

 **SEPTEMBER 2-4, 2020**

MEETING OF THE BOARD OF DIRECTORS

VIA VIDEOCONFERENCE

REPORT

INTRODUCTION

The agenda and documents for the Board meeting can be found on the GPE website. A list of participants is included in Annex 1.

This report presents a high-level summary of key discussion points and decisions made.

WEDNESDAY, SEPTEMBER 4, 2020

1. Opening of Board Meeting

1.1 Julia Gillard, the Board Chair, called the meeting to order at 6:05am. She confirmed there was quorum and welcomed meeting participants, including new Board representatives for Africa 2; Asia and the Pacific; Eastern Europe, Middle East and Central Asia; Donor 3; Donor 5; Civil Society 2; Multilateral Organizations 1; and the Private Sector as well as a new Chair of the Finance and Risk Committee. She noted that the Vice Chair was unable to attend the first day of the Board meeting.

1.2 The Chair reiterated the ground meeting rules and reviewed the objectives for the day. The objectives included receiving an update from the CEO, making decisions on the high-level strategy outline and the rallying cry, and setting the stage for discussions on financing and funding on Day 2.

2. Report from the Secretariat CEO (BOD/2020/09 DOC 02)

2.1 The CEO, Alice Albright, presented her report to the Board as set out in DOC 02.

Discussion

2.2 The following key points were raised by Board members:

- **GPE response to COVID-19.** Board members expressed appreciation for the GPE Response, including the swiftness in which the Secretariat operated. It was suggested that a publication outlining the GPE COVID response could serve as an important tool for the financing campaign. The CEO noted that preliminary results of the GPE response would be shared via the 2020 Grant Performance Report, with an initial evaluation planned for the first quarter of 2021 and a summative evaluation for the first quarter of 2022.
- **Mali ESPIG.** Responding to a question on the implications of the coup in Mali on GPE operations, the CEO noted that the Secretariat was in contact with the grant agent and that GPE guidelines would allow the grant to be restructured as needed.

3. Strategic Plan: High-Level Narrative (BOD/2020/09 DOC 03)

3.1 The Chair invited Minister Sengeh to provide framing input from developing countries partners. Minister Sengeh stressed the need for boldness and ambition to transform education, and the need for partners to align resources to national priorities. He noted that mutual accountability as well as reduced transaction costs are critical to governments delivering on the ESP, and advocated for a differentiated approach to the operating model based on country context. The Alternate Board member representing the LAC constituency concurred and affirmed the importance of innovation in education, and emphasized the core responsibility of governments to guarantee education as a right for all and a key lever of transformation. With regard to domestic financing, he emphasized the importance for GPE to have guidelines rather than requirements for countries, with a focus on efficient and effective spending to reach learning targets.

3.2 The Chief Technical Officer, Jo Bourne, presented the outline of the draft high-level narrative on the next strategic plan as set out in DOC 03.

Discussion

3.3 Board members raised the following points:

- The strategy narrative should:
 - Be coherent and address the challenges stated in the introduction.
 - Detail GPE's response to protracted crisis and approach to differentiation, including in fragile contexts, in an effort to recognize unique challenges and context.

- Further strengthen the importance of skills development.
 - Emphasize early learning: countries should progressively allocated 10 percent of their education budget to support early childhood education and 10 percent of aid budgets should focus on early childhood.
 - Highlight capacity development of teachers.
 - Strengthen references to integration of refugees and IDPs in education systems.
 - Ensure that gender is portrayed and analyzed to include both girls and boys: GPE should strengthen capacity and efforts in support of gender equality.
 - Emphasize a holistic response which includes access to healthcare, psychosocial support, as part of education delivery.
 - Unpack "transformation" and define it in a much clearer way.
 - Clarify the value add of GPE and how the partnership envisages to work with other types of actors.
 - Strengthen language on marginalization and gender equality.
 - Reference strengthening DCP governance and increased focus on capacity building.
 - Articulate the connection between education systems and peaceful societies.
 - Clarify the priority area of organizational capacity.
 - Continue to emphasize the link to human rights and SDG 4, and the reference to holistic education system.
 - Include pooled fund modalities, etc. as subpoints under capacity.
 - Clearly articulate how GPE will hardwire gender throughout its work including in the operating model.
 - Strengthen references to the Impact of COVID on education.
 - Be more specific/mention the role of the Secretariat and the grant agent.
 - Explain end results: what does GPE want to achieve and what does a transformed education system look like?
 - Describe pathways to change: what falls within/outside of GPE's purview.
 - Emphasize or provide: an analysis of why children are marginalized; disability inclusion, using an intersectional approach not silos; publicly-led education systems; early childhood education that is inclusive; taxation and tax justice.
- Given the immense challenges posed by the pandemic, it is essential to build on current enthusiasm for the GPE mission and facilitate engagement with the business community who is keen on helping and supporting education, through innovative financing and strategic partnerships.
 - There is a need to develop an engagement strategies with ministries of finance to help mobilize increased domestic resources for education.

