

CONTRIBUTIONS AND SAFEGUARDS POLICY

July 2019

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1. PURPOSE

The purpose of the Contributions and Safeguards Policy is to govern the circumstances under which any financial contributions will be permitted to the Global Partnership for Education (GPE) Fund in order to maximize the opportunities for raising additional resources in an increasingly differentiated financing environment for education. The policy reinforces the goals and ambition of the partnership's strategic plan, GPE 2020. Within this context the policy also seeks to minimize the risks of mission and partnership distortion, financing substitution, and disproportionate administration and transaction costs. In principle, Contributions should be unrestricted to the GPE Fund.

The policy allows for the full and effective financing of GPE's Financing and Funding Framework as approved by the Board of Directors on March 1, 2017 and amended from time to time. It is also governed by the Global Partnership for Education Charter.

2. DEFINITIONS

The following definitions shall apply to this policy:

- **Allocations:** The amount of resources an end recipient (e.g., country) receives from each funding mechanism.
- **Contributions:** Resources mobilized in support of GPE activities; analogous to "financing."
- **Contributor:** any organization or entity eligible to contribute financing to GPE, as authorized by the Trustee; analogous to "donor."
- **Donor:** any organization or entity eligible to contribute financing to GPE, as authorized by the Trustee; analogous to "contributor."
- **Financing:** Resources mobilized in support of GPE activities. Financing refers to money in; analogous to "contributions."
- **Funding:** Resources deployed by GPE funding platform to support country and global-level activities in support of GPE 2020. Funding refers to money out.
- **Funding Mechanism:** Means through which funding is made available to support country and global-level activities in support of GPE 2020.
- **GPE Fund:** Account at the GPE Trustee into which contributions to GPE are paid in, and funding for GPE activities is paid out.

- **Initiative:** Individual process or activity under a theme/thematic area.
- **Notional Allocation:** Where financing from a donor is assigned to fund particular GPE priorities, such as to specific funding mechanisms, themes or countries, but which remained pooled together with other donor contributions; analogous to ‘notional targeting’ or ‘soft targeting.’
- **Reinforcing Mechanisms:** Funding mechanisms whose purpose is to reinforce GPE’s support to education systems’ strengthening, for example the Knowledge and Innovation Exchange and Advocacy and Social Accountability mechanisms.
- **Safeguards:** Measures to protect GPE against the risks of receiving targeted contributions.
- **Sovereign (bilateral) donor:** A country or group of countries contributing to GPE.
- **Standard Contribution Agreement:** Universal agreement entered into by a contributor with the GPE Trustee, governing the terms and conditions on which contributions to the GPE Fund will be made.
- **Targeted Contributions:** Resources mobilized toward the GPE funding platform that are designated for specific end use(s); analogous to “targeted financing.”
- **Themes/Thematic Areas:** Broad topic or area of work within a GPE Funding mechanism.

3. POLICY

Contributions to the Global Partnership for Education Fund may be made in the following three ways, subject to meeting the requirements of the Safeguards contained in Section 4 of this policy document:

3.1 Unrestricted Contributions to the GPE Fund

Example – A donor signs a standard contribution agreement and contributes an amount into the GPE Fund where it is co-mingled with other resources and is available to fund any eligible expense the Board determines is appropriate

3.2 Contributions to the GPE Fund that are notionally allocated for reporting purposes to existing or planned Board approved allocations and do not impact on the size of an allocation or the decision by the Board to approve an allocation.

Example – A donor has restrictions that its funds must be in support of a certain region. To facilitate the donor’s internal requirements and allow them to contribute to the GPE Fund using the same standard contribution as other donors, GPE agrees that it can receive these funds and can report to the donor that the value of planned allocations to that region would meet or exceed the value of the donor contribution. The contribution is received in the same

way as any other donor contribution and has no impact on the size of an allocation or decision by the Board to approve an allocation. The same might apply to a notional contribution to the Leverage Fund.

3.3 Contributions to the GPE Fund that are targeted for Reinforcing Mechanisms (including their thematic areas) on a notional allocation basis but where the contribution directly impacts the size of an allocation or the decision by the Board to approve an allocation.

Example – A donor provides a contribution to the GPE Fund in support of an approved knowledge and innovation exchange thematic area on learning. The donor signs the same contribution agreement as all other donors, however as a result of providing the contribution, the Board agrees to allocate the same level of resources to fund the thematic area on learning. The contribution has the direct effect of increasing an allocation for the thematic area and potentially the decision by the Board to proceed with initiatives.

The following forms of contribution are not permissible under the policy, unless so agreed by a formal, Board decision:

3.4 A donor may not target its contribution to an individual country in a manner which results in an increase in a country allocation or the decision by the Board to provide that country with an allocation.

