Meeting of the Board of Directors
December 1-2 2016
Siem Reap, Cambodia

Final Decisions

BOD/2016/12-01—June 14-15, 2016 Board Meeting Report: The Board of Directors approves the Report of the Meeting of the Board of Directors in Oslo, Norway on June 14-15, 2016 (BOD/2016/12 DOC 02 Annex 1).

BOD/2016/12-02—October 18, 2016 Board Meeting Report: The Board of Directors approves the Report of the Meeting of the Board of Directors via audioconference on October 18, 2016 (BOD/2016/12 DOC 02 Annex 2).

BOD/2016/12-03—Financing Options: The Board of Directors:

1. Notes that while additional prioritization measures are not currently anticipated, there is no scope to provide additional indicative allocations at this stage.
2. The Board calls on all partners to intensify their efforts to secure additional financing through the GPE Fund and for donors and developing country partners to fulfill their pledges in a timely manner.
3. Noting the risk to GPE's liquidity, calls on those donors that are in a position to do so, to advance the timing of their contributions to the GPE Fund.
4. Requests the GERF to conduct a review of the forecast of available resources at its next face-to-face meeting in 2017 and if possible to make recommendations for decision by the Board on potential positive adjustments to the Maximum Country Allocations for eligible countries impacted by the prioritization measures, and the resources available for the general provision.

BOD/2016/12-04—Risk Management Report: The Board of Directors endorses the changes to the Risk Management Matrix, including the severity chart, modification of risks, revisions to the overall score of some risks, update on current mitigations actions and addition of future mitigation actions, as presented in BOD/2016/12 DOC 06 Annex 2.

BOD/2016/12-05—Operationalization of Assessment for Learning (A4L)--Strengthening Learning Assessment Systems initiative: The Board of Directors:

1. Approves the receipt and use of targeted financing for the A4L into the GPE pooled fund as outlined in BOD/2016/12 DOC 07.
2. Delegates authority to the Secretariat to review and approve proposals from grant agents to fund specified activities as outlined in BOD/2016/12 DOC 07.
3. Delegates authority to the Governance, Ethics, Risk, and Finance Committee (GERF) to approve the arrangements for any additional targeted contributions in support of A4L activities.
4. Delegates authority for potential revisions to the A4L financing arrangements following final foundation Board sign-off to the Governance, Ethics, Risk, and Finance Committee, who may refer to matter back to the Board.
5. Requests the Secretariat to update the GERF, Country Grants and Performance Committee, Strategy and Policy Committee and Board annually on the status of this work, with particular attention to ensuring equity in relation to populations that may not be covered by most assessments, and to the issues of fragmentation and the transaction costs for the developing country partners.

BOD/2016/12-06–<u>Investment in Secretariat Capacity</u>: The Board of Directors:

1. Requests the Secretariat to take the steps necessary to address the most urgent capacity gaps and reinforce core functions required to successfully support implementation of GPE 2020 as outlined in BOD/2016/12 DOC 10A and approves:
   a. An increase in the core Secretariat headcount of up to 19 full-time term positions.
   b. An increase in the Fiscal Year 2017 (FY17) core operating expenses budget of US$ 1,232,600 to accommodate both the impact of the increase in headcount, costs of additional governance meetings, and external firm support.
   c. A supplementary budget of US$2,429,000 to be managed over a three-year period from FY17 – FY19 for critical investments in information systems and technology.
2. Requests the Secretariat with support of an external firm to complete additional analysis to identify any remaining capacity gaps and needs of the Secretariat to successfully support implementation of GPE 2020 taking into consideration the following:
   a. Operational implications of the Financing and Funding Framework (FFF).
   b. Potential hosting of Education Cannot Wait (ECW).
   c. Results reporting.
   d. Implementation of a strengthened governance structure including the impact of a decision framework which should delineate and clarify the role of the Secretariat, Committees, and Board with respect to decision making.
   e. Clarification of roles, responsibilities, and functions within the Secretariat with a view to realizing greater efficiencies.
3. Requests the Secretariat to develop a comprehensive human resources plan. This plan should include analysis of capacity implications of different scenarios for replenishment, and identify any additional capacity gaps for consideration by the Board in June 2017.

