

# **POLICY ON EDUCATION SECTOR PROGRAM IMPLEMENTATION GRANTS**



**GLOBAL  
PARTNERSHIP  
*for* EDUCATION**

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# **POLICY ON EDUCATION SECTOR PROGRAM IMPLEMENTATION GRANTS<sup>1</sup>**

## **PART I: INTRODUCTION**

### **1. PURPOSE**

This policy sets out the rules for all stakeholders involved in the management and administration of education sector program implementation grants (ESPIGs) from the Global Partnership for Education (GPE) trust funds<sup>2</sup>, in line with provisions and definitions in the GPE Fund Governance Document and the Operational Framework for Requirements and Incentives in the Funding Model of the Global Partnership for Education (GPE Funding Model)<sup>3</sup>, and pursuant to the overall GPE framework and principles as stipulated in the GPE Charter.

This policy is divided in seven parts:

- Part I: Introduction: purpose and applicability
- Part II: Approval and notification of ESPIG allocations
- Part III: Program implementation period
- Part IV: Reporting requirements
- Part V: Revisions to programs
- Part VI: The Board's discretion in amending allocation decisions and automatic revocation of grant funds
- Part VII: Recordkeeping

### **2. APPLICABILITY**

Aside from the exceptions below, all the provisions in this policy apply to all allocations for ESPIGs.

a. ESPIGs approved before December 1, 2011: sections 10 c.i<sup>4</sup>, 13b, and 13d do not apply. In addition, references to the fixed and variable part of the grant do not apply.

b. ESPIGs approved after December 1, 2011 and under the funding model for the 2011-2014

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<sup>1</sup> Approved by the Board of Directors via non-objection on May 9, 2012 (BOD/2012/05-01). Last updated in accordance with Board decisions in October 2018.

<sup>2</sup> The reference to Global Partnership for Education trust funds means all of the current and future trust funds established as funding vehicles for the Global Partnership for Education that transfer funds to a Grant Agent.

<sup>3</sup> BOD/2014/05 DOC 03

<sup>4</sup> For ESPIGs approved before December 2011, any extension of the end date of the implementation period constitutes a non-minor but no material change revision.

period: section 13d and references to the fixed and variable part of the grant do not apply.

Until a separate policy for them is in place, the provisions of this policy are equally applicable to all other grants from GPE trust funds, as relevant, with the exception of the Education Sector Plan Development Grant and the Program Development Grant, allocations for Agency Fees, and Grant Agent Allocations approved prior to round 2 of 2016.<sup>5</sup>

## **PART II: APPROVAL AND NOTIFICATION OF ESPIG ALLOCATIONS**

### **3. GRANT APPLICATION, BOARD APPROVAL AND RELATED INFORMATION**

Following notification to countries that the Board has awarded an indicative Maximum Country Allocation (MCA) for an ESPIG, countries may prepare and submit a grant application for the MCA.<sup>6</sup> In the case of multi-country allocations, states can agree to formally authorize a regional organization to facilitate regional arrangements leading to the submission of an application on their behalf. The regional organization will need to send a letter of intent to the Secretariat, as well as copies of the agreement on the multi-country approach. The Education Sector Program Implementation Grant Guidelines<sup>7</sup> define the documents required as part of the Application Package and the application process.

Pursuant to the GPE Charter, the GPE Fund Governance document, and the GPE Funding Model, following review by the Grants and Performance Committee (GPC)<sup>8</sup>, the Board or GPC may approve an allocation for an ESPIG to be funded from the GPE Fund (the Board's Approval or the Approval<sup>9</sup>).<sup>10</sup> The Application Package is considered an integral part of the Board's Approval. It includes a description of activities to be financed by the ESPIG (the Program).

Within ten business days after the Board has approved the Allocation (the Approval Date), the Secretariat communicates the Board's Approval to (i) the developing country partner, (ii) the grant

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<sup>5</sup> Per BOD/2015/10-02–GPE Operational Model, with effect from the second round of applications in 2016, the costs of the grant agent to perform its role must be disclosed within the proposal budget and financed from within the overall country allocation, and requests for revisions to the costs of the grant agent after Board approval is subject to the revision provisions outlined in the Policy on ESPIGs. Regarding requests for additional Grant Agent Allocations for grants approved prior to the second funding round of 2016, per BOD/2016/12-09 and BOD/2017/06-08, the GPC has the delegated authority to approve requests for additional Grant Agent Allocations that are related to a proposed material revision to an ESPIG that the GPC has the delegated authority to approve per the Policy on ESPIGs; in other cases, the Secretariat has the delegated authority to approve requests for additional Grant Agent Allocations.

