

A kindergarten student smiles at the camera, Felege Abay Elementary School, Bahar Dar, Ethiopia.

Credit: GPE/Kelley Lynch



CHAPTER

4

Financing and Partnership

RESULTS AT A GLANCE

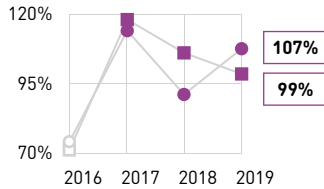
COUNTRY-LEVEL

OBJECTIVE 3

Effective and efficient GPE financing

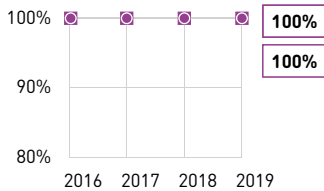
#21

Grants achieved **107%** of their target for textbook distribution.



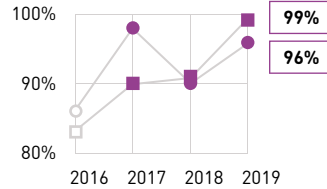
#24a

100% of grant applications identified variable part targets.



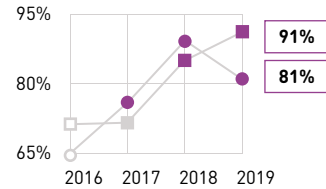
#22

Grants achieved **96%** of their target for teacher training.



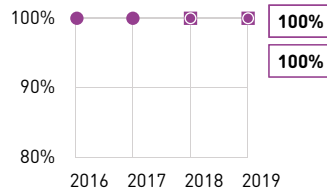
#23

Grants achieved **81%** of their target for classroom construction.



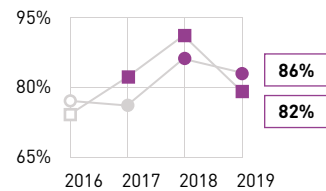
#24b

100% of grants achieved variable part targets.



#25

86% of grants were on track with implementation.



*The 2016 and 2017 value for PCFCs was not applicable; see [Appendix A](#) for details.

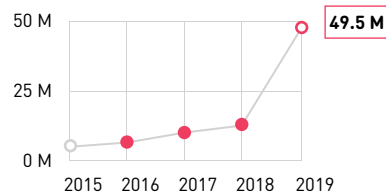
GLOBAL-LEVEL

OBJECTIVE 4

Mobilize more and better financing

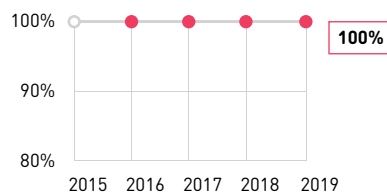
#26

US\$49.5 million contributed to GPE by nontraditional donors since 2015.



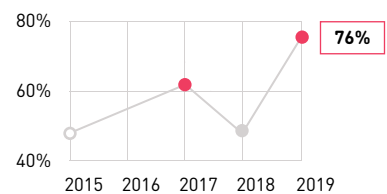
#27

100% of donor pledges were fulfilled.



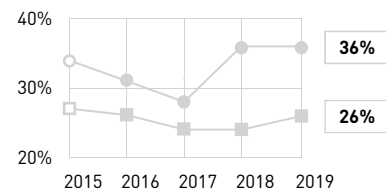
#28

76% of GPE donors increased or maintained their official development assistance for education.



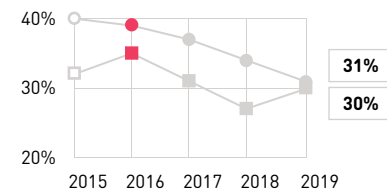
#29

36% of GPE grants aligned with national systems.



#30

31% of GPE grants were cofinanced or sector pooled.



*There was no milestone for 2016; see [Appendix A](#) for details.



OBJECTIVE 5

Build a stronger partnership

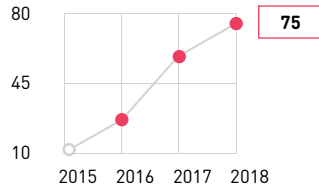
#32

Proportion of **partner countries and other partners** reporting strengthened clarity of roles.

N/R

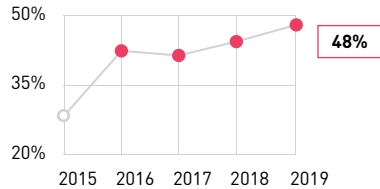
#34

75 advocacy events were undertaken since 2016.



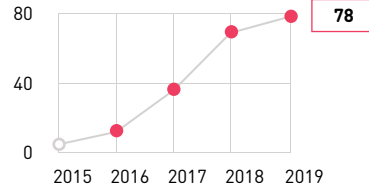
#36

48% of Secretariat staff time was spent on country-facing functions.



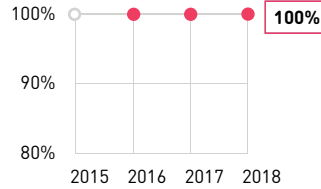
#33

78 technical products were produced since 2015.



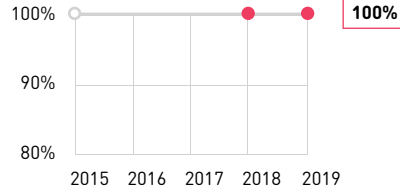
#35

100% of significant audit issues were addressed.



#37

100% of results and evaluation reports were published.



*There was no milestone for 2016 and 2017; see Appendix A for details.

KEY FINDINGS

> Since its inception in 2002, **GPE has allocated US\$5.5 billion to 175 implementation grants in 63 developing countries.** In 2019, partner countries affected by fragility and conflict received 60 percent of implementation grant disbursements, amounting to US\$137 million. GPE funding is almost equally allocated to its three strategic goals: 34 percent to learning, 29 percent to equity and 33 percent to system strengthening.

> **The annual grant disbursement for calendar year 2019 was US\$226 million,** reflecting the lower amount approved during the previous replenishment period. Disbursement is expected to increase to US\$600 million in 2020.

> **The overall performance of implementation grants remains positive.** A few grants are lagging behind, mainly as a result of external risks outside the control of the program, such as conflict and political instability.

> **Since the approval of the new funding model in 2014, 24 grants have adopted results-based financing.** Early findings from country-level evaluations indicate that results-based financing contributes to a strengthened results focus in sector planning. While countries are still in the early stages of implementation, results-based financing strategies are generally being implemented as planned, with a few exceptions where progress is delayed.

> In fiscal year 2019, only 36 percent of grants were aligned with the partner country system and 31 percent were cofinanced or sector pooled. **Alignment and harmonization indicators remain well below milestones.**

> **Nontraditional donors (for example, foundations and nonmembers of OECD-DAC) increased their contribution to GPE from US\$5 million in fiscal year 2015 to US\$37 million in fiscal year 2019.** Their cumulative contribution since 2015 reached US\$50 million in fiscal year 2019.

CHAPTER

4

Financing and Partnership

Achieving the goals of GPE 2020 hinges on mobilizing more and better resources, as well as on how effectively these resources are used. At the global level, GPE harnesses its strength as a partnership to raise commitments to education. At the country level, part of GPE's work is to ensure that its grants deliver on expected results. This chapter uses the most recent available data to report on the geographic and thematic allocation of GPE's implementation grants as well as on their performance and effectiveness, as measured by GPE results framework indicators. It also discusses key achievements with regard to resource mobilization, knowledge generation and advocacy.

4.1. Grant portfolio

OVERVIEW OF GPE GRANTS

GPE offers a variety of grants to its partner countries to support improved learning and increased equity in education (see [Figure 4.1](#) and [Appendix E](#) for details). As of December 2019, over US\$5.5 billion has been allocated to support planning and implementation of ESPs through three types of grants. GPE also provides technical and financial assistance in GPE's priority thematic areas. In 2019, two new instruments, Knowledge and Innovation Exchange (KIX) and Education Out Loud,⁷¹ were established and operationalized. KIX provides grants at the global and regional levels to invest in knowledge generation and innovation in partner countries. Education Out Loud finances activities to strengthen civil society engagement throughout the education policy cycle.

EDUCATION SECTOR PROGRAM IMPLEMENTATION GRANTS

Allocation and disbursements

The education sector program implementation grant is the largest grant type in the GPE grant portfolio. From its inception in 2002 to December 2019, GPE has cumulatively allocated

US\$5.5 billion to 175 implementation grants in 63 partner countries. As of December 2019, there were 35 active implementation grants worth US\$1.1 billion in 31 partner countries ([Figure 4.2](#)). The total annual disbursement in calendar year 2019 was US\$226 million.

The annualized average disbursement of implementation grants was US\$294 million for 2018 and 2019, lower than that of the previous replenishment period (US\$481 million, 2015-2017), owing to the lower amount of the approvals during the latter period ([Figure 4.3](#)). This is because disbursements typically occur over a three-to-five-year period after the approval, depending on grant duration.⁷² Disbursement is expected to increase to US\$600 million in 2020, which would make the annual average disbursement during this replenishment period (2018-2020) US\$396 million.

In accordance with the partnership's needs-based allocation formula,⁷³ a large share of GPE's implementation grants goes to partner countries with the greatest needs (see [Figure 4.4](#) and [Appendices F-I](#)). Out of US\$226.2 million disbursed during calendar year 2019, 60 percent went to partner countries affected by fragility and conflict. Sub-Saharan Africa, the region with the lowest completion rates and the highest out-of-school rates, received 85 percent of total disbursements. Disbursements to low-income partner countries accounted for 69 percent.

