



# XXXXX Refugee Education in Asia Challenge Coalition and Fund

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# The Business Case for the Refugee Education in Asia Challenge

Coalition and Fund

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## Coalition and Fund

### Glossary of Terms

<b>AGM</b>	Annual General Meeting
<b>AOL</b>	Above Operating Limit
<b>APAC</b>	Asia Pacific
<b>ECW</b>	Education Cannot Wait
<b>GBC</b>	Global Business Coalition
<b>GDP</b>	Gross Domestic Product
<b>GPE</b>	Global Partnership for Education
<b>IDPs</b>	Internally Displaced Persons
<b>LG</b>	Leadership Giving
<b>OL</b>	Operating Limit
<b>PoC</b>	Persons of Concern
<b>PSP</b>	Private Sector Partnerships (division)
<b>PSU</b>	Project Support Unit
<b>REACH</b>	Refugee Education in Asia Challenge (fund and coalition)
<b>SMART</b>	Specific, Measurable, Achievable, Realistic, Time-bound
<b>ToR</b>	Terms of Reference

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## I. Executive Summary

There are over 17 million refugees under XXXXX mandate – half of them under the age of 18. With the average time of a refugee spent in displacement to be 17 years, for millions of young people, these are the years they should be spending in school, learning to read, write and count but also to inquire, assess, debate and calculate, just so they are able to fend for themselves, meaningfully contribute to the communities that continue to generously host them for several years but to be able rebuild and revitalize their countries once peace is established and they are able to return. The case for Education is clear. Education gives refugee children, adolescents and youth a place of safety amidst the tumult of displacement.

The Asia and Pacific region is home to 7.7 million people of concern to XXXXX, including 3.5 million refugees. This means that over 11% of the world's total refugee population is hosted in Asia. The vast majority of refugees in Asia originate from Afghanistan and Myanmar, with Afghan refugee situation easily being one of the largest and longest protracted situations in the world. Over 96 per cent of all Afghan refugees have been [\*generously hosted within the neighboring Islamic Republics of Iran and Pakistan for over three decades\*](#). Moreover the latest surge of Rohingya refugees from Myanmar continues to find refuge in Bangladesh, whilst an estimated 500,000 refugees from various ethnic groups are reported to have fled the country for several decades.

Since 2014 alone, Bangladesh, India, Indonesia, Iran, Iraq, Malaysia, Nepal and Pakistan have continued to host 1.7 million refugee children and adolescents on average. To contextualize, this means that without Education the lives and futures of around 1.7 million children and adolescents could be at risk of social exclusion, poverty and exploitation.

Such severe needs can only be addressed through concerted and longer term commitments and actions from a multitude of stakeholders including host governments, international organizations but most importantly the [Private Sector](#).

Education is not only the birthright of every child but also the key to expanded opportunity and future employment. It makes perfect business sense for the private sector to invest in Education, as not only does it promote economic growth leading to more stable societies but it also fosters healthy communities, contributes to development of companies' future workforce and respective technical skills, thus resulting in increased income potential of consumers and overall prosperity of businesses and the communities where they operate.

Challenge funds are set up to mitigate risks where businesses can contribute to the attainment of an overarching goal. One of the main characteristics of a challenge fund is its open, competitive application process, which provides applicants with the opportunity to overcome the uncertainties that inhibit investments, innovation, and use of new approaches. The assumption is that without the challenge-fund support, related activities are either unlikely to happen or will happen at a much slower pace. [\*In Asia's context, which has generously hosted refugees from several ethnic groups for more than the past 3 decades, proposed improvements at any slower pace are simply unacceptable!\*](#)

Therefore in view of the Refugee Education context in Asia as well as the innovative and flexible nature of Challenge Funds, XXXXX-PSP proposes set up of a Business Coalition with the ultimate objective of establishing a pooled Challenge Fund, that allows the organisation to meet the multifarious needs of its Education programmes in Asia, in an innovative, flexible and sustainable manner.