<sup>6</sup> Per BOD/2018/06-08, countries that have had an ESPIG approved between July 2017 and June 2018 and that have received an additional MCA in 2018 may apply for the additional MCA by following the [Guidelines on How to Apply for Additional Maximum Country Allocation](#).

<sup>7</sup> <http://www.globalpartnership.org/content/global-partnership-education-program-implementation-grant-guidelines>

<sup>8</sup> See the terms of reference for the Grants and Performance Committee [here](#).

<sup>9</sup> The Board's Approval is defined to include any subsequent decisions on the grant by the Grants and Performance Committee in its delegated authority from the Board of Directors.

<sup>10</sup> Per Board decision BOD/2018/06-08, the GPC is delegated authority to approve ESPIG allocations, including any Multiplier allocations, where the combined grant amount does not exceed US\$10 million.

agent (GA), and (iii) the coordinating agency (CA) for distribution to the local education group (LEG). The communication includes:

- (i) the grant amount;
- (ii) the duration of the grant;
- (iii) the Expected Start Date;
- (iv) the amount of the Variable Part along with the indicators that will be the basis for its release, the means of verification that indicators have been reached, and the disbursement modality for the Variable Part (ex-post or ex-ante, if applied for);
- (v) the designation of the grant agent; and, as needed;
- (vi) actions required prior to release of funds;
- (vii) observations and report-back items.

### **PART III: PROGRAM IMPLEMENTATION PERIOD**

#### **4. PROGRAM IMPLEMENTATION PERIOD, NOTIFICATION OF GRANT SIGNING AND START OF PROGRAM IMPLEMENTATION**

The program implementation period may include a period of up to four years, unless a variable part of the ESPIG is accessed, in which case the Program may cover up to five years. The Application Package should indicate the expected program implementation period, including the start date (Expected Start Date). It is expected that the program start within six months after the Approval Date. A request for a later start date must provide a strong rationale and justification. In calculating the Expected Start Date, Grant Agents are encouraged to consider any potential delays, especially where the Expected Start Date is dependent on a successful negotiation with the government of a Grant Agreement and subsequent signing by both parties. Based on the Application Package, the Board, or GPC by delegated authority from the Board depending on the size of the grant, will approve the grant duration and the Expected Start Date.

If applicable, the GA should notify the Secretariat when the grant agreement with the country is signed. The GA should also notify the Secretariat once implementation has *effectively* started. The grant application should define which event signifies the *effective* start of implementation.

#### **5. EXTENDED TIME LIMIT FOR GRANT AGREEMENT SIGNING AND START OF PROGRAM IMPLEMENTATION**

If the Secretariat has not received a notification that the grant agreement has been signed and/or that implementation has effectively started one month before the Expected Start Date, the Secretariat

will send a notice to both country authorities and the GA at that time, copying the CA (to inform the LEG), requesting the GA to provide the following:

- a. an indication of whether the grant agreement will be signed and/or program implementation will start by the Expected Start Date; and
- b. if signing of the grant agreement and/or program implementation start is not likely to occur by the Expected Start Date, an explanation for the delay and a proposed new date—not to exceed 12 months after the approval of the grant—by which it is expected that the event(s) will occur (the Extended Deadline).

The Grant Agent may request multiple extensions from the Secretariat within the 12-month window while the Grant Agent is asked to consider the transaction costs associated with multiple requests.

The Secretariat's agreement to each Extended Deadline is communicated to the GA, along with the consequence of not reaching effectiveness within 12 months of grant approval (see section 6).

The Secretariat sends additional notices to country authorities and the GA, copying the CA, one month before each Extended Deadline if notification of effectiveness has not been received. If the Secretariat has not received notification that the grant agreement was signed and/or program implementation has begun 11 months after grant approval, the Secretariat sends a final notice to the GA.