Decision

3.3 The Board approved the recommended decision:

BOD/2020/09-01- Strategy Narrative Outline: The Board of Directors approves the strategic plan outline included in Annex 1 of BOD/2020/09 DOC 03 and requests the Secretariat to develop the full strategic narrative for decision by the Board in December 2020.

4. Rallying Cry (BOD/2020/09 DOC 04)

4.1 Charles Tapp, External Relations Manager, introduced the representatives from the Brunswick Group, who had been contracted to identify options for a rallying cry and indicator statements. The Brunswick representatives presented their research methodology and the results of consultations and options, as set out in DOC 04.

Discussion

4.2 Board members discussed the options but no consensus emerged. It was noted that the opportunity for consultation on the Board document with constituency members had been significantly limited due to the late availability of the document. At the conclusion of the discussion, the Chair invited the Board to participate in a Secretariat survey on the options to get a clearer sense of preferences between the options. The Chair also invited Board constituencies to attend a Q&A session with Brunswick the next day and external to the Board meeting. The Chair noted that the Board discussion would resume on Day 3.

4.3 On Day 3, the Secretariat presented the results of the survey and proposed way forward. Following the discussion, the Chair determined there was no consensus on the decision to adopt a rallying cry. She added that the background market testing and research would be useful to the Secretariat for messaging around the 2021 GPE financing campaign.

5. Financing and Funding (BOD/2020/09 DOC 05)

5.1 Padraig Power, Chief Financial Officer, presented the financing and funding elements for immediate Board consideration, as set out in DOC 05.

Discussion

5.2 The Board discussion took place the next day during which the following points were raised.

Eligibility and Allocation

- **Funding for low-income countries.** A Board member noted that the recommended decision could result in a decrease in the percentage of funds allocated to low-income countries (LICs) whereas it would in fact be desirable to at least maintain the 2019 level of funding of 65 percent. The Secretariat responded that it had no intention to reduce funds for LICs while there was a need to consider variables over the five-

year strategic plan period, including application levels, timing of applications, and countries changing status from low-income to lower-middle-income. The Secretariat therefore advised not to include a specific threshold percentage of funding for LICs at this stage and noted that the Board would approve the allocation formula at a later meeting and would see the expected impact on allocations to LICs.

- **Predictability of funding.** Responding to a suggestion that there should be a high degree of predictability of funding and a minimum allocation for countries, the Secretariat clarified that the proposal included an indicative allocation that provides some predictability but noted that the final grant amount may be different depending on the operating model's approach to issues like incentives and commitments around domestic financing.

Strengthening resilience and mitigating the systemic impacts of crisis

- **Collaboration with actors in the humanitarian space.** Several Board members noted the need for collaboration and coordination with humanitarian actors, in particular Education Cannot Wait. The Chair agreed to include this point in the decision language. The need for GPE to rationalize both its value add and limitations in this area was also noted. One Board member held that adapting existing grants to emergencies should be preferred over top-up funding, also in the context of keeping transaction costs down.

Incentivizing additional finance to support national priorities

- **Multiplier.** The majority of Board members expressed support for increasing the level of funding to the Multiplier and ensuring that all Low Income Countries were eligible. Some members however noted the need for more information on potential risks of this decision if the financing campaign didn't reach its target, further information on the impact of the Multiplier, or had concerns that the Multiplier incentivized additional lending. A request was made for the Board to mandate the Finance and Risk Committee to report on the financial implications of this decision in light of the financing conference outcome, further analyze the success of the Multiplier to date, and consider the impact on Secretariat resources of expanding the number of Multiplier eligible countries. A request was also made that the Board decision make reference in the decision language to the issue of debt. The Chair agreed to accommodate these two requests in the decision language.
- **Gender.** There was broad support for hardwiring gender in all GPE operations with one donor representative noting its level of contribution to GPE was contingent on this effort. It was noted that a thematic funding window for gender runs the risk that work on gender equality is seen as optional rather than core to the GPE model. It was also noted that a thematic window for girls' education should align with other

mechanisms. Responding to a suggestion that gender be included in the allocation formula, the Secretariat noted that this would be explored but noted that doing so may not necessarily guarantee country spending on gender.