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## II. Project Overview

### II.i Elevator Pitch

- The Asia and Pacific region is home to 11% of the world's total refugee population of which a vast majority originates from Afghanistan;
- Without Education the lives and futures of around [1.7 million children and adolescents](#) could be at risk of social exclusion, poverty and exploitation;
- Over 96 percent of Afghan refugees have been hosted within the neighboring countries of Iran and Pakistan [for over three decades](#), whilst Bangladesh hosts the recent surge of Rohingya refugees from Myanmar;
- The sheer scale of needs poses a [Challenge](#) that is best addressed through concerted actions and long term commitments from a multitude of stakeholders;
- Centered on the principles of South for South or specifically "Asia for Asia" approach, XXXXX Refugee Education in Asia Challenge Fund with a [target of US\\$ 50 million](#), calls on the support of the Asian business community to help us address this challenge through their influence, core business, social responsibility, strategic investments, thought leadership and philanthropic commitments;
- An investment of just US\$ 75 per beneficiary over three years or US\$ 25 per year, towards our Education programmes can help us ensure safer, brighter futures for nearly 40% of those at risk or over 675,000 refugee children and adolescents in Asia -- *The investment will not only be recovered but positively exceeded by nearly 22% within the very first year of the initiative, through refugees' economic contributions to host and origin countries' GDP (UNESCO, 2011)!*

### II.ii Background/Rationale

There are over 17 million refugees under XXXXX mandate – half of them under the age of 18. Further, over 11 million refugees were living in protracted<sup>1</sup> displacement as at the end of 2016; of this number, 4.1 million had been in exile for 20 years or longer (UNHCR, Left Behind- Refugee Education in Crisis, 2017). For millions of young people, these are the years they should be spending in school, learning not just how to read, write and count but also how to inquire, assess, debate and calculate, how to look after themselves and others.

The case for Education is clear. Education gives refugee children, adolescents and youth a place of safety amidst the tumult of displacement. It amounts to an investment in the future, creating and nurturing the scientists, philosophers, architects, poets, teachers, health care workers and public servants who will rebuild and revitalize their countries once peace is established and they are able to return. The education of these young refugees is crucial to the peaceful and sustainable development of the places that have welcomed them, and to the future prosperity of their own countries.

Yet compared to other children and youth around the world, the gap in opportunity for the 6.4 million school-age refugees under XXXXX mandate is growing ever wider. Globally, 91 per cent of children attend primary school. For refugees, that figure is far lower at only 61 per cent – and in low-income countries it is less than 50 per cent.

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<sup>1</sup> XXXXX defines 'protracted refugee situations' as those where at least 25,000 people have been forcibly displaced for more than five years.

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The proportion of refugees in primary school in 2016 was up sharply from 50 per cent the year before, this is largely due to the measures taken by Syria's neighbours to enroll more refugee children in school and other educational programmes, as well as increased refugee enrolment in European countries that are better able to expand capacity. As refugee children get older, however, the obstacles only increase: just 23 per cent of refugee adolescents are enrolled in secondary school, compared to 84 per cent globally. In low-income countries, which host 28 per cent of the world's refugees, the number in secondary education is disturbingly low, at a mere 9 per cent.

As for tertiary education, enrolment in tertiary education stands at 36 per cent, up 2 percentage points from the previous year. For refugees, despite big improvements in overall numbers thanks to investment in scholarships and other programmes, the percentage remains stuck at 1 per cent. The New York Declaration for Refugees and Migrants, signed by 193 countries, emphasizes education as a critical element of the international response. Furthermore, the ambition of Sustainable Development Goal 4 (SDG4) – one of the 17 global goals aimed at ending poverty, protecting the planet and promoting prosperity for all – is to deliver “inclusive and quality education for all and to promote lifelong learning”.

Despite the overwhelming support for the New York Declaration and SDG4, refugees remain in real danger of being left behind in terms of their education.

### II.ii.a The Asia Pacific Context

The Asia and Pacific region is home to 7.7 million people of concern to UNHCR, including 3.5 million refugees, 1.9 million IDPs and 1.4 million stateless people. This means over 11% of the world's total refugee population is hosted in Asia. Of these, the majority of refugees originate from Afghanistan and Myanmar, with Afghan refugee situation constituting one of the largest and longest protracted situations in the world (UNHCR, 2017).