71. Previously called Advocacy and Social Accountability, this instrument has been rebranded as Education Out Loud.

72. For more information, see GPE, "Grant Allocations Analysis" (GPE Board paper BOD/2019/16 DOC 07, Meeting of the Board of Directors, December 10-12, 2019, Nairobi, Kenya), <https://www.globalpartnership.org/content/grant-allocations-analysis-december-2019>.

73. For more information, see GPE, "Eligibility, Allocation, and Proportionality: Recommendations from the Strategic Financing Working Group" (GPE Board paper BOD/2017/03 DOC 04, Meeting of the Board of Directors, March 1, 2017, Washington, DC), <https://www.globalpartnership.org/content/eligibility-allocation-and-proportionality-recommendations-strategic-financing-working-group>.

FIGURE 4.1.

GPE OFFERS VARIOUS INSTRUMENTS TO TACKLE COMPLEX EDUCATION SECTOR CHALLENGES IN PARTNER COUNTRIES.

Cumulative allocation since inception (various years), as of December 2019

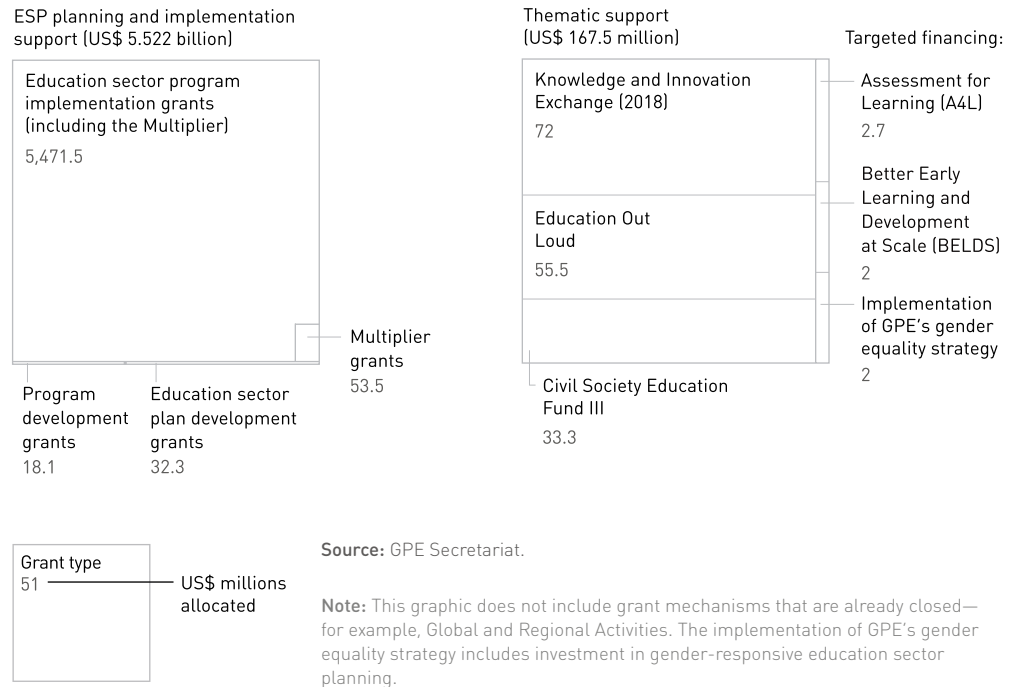


FIGURE 4.2.

THIRTY-FIVE IMPLEMENTATION GRANTS WORTH US\$1.1 BILLION ARE ACTIVELY SUPPORTING PARTNER COUNTRIES.

Overview of implementation grant allocation and disbursements, as of December 2019

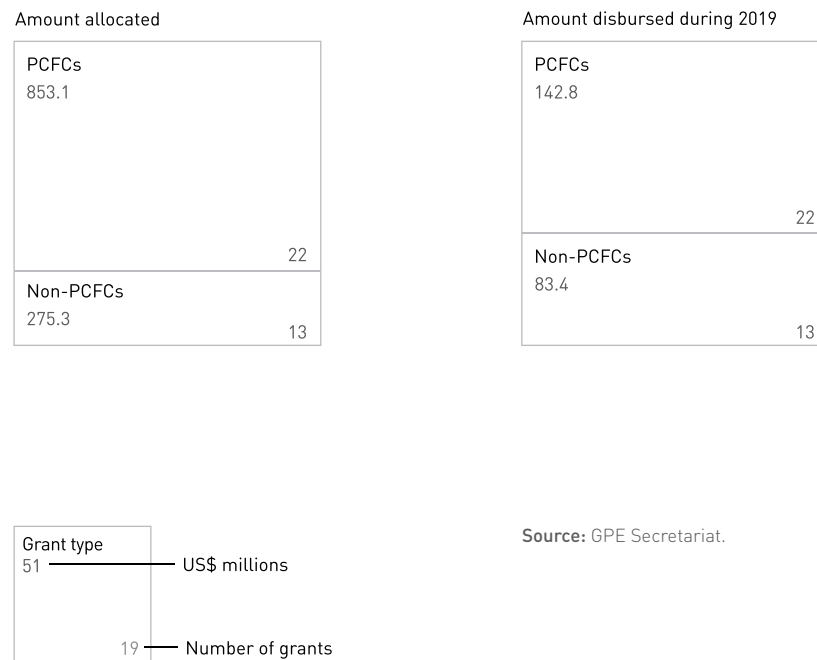
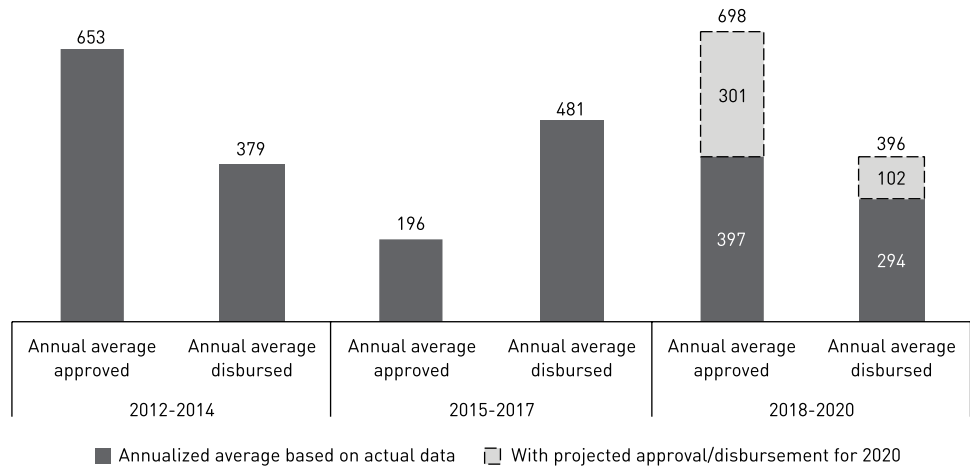


FIGURE 4.3.

RECENT SMALLER AVERAGE DISBURSEMENTS REFLECT THE LOWER AMOUNT OF APPROVALS DURING THE PREVIOUS REPLENISHMENT PERIOD.

Annualized average approved and disbursed, by replenishment period (US\$, millions)



Source: GPE Secretariat.

Note: For the replenishment period 2018-2020, the annualized average approved takes into account actual approval for 2018 and 2019 and projected approval during 2020.

FIGURE 4.4.

A LARGE SHARE OF GPE'S IMPLEMENTATION GRANTS GOES TO COUNTRIES IN THE GREATEST NEED.

Implementation grant disbursement by PCFC, region and income category, calendar year 2019