BOD/2016/12-07–<u>Replenishment 2017</u>: The Board of Directors approves a supplementary budget for replenishment surge capacity for calendar year 2017 of US$2.435 million (including a one-year term position) as set out in BOD/2016/12 DOC 09 Rev. 1.

BOD/2016/12-08–<u>Approval of Allocations for Education Sector Program Implementation Grants</u>: The Board of Directors with respect to the applications submitted in the second round of 2016:

1. Notes compliance with the requirements for accessing the fixed part of the respective maximum country allocations, as described in the applications and summarized in Annexes 2 and 3 to BOD/2016/12 DOC 11.
2. Approves allocations from GPE trust funds for education sector program implementation grants (ESPIGs), as described in the applications submitted in the second round of 2016, and summarized in Table 1 in BOD/2016/12-08 2 (c), subject to:
   a. Availability of funds.
   b. Board decision BOD/2012/11-04 on commitment of trust funds for ESPIGs in annual installments.
   c. CGPC recommendations for funding include (all amounts in US$):

Table 1 Application Summaries and CGPC Allocation Recommendations for ESPIGs in US$:

	Country	Ethiopia	Zimbabwe	Totals
a.	Maximum Country Allocation	100,000,000 [1]	29,400,000 [2]	129,400,000
b.	Allocation Requested (100%)	100,000,000	20,580,000	120,580,000
c.	Fixed Part (70% of a.)	70,000,000	20,580,000	90,580,000
d.	Variable Part (30% of a.)	30,000,000	n/a	30,000,000
e.	**Allocations Recommended by CGPC**	70,000,000 (Fixed Part)	20,580,000 (Fixed Part)	**90,580,000**
f.	Grant Agent	World Bank	UNICEF	
g.	Agency Fee % - Amount	1.75%–1,225,000	8%–1,646,400	2,871,400
h.	Period	15 months	3 years	
i.	Expected Start Date	March 31, 2017	January 1, 2017	
j.	Variable Part Disbursement Modality	Ex-Post	N/A	
k.	Funding Source	GPE Fund	GPE Fund	

3. With respect to the Ethiopia indicators on Equity, Efficiency, and Learning and their means of verification related to the Variable Part of the allocation:
   a. Requests the country to revise the timeline and targets related to the indicators on Equity, Efficiency and Learning in accordance with the recommendation of the CGPC in BOD/2016/12 DOC 11 Annex 1.
   b. Delegates authority to the Country Grants and Performance Committee to approve the revised proposal for the Variable Part and up to US$30 million as an allocation for the Variable Part.
4. Requests the Secretariat to:
   a. Include in its notification to each relevant developing country partner, grant agent, and coordinating agency, for distribution to the local education group (LEG), of the approval of the allocations and the expected timeframe for signing of the Grant Agreement and grant effectiveness, as applicable, as well as the conditions, requests for report-back, and observations on the program as recommended by the CGPC and set out in Annex 1 to BOD/2016/12 DOC 11.
   b. Include an update on the issues listed as "conditions" and "report back" in the annual Portfolio Review.

BOD/2016/12-09—<u>Delegation of Authority of Requests for Additional Supervision Allocations</u>: The Board of Directors:

1. Refers to its decision on supervision cost in BOD/2013/11-08—Supervision, Agency, and Management and Administration Costs in which it has delegated authority to the Secretariat to consider requests for additional supervision allocations up to US$200,000 from the GPE Fund.
2. Delegates authority to the Country Grants and Performance Committee to consider requests for additional supervision allocations in excess of US$200,000 for Education Sector Program

[1] Includes US$500,000 for the cost of the grant agent to perform its roles and responsibilities (supervision fees). Per decision BOD/2015/10-02 supervision fees are funded from the maximum country allocation effective from the second funding round of 2016.
[2] Includes US$1,600,000 for the cost of the grant agent to perform its roles and responsibilities (supervision fees). Per decision BOD/2015/10-02 supervision fees are funded from the maximum country allocation effective from the second funding round of 2016

Implementation Grants (ESPIGs) approved before the second funding round of 2016 or to refer them to the Board for decision.