To contextualize, over 96 per cent of all Afghan refugees have been generously hosted within the neighboring countries of Iran and Pakistan for over three decades. The Myanmar situation also remains a key priority for UNHCR. An estimated 500,000 refugees from different ethnic groups have been fleeing for several decades in search of protection from ethnic conflict and violence. The latest surge of Rohingya refugees from Myanmar continues to find refuge in Bangladesh, thanks to the generosity of the Bangladeshi government.

Upon analysis of data sets from the last three years alone, Bangladesh, India, Indonesia, Iran, Iraq, Malaysia, Nepal and Pakistan have cumulatively hosted on average 1.7 million refugee children and adolescents per year (UNHCR, 2017). Such severe needs call for concerted and longer term commitments and actions from a multitude of stakeholders, to ensure that the impact to the lives of these 1.7 million children and adolescents could be effectively mitigated and their “at stake” futures are safeguarded.

### II.ii.b Understanding Challenge Funds

Challenge funds are typically set up to mitigate risks where businesses can contribute to the attainment of an overarching goal. One of the main characteristics of a challenge fund is its open, competitive application process, which provides applicants with a one-off, limited duration grant to overcome the uncertainties that inhibit innovation, research and development, investment and new approaches. The assumption is that without the challenge-fund support, such activities are either unlikely to happen or will happen at a much slower pace (ODI, 2013).

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In Asia's context, which has generously been hosting refugees from several ethnic groups for over 3 decades, proposed improvements at any slower pace should simply be unacceptable!

Some of the main features of Challenge Funds include:

- **Competitive Process:** At their core, challenge funds are an instrument for competitively tendered matching grants. A challenge is usually issued in the public domain which is open to all who are willing to compete, bid and achieve. Competitive allocation of funds guarantees that only the best projects are funded. Since challenge funds provide once-only funding, winning bidders are free to plan their exit strategies – which are clearly defined and time-bound, minimizing any anti-competitive effects.
- **Innovation:** Challenge funds require innovation from bidders if they are to win support for their ideas. Applicants are invited to submit potentially transformational project plans that can contribute to achieving development objectives. Since an underlying assumption is that innovation carries risk, one of the main goals of challenge funds is to hedge against loss, promote innovation and in doing so, increase access and choice for beneficiaries.
- **Leverage:** Challenge funds provide co-financing for successful projects on a grant basis. Successful applicants match a certain percentage of the grant with their own funds. This promotes ownership and commitment, and ensures that funds are able to go further.
- **Partnerships:** Challenge funds are useful for bringing together partners from the private, public and not-for-profit sectors in a framework of cooperation for mutual benefit.
- **Local Solutions to Local Problems:** One of the best features of challenge funds is that it encourages local solutions to local problems, stimulating ownership and greater commitments.

Therefore in view of the Refugee Education context in Asia as well as the innovative and flexible nature of Challenge Funds, XXXXX-PSP proposes set up of a Business Coalition with the ultimate objective of establishing a pooled Challenge Fund, that allows the organisation to meet the multifarious needs of its Education programmes in Asia, in an innovative, flexible and sustainable manner.

### II.iii PSP Business Objectives

**Goal:** To flexibly and sustainably raise US\$ 50 million of softly earmarked funding for XXXXX Education programmes in Asia over a period of three (3) years;

#### II.iii.a The REACh Coalition and Fund

To that end, the Private Sector Division of XXXXX aims to establish a revolving, innovative financing model i.e the **Refugee Education in Asia Challenge (REACh) Fund** that allows the organisation to flexibly and sustainably meet the multifarious needs of its Education programmes in Asia.