Example 1 – The Board plans to provide an allocation of US\$20 million to country X. A donor wishes to contribute a further US\$10 million to the GPE Fund on the understanding that Country X's allocation will be increased by US\$10 million to US\$30 million. This is not permissible.

Example 2 – A donor wishes to provide a contribution of US\$50 million to the GPE Fund provided the GPE Board agrees to provide an allocation to Country A which is an upper middle income country and is not eligible for GPE Funding. This is not permissible.

3.5 A donor may not contribute to GPE through a separate Trust Fund from the GPE Fund

Example – A donor wishes to provide US\$5 million to GPE but requires separate accounting and reporting, and is not able to co-mingle its funds with other donors. The donor requests the creation of a separate trust fund from the GPE Fund. This is not permissible.

3.6 A donor may not contribute to a Reinforcing Mechanism at the initiative level.

Example – It's determined that a thematic area under Knowledge and Innovation Exchange will be for *Teaching and Learning (teacher development, learning materials)*. Two initiatives might be envisaged under this thematic area, one on developing *online training for teachers*, and a second initiative focused on *improving quality of learning materials*. A donor may not target for one or the other initiative, but may target at the broader thematic area of *Teaching and Learning*.

3.7 Targeted contributions towards the cost of GPE Secretariat convened and administered events may be accepted provided such activities form part of the Board approved annual workplan, and the contributions can be administered in line with applicable World Bank procedures for their receipt and use.

3.8 A donor may not target its contribution both thematically and geographically below the regional level to GPE funding under the country allocation model

Example A – A donor wishes to make a US\$5 million contribution to GPE that will be notionally allocated towards a learning component of a GPE grant in Country X. This is not permitted as it is both thematic and geographic targeting combined.

Example B – A donor wishes to make a US\$5 million contribution to GPE that will be notionally allocated towards learning components in GPE's grant portfolio in the Asia-Pacific region. This is permitted as while both thematic and geographically targeted, the geographic targeting is restricted to the regional level and not an individual country.

4. SAFEGUARDS

The following Safeguards shall apply to all contributions to the Global Partnership for Education Fund and address the specific risks of mission/partnership distortion, financial substitution and administrative burden:

Safeguard 1: All targeted financing offers must be assessed by GPE Secretariat for compatibility with GPE 2020, GPE Charter and GPE Contributions and Safeguards Policy, and put to GPE Chief Executive Officer for authorization. Where Secretariat assessment or the CEO judges a case as unclear or there is a risk of substitution, mission distortion or undue influence, any targeted financing proposal will be put to the Finance and Risk Committee (FRC) for decision. The FRC will review and report on decisions on targeted funding to the Board of Directors on an annual basis with particular attention to the effectiveness of the safeguards in mitigating risk. The FRC will additionally

undertake a full review of the Contributions and Safeguards Policy on a bi-annual basis.

Safeguard 2: All contributors must formally disclose any conflicts of interest and where relevant, indicate their formal agreement to GPE's Corporate Engagement Principles.

Safeguard 3: No contributions will be accepted for countries not eligible for GPE funding under the GPE allocation model, and any contributions that are notionally allocated on a geographic basis must not exceed the value of existing or planned allocations.

Safeguard 4: Any contributions that are notionally allocated on a thematic basis under the GPE allocation model must not exceed the value of components for that thematic area in GPE's existing approved grants. No contribution amount can be both thematically and geographically targeted below the regional level.

Safeguard 5: No contributions will be accepted for any funding mechanisms outside of the GPE allocation model not preapproved as eligible for targeted contributions by the GPE Board of Directors.

Safeguard 6: No funding mechanism can be solely financed from targeted financing by a single contributor and should always be partly financed from unrestricted resources to ensure all GPE donors have a financial stake and ownership.

Safeguard 7: All bilateral (sovereign) donors will have the total of their targeted contributions to Reinforcing Mechanisms for each financing period capped at the higher of either 25% of their total contributions to GPE or \$25 million to prevent financing substitution.

Safeguard 8: No contributor can require separate technical or financial reporting beyond routine reports provided by the Secretariat or information normally provided to satisfy routine contributor queries.

Safeguard 9: Individual targeted contributions to Reinforcing mechanisms and their thematic areas are to be subject to minimum threshold amounts specified in the formal design of such mechanisms as approved by the GPE Board.

Safeguard 10: Targeted contributions shall include sufficient financing to cover any additional administrative costs arising from the targeting.

Safeguard 11: All contributors will sign GPE's standard contribution agreement used for the GPE Fund, irrespective of whether contributions are targeted or not.

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