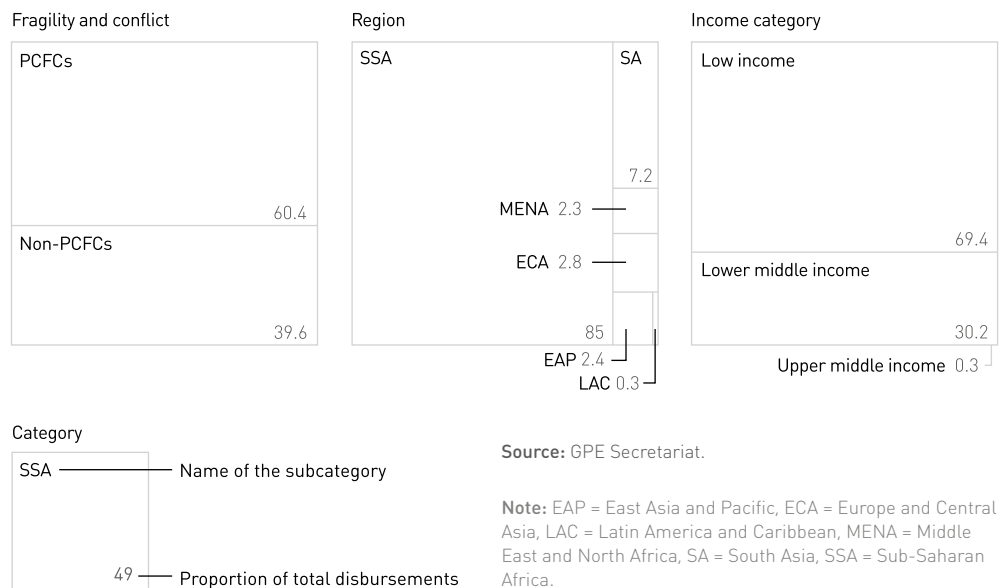
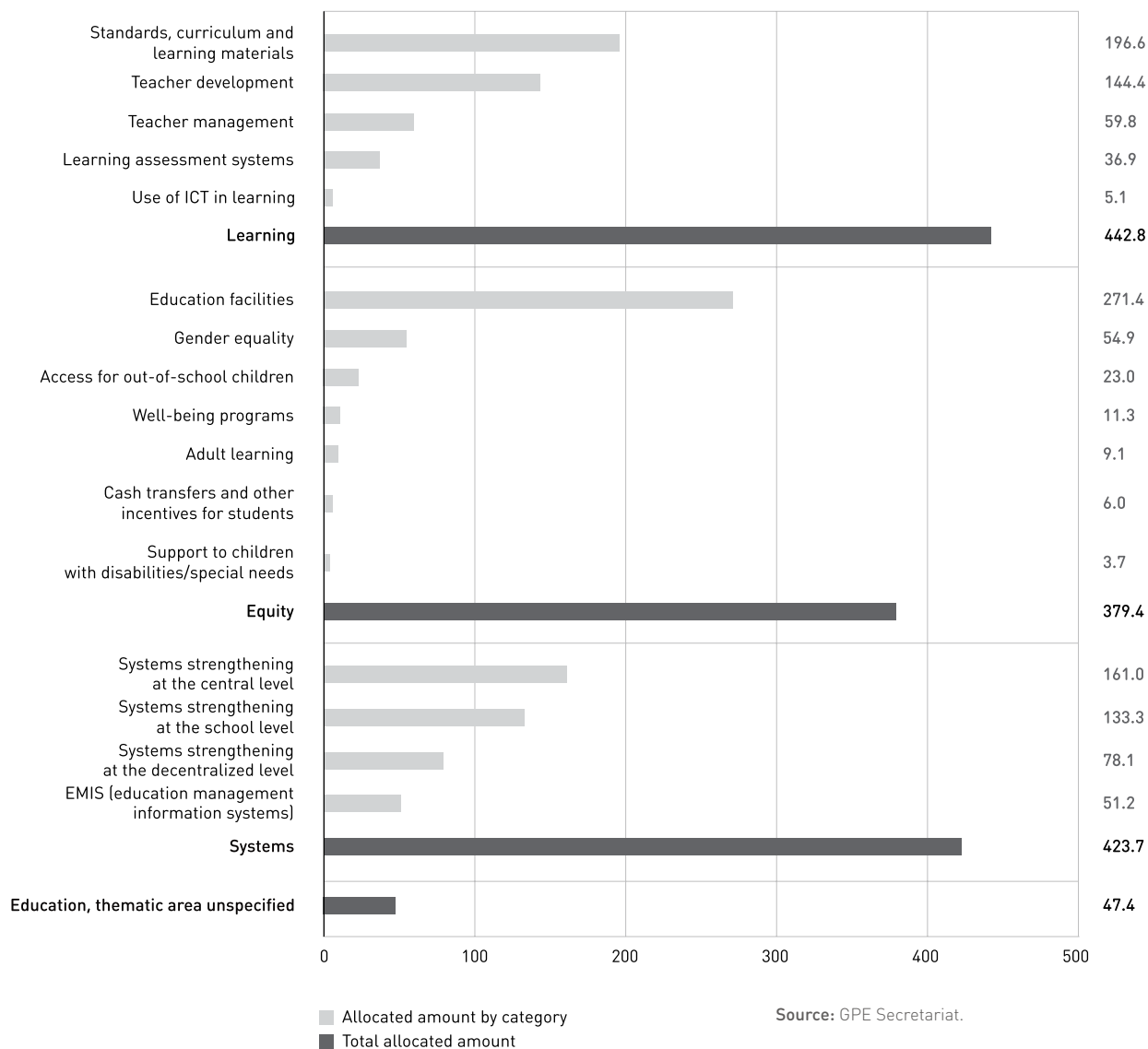


FIGURE 4.5.

LEARNING, EQUITY AND SYSTEMS STRENGTHENING RECEIVE EQUIVALENT AMOUNTS OF GPE FUNDING.

Allocation per thematic activity of GPE implementation grants, fiscal year 2019 (US\$, millions)



Note: This graph shows total allocation across all 38 active implementation grants at the end of fiscal year 2019.

Thematic allocation of implementation grants

GPE's 38 implementation grants active in fiscal year 2019 were allocated in line with its strategic plan (Figure 4.5 and Figure 4.6). Similar to last year's finding, 34 percent of total funding for active implementation grants in fiscal year 2019 was allocated for activities related to learning, 29 percent to

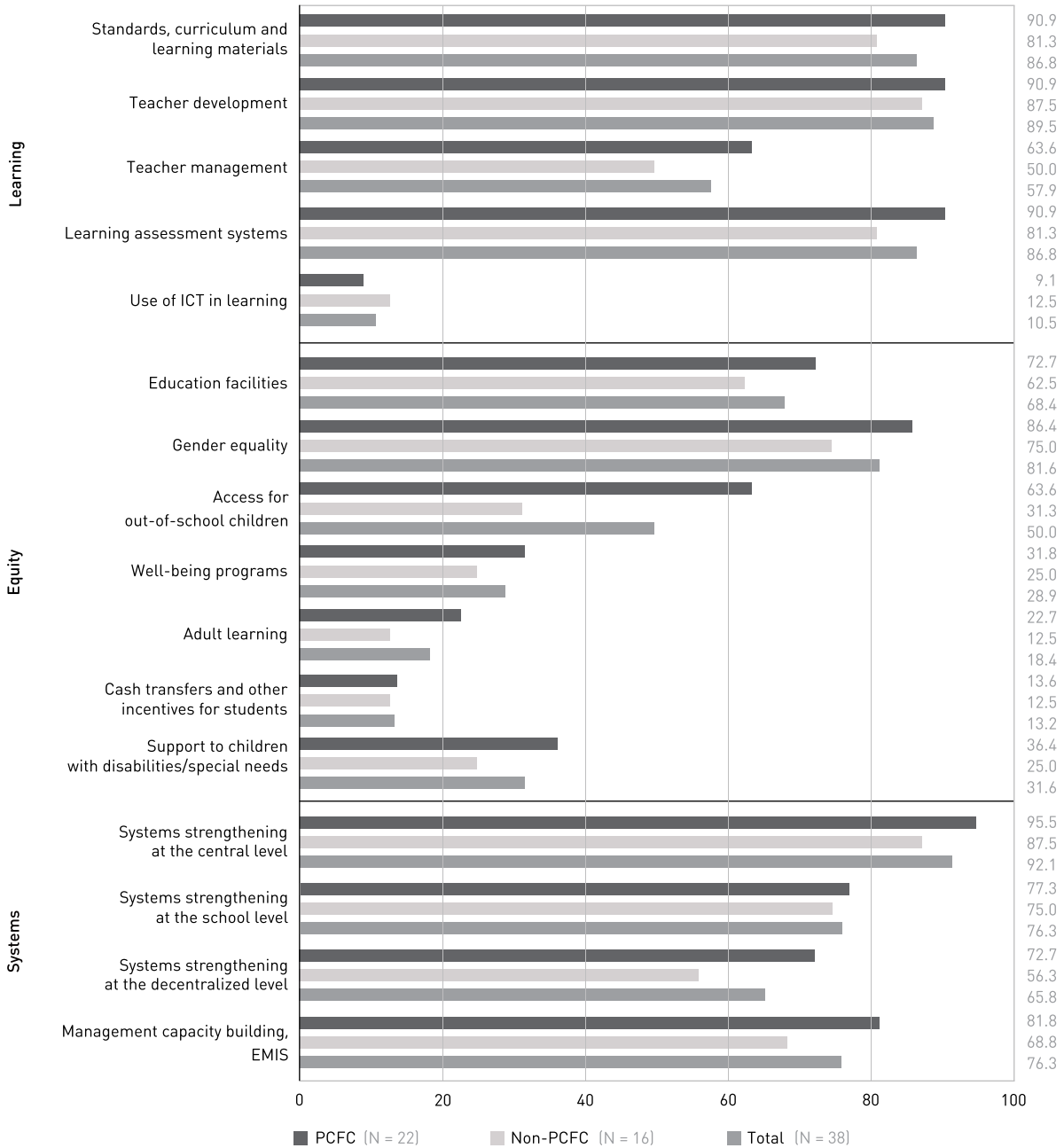
activities related to equity and 33 percent to activities related to system strengthening.⁷⁴

Of the activities addressing learning, those related to teachers—teacher development and management—accounted for 46 percent of allocation. Of the activities addressing equity, a large share (72 percent) of the investment was allocated

74. The remaining 3 percent is allocated to "unspecified thematic area." Funding for project management and grant agent supervision fees are included in this category.

FIGURE 4.6.