Following set-up, the Fund will work to encourage grant applications with a minimum duration of 3 years for innovative yet sustainable Education work strictly within the Operating Limit, from XXXXX operations/country programmes in Asia. **In doing so, operations will be encouraged to partner with relevant public and private sector actors in addition to their routine implementing partnerships**

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whilst working to a minimum of 3:1 co-financing ratio which demonstrates their own and their partners' longer-term commitments and ownership of proposed activities. Further, in order to facilitate a transparent and objective selection process, XXXXX shall work with a third party contractor, most likely a fund manager<sup>2</sup> for selection of projects and disbursement of the funds. This will be done by convening an Executive Selection Committee with representatives from XXXXX technical Education unit, its Private Sector Partnerships division, representatives from the third party contractor and at least one co-collaborator<sup>3</sup>. *For an overview on the Fund Manager's expected responsibilities, please refer to Annex A.*

Although, the fund will be set up to specifically respond to refugees Primary, Secondary and Tertiary Education as well as Vocational Skills related gaps in Asia generally, countries hosting substantial refugee numbers for a sustained period of time such as Iran, Pakistan, Malaysia and Bangladesh will be prioritized for assistance through the intervention. Further support to implementation of XXXXX core (OL) Education activities including but not limited to (i) Education in Emergencies (ii) Refugees integration into national Educational systems of host countries and last but not the least (iii) Operational, Infrastructural and Technical support and training, will also be prioritized.

Further In facilitating access of its target groups to Education in Asia, the fund will ensure that XXXXX approach is geared towards (a) Protecting (b) Empowering and (c) Enlightening its target population.

The coalition and the fund are also a sound approach to meeting the many goals of the Leadership Giving strategy of XXXXX PSP. In addition to providing a flexible, sustainable and innovative funding base, the coalition allows XXXXX-PSP to interact and build relationships with new, unconventional partners i.e. the Asian business diaspora<sup>4</sup> community mainly in the US, UAE and UK. Further as the fund encourages local solutions to local problems, the subject fund, methodology and respective coalition are expected to carry a lot of sentimental value for the proposed audience, as encourages support to related ethnic communities. Lastly Education is not only a cause that resonates quite closely with the proposed diaspora, but also a prioritized area of intervention for LG and therefore the coalition and the fund ensure alignment of new, proposed fundraising approaches with overall LG mission and objectives.

### II.iv Benefits and Limitations

In addition to the evident financial benefits for LG as well as those for coalition members discussed under Annex C, the set-up of a flexible and sustainable financing model i.e. the fund and the associated coalition are expected to funnel funds on a recurring/multiyear basis, to one of LG's priority thematic areas of intervention i.e. Education.

The proposed management model of the fund, i.e. through an objective, third party contractor, will help reduce many research, cultivation and stewardship burdens for XXXXX-PSP LG fundraisers. For example, the fund management model solicits that initial screening and vetting for coalition members will be outsourced and carried out by the third party contractor on behalf of XXXXX, ensuring that in doing so the selection and recruitment process for coalition members is at all times in compliance with UNCHR's ethics criteria and standards.

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<sup>2</sup> Please refer to Annex A for guide Terms of Reference of the third party contractor i.e. the Fund Manager;

<sup>3</sup> Please refer to section III.i for the proposed role and expertise of the Co-Collaborator;

<sup>4</sup> Please refer to Annex B for a guide prospect list and net worth of proposed diaspora;

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Moreover as the coalition will be set up as a group/committee, the reporting schedule of the fund may follow a bi/annual cycle, harmonized with bi/Annual General Meetings (AGM) of coalition members. Further, the fund management model encourages cumulative reporting to the overall coalition as opposed to bilateral reports to each coalition member/donor. Also the fund managers are expected to work with XXXXX-PSP focal points for development of respective reports, whereby data etc., may be fed back by the nominated PSP focal point however the onus and accountability for drafting, finalization, publishing and dissemination of reports shall rest solely with the fund manager.

Although XXXXX-PSP may support and further cultivation and stewardship efforts through enabling access<sup>5</sup> to flagship PSP events and conferences, coalition missions to the field, XXXXX senior technical experts etc., the organisation, scheduling, planning and management of all donor recruitment and stewardship activities will also be the exclusive responsibility of the fund manager. To that end, the fund manager will be expected to develop and manage respective relationships throughout the entire LG relationship trajectory.

