceed with creation of a FoF at this time. In that case, the alternatives to a joint hosting arrangement would be to pursue partnership agreements outside the WB and without any formal structural dimension or to work through existing programs or MDTFs administered by the WB. The WB has stated that it is not willing to host EOF or GBA as separate FIFs or MDTFs outside a FoF. Having concluded its Trust Fund Reform process, the WB is looking to have fewer, larger groupings of Trust Funds or FIFs and to organize them around major development themes as so-called “Umbrella 2.0 Programs”.

38. Separate partnership agreements of some form would still be highly desirable given the widely-observed need for mechanisms to incentivize and improve coordination among international education entities. Indeed, it would be desirable for GPE to build or strengthen its relationships with all the new and longstanding agencies – including the WB EGP, ECW, IFFEd, EOF and GBA. The primary objective would be to agree joint approaches that will improve complementarity and coordination at the country level. In the case of the WB, opportunities might

also exist for closer GPE collaboration with other Trust Funds – for example, Results in Education for All Children (REACH).⁴

39. The proposal for a new Global Education Funding Forum to support better coordination among global education actors seems to be garnering some interest.⁵ If that were taken forward expeditiously by UNESCO, donors and DCPs, it could provide a timely mechanism for considering the coordination challenges that manifest themselves across multiple countries and then pursuing collective solutions to them. It would be important for GPE to participate actively in any such initiative.

40. Based on lessons learned from the much larger health sector, such a forum in education could facilitate better information-sharing and reliance on shared knowledge bases; joint assessments of risk; common frameworks for assessing and reporting on results; and joint or coordinated investments.⁶ It could encourage joint missions and help to promote clearer delineation of roles and responsibilities among a broad set of actors. The objective would be to build common purpose and, based on that, a stronger institutional commitment to work together.

41. A more direct focus on improving coordination at the country level suggests that a critical factor for GPE to address – and one which is within its control – is effective implementation of the results of the Effective Partnership Review (EPR). The focus of the EPR is on finding ways to strengthen government leadership in the Local Education Groups – to move from a compliance focus to a performance one, and to simplify the relationship between Grant Agents and GPE. Consideration should be given to formalizing the responsibilities and accountability of all partners in order to make the LEG a more effective coordination mechanism.

42. In addition at country level, and despite the intended mechanism of aligning with country systems and achieving coordination as a result, Grant Agents often do not use country systems in practice (presumably for reasons of fiduciary risk management). Greater effort could be devoted to technical support for strengthening those systems, to putting in smarter safeguards to permit their use in many more cases, and to avoiding establishing parallel systems whenever possible. DCPs continue to emphasize these points as high priorities.

43. Specific additional coordination initiatives may be required by GPE and other partners in emergency settings. Better collaboration is needed at the humanitarian-development nexus where there is a transition from urgent and rapid financial and programmatic support in crisis situations

⁴ For information, see <http://www.worldbank.org/en/programs/reach#12>.

⁵ This idea has been attributed to the UN Deputy Secretary General and is also elaborated by Save the Children. See: Nhan-O'Reilly, J. (2019) *Opinion: Education sector must align, accelerate, and account for efforts toward SDG 4*. Devex online blog post.

⁶ At least two major initiatives are underway in the global health sector to try and improve coordination at global and country levels. The “Global Action Plan for healthy lives and well-being for all” is being prepared by twelve multilateral funds and organizations. Its aim is to *align and better coordinate* efforts to reduce duplication and inefficiencies; to *accelerate progress* towards SDG-3 through joint actions through seven “Accelerators”; and to *strengthen accountability* by agreeing to joint milestones for health related targets, and a common framework for assessing results and linking investments more closely to results. A separate initiative by GAVI and the Global Fund is focusing on enhancing impact and efficiency through “collaboration with a purpose” in four areas: knowledge sharing; coordinating advocacy; aligning policies and engagement; and making joint or coordinated investments.

to focusing on longer-term resource flows and strengthening of country systems. There is an observed risk of parallel processes developing – although there are also some positive cases to learn from and develop good practices. It appears that the education community has been talking about the theoretical issues of fragmentation, duplication and a clear division of labor for some years, so now may be the time for more concrete action.