IMPLEMENTATION GRANTS SUPPORT THE ACHIEVEMENT OF GPE 2020 GOALS.
 Proportion of active grants supporting each thematic activity, fiscal year 2019

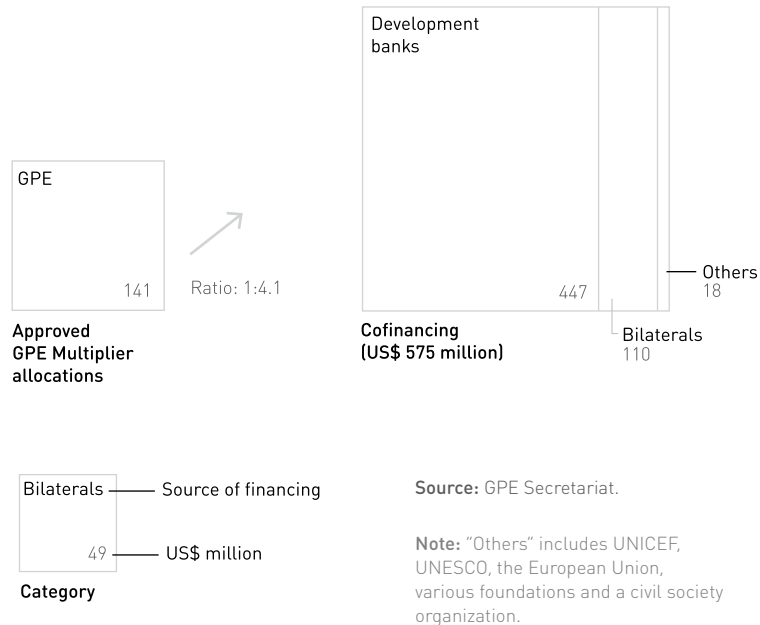


Source: GPE Secretariat.

FIGURE 4.7.

GPE MULTIPLIER LEVERAGES ADDITIONAL COFINANCING TO FUND EDUCATION.

Cumulative Multiplier allocations and reported cofinancing, as of December 2019



to build or rehabilitate education facilities. Gender equality was supported by 31 out of 38 grants, with targeted support to specific gender activities costing in 11 grants, amounting to US\$54.9 million.⁷⁵ However, many non-gender-specific activities (for example, construction of education facilities) benefit girls (and boys) and may have a gender lens, though these activities are not separately accounted for as such. Activities to improve access of out-of-school children were supported by 64 percent of grants (14 out of 22 grants) in PCFCs, but only by 31 percent of grants (five out of 16) in non-PCFCs. Nonetheless, the building and rehabilitation of education facilities are also likely to benefit out-of-school children, though such benefits are not explicitly accounted for. Of the activities strengthening systems, 38 percent of funds were allocated to support at the central level, 18 percent to decentralized levels and 31 percent to school levels. An overview of thematic activities and subsectors supported by each implementation grant can be found in [Appendices J-K](#).

GPE MULTIPLIER

The GPE Multiplier is an innovative financing instrument that catalyzes more investment to education in partner countries. Countries can access Multiplier funding by mobilizing at least

US\$3 in new and additional external financing for every US\$1 from the Multiplier. Since its operationalization in 2018 and as of December 2019, 17 countries have secured more than US\$140 million from the Multiplier, which is expected to mobilize US\$575 million in cofinancing in support of quality education from various development partners ([Figure 4.7](#)). Out of these 17, six grants were approved for US\$53.5 million in funding from the Multiplier in 2019, which leverages US\$239 million of cofinancing to education in these countries (for the list of Multiplier grants, see [Appendix L](#)).

GPE's country-level evaluations⁷⁶ reviewed the Multiplier's effect on the timing and amount of external financing provided by development partners. Out of the 28 countries in which evaluations were conducted, six had received or applied for the Multiplier. Of these six countries, the Multiplier likely influenced both the timing and the amount of external financing in three of them. In Mauritania, for example, the decision on the amount of the next World Bank project was made partly based on cofinancing requirements for the Multiplier. In the other three countries, however, the Multiplier likely influenced the timing but not the amount of external financing. In these countries, the development partners' funding had already been approved for use in the education sector before the Multiplier application.

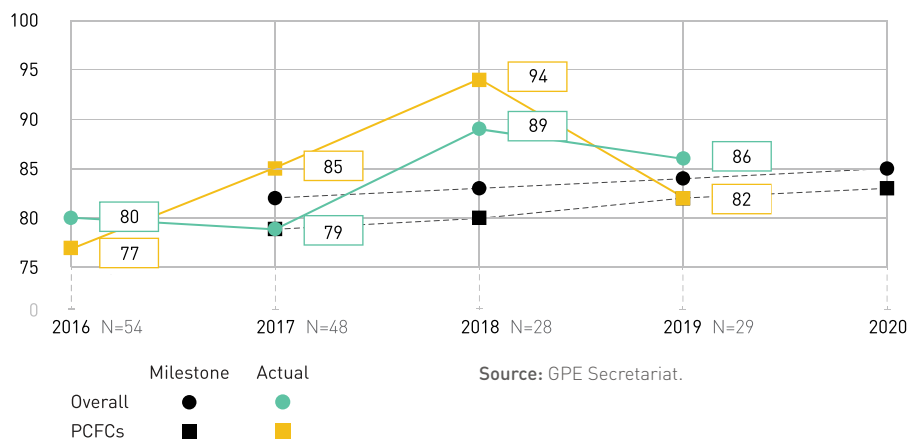
75. This figure includes only activities specifically targeting girls or gender equality (that is, not activities that would also benefit other groups). In a separate thematic study (see Chapter 1), almost all implementation grants reviewed were found to have activities advancing gender equality in education.

76. Universalis, *GPE Country-Level Evaluations—Final Synthesis Report*, Final Report, Vol. 1 (Montreal: Universalis, 2020), <https://www.globalpartnership.org/content/country-level-evaluations-final-synthesis-report-volume-1>.

FIGURE 4.8.

MOST GRANTS ARE ON TRACK IN IMPLEMENTATION.

Proportion of implementation grants rated as on track in implementation



Note: The number of implementation grants considered for this indicator was smaller in fiscal year 2018 and fiscal year 2019 (28 and 29, respectively) compared with the first two years in the current results framework (54 in fiscal year 2016 and 48 in fiscal year 2017). This is due to a high number of closed grants in fiscal year 2018 and fiscal year 2019 (24 and 12, respectively) as well as the unavailability of ratings at the time of writing for the nine grants mentioned above.

4.2. Performance of implementation grants

This section presents the performance of GPE’s implementation grants as measured by its five results framework indicators (Indicators 21-25). The partnership managed to maintain an overall positive trend across these five indicators. However, indicator data suggest difficulties in executing planned activities when unforeseen external factors affect project implementation. This highlights the importance of flexibility in grant design and increased supervision and support in these circumstances.

STATUS OF IMPLEMENTATION GRANTS (Indicator 25)

The results framework monitors the overall status of implementation grants (Indicator 25) by calculating the proportion of grants that are on track with implementation. Grants that are expected to achieve all or most of their major outputs by the end of the project period are rated as “on track.”⁷⁷

Overall grant implementation status remains positive. Out of the 29 implementation grants that were active in fiscal year

2019 and reported,⁷⁸ 25 grants (86 percent) were on track in implementation, exceeding the milestone set for 2019 (Figure 4.8). Compared with the previous year, the share of on-track grants decreased slightly by 3 percentage points, which is equivalent to one grant.

Four grants were rated as “delayed” in implementation in fiscal year 2019 (Chad, Democratic Republic of Congo, Lesotho and Yemen). Grants categorized as delayed are the ones that are at risk of not achieving one or more outputs by the end of the project period. Most of these risks were caused by external factors outside the control of the projects, such as political instability (Democratic Republic of Congo), unforeseen teacher strikes (Lesotho) and armed conflict (Yemen).⁷⁹ In Chad, implementation was delayed by bottlenecks in the technical work preceding textbook procurement and the setting of criteria for sites for school construction, as well as by the late mobilization of technical assistance.⁸⁰

Three out of these four grants were in PCFCs.⁸¹ Findings from the *Grant Performance Report 2019* (see Box 4.1) indicate that

77. The rating definition for each implementation status [on track, slightly behind, delayed] can be found in the methodology sheet for Indicator 25 (<https://www.globalpartnership.org/content/methodology-sheet-gpe-result-indicator-25>).

78. The number of grants considered here is smaller than the total number of grants active as of June 2019 (38 grants, as stated in Section 4.1) because of unavailability of ratings for nine grants for which the first progress reports are not yet due to the Secretariat: Afghanistan, Bangladesh, Bhutan, Cabo Verde, Cameroon (accelerated funding), Sierra Leone, Somalia-FGS, Somalia-Somaliland and South Sudan.

79. GPE, *GPE Grant Performance Report 2019* (Washington, DC: Global Partnership for Education, 2019), 17, <https://www.globalpartnership.org/content/2019-grant-performance-report-december-2019>.

80. GPE, *GPE Grant Performance Report 2019*, Annex 2A. <https://www.globalpartnership.org/sites/default/files/document/file/2019%20Grant%20Performance%20Report%20%28DOC%2013%29%20-%20Annex.pdf>.