Further the fund also provides LG Fundraisers in subject markets i.e. USA, UK and UAE, a unique opportunity to develop bilateral relationships with new and unconventional LG prospects and partners from the subject diaspora, which might not have been prioritized for engagement otherwise. This is particularly important to plan for an effective exit strategy, that enables building on relationships established through the coalition for future outreach and growth, particularly post expiry of the fund's three year tenure.

In terms of attracting and recruiting potential donors to the fund and its associated coalition, there may be clear taxation reliefs and write offs, that perhaps the fund manager with their grant making, fundraising and/or corporate law background, will be best placed to advise potential donors on.

Lastly a pre-determined regional approach means support through the initiative will be limited to Asia exclusively. However this could also be viewed as an opportunity for effective management of risks, as allows XXXXX to pilot and trial this newer, innovative financing model on a smaller scale, before applying any learning to future scale up and replication efforts.

### III. Scope, Impact and Interdependencies

The fund and its associated coalition are envisaged to be a collaboration between multiple stakeholders, which aims to first and foremost position Refugee Education in Asia as a shared responsibility of XXXXX and its partners. To that end, the various steps and stakeholders needed for establishment and optimum operation of the intervention are highlighted as follows.

#### III.i Outline Plan

The fund will be a pooled financing model, set up with contributions from a coalition of at least 50 leading and reputable private sector partners from the Asian diaspora. Membership to the coalition shall follow a tiered approach and will solicit sustained commitments of US\$ 333,000 p.a. to the fund, for a minimum period of three years from each top tier member.

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<sup>5</sup> Please refer to Annex C as a guide for tiered membership and correlated stewardship benefits that XXXXX can extend to coalition members

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In order to encourage inclusivity, the tiered approach will entail set up of Platinum, Gold and Silver members of the coalition, concluded on the basis of financial commitments to the fund and therefore access to varying degrees of stewardship benefits. *Please refer to Annex C as a guide for tiered membership and correlated stewardship benefits available to coalition members.*

In order to further ensure the fund's objectivity, it is particularly encouraged to work with at least one co-collaborator for the fund, which may also be selected by the fund manager, in close consultation with XXXXX, to ensure that the final entity is selected in accordance with XXXXX values and vision for refugee Education. The co-collaborator must be a reputable humanitarian actor of the region with several years of Education related programming and/or grant making experience behind them, such as The Being Human Foundation, The Malala Fund, Aman Foundation etc. The fund could then be split as per a pre-agreed ratio to benefit both XXXXX and its co-collaborator's Education programmes.

The management of the fund and its associated coalition will be outsourced to a Fund Manager, who will do so on behalf of XXXXX and in compliance with the organisation's ethics, values and quality standards. This will include screening, prospect potential assessment and recruitment of members to the coalition as well as cultivation and stewardship activities throughout the entire LG relationship trajectory. *Please refer to Annex D for a breakdown of expected inputs, responsible parties and associated milestones/timeline.*

### III.ii Market Assessment

A topline market assessment of private sector initiatives for Education has highlighted the positive opportunities entailed within set up of the proposed fund whilst bringing to attention its similarities with some existing schemes. Overall however, there remain many differences, for example upon market assessment, none of the initiatives were found to have a regional focus/local solutions to local problems approach. Similarly all were mostly developed to further the organiser's objectives and do not necessarily promise the same levels of programmatic flexibility and innovation from the outset as the REACH Fund and Coalition do. Market competition was also noted to have a very narrow focus on Primary and Secondary Education at best, with no clear links to vocational training and/or tertiary education schemes.