44. None of these emergent ideas or options preclude development of a Family of Funds for global education at the WB. They have all been suggested on their own merits and would combine a balance of entry-points at the global and country levels to try and shift the incentives for better coordination in a strong, positive and sustainable direction. A FoF may prove a valuable contribution and complement to this mix of potential initiatives. In practice, many actions will likely be required. GPE is well-placed to make a contribution to those mentioned here and especially to the country-level dimension.

Matters for GPE Board decision in June 2019

45. As the Board continues to consider how best to achieve strategic alignment, cost efficiency and greater impact at country level, the Board should consider:

- a. Whether, given how the Board sees GPE’s role in the global architecture and its value addition, there is a strategic rationale for a closer structural relationship with EOF and/or GBA;
- b. Whether the anticipated benefits of a Family of Funds structure at the WB should lead to further exploration of that mechanism, including in particular a focus on governance changes needed; and
- c. What the timeline and process should be, if further exploration is mandated by the GPE Board.

Annex A: Design considerations for a Family of Funds at the World Bank

1. The FoF is envisaged as an inclusive partnership and investment platform. It draws on experiences across sectors, in particular climate, and makes use of opportunities opened through the WB's Trust Fund Reform (e.g., collaborative agreements with the IFC and UN agencies).
2. In structural terms, it is a group of funds (constituted either as Multi-Donor Trust Funds (MDTFs) or as Financial Intermediary Funds (FIFs)) under one common governance framework, with shared services and tailored administrative/operational support for each fund. The respective governing bodies of each fund would determine the role of any overarching governance structure and of underlying committees (i.e., this is not be prescribed by the WB).
3. The generic benefits of a FoF lie in its ability to bring together entities and funds with shared strategic goals (e.g., global education) and common intended beneficiaries. By streamlining the interface with developing partner countries it should support stronger alignment with national priorities and systems and reduce transaction costs. If a significant number of entities participate in the FoF and a single high-level governance structure is duly created, it should also help to elevate the importance of the agenda it addresses.
4. Economies of scale should be recognized through the use of a single Trustee and the administrative hosting relationship with the WB, and a shared Secretariat function. A FoF should help to reduce the confusion and duplication of efforts caused by multiple agencies each engaging separately with governments.
5. The design of the FoF can be flexible to accommodate differing needs, but the main elements would be as follows.
 - A single high-level governance structure for the FoF that would provide strategic coordination, support resource mobilization for the sector, and oversee the coordination of Executive Boards/Committees that would in turn be responsible for the operational oversight and governance of the component funds and initiatives.
 - A single Trustee (namely the World Bank) that would manage the inflow of funds, investment of those funds, and the transfer to implementing entities/Grant Agents and disbursement to grantees. A flexible fund structure could be created, encompassing FIFs and/or conventional trust funds (multi-donor or single-donor) as needed.
 - An administrative hosting relationship provided by the World Bank that could support the FoF (HR, IT, Legal, Travel and Security, Facilities etc.) and provide the necessary privileges and immunities to recruit and locate staff globally.
 - A Secretariat structure to support the FoF that could maximize synergies across the family through shared services that could go beyond pure administrative functions, for example:
 - resource mobilization,
 - communications and advocacy,
 - financial planning and reporting,

- strategic risk management,
- M&E,
- governance support, and
- common focal points for country relationship management.

The Secretariat structure could be designed to provide specialized and dedicated resources according to the distinctive needs of each fund.

6. Further engagement with each entity that would participate in the FoF is needed to move to the next level of detail.

Figure 1: Illustrative Structure of a Family of Funds for Global Education