The Secretariat informs the GPC of the status of grant agreement signing and start of program implementation at each of the Committee's four regularly scheduled meetings annually.

## **6. CONSEQUENCE OF NOT SIGNING THE GRANT AGREEMENT AND/OR STARTING PROGRAM IMPLEMENTATION 12 MONTHS FOLLOWING GRANT APPROVAL**

If the Secretariat has not received notification from the GA that the grant agreement has been signed and/or program implementation has begun 12 months after the Board's Approval, the Secretariat requests the developing country partner to provide information on the status of implementation of the Education Sector Plan (ESP), and the GA to advise whether the implementation status of the ESP requires an update of the Program and its timeline—specifically the indicators, related actions and their justification, including the results chain, to access the Variable Part of the Maximum Country Allocation. The information provided by the GA should include progress regarding these indicators in comparison with the baseline provided in the Application Package.

The GPC reviews the information received and may approve a revision of the Program in terms of: (i) the Expected Start Date; (ii) the grant duration, if requested; (iii) activities to be funded, including material revisions as defined in section 10, if requested; (iv) the actions and indicators that will be the basis for the release of the Variable Part and its disbursement modality (ex-post or ex-ante, if applied for); (v) requirements for funding and/or (vi) observations and report-back items where appropriate. The GPC may refer a proposed revision to the Board for decision.

Any subsequent request for an extension of the Expected Start Date is reviewed and decided on by the GPC in the same manner.

## **7. RESPONSIBILITY OF THE GRANT AGENT**

The GA is responsible for the use of the grant carried out in accordance with: (i) its own policies and procedures; (ii) the Board's Approval; (iii) the applicable GPE policies and guidelines; and (iv) the Financial Procedures Agreement.

The GA disburses the Variable Part in accordance with the terms of the application package as approved by the Board if the GA in consultation with the LEG concludes that (some of the) indicators have been reached. The GA notifies the Secretariat in the next implementation report that indicators have been reached, how verification has been conducted, and that the Variable Part is being (partially) disbursed. The notification includes documentation of the explicit confirmation of the LEG that indicators have been reached to allow (partial) disbursement.

The Secretariat informs the GPC on Variable Part disbursements at each of the Committee's four regularly scheduled meetings annually.

## **PART IV: REPORTING REQUIREMENTS**

### **8. REPORTING ON STATUS OF IMPLEMENTATION**

a. **Annual Sector Reporting.** Since the GPE grant is based on the credibility of the ESP, the developing country partner should transfer its **annual report on the progress in the sector to the Secretariat**, preferably as prepared for joint education sector review or similar country-owned mechanism for monitoring the progress of the sector and the implementation of sector plans. In line with the GPE Funding Model, this report should include information on:

- i. the implementation of the ESP;
- ii. domestic and external financing;

- iii. basic education data disaggregated by gender and socio-economic status, as well as results from learning outcomes assessments, as available, and/or;
- iv. the implementation of a plan to develop or strengthen the national Education Monitoring and Information System (EMIS) as well as implementation of a plan to develop mechanisms to monitor learning outcomes.

In addition, the developing country partner should transfer to the Secretariat the **reports/aide memoires of the joint sector review** or similar country-owned mechanism for monitoring the progress of the sector and the implementation of sector plans. In line with the GPE Funding Model, it is expected that these reports examine causes of major deviations from endorsed plans and commitments - including significant gaps between financing commitments and execution that threaten implementation of the ESP or Transitional Education Plan (TEP), or shifts in policy priorities that render the endorsed plan irrelevant or considerably weaken its implementation - and LEG-recommended remedial actions.

b. **Annual Program Implementation Report.** No later than fifteen months after the Start Date, and annually thereafter, the GA will provide to the LEG and the Secretariat as part of their regular implementation report, an update on progress regarding:

- i. the results framework and the indicators for the disbursement of the Variable Part;
- ii. status of activities funded under the Program and funds disbursed, including if the Variable Part has been (partially) disbursed;
- iii. reports from implementing partners, including program audit reports.;<sup>11</sup>
- iv. data required for GPE 2020 reporting in accordance with the Standardized Grant Reporting Template.

