

➤ NOVEMBER 30, DECEMBER 1 AND 3, 2020

MEETING OF THE BOARD OF DIRECTORS

VIA VIDEOCONFERENCE

BOD/2020/11/12 DOC 07

FOR DECISION

THEMATIC FUNDING FOR GENDER FOCUSED ON GIRLS' EDUCATION

Please note: Board documents are deliberative in nature and, in accordance with the GPE Transparency Policy, are considered public documents only after their appraisal by the Board. It is understood that constituencies will circulate Board documents among their members prior to Board consideration for consultation purposes.

Input from the Finance and Risk Committee following its November 3-4, 2020 meeting:

1. Girls' education window

- The Committee broadly supported the initiative as meeting a clear and identified need. However, it noted that it is critical for thematic financing to complement GPE's broader hardwiring approach and references should be made in the decision language. It also noted that the design and operationalization of the instrument focus on keeping transaction costs low, particularly by integrating the funding into other types of implementation funding countries can access (the systems transformation grant and / or the Multiplier).
- The FRC noted concerns about the quality of data used to determine eligibility. It advised the Secretariat to further examine the range of potential indicators available to measure gender gaps or constraints in quality of / access to education for girls. It also advised that the operationalization of thematic financing should duly consider intersectionality (for example, between gender and poverty) and multiple drivers of exclusion / marginalization faced by girls.

- A member cautioned that the paper may be overly optimistic and a better balance of the risks of the approach should be included to enable holistic consideration by the Board,
- While there were some issues, the majority view expressed support for the balanced approach to eligibility, noting the analysis which found that girls lag boys in both relatively higher- and lower-income contexts. The FRC noted that the group of eligible countries could be expanded if demand is insufficiently robust.
- The committee stressed the importance of using appropriate terminology in its documentations such as referencing *gender-transformative* in place of *gender-sensitive* (and similar constructions).
- In relation to the size of the window – some members expressed concerns that it might be oversubscribed and also worried about distortionary impacts of targeting. A comment was raised as to whether funding it from unrestricted contributions would be better. The Secretariat clarified that in setting the size of the window at \$250 million (approx. 5% of \$5 billion) there was very little risk of distortion but it should still be large enough to be meaningful. The Board could always decide to expand the size of the window and could use some unrestricted contributions if it wanted.
- Members also noted that thematic targeting (girls education including gender gap analysis) could be done on GPE operations overall, not just the thematic window, considering that the largest gender funding would come through the STGs.
- The World Bank advised to specify in the Board document that the targeted contributions by a contributor would be accomplished through a notional allocation within the GPE Fund, and not by earmarking of the contribution in the Contribution Agreement with the Trustee – The Secretariat committed to including such language.

Objective

1. This document sets out for the Board’s consideration an analysis of the rationale and implications for the creation of a thematic funding window for gender with a focus on girls’ education.

Recommended Decision

2. **BOD/2020/11/12-XX—Thematic Funding Window for Gender with a focus on Girls’ Education:** The Board of Directors:

1. Subject to securing at least US\$100 million in new resources, approves the creation of a thematic funding window for gender with a focus on Girls’ education as set out in BOD/2020/11/12 DOC 07.
2. Sets an initial funding target of US\$250 million for the window and authorizes the window as eligible to be fully financed with targeted contributions per the Contributions and Safeguards Policy (CSP).

3. Permits donors to target up to 50% of their pledge or US\$50 million whichever is higher until such time as the target is reached subject to compliance with the CSP.
4. Eligibility for funding from the window shall be based on the **“Balanced Approach”** set out in BOD/2020/11/12 DOC 07.

