

➤➤ APRIL 2024

GPE INNOVATIVE FINANCING FOR EDUCATION



Teacher Ibragimo Saltanat during a class at the Early Learning Hub supported by GPE in Samarkand, Uzbekistan. GPE/Federico Scoppa

Innovative financing increases the amount of funding to education and allows for more efficient and equitable financing. Through the GPE Multiplier, the Global Partnership for Education (GPE) has mobilized US\$3.5 billion in cofinancing that would not have otherwise been available for education.

OPPORTUNITY FOR INVESTMENT

- The international community can scale up innovative financing tools to **broaden the resource base and diversify the financing partnerships** available for education in lower-income countries.
- There is high demand from countries for innovative financing to support and **retake ownership of their education budgets**, still under major strain from the COVID-19 pandemic, climate change, increasing debt burdens and deepening poverty.
- More than 30 GPE partner countries spend more than half of their education budget on debt service, but GPE's innovative financing through the Multiplier is showing meaningful results for **transforming how education funds are accessed and used** across the partnership.

GPE INNOVATIVE FINANCING TOOLS

The **GPE Multiplier** allows countries to mobilize additional resources to transform their education systems. Each dollar from the Multiplier can be mobilized by \$3 or more from development partners such as multilateral banks, bilateral donors, non-governmental organizations, the private sector and

foundations. Financing can be invested as a grant or used to lower the interest rate on concessional lending and works alongside other external financing. Any financing secured via the Multiplier adds to other GPE grants a country can access, including the system transformation grant and the Girls' Education Accelerator.

➤➤ Results

\$3.5 billion in cofinancing secured—a 5-year target met in just 3 years across grants in 44 partner countries with 62 cofinanciers. In Ethiopia, Multiplier funds have been used to integrate refugees within mainstream education. In Tajikistan, funds have been directed towards school construction and improving teaching and the country's education management information system. In South Sudan, funds include support to a school safety framework to help the education sector adapt to the impacts of climate change.

ACG SmartEd dramatically scales up education financing in the Islamic Development Bank's 37 member countries who are also GPE partner countries by combining grant capital with concessional lending and lowering the cost of education investment for countries. Developed by the Arab Coordination Group (ACG) and GPE, SmartEd leverages the Multiplier at a 1:4 funding ratio for holistic education investments that address the global learning crisis.

Results

\$500 million mobilized through ACG SmartEd with \$100 million from the GPE Multiplier and \$400 million from the Islamic Development Bank and the Arab Coordination Group, a grouping of bilateral Arab development funds. Cameroon, the Kyrgyz Republic and Uzbekistan were the first partner countries to receive financing, which mobilized \$350 million collectively for education programs.

GPE Match is a dollar-for-dollar matching mechanism that incentivizes investments in education from the business community.

The Girls' Education Accelerator is a dedicated fund of up to \$250 million for projects that tackle barriers to girls' education in the countries where it lags the furthest behind. These funds work alongside GPE's other grants, incentivizing countries to implement a more targeted approach for girls' learning in the most disadvantaged and challenging settings, and to support gender equality in countries and regions where girls' education has been identified as a challenge.

Results

\$179.5 million mobilized so far in contributions from Germany, the LEGO Foundation, Ireland, Denmark, Belgium, the Harry Hole Foundation, Dubai Cares, Open Society Foundations and GPE Match. These funds are currently supporting 194,000 girls in Zimbabwe by advancing national education priorities to reduce school dropouts and provide safe learning environments, and 26,000 girls in El Salvador by tackling harmful gender norms at an early age and revising national assessments to eliminate gender bias.

Debt2Ed is a financing mechanism integrated within the Multiplier that transforms partner country's sovereign debt into new investments for education, pooling funds from diverse cofinancing partners. Through a debt swap or loan buy-down, countries enter an agreement with a creditor that can reduce their debt burden, lower the cost of borrowing and enable more efficient spending for education programs. Agreeing to a debt swap or loan buy-down on public debt and investment of equivalent funds into a partner country's education sector immediately unlock additional funds from the Multiplier.

Results

\$77.1 million for education programs in Côte d'Ivoire via Debt2Ed through a debt swap between France and Côte d'Ivoire. Additional leveraging of financing helped the country unlock a Multiplier grant of \$40 million.

LEARN MORE

All countries and territories eligible for GPE support in 2021-2025 are eligible for GPE innovative financing tools through the GPE Multiplier. For more information, visit: <https://www.globalpartnership.org/funding/how-apply-grants>



Students at Centro Escolar Olof Palme in El Salvador, which receives funds through the Girls' Education Accelerator for gender-sensitive materials. GPE