The main findings from the topline market assessment are detailed hereunder:

**GPE led Global Business Coalition for Education:** The Global Partnership for Education is a global fund dedicated to education in developing countries (GPE, 2002). Established in 2002, GPE has a very narrow focus on Primary education. It is a multi-stakeholder partnership and funding platform that aims to strengthen education systems in developing countries in order to dramatically increase the number of children who are in school and learning. GPE brings together developing countries, donors, international organizations, civil society, teacher organizations, the private sector and foundations. GPE has adopted as its vision the new Global Goal for education, calling for inclusive, equitable quality education for all by 2030. GPE 2020, GPE's strategic plan for the next five years, turns this vision in actionable goals and objectives.

The GPE led Global Business Coalition for Education (GBC-Education) brings the business community together to accelerate progress in delivering quality education for all of the world's children and youth. Their pitch is primarily centered on the idea that companies investing in education promote

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economic growth, leading to more stable societies, foster healthy communities and hence make it easier to do business.

GBC-Education's (GPE, 2002) assets include the voice, capabilities, resources and innovations of their member companies and associated leadership. In the first year of operation, 20 of the world's most influential companies joined the coalition, and they have since expanded significantly with a membership of over 100 leading brands.

They believe the financial and influential investments of their members when used in collaboration with peer companies, governments, nonprofits and the educational community, can be powerful tools to increase the number of children and youth who are in school and learning. Both the GPE and the GBC-Education are led by Sarah Brown and her husband, Gordon Brown; the former Prime Minister of UK.

***Education Cannot Wait (ECW):*** Education Cannot Wait (ECW) is the first global movement and fund dedicated to education in emergencies and protracted crises (ECW, 2017).

It was established during the World Humanitarian Summit in 2016 by international humanitarian and development aid actors, along with public and private donors, to help reposition education as a priority on the humanitarian agenda, to usher a more collaborative approach among actors on the ground and foster additional funding to ensure that every crisis-affected child and young person is in school and learning.

Based on the recognition that continuous access to quality learning is a priority for children and families affected by conflicts, natural disasters and displacement and that no organisation can do it alone, ECW comes is an initiative that brings together public and private partners eager to work together and mobilise the funding required to deploy immediate and sustainable programmes tailor-made to the educational needs of crises affected children.

ECW operates a first-of-its kind fund that offers governments, multilateral institutions and the private sector the chance to finance comprehensive education programmes for children affected by conflicts, natural disasters and displacement wherever most needed, both immediately on the onset of a crisis through ECW's First Emergency Response pooled fund, and in the longer-term through ECW's Resilience multi-year programmes. By providing seed funding to develop and implement such programmes through selected partners, ECW aims to catalyse broader investments from global and in-country donors in education in emergencies.

### III.iii Risks and Mitigation

As Challenge Funds are a competitive financing model, the selection process may pose some challenges to PSP relationships with bidding yet unselected operations/country programmes. For this reason it is of paramount importance that the transparency and objectivity of the selection process is ensured and explained to participating operations from the outset. XXXXX/PSP role and limited influence in selection of projects can also be explained for this reason. The subject challenge however can be effectively countered through development of the fund's specific Terms of Reference including associated selection and eligibility criteria by the fund manager.

Further as the fund encourages a matched funding approach to the ratio of 3:1, internally within XXXXX this may be perceived as a burden on country programmes/field teams to raise the remaining

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funding from elsewhere. However as the fund shall solely be limited to support XXXXX Education work within the Operating Limit, perhaps a counter strategy could be to emphasize guaranteed support for the same through other funding sources, such as DRRM or other bilateral PSP partnerships etc. Further, PSU is envisaged to play a pivotal role in selection of projects, to ensure that all supported interventions are strictly within the Operating Limit of bidding XXXXX country programmes/operations.

For the reasons cited above, ensuring objectivity of the fund and its associated coalition is of paramount importance and therefore must be prioritized accordingly. This means not only is outsourcing the fund and the coalition's management to a third party contractor the only viable solution, but equally synergies with a potential co-collaborator must be encouraged. The fund could then be split as per a pre-agreed ratio to benefit both XXXXX and its co-collaborator's Education programmes accordingly.