Background and overview

5. In September 2020, the Board instructed the Secretariat to develop two complementary approaches to supporting gender equality (BOD/2020/09-02).
6. First, to hardwire gender equality to ensure that GPE’s processes, grants, monitoring and learning, and dialogue advance gender equality, including where boys are at a disadvantage.
7. Second, recognizing that girls lag badly behind in some countries and that further resources may be necessary to enable transformational change, to explore the development of a thematic funding window focused on girls’ education.
8. Gender equality is a key priority for GPE. This includes and goes beyond narrow indicators such as parity in access or learning. The Gender Equality Policy and Strategy 2016–2020 notes that *“Gender equality ... encompasses the narrower concept of gender equity, [but] ... also refers to the transformational commitment needed to make equal rights and equal power a reality, within the human rights agenda.”* Girls are particularly marginalized relative to boys in many education systems.
9. This document sets out the scale of global gender equality challenge affecting girls. To address this challenge, the document proposes principles and financing needs for additional thematic funding. **These funds would be integrated within Systems Transformation Grants (formerly known as ESPIGs) and not as a new standalone grant mechanism.** The funds would seek to address gender equality by creating a meaningful incentive for countries to improve outcomes for girls where they face the largest disparities in education.
10. Donor pledges can be made as part of the financing campaign to provide the necessary resources for this thematic funding. If appropriate, GPE’s contributions and

safeguards policy can be updated to enable (a) donor(s) to fully resource the mechanism¹. Once the pledges are known, the Secretariat can calculate the funding available and support outreach to countries seeking these additional funds for transformational change for girls. Eligible countries will secure support on a demand-driven basis, like that used to access the GPE Multiplier.

11. Based on country-ownership and demand, the funds will operate as a component of existing GPE grants. Funding for gender equality will be harmonized with the *systems transformation grant* including any GPE Multiplier grant funding. As a result, the same preconditions for access, approach to programming, and safeguards will apply. Countries will access support based on the timing of their Systems Transformation Grant to lower transaction costs and ensure country-ownership.

12. The subset of countries that can access these funds will be identified based on the preferred approach to eligibility (options are set out below). The Secretariat's recommended approach would determine eligibility based on gaps in girls' access to education while ensuring a broad cross section of country contexts.

13. To ensure the grant complements the focus of other GPE instruments, allocations are proposed to be capped at the lower of 50% of a country's indicative allocation for the systems transformation grant or US\$ 25 million. (For countries that are only eligible for the GPE Multiplier, this would be 50% of the potential Multiplier allocation).

¹ Targeted contributions would be accomplished through a notional allocation within the GPE Fund, and not by earmarking of the contribution in the Contribution Agreement with the Trustee

Annex 1 – Design Details

The Challenge

14. The gap between girls and boys in access to primary and secondary schooling has narrowed in recent decades, including in many countries eligible for GPE support. Nevertheless, girls continue to lag behind boys in many contexts and along many dimensions. More than an estimated 130 million girls are out of school globally.

15. The Coronavirus pandemic will exacerbate problems of equity and access for girls. Experience from previous emergencies (for example, Ebola) and robust evidence shows that public health outbreaks affect children, especially girls and young adolescents. UNESCO has estimated that globally, 23.8 million children, adolescents and youth (from pre-primary to tertiary) are at risk of not returning to school in 2020, including 11.2 million girls and young women². While the extent of the impact is not yet known, we know that reductions in girls' return to school will affect not only learning, but early and forced marriage, child health and nutrition, economic growth, and other outcomes.³

16. Average statistics about access to education (enrolment) omit other ways in which girls lag behind boys. In 45 countries (out of 85 for which we have data) eligible for GPE support, fewer girls complete primary school as a share of those who started than boys, a pattern that is repeated for girls in lower secondary school, which boys complete at higher rates than girls in 40 of the 84 countries for which we have data.⁴ Moreover, the number of women out of the relevant stage of their education is large across all levels of education: the 130 million girls out of school around the world comprises an estimated 32 million who are not in primary school, 29 million out of lower secondary, and 69 million out of upper secondary.⁵

² UNESCO. 2020 (unpublished). Using data from 180 countries, considering the impact of economic shock on enrolments.

³ Wodon, Q., C. Montenegro, H. Nguyen, and A. Onagoruwa. 2018. *Missed Opportunities: The High Cost of Not Educating Girls*. Washington, DC: The World Bank.

⁴ The World Bank / data.worldbank.org. 2020. Series: SE.PRM.CMPT.MA.ZS, SE.PRM.CMPT.FE.ZS, SE.SEC.CMPT.LO.MA.ZS, SE.SEC.CMPT.LO.FE.ZS. GPE Secretariat analysis.

