

ECW Financial Targets

Key questions

□ What we want to achieve: how many children do we want to reach? With what type of education?



□ What is realistic:

- How much funding can we raise?
- Is the workload feasible for the Secretariat?



What really matters

- Predictability of funding
- Number of programmes / country coverage
- Multi-year funding provided by ECW's fund vs. leveraged at country-level

Model of support and grantee diversification matter for Secretariat workload.



Funding predictability



- Less predictability can mean education discontinuity, a lesser focus on long-term action, and greater difficulty prioritizing activities.
- More predictability requires sufficient confidence that funding will be available (getting money upfront in ECW's fund, in signed agreements, etc.).

Note: predictability of funding should ideally apply to both ECW's and partners' funding.

Options: funding predictability



- 1 to 3 years, but 1 is business as usual
- Predictability to apply to raised but also leveraged funding

Options: country coverage



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25 countries prioritized in the Strategic Plan.

To avoid gaps in existing first response/initial investment programs, we need a minimum of 6 multi-year programs in 2018, 5 more in 2019.

Possible range: 20-25

Raising vs. leveraging



Total need at country level:

Not determined by ECW.

Multi-year programs aim at covering that need.

Raise vs. leverage:

Raised: funds global public good (joint plan/program), provides leverage and catalytic effect.

Leveraged: provides donors more flexibility to earmark funding toward their priorities.

Options: raising vs. leveraging



Funding from ECW's Fund

10-30% of the need provided by ECW's fund.

Give more to less funded crises.

Cap funding per country: \$12-30 million.

Note: existing funding at country level represents approx. 40% of total need.

'Optimal' model



Highest predictability, number of programmes, and ECW's fund contribution.

BUT

4.3 billion to be raised/leveraged from 2018/2021, 1.4 billion raised for the Global Fund.

Strategic choices

What/how much do we want to prioritize:



- Funding predictability?



- Number of programmes (country coverage)?



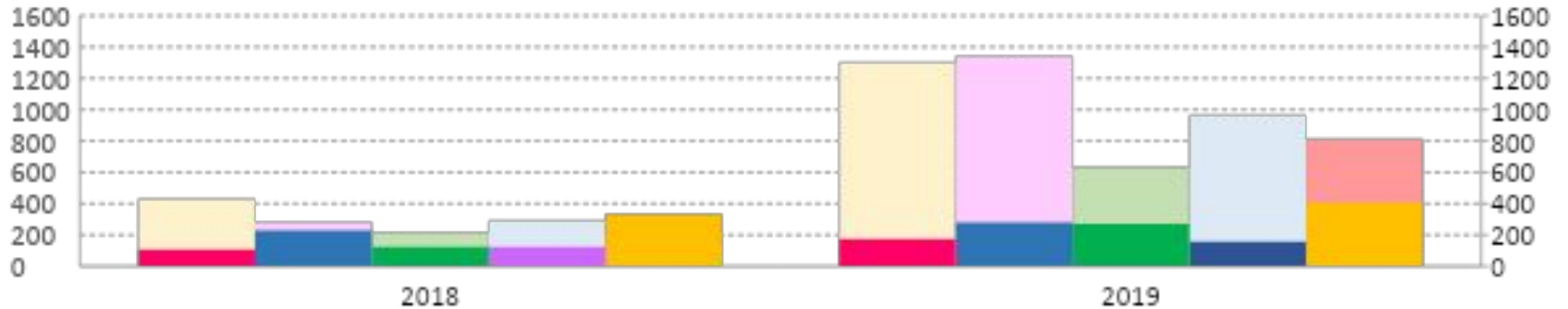
- ECW global fund contribution vs. leveraged funding as a share of total need at country level?

Model results: overall funding needs



Option	Optimal option	Lowest predictability	Lowest country coverage	Lowest ECW contribution	Intermediate option
Number of multi-year programs ongoing by year end					
2021	25	25	20	25	20
Number of years of funding committed by ECW's global fund to new multi-year programs					
2018 to 2021	3	1	3	3	2 in 2018/19, 3 in 2020/21
ECW global fund contribution to a MYR program (% of total needs and in US\$ millions)					
Least funded (%)	30%	30%	30%	10%	20%
Best funded (%)	30%	30%	30%	10%	10%
Funding cap (US\$ m)	30	30	30	12	12
Funding to be raised or leveraged (US\$ millions) over 2018-2021					
Total	4,260	3,049	2,537	4,187	2,598
Raised	1,365	1,092	986	525	623
Leveraged	2,895	1,957	1,551	3,662	1,975
Funding to be raised or leveraged (US\$ millions) in 2018					
Total	429	218	293	282	194
Raised	333	122	228	122	107
Leveraged	96	96	64	160	87

Model results: 2018 and 2019



- Optimal Option, total
- Lowest ECW contribution, total
- Lowest predictability, total
- Lowest coverage, total
- Intermediate option, total
- Optimal Option, ECW fund
- Lowest ECW contribution, ECW fund
- Lowest predictability, ECW fund
- Lowest coverage, ECW fund

Current gaps



Immediate needs: intermediate option



2018

- Ensure promises materialize on time.
- Raise approx. \$9 m additional in signed commitments to provide predictability.
- Leverage \$77 m (\$10.3 m already leveraged).

2019

- Raise \$103 m additional to cover disbursements, \$175 m to provide predictability.
- Leverage \$639 m for immediate needs and predictability.

Discussion



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Model results: commitments vs. disbursements

Option	Optimal Option	Lowest predictability	Lowest coverage	Lowest ECW contribution	Intermediate option
Total funding to be raised for the global ECW fund by year end (US\$ millions)					
2018	333	122	228	122	107
2019	407	271	280	159	175
2020	135	321	250	57	167
2021	489	378	227	187	175
Total funding to be disbursed by the global ECW fund by year end (US\$ millions)					
2018	122	122	87	52	62
2019	271	271	179	119	132
2020	321	321	275	143	172
2021	378	378	289	171	178
Total funding to be leveraged at country level by year end (US\$ millions)					
2018	96	96	64	160	87
2019	893	362	683	1184	639
2020	903	631	420	1039	616
2021	1003	869	384	1280	631
Total funding leveraged at country level to be disbursed by year end (US\$ millions)					
2018	96	96	64	160	87
2019	362	362	263	501	363
2020	631	631	386	794	490
2021	869	869	460	1061	571