*Please refer to Annex D for a breakdown of expected inputs from each party.*

### III.iv Financial Appraisal

The two main costs of challenge funds are (i) the total amount to be awarded as grants over the duration of the fund and (ii) the management and administrative costs including cultivation/stewardships costs for donor recruitment, operational overheads of the fund manager, independent evaluation/audit reports etc.

As the proposed methodology for REACH Fund centers on outsourcing management to a third party contractor, there are perhaps some management overheads which must be considered. However these are usually accounted for and budgeted within the overall fund, and can be apportioned as a percentage of the overall value of the fund. For example, according to Irwin and Porteous (2005), fund management costs typically range from 12-24% of the fund's overall value (ODI, 2013). **As per XXXXX internal relevant expertise, this is considered to be between 2-4%<sup>6</sup>.**

In appraising costs, consideration must be given to the following:

**Project Costs:** The challenge fund and associated ToR must clearly define what can be deemed project costs and therefore can be financed through the grant. For REACH's purposes these must only be XXXXX country programmes/operations Education activities in Asia that are strictly within the Operating Limit (OL).

**Sunk Costs:** For Challenge funds usually applicants have *Sunk Costs* which can be best defined as investments made prior to applications that are however necessary for the project/bid, such as salary of programme staff responsible for drafting the grant application. Typically challenge funds do not cover sunk costs and they cannot be included as part of the applicants' matching fund or for refunding. In order to demonstrate wider impact and outreach, REACH fund should also make this condition explicitly clear to applicants.

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<sup>6</sup> As per advice and guidance of the Senior Partnership & Innovative Financing Officer, EO/DRS/DIVISION OF RESILIENCE AND SOLUTIONS

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**Cost Sharing/Matching Funds:** Most business oriented funds use a cost-sharing formula that allows members to leverage each other's bilateral support towards the cause but also applicants to cover at least 50% of costs from their own budgets. This condition however varies from fund to fund and in REACH's context, perhaps a 3:1 ratio can be considered, whereby operations/country programmes are expected to meet at least 1/3 of project costs through other resources. This will demonstrate not only ownership and commitment on XXXXX/co-collaborator's part but will also ensure that support from the fund and its members is leveraged to the maximum degree.

To avoid uncertainty in the application process, detailed information must be provided on eligible and ineligible costs and how they should be calculated for matching funds, which constitute an integral part of the fund's terms of reference.

*Please refer to Annex D for an Indicative Project work-plan and correlated cash flow for the fund;*

### III.v Technical Appraisal

Whilst most of the technical risks have been detailed within section III.iii above, there also remain some similarities between existing PSP schemes which are detailed hereunder. For example, the PSP-LG flagship initiative i.e. the Educate A Child programme, draws on the financial support from the Education Above All foundation whilst leveraging this through other organizational resources on at least a 50-50% basis.

Despite its matched funding nature, the proposed REACH fund seeks to generate funding to base levels (US\$ 5 million per year or US\$ 15 million over three years) from the outset as opposed to plugging any gaps with XXXXX organizational resources.

Moreover as discussed under section III.ii, whilst there may be somewhat similar interventions in the market, however overall there remain significant differences within their approaches and that proposed for the REACH fund. For comparative review and analysis purposes, some of these technical modalities are also detailed as follows:

- 1) REACH applies a regional focus/local solutions to local problems approach, whilst its competitors do not. This fosters SMART evaluation of impact;
- 2) As opposed to a narrow focus, REACH covers the overall Education trajectory i.e. from Primary Education through to Tertiary Education and/or vocational skills development – a viable recommendation vis-à-vis the prevalent cultural context in Asia;
- 3) Given 2) above, REACH offers enhanced flexibility and room for innovation, since it's not bound by a specific stage of Education but covers the overall educational journey for beneficiaries (refugees and host communities alike);
- 4) Lastly donor fatigue, donor maturity and related collective wisdom have given rise to input vs output conversations. Because of the narrow focus on primary or primary and secondary education at best, none of the market competition is able to offer concrete statistics on returns on donors' investments in terms of GDP contributions etc, impact to host country economy. Therefore respective monitoring and evaluation can be an opportunity for the REACH fund. *This is particularly important from a subsequent extension and scale-up angle;*

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### IV. Organisation and Governance

As discussed, the fund will be established and supported by XXXXX Private Sector Partnerships division as well as relevant technical experts, if possible in collaboration with a reputable and relevant third sector actor such as the Malala Fund. Day to day management and oversight of the fund shall be outsourced to an objective, third party contractor i.e. the Fund Manager.