The regular implementation report shall also include information on severe delays in carrying out planned activities due to exceptional circumstances (An Exceptional Implementation Delay), along with the reasons for the delay when the percentage of the grant amount that has been disbursed is at least 25 percent below the disbursement forecast in the grant application or in a revised forecast provided to the Secretariat.

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<sup>11</sup> If the ESPIG is disbursed through budget support or a pooled fund which directly supports the whole ESP, the GA may refer to the sector progress report with regards to the status of activities and the results framework, where appropriate.

c. **Funds use Projections.** On an annual basis or as otherwise agreed between the GA and the Secretariat, the GA will submit to the Secretariat a projection of the anticipated use of the remaining undisbursed allocated funds for the remaining term of the program implementation period for each grant allocation (the Funds Use Projection).

d. **Mid-Year Status Update.** In addition to the regular implementation report on the Program, if the Program is significantly underperforming in terms of implementation progress and/or if the percentage of the grant amount that has been disbursed is at least 25 percent below the disbursement forecast in the grant application or in a revised forecast provided to the Secretariat , a mid-year status update shall be provided to the LEG and the Secretariat, detailing the reasons for delays and/or poor results along with mitigation measures.

e. **Completion Reports.** At the completion of implementation of the program, the GA provides a program completion report to the Secretariat within 6 months after closing. The program completion report is expected to have a description of all deliverables (results framework and program components) related to the financial and technical execution of the grant, any significant deviation from the original program, and an explanation for any misuse of funds, and/or incomplete deliverables. It should report if indicators related to the Variable Part have been reached and thus lead to disbursement. The program completion report should also include a detailed analysis of whether the program has facilitated the country's progress in terms of education outcomes, in particular (but not limited to) the results chain linked to the indicators for the Variable Part. A GPE completion reporting template is available. However, the GA may use its internal process to report as long as key information outlined in the GPE template is captured in the GA's Completion Report.

f. **Other Reports.** Where available, GAs should also provide to the Secretariat relevant mission and monitoring reports. In addition, and where available, annual audit reports and financial statements of GPE funded programs related to funds disbursed by the GA to implementers (e.g. Audits conducted by the Supreme Auditing Institute) should be submitted to the Secretariat.<sup>12</sup>

g. **Portfolio Review.** The Secretariat includes information regarding implementation of ESPIGs, including disbursement of the Variable Part, and progress in the education sector in relation to the requirements of the GPE funding model in its annual Portfolio to the GPC and the Board. Where applicable, such information may include recommendations from the GPC to the Board to cancel or withhold transfer of grant funds, as set out in Part VI.

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<sup>12</sup> This section does not refer to audits of the activities and expenditures of the GA itself. The relevant provisions relating to the activities and expenditures of the GA are outlined in the Financial Procedures Agreements.

## PART V: REVISIONS TO PROGRAMS

### 9. CONTEXT FOR REVISIONS TO PROGRAMS

Following the Board's Approval, flexibility is needed to enable potential revisions to the approved Program to address unforeseen circumstances, risks or weaknesses that arise before or during implementation. A GA, together with the developing country partner and other members of the LEG, should work to develop options for adjusting the program as a means to promote the best possible outcome.

GAs will have processes and procedures to reflect mutual agreement between themselves and the developing country partner government to undertake revisions to programs or activities, including required approvals within their agencies. They should follow the processes and procedures in this policy, in addition to their own.

### 10. DEFINITION OF REVISIONS<sup>13</sup>

*A change or series of changes to indicators and targets, modification of program scope or design, additions or cancellations of program components or subcomponents, as compared to the Board's Approval, are considered:*

a. **minor revisions** if they result in:

- i. a reallocation of less than 10% of the total grant amount from GPE trust funds, not exceeding US\$5 million;<sup>14</sup>
- ii. and/or a change of less than 10% of results-based targets (non-Variable Part).

b. **non-minor revisions** if they result in:

- i. an extension of 12-months or less of the original end date of the grant implementation period<sup>15</sup>;

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<sup>13</sup> Regarding financial thresholds, where a country has requested to receive its maximum country allocation (MCA) in Euros, the exchange rate used to determine whether a revision to the grant is minor, non-minor or material is the exchange rate used to convert the MCA to Euros on the day the request was made.