81. Namely, Chad, Democratic Republic of Congo and Yemen.

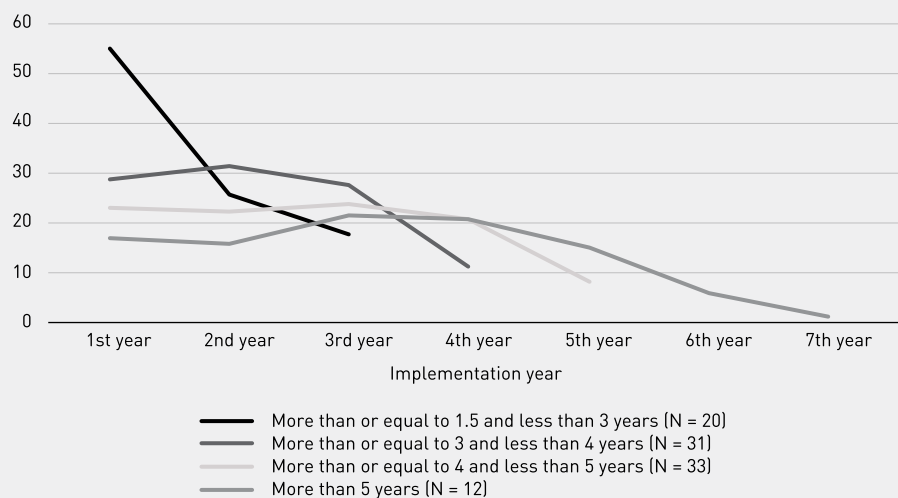
BOX 4.1.**CHALLENGES IN PCFCs WITH LOW INSTITUTIONAL CAPACITY: HIGHLIGHTS FROM A DISBURSEMENT ANALYSIS**

As a part of its *Grant Performance Report 2019*, the Secretariat conducted an analysis to understand disbursement patterns of GPE implementation grants. The analysis included all 96 closed grants since GPE's inception.^a Implementation grants usually last three to four years;^b a grant that takes more than four years to complete has usually been delayed and extended. The analysis found that grants taking longer than four years to close generally have lower disbursements in the first years than shorter grants, which typically disburse most of their funds early (see figure below). The fact that grants that take more than four years to complete do not demonstrate a peak in their disbursement in the last years of implementation, typically the years after extension and/or restructuring, may be an indication that the challenges faced relate more to implementation modalities than the structure of the program itself.^c Low disbursements in the first year of implementation are therefore an early warning sign of potential future delay, which should be monitored closely.

The analysis also found that although grants tend to disburse more slowly in PCFCs compared with non-PCFCs, among PCFCs, those with relatively higher institutional capacity tend to have grants that disburse faster. The report shows that a one-point increase in the Country Policy and Institutional Assessment (CPIA)^d value for a country is associated with a 6.5-fold increase in the chances of its grant lasting less than four years and disbursing at a faster pace. These results point to difficulties involved in grant implementation in low-capacity PCFCs and suggest the importance of adapting the right implementation modality and a realistic timeline based on the country context and its institutional capacity.

GRANTS THAT TAKE MORE THAN FOUR YEARS TO COMPLETE DISBURSE SMALLER AMOUNTS IN THE FIRST YEARS.

Average percentage disbursed by grant duration



Source: GPE Secretariat.

a. The sample includes all closed implementation grants since inception except those that closed recently and those that lasted less than 1.5 years. The former are excluded because undisbursed funds may be disbursed during the grace period, ranging from six months to one year after the grant closing date. The latter are excluded as they are likely to be accelerated funding grants (see more details on the analysis methodology in the *Grant Performance Report 2019*, Annex B).

b. According to GPE's *Guidelines for Education Sector Program Implementation Grants—ESPIG* (Washington, DC: Global Partnership for Education, 2019), <https://www.globalpartnership.org/content/global-partnership-education-program-implementation-grant-guidelines>.

c. Implementation modalities refer to both aid modality (for example, project, pooled fund) and the implementation arrangements used (for example, use of country systems, procurement process).

d. CPIA is the rating of countries against a set of 16 criteria grouped in four clusters: economic management, structural policies, policies for social inclusion and equity, and public sector management and institutions. This analysis used the public sector management and institutions cluster average.

BOX 4.2.**FINDINGS FROM THE REVIEW OF PROJECT COMPLETION REPORTS: HOW DID GPE PROJECTS PERFORM?**

The Secretariat conducted a review of completion reports for 30 implementation grants that were closed during fiscal years 2016 to 2018.^a Completion reports are prepared by the grant agents at the completion of the grants.^b The projects were approved before the beginning of GPE 2020.

Among the 30 projects reviewed, 25 had a formal results framework with measurable key performance indicators for their development objectives. The review found that the majority of these projects performed well against their (in some cases multiple) objectives and indicators: 20 out of 22 projects fully or partially achieved their objective of improving the learning and teaching environment; 14 out of 17 projects fully or partially achieved their objective of increased access; 8 out of 14 projects fully or partially achieved their objective of improved equity; and all 14 projects fully or partially achieved their objectives for strengthening institutional capacity.^c However, the measurement of these objectives varied widely, with many indicators focusing on outputs (for example, number of teachers trained) rather than on outcomes supported through the interventions.

Although the completion reports are not required to provide assessments of non-grant aspects of GPE's work, the review found that two-thirds of the reports acknowledge the links between the project and the country's ESP, but few explicitly discuss the project's contribution to achieving the plan's target outcomes. Similarly, half of the reports reference the role played by local education groups and joint sector reviews in implementation, but they provide limited analysis of which functional aspects of these mechanisms are most effective. The completion reports also do not discuss the extent to which GPE influences domestic resources for education.

Future monitoring and evaluation requirements could focus on an improved framework for measuring and monitoring results and a systematic assessment of these prominent aspects of GPE's work to better understand the role these play in the outcomes achieved.

a. Though 36 projects had closed, full documentation was available for 30 at the time of review. GPE, *Review of Completion Reports for the Global Partnership for Education's Education Sector Program Implementation Grants, 2016-2018* (Washington, DC: Global Partnership for Education, 2019), <https://www.globalpartnership.org/content/review-completion-reports-gpes-implementation-grants-2016-2018>.

b. Out of the 30 completion reports, 10 were prepared by the World Bank and reviewed independently by its Independent Evaluation Group.

c. The achievement was assessed as follows: "fully achieved," target was 90-100 percent met; "partially achieved," target was 50-89 percent met; "not achieved," target was less than 50 percent met.

grant implementation in PCFCs with low institutional capacity is particularly challenging.

While Indicator 25 aims to capture the likelihood of active implementation grants achieving their major outcomes, it is important also to take stock of the achievements of closed grants and to extract lessons learned from their implementation to inform future grants. For this purpose, the Secretariat conducted a review of completion reports of closed grants during fiscal years 2016 to 2018 (see [Box 4.2](#) for key findings).

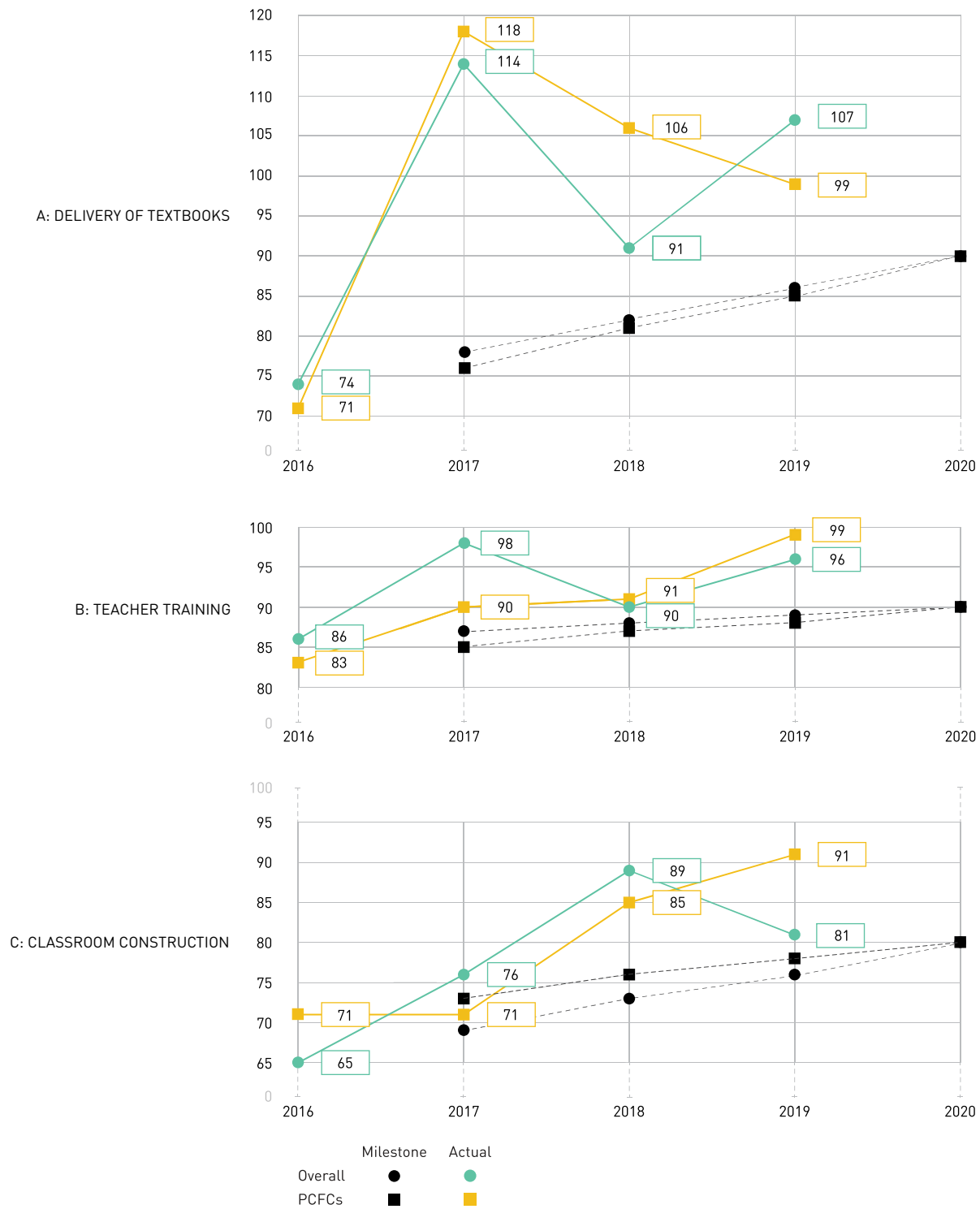
TEXTBOOK, TEACHER TRAINING AND CLASSROOM CONSTRUCTION (Indicators 21-23)

GPE's results framework tracks the performance of implementation grants on textbook provision, teacher training and classroom construction (Indicators 21, 22 and 23, respectively). In fiscal year 2019, all three indicators met their annual milestones and continued an upward trend since the baseline ([Figures 4.9a, 4.9b and 4.9c](#)). In fiscal year 2019, GPE implementation grants across partner countries provided

FIGURE 4.9.