⁵ Evans, David K., and Fei Yuan. *What We Learn about Girls' Education from Interventions that Do Not Focus on Girls*. The World Bank, 2019.

17. Even for girls who can attend school, poor learning outcomes remain a key challenge. Although data are limited, particularly for GPE partner countries, they point to gender disparities in learning that vary by country, subject, and over time. For example, girls typically perform better in reading while underperforming in math at the primary level⁶. For example, data from PASEC, a learning assessment covering 10 West African countries, shows that in seven of these girls meaningfully lag boys in math at the end of primary⁷. Improving the *quality* of schooling for girls is therefore also critical.

Fit with GPE’s Operating Model

18. GPE will hardwire gender equality into GPE2025 in order to systematically identify and address the gender specific barriers to education that affect boys and girls differently⁸. To complement this approach in countries with the highest needs, thematic funding can support transformational change for girls in countries where they lag the furthest behind.

19. While GPE grant instruments will be updated, they will continue to be available to support sector gender responsive analysis, planning, and implementation. The table below provides a brief overview of this:

GPE 2025 priority areas	Partnership compact	System capacity grant	System transformation grant	Embedded monitoring, evaluation, and learning	Strategic capabilities
Gender equality and inclusion	Key area of focus; Embedded in analysis of enabling factors	Support for the development of gender responsive education plans; Support to gender diagnostics;	Gender lens systematically applied Incentives related to	Systematic monitoring of disaggregated outcomes	Potential support if cross country needs identified

⁶ UNESCO (2018). “Global Education Monitoring Report – Gender Review”. UNESCO, Paris

⁷ Idem, “meaningfully lag” should be interpreted as a Gender parity index of mathematics proficiency at 6th grade below 0.975. From the 10 countries girls lag boys in seven of them, gender parity has been achieved in one country (Benin), and boys lag girls in two countries. This learning assessment does not capture differences in participation between children of different genders.

⁸ This does not imply a trade off with a focus on inclusion but would complement the focus on inclusion. For example, poverty is a major driver of education exclusion, but it affects boys and girls differently (poorer boys may be more likely to enter the labor force, whilst poorer girls more likely to marry early, for example). Hardwiring gender equality would suggest that the interventions to address the socio-economic drivers of exclusion may need to be both generic and targeted to address the different barriers facing girls and boys

		Support to gender disaggregated data	gender in high disparities contexts	Gender lens required in all GPE funded country-led evaluations Specific evaluation of GPE performance for gender equality	
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20. In addition to the core offer, actions and interventions that specifically target systemic barriers to girls’ participation and learning will benefit from more, different, and focused funding. This thematic funding would pool resources to be deployed on a demand-driven basis. (Additional resources would enable more countries to benefit). The resources would target interventions to directly or ultimately reduce specific outcomes or constraints, such as differences in enrolment ratios between girls and boys or high rates of child marriage.

21. Deploying supplemental funding for girls’ education would also position countries to leverage insight and action generated from other GPE assets. The Knowledge & Innovation Exchange (KIX) supports the generation, dissemination and use of knowledge and evidence in national policy dialogue; it enables exchange between policy makers through regional Hubs and funds actionable research on ‘what works’ in education through global and regional grants. Addressing gender equality is a theme of Hub activities and a component of global grants. Relevant on-going KIX initiatives include support for countries to improve measurement of learning (Citizen Led Assessment of Numeracy) and data access and use (Data Must Speak, Data Use to Improve Equity and Inclusion). Gender equality is also a focus of three of four regional calls for proposals. Supplemental funding for girl’s education could assist governments, where appropriate, to test, build on, or scale lessons from KIX grants and knowledge exchange initiatives to help narrow gaps in access, retention, and learning between girls and boys.

22. Similarly, Education Out Loud (EOL) supports vibrant and active civil society dialogue and action, with an emphasis on marginalized populations. Girls are often the largest marginalized group, a symptom and cause of lower levels of access in learning in many countries. EOL grants support a range of civil society advocacy and accountability efforts on gender-related issues such as gender-based violence or early marriage, and will further reinforce policy dialogue, transparency and citizen feedback on gender barriers. Further funding focused on girls through grants focused on girls’ education would equip

governments to better respond to calls from civil society to ensure equity in access and learning and represent a positive incentive for reform and action.