<sup>14</sup> This applies also to reallocation between results-based indicators (non-Variable Part) of less than 10% of the total grant amount from GPE trust funds, not exceeding US\$5 million

<sup>15</sup> For ESPIGs approved before December, 2011, any extension of the end date of the implementation period constitutes a non-minor but no material change revision.

- ii. and/or a reallocation of between US\$5 million and US\$10 million or between 10% and 25% of the total grant amount from GPE trust funds, whichever is lower<sup>16</sup>;
- iii. and/or the addition or cancellation of components or sub-components;
- iv. and/or any changes in the results framework, unless when related to financing from other sources;
- v. and/or any changes in the implementation modality.
- vi. and/or changes to Variable Part targets (not indicators) up to 20% and/or a delay in reaching Variable Part targets up to six months.

c. **material change revisions** if they result in:

- i. an extension of more than twelve months of the original implementation end date;
- ii. and/or a reallocation that exceeds US\$10 million or 25% of the total grant amount from GPE trust funds, whichever is lowest<sup>17</sup>;

iii. and/or changes to the indicators and/or means of verification for the disbursement of the Variable Part (except for changes to Variable Part targets (not indicators) up to 20% and/or a delay in reaching Variable Part targets up to six months). The Secretariat considers the revisions in the proposal collectively. That is, if one of the proposed revisions in the proposal is assessed as material as compared to the Board's Approval, the full proposal is presented to the GPC for decision since the revisions are considered linked. It is noted that the Board's approval includes any GPC approvals of material grant revisions. However, with regard to grant extensions, the GPC in its approval of a proposed material revision that includes a material extension may determine that a subsequent request for an extension of a defined period of less than 12 months requires GPC approval.

## 11. **PROCESS FOR PROGRAM REVISIONS**<sup>18</sup>

The GA and developing country partner government should consult the other members of the LEG and solicit their explicit support for the proposed revision. The GA should then provide a written

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<sup>16</sup> This applies also to reallocation between results-based indicators (non-Variable Part) between US\$5 million and US\$10 million or between 10% and 25% of the total grant amount from GPE trust funds, whichever is lower.

<sup>17</sup> This applies also to reallocation between results-based indicators (non-Variable Part) that exceeds US\$10 million or 25% of the total grant amount from GPE trust funds, whichever is lowest

<sup>18</sup> Where the grant allocation has been made in Euros, see footnote 13 to determine whether the proposed revision is minor, non-minor or material.

notification (the Program Revision Notification) to the Secretariat prior to undertaking any revision to an ESPIG. The Program Revision Notification should include:

- the reasons, content and timeline for the proposed revision (if non-minor only);
- a description of how the changes will affect the results framework outlined in the application package (if non-minor only), and;
- documentation of the support of the revision by the LEG (e.g., minutes of the meeting at which the LEG made the decision to support the revision, or letter from CA confirming support from LEG).

The Board delegates authority to the Secretariat to assess whether a program revision is non-minor and/or material, based on the Program Revision Notification. The GA should not undertake the decision to implement a revision:

a. in case of a non-minor revision: without first receiving a non-objection from the Secretariat. The Secretariat will make a decision within 15 business days of receiving the Program Revision Notification to either provide a non-objection, object to the revision, or defer the decision to the GPC. In the event that the Secretariat objects to the revision, it may refer the matter back to the LEG for further discussion, along with the rationale for the objection. The GA and developing country partner government can, in consultation with the other members of the LEG, appeal to the GPC to revise the decision of the Secretariat or submit a revised Program Revision Notification, including endorsement by the LEG, to the Secretariat. The Secretariat will notify the GPC of any non-objections it has provided at each of the Committee's four regularly scheduled meetings annually.

b. in case of a material change:

- i. Where the total grant value is US\$10 million or less: without first receiving a non-objection from the Secretariat.
- ii. Where the total grant value exceeds US\$10 million: The Secretariat forwards the Program Revision Notification to the GPC, along with any other relevant documentation. If possible, the GPC decides on a non-objection basis whether to approve the proposed revision. If the GPC decides to not approve the proposed revision, the Committee may decide to cancel uncommitted funds of the approved allocation, in agreement with the Grant Agent.