OVERALL POSITIVE TRENDS ARE OBSERVED FOR TEXTBOOK PROVISION, TEACHER TRAINING AND CLASSROOM CONSTRUCTION.

Respective proportions of textbooks purchased and distributed, teachers trained, and classrooms built or rehabilitated through GPE grants, out of the total planned by GPE grants



Source: GPE Secretariat.

48,400,203 textbooks, trained 465,346 teachers and constructed or rehabilitated 4,115 classrooms.

Despite this overall positive trend, some grants achieved less than 75 percent of their annual targets in fiscal year 2019. Two grants achieved less than 75 percent of their annual targets for textbook provision, seven for teacher training and four for classroom construction. Of these 13 grants, six achieved less than 75 percent of their annual targets for the second consecutive year (the remaining seven either were not active or did not have annual targets in fiscal year 2018).⁸² Similar to the reasons for delay in overall implementation status (see Indicator 25), these continued delays are mostly caused by external factors: for example, procurement challenges as a result of economic sanctions in Eritrea and security issues in Pakistan-Balochistan. Lessons learned from completed projects underscore the importance of flexibility in project design that allows for the reallocation of funds or revision of targets as well as increased supervision and support when unforeseen circumstances affect project implementation.⁸³ GPE's country-level evaluations also acknowledge the diversity of contexts in which GPE operates and point to the need for more flexibility to adapt to contextual needs than is currently afforded.⁸⁴

RESULTS-BASED FUNDING (Indicator 24)

In 2014, GPE adopted a results-based funding model that disburses at least 30 percent of the total implementation grant funding on achievement of the targets set by countries. Indicator 24 of the GPE results framework monitors the proportion of implementation grant applications that identified performance targets on equity, efficiency and learning (Indicator 24a) and

the proportion of grants that achieved more than 75 percent of their performance targets in these areas (Indicator 24b).

Both Indicators 24a and 24b remained at 100 percent for the fourth consecutive year. An increasing number of implementation grants have adopted results-based funding since the operationalization of the current funding model, totaling 24 grants by the end of fiscal year 2019.⁸⁵ Grants to 10 countries (Afghanistan, Benin, Burundi, Myanmar, Nepal, Senegal, Sierra Leone, Tanzania-Mainland, Uzbekistan and Zimbabwe) in fiscal year 2019 adopted results-based funding, of which four are categorized as PCFCs.⁸⁶ All identified targets for equity, efficiency and learning. The results-based variable parts of four of these grants were larger than 30 percent of the total grant amount.⁸⁷

In fiscal year 2019, six grants had a total of 17 variable part indicators scheduled for assessment.⁸⁸ All the grants achieved most of their targets, keeping the value of Indicator 24b at 100 percent.⁸⁹ For example, in Nepal school-based Early Grade Reading Assessment (EGRA) was conducted in 3,046 schools, exceeding the final target (3,000) for the learning indicator. In Madagascar, 976 new teachers were trained and recruited, exceeding the first-year milestone of 916.

However, a few countries faced implementation challenges that resulted in delayed achievement of targets or failure to meet targets. For example, Mozambique missed its final target for equity.⁹⁰ Although the country managed to decrease the number of districts with a pupil-teacher ratio above 80 from 17 to 8, this was not sufficient to meet the target of two.⁹¹ As a result, US\$1.97 million out of the originally allocated US\$4 million was disbursed for the partial achievement of this indicator.

82. Six grants achieved less than 75 percent of their annual targets for the second consecutive year: Tanzania-Mainland for Indicator 21 (textbook provision); Lesotho, Nigeria and Pakistan-Balochistan for Indicator 22 (teacher training); and Eritrea and Guinea for Indicator 23 (classroom construction). Four of these grants achieved less than 75 percent of annual targets for the third consecutive year: Tanzania-Mainland for Indicator 21, Nigeria for Indicator 22 and Eritrea and Guinea for Indicator 23.

83. GPE, *Grant Performance Report 2019*, 24-25.

84. Universalia, *GPE Country-Level Evaluations—Final Synthesis Report: Financial Year 2019*.

85. Five grants adopted results-based funding in 2016, three in 2017, six in 2018 and ten in 2019 fiscal years. See [Appendix M](#) for a full list of grants approved under the current funding model (including their proportion of fixed to variable part).

86. Six implementation grants approved in fiscal year 2019 were exempted from results-based funding and thus not included in the monitoring of this indicator: four accelerated funding grants (Bangladesh, Cameroon, Central African Republic and South Sudan) and two implementation grants that were approved for an ex ante approach (Somalia-FGS and South Sudan). In an ex ante arrangement, the variable allocation is not linked to actual attainment of results. Exemptions are granted in certain fragile contexts where capacity and the availability of funding are particularly low, and where educational needs are critical in the short term. A grant for Papua New Guinea was approved only for the fixed part during fiscal year 2019. The country will resubmit its proposal for the variable part.

87. Myanmar, Nepal, Senegal and Tanzania-Mainland.

88. Cambodia, Ethiopia, Liberia, Madagascar, Mozambique and Nepal.

89. Indicator 24b calculates the proportion of grants that are considered "well-performing" or "high-performing." A grant that meets 75 percent to 99 percent of its targets is considered as well-performing; meeting 100 percent of its targets is considered as high-performing.

90. Mozambique had one target for equity, two for efficiency and two for learning, and met 80 percent of its targets (four out of five), exceeding the threshold (75 percent) to be considered as well-performing.

91. Partial achievement of this indicator was due in part to the government's decision not to revise the target after a change in the administrative map resulted in an increase in the number of districts with high pupil-teacher ratio from 12 to 17, making it harder to achieve the target.

BOX 4.3.**FINDINGS FROM COUNTRY-LEVEL EVALUATIONS AND A REVIEW ON THE RESULTS-BASED FUNDING MECHANISM**

The Secretariat recently conducted a study of the variable part,^a which reviewed the designs, implementation and results of the first 22 implementation grants with a variable part. A synthesis of the country-level evaluations also has some findings on the variable part,^b drawing on the experience of eight grants with a variable part.

The review and country-level evaluations concur that variable parts encourage sector policy dialogue, especially during program design, implementation and results verification. The country-level evaluation synthesis notes that the variable part appears to strengthen the results focus of sector planning, translating broad sector plan objectives into more concrete strategies. It also suggests the variable part may positively influence more systemic monitoring of education sector plans, potentially strengthening plan implementation.

Variable part strategies and targets in the 22 grants included in the review are largely relevant to the dimensions of equity, efficiency and learning outcomes. Two-thirds of these strategies link variable part financing to an intermediate- or outcome-level indicator, which appears to respond well to the expectations of the mechanism. While countries are still in the early stages of implementation, in most countries, variable part strategies are generally being implemented as planned, with a few exceptions, where progress is delayed with some restructuring.

The review suggests some areas where this model could be strengthened: high transaction costs, demands on design and implementation capacity, and insufficient differentiation vis-à-vis the diversity of country contexts and operational and funding environments. It recommends a more differentiated approach for countries with low implementation capacity and those with a small variable part, as well as strengthened technical assistance in designing the variable part.

a. GPE, *An Early Stage Review of Country Program Designs and Implementation Experiences with GPE's Variable Part Financing Mechanism (2015-2019)*. <https://www.globalpartnership.org/sites/default/files/document/file/2020-05-review-of-design-and-implementation-experiences-of-gpe-variable-part-financing.pdf>.

b. Universalialia, *GPE Country-Level Evaluations—Final Synthesis Report*.

In 2019, the Secretariat also published a comprehensive guidance note to support countries in preparing grant applications containing the variable part.⁹² The country-level evaluations and a review of the variable part take stock of the achievements and lessons learned from four years of implementation (see Box 4.3).

4.3. Aid effectiveness

GPE is committed to improving the alignment and harmonization of its funding to avoid aid fragmentation and to harness its potential to strengthen country systems. The GPE results framework monitors progress on alignment and harmonization with Indicators 29 and 30, respectively. In fiscal year 2019, these two indicators remained well below their milestones, indicating that the majority of the implementation grants

continue to be weakly aligned to the partner country system and to use relatively fragmented aid modality. In the past few years, however, the partnership has been working to promote alignment and harmonization in some target countries, and these efforts have begun to show signs of improvement.