23. This approach complements GPE's operating model. Specifically, it would be:

- **Additional:** funding will supplement (“top up”) other instruments a country can access. It will not crowd out any other type of support, or otherwise reduce a country's allocation. This prevents countries from choosing between interventions focused on girls and broader education interventions, both of which are valuable and may be complementary.
- **Harmonized:** grants focused on girls' education would be included in the systems transformation grant and / or GPE Multiplier in eligible countries. Where appropriate, it can be used to further scale up interventions or approaches identified through other GPE assets, including KIX and EOL. This ensures consistency, combats fragmentation, and lowers transaction costs. This also matches the broader approach taken in GPE's 2020–2025 operating model, which provides scalable allocations and applies differentiated requirements based on countries' needs.
- **Country-led:** Eligible countries will codetermine the focus of the gender equality-specific interventions, as part of the development of the “Partnership Compact” (See BOD/2020/11/12 DOC 05 Annex 1) which will then feed into program design.
- **Appropriately scaled:** To provide a sizable incentive effect and limit risks of distorting the wider grant (of which this funding is a component), total allocations can be capped at the lower of 50% of the country's maximum country allocation or US\$ 25 million. (Please see [resource and risk considerations](#), below).
- **Prioritized:** access to these funds will be prioritized for countries with the greatest needs (see ‘Eligibility’, below). This seeks to limit the risk of diluting gender-focused funding and reducing the incentive and transformational effect of focused funding.

Eligibility

24. Several approaches to eligibility can be taken. Given the limited resources expected to be available and the demand driven approach to securing allocations, eligibility should balance broad access to these resources with prioritization for countries with the greatest needs, i.e. where girls measurably lag the farthest behind their male peers.

25. The table below sets out two approaches to eligibility with associated pros and cons. Of these, the Secretariat’s analysis suggests that a balanced approach is most congruent with GPE’s model. This is based on three relevant, internationally-comparable measures: Two gaps in access to education– the gender parity indexes for access to primary and lower secondary school—which captures equity in girls’ access to primary and lower secondary school, compared to boys, accounting for countries’ demographics; and the proportion of women aged 20–24 years married or in a union before age 18, a widely available indicator to capture social norms that deter girls’ access to education and / or reflect low levels of access. This approach provides inclusive and equitable coverage of high-need countries across income categories (LICs and LMICs).

Eligibility approach	Eligible countries		Pros (+) / Cons (-)
	LICs ⁹	LMICs, Small Island and Landlocked Developing States	
<p>Balanced approach / Secretariat’s recommendation [30 countries]:</p> <p>Thirty countries with the largest disparities between girls and boys measured by: 50% Gender Parity Index for (gross) access to primary school + 25% Gender parity index for (gross) access to lower secondary school + 25% Proportion of women aged 20–24</p>	<p>Afghanistan, Central African Republic, Chad, Congo, Dem. Rep., Eritrea, Ethiopia, Guinea, Malawi, Mali, Mozambique, Niger, South Sudan, Sudan, Togo, Yemen, Rep. [15]</p> <p>One country with missing data: Somalia [1]</p>	<p>Angola, Benin, Cameroon, Comoros, Cote d’Ivoire, El Salvador, Honduras, Lao PDR, Marshall Islands, Nigeria, Pakistan, Papua New Guinea, Sao Tome and Principe, and Zimbabwe [14]</p>	<p><u>Pros:</u></p> <ul style="list-style-type: none"> + Balance of eligibility across LICs and LMICs + Based on transparent, comparable measure of gaps in education and social norms + Prioritizes access based on needs <p><u>Cons:</u></p> <ul style="list-style-type: none"> - Includes countries with higher incomes per head (though still with high needs in girls’ education)

⁹ Countries with Median GNI per capita for 2018–2020 below LIC cut off point of \$1,035