Innovative financing

- Overall, the Board were supportive of exploring the innovative financing proposals presented by the Secretariat, with the view of strengthening responsiveness to country needs and ensuring that no one is left behind. Others noted the risks of increased transaction costs associated with the various proposals and with the overall complexity of the operating model. It was specified that agreement to further technical analysis should not be perceived as an in principle approval of any of the proposals under consideration. Some Board member further noted that any novel approach should respect GPE's policy on for profit provision of education, should emphasize free public education, build on lessons from previous initiatives, and consider debt burden. Debt forgiveness and targeting of private creditors was suggested as an additional area for exploration. Rather than engaging in innovative financing work, a Board member noted that GPE could consider a convening role.
- **Social and Development Impact Funds.** Some Board members expressed reservations about these types of funds due to the limited evidence of their effectiveness and to the fact GPE does not have the expertise in this field, and is still evaluating its results-based financing model. In addition, it was noted that these types of funds may not align with the private sector engagement strategy. The Secretariat noted that there was no intention to establish a separate impact bond mechanism, but rather to examine whether GPE funds could be used to pay for successful outcomes through such modalities, and if a partnership approach with an entity like the Education Outcomes Fund (EOF) that had such expertise would be beneficial noting that some developing country partners were engaging with EOF already and had inquired as to GPE support.
- **Taxation.** A few Board members advocated for an analysis of progressive tax reform as part of the design of the operating model and to make explicit ways in which GPE can move the needle on this issue beyond advocacy. It was suggested that the Secretariat could consider lessons learned on advocacy and good practices in tax reform, particularly in developing country partners, and strengthen its engagement with ministers of finance. The Secretariat responded that taxation as an element of the fiscal base would be considered in the development of the context-based domestic financing requirement, and that the Secretariat would also engage with other partners on the subject in the near term, e.g., Oxfam, IMF and others.

It was requested that technical papers for FRC consideration be circulated well in

advance. At the suggestion of a Board member to consider prioritization, the Chair requested that the Secretariat analysis for FRC and subsequent Board consideration rank the level of priority based on relevance, fit with model, risk and resources.

Decision

5.3 The Board approved an amended decision on Day 2:

BOD/2020/09-02—Strategic Asset Allocation for GPE 2025: GPE’s approach to financing and funding GPE 2025 must align with its goals and objectives, the overarching principles as set out in the Charter, and the Effective Partnership Principles. Accordingly, the Board of Directors requests the Secretariat to further develop and present analysis and options to finalize the necessary elements of GPE’s approach to finance and funding GPE 2025 for review and decision in December 2020 based on the following parameters and guidance:

Eligibility and Allocation

1. The majority of GPE grant funds must be allocated to low income countries
2. The allocation of resources for GPE’s core implementation grants shall continue to be based on a needs-based formula that is equitable and provides some predictability to eligible countries on their potential allocation size.

Strengthening resilience and mitigating the systemic impacts of crisis

3. GPE funds should support the strengthening of resilient education systems through its operating model to better prepare for, respond to and recover from crises and changing contexts. In actual crisis situations, GPE’s role is to sustain support to the government and partners to plan, respond and recover by promoting alignment and coordination, strengthening capacity, sustaining continuity of education services, and building back better in terms of effective, responsive and inclusive education system delivery. This includes promoting the inclusion of refugees and internally displaced populations into national systems. Noting that GPE grant funds play a critical role in supporting governments to prepare for and respond to crisis (e.g. COVID), they shall continue to be deployed through accelerated financing approaches for those countries that are also eligible for core implementation grant funds, and in coordination with humanitarian actors.

Incentivizing additional finance to support national priorities

4. The proportion of GPE grant funds in the 2021–2025 period that can be used to unlock additional financing through the multiplier and any related approaches that may be adopted should increase to up to 20% of total grant allocations, and eligibility shall be extended to all low income countries to support alignment and harmonization of international funding, with due consideration to issues of debt sustainability.
5. The Finance and Risk Committee is requested to make an objective assessment of i)

financial implications, ii) evidence of successes to date and iii) implications for the Secretariat of increasing the number of Multiplier eligible countries, and to subsequently report back to the Board following conclusion of the Financing conference.

6. Existing Multiplier eligible countries that submit an expression of interest before 31 December 2020, and which is approved by the GPC, may receive a multiplier maximum country allocation to subsequently develop a proposal which can be submitted for approval only in 2021.

7. In light of the challenges of mobilizing finance under the economic impact of COVID and the need to maximize resources to deliver GPE2025, the Board recognizes that limited incentives and greater flexibility regarding targeting may be warranted in certain circumstances where the benefits of such an approach are justified. The Secretariat is therefore requested to:

- a) further develop a technical analysis on the innovative financing proposals set out in Annex 5 noting the potential for mobilizing additional resources in support of GPE2025
- b) in addition to ensuring that gender equality is hardwired into GPE's operating model, explore further the concept of an additional thematic targeting window for girls education as set out in Annex 6;
- c) propose any related modifications to the Contributions and Safeguards Policy that may be necessary to facilitate such approaches for decision by the Board in December 2020.
- d) Such analysis should cover the value add of these approaches, the fit with GPE's operating model, lessons learned from similar organizations, resource, and risk considerations involved with a review by the Finance and Risk Committee in October, and submission to the Board in December 2020.