ALIGNMENT (Indicator 29)

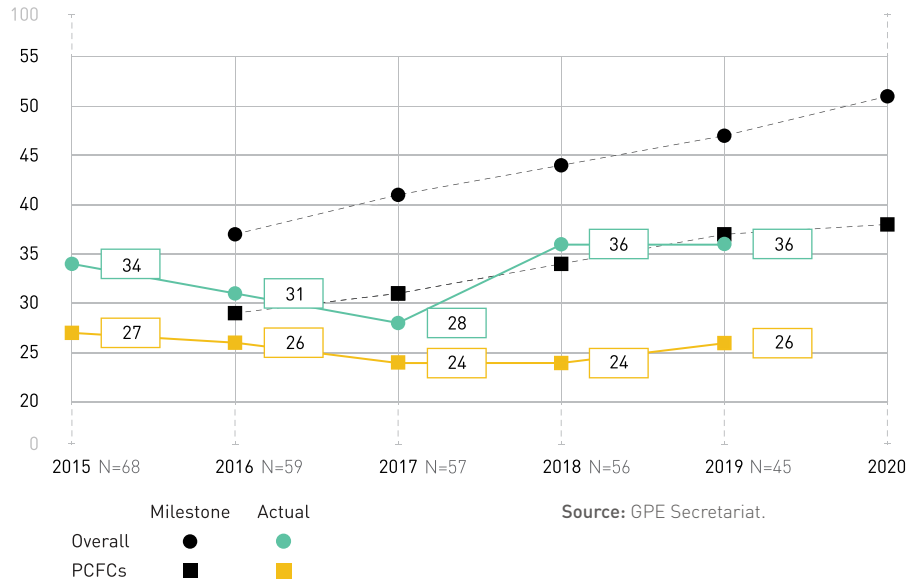
When external aid is aligned to partner country policies and systems, it provides an important opportunity to strengthen system capacity and reduce transaction costs. The results framework therefore tracks the proportion of its implementation grants that are aligned to the country system (Indicator 29). A grant is considered “aligned” if it meets at least seven out of ten dimensions of alignment.

92. GPE, *Guidance Note on GPE Variable Part Financing: Education Sector Planning and Program Design in the Context of Results-Based Financing* (Washington, DC: Global Partnership for Education, 2019), <https://www.globalpartnership.org/sites/default/files/2019-03-gpe-guidance-note-variable-part.pdf>.

FIGURE 4.10.

THE PROPORTION OF ALIGNED IMPLEMENTATION GRANTS REMAINED AT 36 PERCENT IN FISCAL YEAR 2019.

Proportion of implementation grants aligned to national systems



The majority of grants continued to be insufficiently aligned in fiscal year 2019. The overall proportion of grants that were aligned remained at 36 percent against the milestone of 47 percent, after recording an 8 percentage point increase from 28 percent in fiscal year 2017 to 36 percent in fiscal year 2018 (Figure 4.10). Progress in PCFCs is limited, with the indicator value only slightly increased from 24 percent in fiscal year 2018 to 26 percent in 2019. Indicator 29 missed the milestone for overall and for PCFCs for the fourth consecutive year.

If we look at the volume of the funding that is aligned instead of number of grants aligned,⁹³ the proportion of the funding aligned is 42 percent in fiscal year 2019. Between fiscal years 2015 and 2019, the proportion of aligned grants by volume of funding has fluctuated between 42 percent and 50 percent.

The Secretariat has been implementing an alignment road map since 2017. As part of these activities, 11 target countries with a potential for improved alignment have been identified. In these countries, the Secretariat strengthened country support during the grant formulation process to encourage increased use of country systems. As a result of the partnership’s effort, two recently approved grants (to Tanzania-Mainland and Benin) that were previously not aligned are now aligned with country systems.

HARMONIZATION (Indicator 30)

Harmonization, through the use of cofinanced projects or sector-pooled funding, reflects the partnership’s efforts to promote coordination among various donors and to avoid aid fragmentation. The results framework monitors the extent to which implementation grants are harmonized by calculating the proportion of grants that are either cofinanced or sector pooled (Indicator 30).

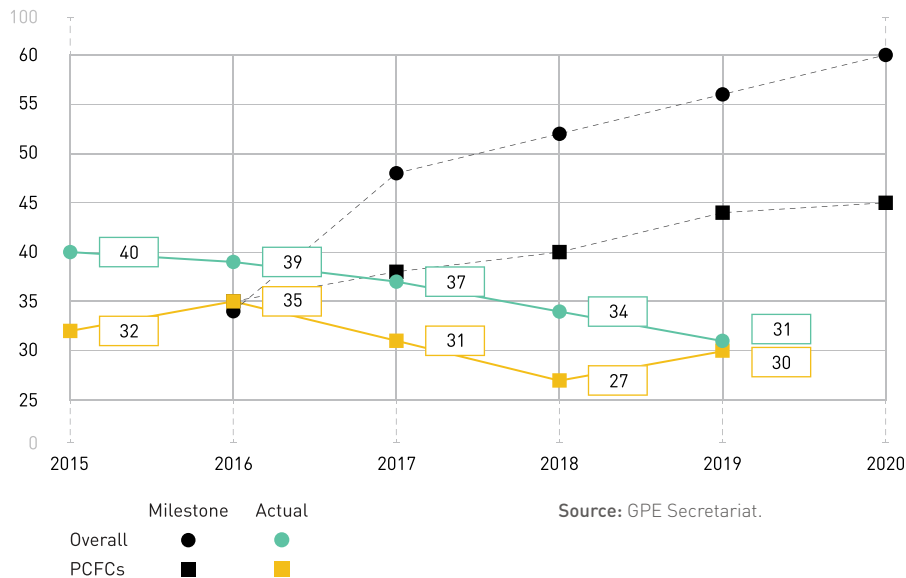
The overall proportion of grants that use harmonized funding mechanisms has continued a gradual downward trend from 40 percent in fiscal year 2015 to 31 percent in fiscal year 2019 (Figure 4.11). This decrease may not denote significant deterioration over time, as only a few grants changed modality when an old one had closed and a new one started during fiscal year 2015 to fiscal year 2019.⁹⁴ In PCFCs, the proportion remained largely unchanged at around 30 percent since 2017. The 2019 milestones for both overall portfolio and PCFCs were missed by a wide margin. The increased number of Multiplier grants, which require cofinancing from other partners to access the country allocation, is expected to contribute to improvements in this indicator; however, this has not yet had an effect as none of these grants had become active by the end of fiscal year 2019.⁹⁵

93. As the implementation grants vary greatly in size, looking at the volume of funding gives us another perspective that complements the current indicator, which looks at the number of grants.
 94. Out of 30 countries/states that have had more than two grants during fiscal year 2015 to fiscal year 2019, seven changed modality. Four changed from sector pooled or cofinanced to stand-alone, and the remaining three changed from stand-alone to cofinanced.
 95. As of the end of fiscal year 2019, Multiplier grants for Nepal, Papua New Guinea, Senegal, Uzbekistan and Zimbabwe had been approved but had not yet started.

FIGURE 4.11.

THE OVERALL PROPORTION OF IMPLEMENTATION GRANTS THAT USE HARMONIZED FUNDING MECHANISMS DECREASED GRADUALLY FROM 2016 TO 2019.

Proportion of implementation grants using cofinanced project or sector-pooled funding mechanisms



BOX 4.4.

ALIGNMENT, HARMONIZATION AND ABSORPTION

Strategic Objective 5 of the current GPE strategic plan is more and better financing. Alignment and harmonization play a critical role in advancing this objective because aligned and harmonized grants not only contribute to strengthened system capacity and promote coordination among donors, but also have absorbed more funding.^a Data from fiscal year 2016 through fiscal year 2019 show that aligned and harmonized grants absorbed a greater volume of funding than nonaligned and nonharmonized grants. (See Appendix N for the methodology and underlying data for this analysis.) Variables that influence absorption, such as institutional capacity and the type of activities supported by the grant, are not incorporated in this analysis. Thus, the relationship between alignment and absorption can't be qualified as causal and needs to be further investigated. Although several factors influence absorption capacity, the higher absorption performance of aligned sector-pooled funds signals their potential to provide funding at scale. In fiscal year 2019, the average absorption of GPE grants through aligned sector-pooled funds was 93 percent higher than through nonaligned grants that are either cofinanced or stand-alone. This means that for every US\$10 of GPE funding disbursed through nonaligned grants, aligned sector-pooled funds disbursed US\$19.

a. GPE, *Portfolio Review 2017* (Washington, DC: Global Partnership for Education, 2018), <https://www.globalpartnership.org/content/2017-gpe-portfolio-review>; GPE, *Portfolio Review 2018* (Washington, DC: Global Partnership for Education, 2018), <https://www.globalpartnership.org/content/gpe-annual-portfolio-review-2018-key-observations-december-2018>.

BOX 4.5.**IMPROVING PUBLIC FINANCIAL MANAGEMENT SYSTEMS IN BURKINA FASO AND NEPAL**

Data from fiscal year 2019 show that implementation grants remain 100 percent aligned with education sector plans, but alignment with national public financial management (PFM) systems continues to be a challenge, especially for nonaligned grants. Increased use of national PFM systems requires not only a stronger commitment to alignment on the donors' part, but also good management of fiduciary risks and enhanced national capacity for financial management on the country's part.

Countries with an aligned pooled fund have been taking various measures to better manage risks involved in using national PFM systems and to build their capacity for financial management. For example, Burkina Faso has been implementing a ring-fenced budget support that operates as a segregated subaccount at the national treasury, which gives donors more opportunity to manage fiduciary risks. External audit of the pooled fund account and technical support for financial management are also provided to strengthen national capacity. In Nepal, a pooled fund links results-based financing with a national PFM agenda, including enhancement of fiduciary oversight and capacity development for better public procurement.