<p>years married or in a union before age 18 (reverse scale)¹⁰</p>			<ul style="list-style-type: none"> - Includes fragile and conflict-affected countries where effective disbursement may be challenging -Includes smaller countries where benefits of scale may be lower
<p>All GPE-eligible LICs [30 countries]: Any low-income country can access funding</p>	<p>Afghanistan, Burkina Faso, Burundi, Central African Republic, Chad, DRC, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Liberia, Madagascar, Malawi, Mali, Mozambique, Niger, Rwanda, Sierra Leone, Somalia, South Sudan, Sudan, Tajikistan, Togo, Uganda, Yemen, Syria, Nepal, Tanzania. [30]</p>		<p><u>Pros:</u> + Simplicity +Prioritizes resources for lowest-income countries</p> <p><u>Cons:</u> - Omits many LMIC countries where girls struggle to access / benefit from education</p>

¹⁰ Countries with missing data are included to take a conservative approach: countries are likely missing data because of capacity constraints linked to overall resources for education. Including these countries means they are not ‘doubly penalized.’

26. Given the financing campaign target of at least US\$ 5 Billion, 5% of would establish an initial target of US\$ 250 million. This share of the overall GPE fund reduces risk of distortion. Symmetrically, to account for set-up and implementation costs and to provide sufficient impact in eligible countries, at least US\$ 100 million is recommended as the minimum level of funding to operationalize the window.

27. The number of countries that could benefit ultimately depends on the level of funding mobilized and the size of the allocation amounts of countries that do seek to access this resource. Approximately 4-10 countries would be supported with US\$100 million while 10-20 would be supported at a level of US\$250 million.

28. Given the span of countries indicated above, the demand-driven approach is likely to ensure robust uptake of funding to improve outcomes for girls. Such an approach also helps to drive funding towards countries with political will to engage with issues preventing girls from accessing school and learning. If uptake was low, eligibility could be expanded to enable more countries to access these resources. In the event of high demand, the Board could look to raise additional resources for the window or re-allocate savings/additional resources if they materialize over the course of the 2021-2025 financing period.

Value-Add

29. Including a component of GPE grants focused on gender equality for girls' education interventions in high-need contexts would add value to the partnership's operations and to the global aid architecture for education.

30. First, gender equality - specific grants would supplement GPE's resources to promote girls' education. The *systems transformation grant* that replaces the education sector program implementation grant (ESPIG) will be allocated based on a formula that does not specifically include gender disparities for valid technical reasons (see BOD/2020/11/12 DOC 06 Annex 1). As a result, countries with high needs or gaps in terms of girls' education are not automatically prioritized in terms of resource allocation. (In the 2018-2020 period, for example, of the top 10 countries globally in terms of the share of primary school-age girls out of school, only four were in the top ten in terms of GPE allocations).

31. Second, more resources for this priority area will increase impact. A significant body of evidence shows both that some education interventions that target all children confers benefits to both boys and girls, and that specific interventions that specifically target girls can further narrow or close the gap between girls and boys. Countries with the largest needs

in terms of girls' access or learning can therefore benefit from both general / overall education programs and specific funding focused on girls.

32. Third, the mechanism is a unique channel for multilateral support for gender interventions. No other major global fund specifically targets girls' education. The approach of supplementing GPE grants with added resources for girls therefore drives alignment without unduly increasing the complexity of the aid architecture or introducing the added transaction costs of a wholly new instrument.

33. Fourth, this complements the overall approach of *hardwiring* gender equality into the operating model. GPE's operating model will encourage all countries to systematically identify and address gender specific barriers to education, supported by relevant grants. In contexts where girls' education is lagging, additional resources mobilized from the girls' education mechanism will extend and deepen the impact of interventions. In contexts where countries are struggling to invest sufficiently in outcomes for girls', the availability of these added resources creates a further incentive for action benefiting girls.

Lessons learned from similar organizations

34. Reasons for investing in gender equality and specifically girls' education are already well known and commonly approved¹¹. Robust evidence and research show that girls' education is a strategic development priority. Better-educated women tend to be healthier, participate more in the formal labor market, earn higher incomes, have fewer children, marry at a later age, and provide better health care and education for their children. All these factors combined can help lift households, communities, and nations out of poverty¹².

