
Deploying GPE Funds in support of GPE 2025 incorporates a range of funding mechanisms with distinct but complementary purposes.

Key issues to consider are what approaches should we retain, adapt, or introduce.

Board are now asked to approve select decisions necessary to finalize the Case for Investment, and to guide the parameters for technical work.

Significant design work and analysis required to finalize overall approach to financing and funding GPE2025 with Committee review in October and Board decisions in December.
ALLOCATION ISSUES

- **DECISION REQUESTED** – Confirmation that *majority* of grant funds should be allocated to *low-income countries*

- **DECISION REQUESTED** – Confirmation that we should continue to use a *needs based allocation formula* to establish indicative allocations for countries eligible for a systems transformation grant (formerly ESPIG)

- **OUTSTANDING ISSUES** – Options for eligibility and allocation for each funding mechanism, determining the variables that should be included in the allocation formula, addressing issues of minimum and maximum grant levels
STRENGTHENING RESILIENCE AND MITIGATING THE SYSTEMIC IMPACTS OF CRISSES

- **DECISION REQUESTED** – Confirmation of GPE role in building resilience, supporting governments and partners to respond to crises and affirmation that GPE funds can continue to be deployed through accelerated funding mechanisms when needed

- GPE is not seeking to become a **humanitarian actor** or be an **education in emergencies fund**

- **OUTSTANDING ISSUES**
  - How best to support building resilience through the operating model including whether incentives for integration of refugees/IDPs into national systems are warranted, or whether partnering with organizations that can bring strategic capabilities such as in Disaster Risk Financing has merit
  - Adjustments to accelerated funding approaches such as eligibility criteria, whether allocations must come from within a country envelope, be additional to it, or if there needs to be standalone mechanisms such as those used to respond to COVID
  - Continuing good progress on coordination and complementarity with ECW, particularly at country level
INCENTIVIZING ADDITIONAL FINANCE

MULTIPLIER

- **DECISION REQUESTED** – Increase in proportion of GPE grant funds through multiplier from 10% to **up to 20%**

- **DECISION REQUESTED** – Extending multiplier eligibility to include remaining **low-income countries** (i.e. Those LICs with allocations above $10m but below $100m)

- **DECISION REQUESTED** – Continuing to approve valid multiplier maximum country allocations through end of 2020 for existing eligible countries - subject to grant proposals only being submitted for approval in 2021 and funded as part of 2021-2025 resources.

- **OUTSTANDING ISSUES** – Re-examining minimum and maximum allocation levels, integration of processes with Systems Transformation Approach and operating model, Adaptation for any new innovative financing approaches that are Multiplier compatible.
INCENTIVIZING ADDITIONAL FINANCE

INNOVATIVE FINANCING

» DECISION REQUESTED – Agreement on innovative financing proposals to proceed to technical analysis phase with Committee review in October and Board in December

1. Debt Forgiveness for Education – incentivizing debt cancellation in exchange for increased education investment.

2. Enhanced Convening – using GPE’s convening power and resource mobilization expertise to support specific partner country financing campaigns/events.

3. Matching Funds – Incentives for non-sovereign donors to contribute by matching their contribution dollar for dollar from the GPE Fund and allowing those funds to be earmarked.

4. Front Loading Multiplier – agreeing an upfront amount of grant financing for several countries in exchange for mobilizing additional concessional lending from a development bank.

5. Impact Bonds – A) consider using GPE Funds to pay for successful outcomes B) exploring strategic partnership with Education Outcomes Fund to design and mobilize funds for transformational change through impact bonds.
DECISION REQUESTED – Agreement to proceed to technical analysis phase with Committee review in October and Board in December

- GENDER EQUALITY WILL BE HARDWIRED INTO THE OPERATING MODEL
- In addition to hardwiring – Is there appetite to explore how GPE might provide additional resources to a group of countries where education outcomes for girls lag the furthest behind?
- A targeted mechanism may have the potential to mobilize even more resources, increase visibility, and would complement existing approaches
- Careful consideration during design needed to ensure resources are indeed additional, does not distract from efforts to hardwire gender, and fully integrated with operating model to avoid fragmentation
INCENTIVIZING ADDITIONAL FINANCE
CONTRIBUTIONS AND SAFEGUARDS POLICY (CSP)

» DECISION REQUESTED – Agreement to re-examine policy and propose modifications
  • CSP governs how contributions can be made to the GPE Fund
  • Includes Safeguards around targeted contributions
  • Greater flexibility is required to support financing of GPE2025
  • Any adjustments need to balance needs/benefits with any associated risks