However, there are some promising shifts in several countries. In Tanzania-Mainland, while the previous implementation grant (2014-2018) operated as a stand-alone modality, the grant approved in 2019 allocates 51 percent of its funds to a pooled fund for budget support. In Senegal and Benin, previous GPE grants supported cofinanced projects, while the grants approved in 2019 comprise sector-pooled funds, the most aligned modality. These pending grants were not included in the indicator value for fiscal year 2019,⁹⁶ but they will be in the next year's indicator value.

4.4. Donor financing

OFFICIAL DEVELOPMENT ASSISTANCE TO EDUCATION (Indicator 28)

The most recent data from the Organisation for Economic Co-operation and Development (OECD) show that in calendar year 2018 the dollar amount of official development assistance (ODA) to education reached a record high of US\$15 billion and the share of education in total ODA reversed its downward trend (see [Appendix O](#)). The dollar amount of education ODA has grown at an annual growth rate of 7 percent since 2015, the beginning of the current results framework period. ODA to education from countries that are not members of the OECD Development Assistance Committee (DAC) almost tripled from 2015 to 2018, which accounts for half of the increase of the

entire education ODA during this period.⁹⁷ The share of education in total ODA reversed its continuous downward trend since 2009, increasing from 7.2 percent in 2015 to 7.9 percent in 2018; however, this is still far below its peak of 9.7 percent in 2009. The increase in education ODA is promising, though the current level is well below the US\$44 billion that is required annually for all low- and middle-income countries to achieve universal pre-primary, primary and secondary education.⁹⁸

GPE results framework Indicator 28 measures the proportion of GPE donors who increased or maintained the dollar amount of their total education ODA in comparison with its base year (2014). In 2018, 76.2 percent of GPE donors increased or maintained their ODA to education, surpassing the milestone by 22 percent. Five GPE donors decreased their education ODA, including one that reduced its education ODA to half its 2014 volume.⁹⁹

CONTRIBUTION TO GPE (Indicators 26 and 27)

In 2019, donors contributed US\$566 million to GPE, recording the second-highest annual contribution since GPE's inception (see [Appendices P-R](#)). Notably, the contributions by nontraditional donors (Indicator 26) dramatically increased, reaching the highest level ever recorded. With the receipt of US\$33 million from the United Arab Emirates and payments from other organizations, nontraditional donors' cumulative contribution amounted to US\$49.5 million in fiscal year 2019 ([Figure 4.12](#)),

96. They were still pending as of the end of June 2019, the end of fiscal year 2019 and the internal cutoff date for results report data collection.

97. The increase in dollar amount of education ODA during this period is largely due to an increase in education ODA from three non-DAC members (Kuwait, Saudi Arabia and Turkey) and four DAC members (European Union, Germany, Japan and the United States).

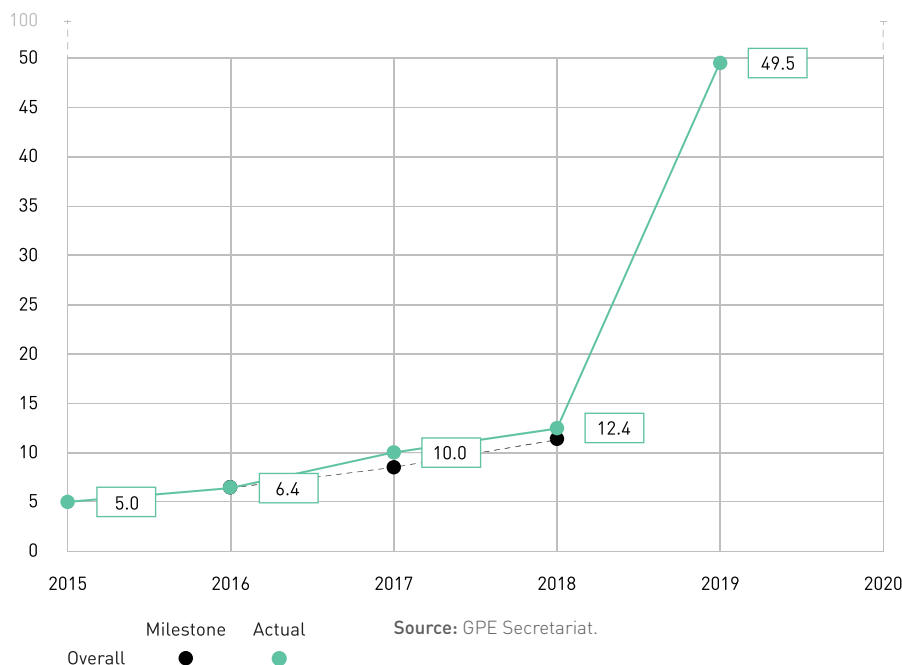
98. Projected by the Education Commission, *The Learning Generation: Investing in Education for a Changing World* (New York: International Commission on Financing Global Education Opportunity, 2016), <https://report.educationcommission.org/downloads>.

99. Australia, Finland, Ireland, Republic of Korea and United Kingdom. Australia decreased ODA to education by 53 percent compared with 2014.

FIGURE 4.12.

CONTRIBUTION TO GPE BY NONTRADITIONAL DONORS GREW DRAMATICALLY IN 2019.

Cumulative amount paid to GPE by nontraditional donors, 2015-2019 (US\$, millions)



Note: The *Results Report 2019* reported US\$11.4 million as the amount contributed by nontraditional donors in 2018. This was updated to US\$12.4 million after correcting technical errors.

whereas it was US\$12.4 million in fiscal year 2018.¹⁰⁰ The proportion of GPE donor pledges fulfilled (Indicator 27) remained at 100 percent for the fifth consecutive year.¹⁰¹ Despite this positive trend, more efforts across the partnership are needed to make sure the partnership reaches its replenishment target by 2020 to successfully achieve goals and objectives of GPE 2020.

4.5. Building a stronger partnership

(Indicators 32-37)

In fiscal year 2019, the partnership strengthened its role in knowledge production and education advocacy and increased its organizational efficiency and effectiveness, as well as delivering on its key monitoring and evaluation targets.¹⁰²

Since the beginning of the current GPE results framework (2015), the cumulative number of technical products developed by the Secretariat in collaboration with other partners (Indicator 33) has reached 78, surpassing its milestone of 50. During fiscal year 2019, nine technical products were developed by the Secretariat or by other partners with funding from GPE. Notably, the Secretariat developed four products on joint sector reviews, including a practical guide and a self-assessment tool (see Chapter 3).

Indicator 34 tracks the cumulative number of advocacy events conducted by the partnership. With 18 education events conducted during fiscal year 2019, the cumulative number reached 75, already exceeding the target of 65 by 2020. Just under half (eight) of the events conducted during fiscal year 2019 focused on gender equality and girls' education. For

100. The *Results Report 2018* reported US\$11.4 million as the amount contributed by nontraditional donors in 2018. This was updated to US\$12.4 million after correcting technical errors.

101. This indicator tracks actual payments made by the donors versus what they committed to pay as per the signed contribution agreements, in their own currencies.

102. Data collection for Indicator 32 (proportion of partner countries and other partners reporting strengthened clarity of roles, responsibilities and accountabilities in partner country processes) was postponed because of the ongoing follow-up process of the Effective Partnership Review. The indicator value may be gauged more accurately when the follow-up process has been completed.

example, in November 2018, at the second African Girls' Summit on Ending Child Marriage and Other Harmful Practices Against Girls organized by the African Union, Secretariat staff and partners highlighted the central role of girls' education in eliminating child marriage. At the 2019 Women Deliver Conference, the world's largest conference on gender equality, Secretariat staff collaborated on an education hub to bring partners together to discuss the power of education.

GPE continues to strengthen fiduciary oversight and country support. In fiscal year 2019, 23 significant issues were identified through audit reviews and were addressed satisfactorily, keeping the indicator value at 100 percent for Indicator 35. The proportion of staff time spent on country-facing functions (Indicator 36) is increasing progressively, from 28 percent in 2015 to 48 percent in 2019. To strengthen mutual accountability and to improve the work of the partnership, GPE is actively engaged in monitoring and evaluation. In line with its monitoring and evaluation strategy,¹⁰³ GPE delivered all 11 evaluation reports planned for fiscal year 2019, leading to successful achievement of the 100 percent milestone set for 2019 for Indicator 37 (proportion of results and evaluation reports published against set targets). The reports published this year consist of one results report, one programmatic evaluation, and nine country-level evaluations.

FINANCING AND PARTNERSHIP: LOOKING AHEAD

The data on donors' contributions to the education sector indicate an overall positive trend. Indeed, annual contributions to GPE recorded the second-highest level since the partnership's inception. GPE uses these resources to support education for children in countries with the greatest need, prioritizing those in low-income countries and in PCFCs. GPE's cumulative support to education in partner countries surpassed US\$5.5 billion as of 2019. Overall, grants are on track with implementation, and a review of closed grants shows that the majority of these grants performed well against their objectives.

The biggest challenges for the partnership in terms of effectiveness in funding are alignment and harmonization. A majority of implementation grants continue to be insufficiently aligned to national systems and to use relatively fragmented modalities. This presents a risk of increased transaction costs as well as a missed opportunity to strengthen country systems. Given the considerable variance in how aligned modalities are set up and how they operate in different countries, continued efforts to provide contextualized support will be needed.

103. The strategy is available at: <https://www.globalpartnership.org/content/gpe-monitoring-and-evaluation-strategy-july-2017>.