35. There are different funding strategies in girls' education. Multilateral or bilateral institutions typically seek to mainstream gender in development and humanitarian work and may also target girls. Some organizations target thematic dimensions around gender equality, like the Japan International Cooperation Agency and the Australian Department of Foreign Affairs and Trade which has set a target that 80 percent of investments address gender issues for economic inclusion and growth. The International Labor Organization (ILO) focuses on the inclusion of girls and women in employment and training and economic empowerment. Finally, some organizations specifically invest in policy, advocacy and/or

¹¹ <https://www.globalpartnership.org/blog/5-reasons-why-girls-education-smart-investment>

¹² <https://www.worldbank.org/en/topic/girlseducation>

research. The Malala Fund, for example, advocates for high-quality education and girls' empowerment¹³.

36. Separately, gender advocates had long been discussing the importance of mainstreaming gender—that is, implementing policies to ensure that women's and men's, and girls' and boys', distinct concerns are addressed in all international and domestic work¹⁴. But there is also a need for targeted programs as girls have additional challenges because they don't get support. So, the mainstreaming philosophy is looking at differential needs and knowing gender is one of the issues, but both mainstreaming and targeted programs are essential.¹⁵

Resource and Risk Considerations

37. The creation of a dedicated window with both a minimum level of funding of US\$100 million and an initial target of US\$250 million where donors can target resources balances the need to ensure that the creation of the window is worth the effort involved in terms of size and ability to have an impact, sufficiently attractive for potential donors, while at the same time not being so large to risk any distortion in funding patterns.

38. The focus of hardwiring gender equality through the strategy and complementing this approach with additional resources avoids the risk of an either-or approach to gender equality.

39. Transaction costs at the Board, Secretariat, and in-country levels are kept to a minimum by integrating the funds with the operating model through the Systems Transformation Grant. All funding is therefore subject to a single approach to program design and quality assurance. If the thematic funding is operationalized in this way, there is no need for a standalone grant and related processes.

40. The method of allocation is demand driven. Countries that are not interested in making the transformative change required in girls' education will not apply for these

¹³ <https://www.brookings.edu/wp-content/uploads/2016/07/Ackerman-Girls-Education-v2.pdf>

¹⁴ In 1985, at the Third United Nations World Conference on Women, participants' demands for a stronger integration of women's issues set the stage for such policies. Ten years later, UN member countries signed the Beijing Declaration, obliging signatories to mainstream a gender perspective in all policies and programs.

¹⁵ DFID's Girls Education Challenge program, 2015

resources and they will instead be used to focus on those countries willing to make the necessary effort.

41. A risk of this window is that it will take away from efforts to hardwire gender equality through the core allocation for the System Transformation Grant. The Secretariat believes this risk is manageable given the process to develop the Partner Compact to define priority areas and because the GPE Board approves the allocation amount and areas of focus for GPE funding. The incentive created by this window should therefore amplify efforts at country-level to focus on this area. The additional resources available will allow for greater impact of interventions supported.

42. A further risk of such an approach is a decrease in country-ownership, or that development partner preferences constrain the choice of interventions at country-level. (This is a risk in any type of thematic financing). The Secretariat's appraisal is that the demand-driven approach ensures that only countries willing to invest in girls' education take up the funding; countries that are unwilling or unable to make these investments will not access it.

43. Finally, creating a thematic financing window could risk eroding support for the Core Fund. To combat this risk, the initial target size for the funding is proposed to be relatively small compared to the total replenishment target. In addition, the Secretariat's conclusion from on-going partnership dialogue is that the ability to contribute up to a fixed maximum to the window increases GPE's overall resource mobilization potential and may help to secure larger overall unrestricted pledges to the Core Fund.

Next steps

44. To resource the mechanism, donor pledges should be made as part of the financing campaign. Once the pledges are known, the Secretariat will calculate the overall envelope and support eligible countries on a demand-driven basis similar to the GPE Multiplier and in accordance with the timing of Systems Transformation Grant funding. (This will allow GPE to seek to raise additional resources over the course of the Replenishment or consider a re-allocation of any savings if demand is likely to exceed supply.)

45. If approved, any remaining operational details and guidelines necessary to roll out the window in a manner that fully aligns with the operating model and minimizes transaction costs will be further developed by the Secretariat and made available to the Board.