The Secretariat notifies the developing country partner, the CA (on behalf of the LEG), and the GA of the decision of the GPC within ten business days of the GPC's decision. In the event that the GPC does not agree to a revision, the Committee may refer the matter back to the LEG for further discussion, along with the rationale for the objection. After discussion, a revised Program Revision Notification may be submitted, including endorsement by the LEG. The GPC may refer a proposed revision including a material change to the Board for decision.

## **12. SECRETARIAT REPORT TO THE GPC AND THE BOARD**

The Secretariat includes information regarding Program Revision Notifications received by the Secretariat in the previous period and the actions taken along with any lessons learned in the Portfolio Review.

## **PART VI: THE BOARD'S DISCRETION IN AMENDING ALLOCATION DECISIONS AND AUTOMATIC REVOCATION OF GRANT FUNDS**

### **13. WITHHOLDING OF TRANSFERS, CANCELATION AND REVOCATION OF GRANT FUNDS**

- a. At any time, the Board of Directors may cancel all or part of an allocation.
- b. Prior to the final year of the implementation period, including any extensions approved under Part V, the GA is to notify the Secretariat regarding whether it expects to have any unspent funds, other than for closing activities, at the Grant End Date (Fund Use Projection). Following the notification, the Secretariat may recommend to the Board to cancel remaining funds that are not required for closing activities. Any canceled grant funds become available for allocation by the Board.
- c. Aside from funds required for closing activities, Grant Funds are automatically canceled and made available for allocation by the Board upon the end of the grant implementation period (including any extension approved under section 11). Any amount of an Allocation that has not been used for the agreed purposes within the agreed time frame and for which no further expenses will be incurred or disbursements made are canceled and made available for allocation by the Board.
- d. In cases where there are significant deviations from endorsed ESPs and commitments—including significant gaps between financing commitments and execution that threaten implementation of the ESP or TEP, or shifts in policy priorities that render the endorsed plan irrelevant or considerably weaken its implementation—that undermine the basis on which GPE funding was granted, the Board may decide, upon recommendation by the GPC, to (1) cancel the allocation for an ESPIG or part thereof until remedial measures have been taken; or (2) instruct the

Trustee to withhold transfers to the GA on the grant until remedial measures are taken. In order to inform the GPC's recommendation, the developing country partner in consultation with the LEG will present a recommendation for action that will highlight potential consequences and risks related to the above scenarios.

e. At any time, and after consultation with the LEG, the GPC may recommend to the Board to (1) cancel the allocation for an ESPIG or part thereof; or (2) withhold transfers to GA for any reason, including, but not limited to:

- i. Two consecutive years of delays where the percentage of the grant amount that has been disbursed is at least 25 percent below the disbursement forecast in the grant application or in a revised forecast provided to the Secretariat. In its recommendation, the GPC will consider circumstances that may justify these delays and execution of mitigation measures indicated in the Mid-Year Progress Report.
- ii. Two consecutive years of significant underperformance of the Program. In its recommendation, the GPC will consider the circumstances that may justify the underperformance and execution of mitigation measures indicated in the Mid-Year Progress Report.
- iii. Non-compliance with any of the provisions in this policy.

f. Cancellation and withholding of transfers to the GA does not apply to amounts of the Allocation that are subject to outstanding financial obligations and liabilities incurred in the implementation of activities related to such Allocation prior to the date of receipt by the GA of notice of the Board's decision to withhold transfers or to cancel such allocation or a part thereof.

g. In agreement with the Grant Agent, the Grants and Performance Committee in its authority delegated by the Board may cancel uncommitted funds of an approved allocation following a related GPC decision to not approve a material revision to the respective grant.

Upon cancelation of grant funds, the GA shall use its own policies and procedures to work with the developing country partner to amend the grant agreement to reflect the reduced grant amount. Any canceled grant funds become available for re-allocation by the Board.

## **PART VII: RECORDKEEPING**

**14.** The Secretariat will record information on the types of decisions listed below in the official records of the GPE Trust Funds:

- a. Approval of applications for grant funds under section 3;
- b. Non-objection by the Secretariat to a program revision under section 11.a; or
- c. GPC decision regarding a proposed program revision under 11.b; and
- d. Cancellation, withholding or reduction of allocated funds by the Board of Directors as per section 13.