In addition to ensuring transparency and objectivity of the fund's grant-making process, the third party contractor will also be responsible for management of the fund's fiduciary accounts, selection of projects, progress reporting to XXXXX and co-collaborator, donor recruitment and impact reporting to the members of the fund's coalition etc. In doing so, the fund manager will alleviate a whole host of resourcing and capacity burdens for PSP and XXXXX in general. *Please refer to Annex A for a comprehensive overview on the Fund Manager's expected responsibilities.*

Whilst the fund manager is expected to work in close consultation with XXXXX and its co-collaborator, an indicative set of their responsibilities – which shall be supported by XXXXX and its co-collaborator on as needed basis -- may include for example prospect research and vetting for donor recruitment, engagement through bespoke or XXXXX/co-collaborator flagship events for cultivation, support to donor missions, communications and visibility for stewardship purposes, progress and impact reporting etc.

#### IV.i Progress Reporting

The reporting under this initiative is expected to be two-pronged and can be attributed to two main phases of the intervention. During the First or the Fundraising phase, narrative and financial progress reports on set up of the fund including designated bank account, development of Terms of Reference for the coalition and the fund, donor vetting and recruitment etc., will be developed and submitted by the Fund Manager to XXXXX-PSP and if applicable to the co-collaborator, for their review. The progress reporting shall continue on a quarterly basis throughout the lifecycle of the fund for three years.

During the second or Implementation phase, reports on disbursement of funds and implementation of activities shall also be developed and submitted by the Fund Manager to the coalition and its members on a yearly basis, in close consultation with XXXXX and the co-collaborator, if applicable. The release and dissemination of the Fund's annual report will be harmonized with bi/Annual General Meetings (AGM) of coalition members, as a conscious effort to capitalize on the opportunity as a key stewardship moment.

*Please refer to Annex D for a breakdown of the two phases of the initiative including respective activities, responsible parties and associated milestones/timeline.*

#### IV.ii External Evaluation and Audit

As a UN agency, XXXXX is exempt from evaluation of its programmes or funds by third party entities, under the General Assembly Resolution 74 (December 1946). It is however subject to regular audits by the Board of Auditors, whose findings and recommendations are openly published at [www.un.org](http://www.un.org). Further XXXXX is also internally audited by the United Nations Office of Internal Oversight Services (OIOS) and the Inspector General's Office (IGO) of XXXXX. Internal auditors review, evaluate and report on use of financial resources as well as the effectiveness, adequacy and application of internal financial controls, procedures and other relevant systems. For this reason,

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## *Coalition and Fund*

XXXXX operations/country programmes benefitting from the REACh fund will not be subject to any audits or evaluations, in addition to the routine schedule cited above.

The third party contractor i.e. the fund manager and/or the co-collaborator, may however be subject to auditory controls and evaluations, as negotiated and agreed with the members of the coalition. This is however solely at the discretion of relevant stakeholders and should be considered in view of their ongoing internal governance and management mechanisms.

### IV.iii Exit Strategy

A complete exit strategy must be brainstormed in the third and final year of the initiative, in close consultation with all internal and external stakeholders. However the opportunity for relevant PSP markets to bilaterally engage members of the coalition based in their markets must be facilitated from the outset. This would ensure that markets further build on the positive experiences of the coalition, and are therefore able to sustain and scale up support from relevant sources to XXXXX Education or corresponding thematic schemes in future.

## V. Annexes

- A. Indicative Terms of Reference for the Fund Manager;
- B. Guide prospect list including net worth of proposed diaspora;
- C. Guide on tiered membership and correlated stewardship benefits for coalition members;
- D. Indicative Project Work-Plan and estimated cash flow;