THURSDAY, SEPTEMBER 3, 2020

6. Opening of the Meeting

6.1 The Chair summarized the discussions of the previous day and reviewed the objectives for the day, including receiving an update on operating model consultations and making a decision on key financing and funding elements needed to move forward with the Case for Investment.

7. Operating Model (BOD/2020/09 DOC 06)

7.1 Secretariat economist Rudraksh Mitra presented an overview of the proposed shifts in the operating model, feedback received from consultations since the June meeting, further work planned before December, and decisions the Board would need to make at that time.

Discussion

7.2 Board members asked various clarifying questions on the country-level partnership framework, the scale of change of the domestic financing requirement, the governance of the requirements, the role of the grant agent, the types of technical assistance that would be required, and the tension between simplification of the model and additional burdens and transaction costs which could make it challenging for countries with capacity issues, in particular, to submit grant applications that meet expectations. It was noted that capacity and resources issues should be broadly considered and well beyond the Secretariat. It was also suggested that the operating model should have a country-ownership approach and that the model should draw on the results of the existing model in terms of the percentage of resources that has reached beneficiaries.

7.3 Responding to some of the questions, the Secretariat clarified that the partnership framework would be in addition to the sector plan and would provide a strategic opportunity for countries to sharpen their focus. GPE governance arrangements for the framework would be extensively consulted on. The operationalization of the domestic financing requirement would include a multidimensional approach with the Board retaining the right to withhold an allocation if domestic financing levels are grossly deficient. With regard to concerns about transaction costs, the Secretariat noted that all proposals would be safeguarded in this regard between now and December.

8. Financing and Funding (BOD/2020/09 DOC 05)

8.1 (See report of Day 1 for the summary and outcome of the discussion on financing and funding.)

FRIDAY, SEPTEMBER 4, 2020

9. Opening of the Meeting

9.1 The Board Chair summarized the discussions of the previous day and noted that the objective of the day was to finalize the discussion on the Rallying Cry.

10 Rallying Cry

10.1 (See report of Day 1 for the summary and outcome of the Rallying Cry discussion.)

11. Any Other Business

There was no other item for discussion. The meeting adjourned at 8:10am.

Annex 1: List of Participants

	Name	Constituency	Role
Board Members			
1	Ndabazekhaya Cain Ginyilitshe Mathema	Africa 1	ABM
2	Awut Deng Achuil	Africa 3	BM
3	David Moinina Sengeh	Africa 3	ABM
4	Akram Al Hossain	Asia and Pacific	BM
5	Sanjaya Sharma	Asia and Pacific	ABM
6	Wadihyar Attaullah (in lieu)	EEMECA	BM
7	Luis Hernandez Cruz	LAC	BM
8	Didacus Jules	LAC	ABM
9	Donatienne Hissard	Donor 1	BM
10	Sabina Handschin	Donor 1	ABM
11	Anna Rosendahl	Donor 2	BM
12	Line Baagø-Rasmussen	Donor 2	ABM
13	Alicia Herbert	Donor 3	BM
14	Louise Holt	Donor 3	ABM
15	Camilla Fossberg	Donor 4	BM
16	Rashed Mohamed Awadh Al Hemeiri	Donor 4	ABM
17	Marjeta Jager	Donor 5	BM
18	Ingolf Dietrich	Donor 5	ABM
19	Julie Cram	Donor 6	BM
20	Sarah Lendon	Donor 6	ABM
21	Kira Boe	CSO 1	BM
22	Yona Nestel	CSO 1	ABM
23	Laura Giannecchini	CSO 2	BM
24	Helen Dabu	CSO 2	ABM
25	Gifty Apanbil	CSO 3	BM
26	Haldis Holst	CSO 3	ABM
27	David Boutcher	Private Sector	BM
28	Emily Friedman	Private Sector	ABM
29	Randa Grob-Zakhary	Private Foundations	BM
30	Imad Sabi	Private Foundations	ABM
31	Stefania Giannini	MLA 1	BM
32	Maki Katsuno-Hayashikawa	MLA 1	ABM
33	Robert Jenkins	MLA 2	BM
34	Mamadou Balde	MLA 2	ABM

35	Luis Benveniste	MLA 3	BM
36	Amadou Thierno Diallo	MLA 3	ABM

Board and Committee Chairs

37	Julia Gillard	Board	Chair
38	Serigne Mbaye Thiam	Board	Vice Chair
39	Frédéric Depetris	FRC	Chair
40	Nesmy Manigat	GEC	Chair
41	David Archer	SIC	Chair
42	Sally Gear	GPC	Chair