BOD/2016/12-10—<u>Funding of Supervision Fees for Maximum Country Allocations of US$5 million and less</u>: The Board of Directors:

1. Refers to its decision on supervision fees in BOD/2013/11-08—Supervision, Agency, and Management and Administration Costs.
2. Refers to its decision BOD/2015/10-02-GPE Operational Model which introduces the common terminology of grant agent to replace managing entities and supervising entities and requires that 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 maximum country allocation (MCA).
3. Agrees to change the term Supervision Allocation to Grant Agent Allocation.
4. Notes that the decision in point 2 disproportionately affects smaller grants, in particular grants in the lowest tier of supervision allocation levels for MCAs of US$5 million and less.
5. Agrees to increase existing MCAs of US$5 million or less in the current funding period by US$200,000 for non-fragile countries and US$300,000 for countries categorized as fragile and conflict-affected, in accordance with the levels for supervision allocations previously approved in BOD/2013/11-08—Supervision, Agency, and Management and Administration Costs.
6. On an exception basis recognizing its particularly difficult context and the likelihood that the grant agent will incur significant oversight costs, agrees to increase the existing MCA of Papua New Guinea, whose MCA is US$ 6.6 million, by US$450,000 in accordance with the levels for supervision allocations previously approved in BOD/2013/11-08—Supervision, Agency, and Management and Administration Costs.

BOD/2016/12-11–<u>Role of the Board and Committees</u>: The Board of Directors:

1. Approves revisions to the GPE Charter to further clarify the roles of the Board and the Committees as follows:
    a. Role of the Board: Responsible as the supreme governing body of GPE for setting strategic direction, strengthening and growing the partnership, financial oversight, establishing policies, acquitting fiduciary duties, evaluating performance, managing and mitigating risks and delivering constant improvement.
    b. Role of Board Committees: Undertake tasks as mandated by the Board, including maintaining oversight of GPE's fiduciary duties, risk management and performance in accordance with the strategic plan and established policies and periodically recommending changes to policies, strategic direction and performance improvements.
2. Affirms the Board's expectations that in line with these roles, constituencies will engage fully in matters during their consideration by committees and that Board discussions will increasingly focus on strategic matters.
3. Requests the Committee overseeing governance to further examine a proposed decision framework as a means of delineating between what is properly the role for the Board, the respective Committees, and the Secretariat for approval at its June 2017 meeting.

BOD/2016/12-12–<u>Committee Terms of Reference</u>: The Board of Directors, recognizing the increasing demands and expectations of committees in light of GPE 2020, the heightened interest in expanding the representation of constituency groupings in committee work, and the on-going need to provide for better communications between committees to ensure that work is aligned, approves:

1. The revised Coordinating Committee terms of reference as presented in Annex 1 of BOD/2016/12 DOC 15 Rev. 1, noting that on a semi-annual basis during regular Board meetings, the Board Chair, in consultation with the Coordinating Committee and the CEO, will make a recommendation to the GPE Board for the relevant Coordinating Committee delegations required for the following calendar year to be set out in the decision framework considered by

the Board in June 2017.
2. The Grants and Performance Committee terms of reference set out in Annex 2 of BOD/2016/12 DOC 15 Rev. 1.
3. The Strategy and Impact Committee terms of reference set out in Annex 3 of BOD/2016/12 DOC 15 Rev 1.
4. The Finance and Risk Committee terms of reference set out in Annex 4 of BOD/2016/12 DOC 15 Rev 1.
5. The Governance and Ethics Committee terms of reference set out in Annex 5 of BOD/2016/12 DOC 15 Rev 1.
6. Notes that all Committee terms of reference and the Board and Committee Operating Procedures stipulate that "Committee members serve as spokespersons and representatives and communicate the views of their constituency category to the Committee during discussion and deliberation, based on prior consultation wherever reasonably practical."
7. Notes that pending Board approval of a decision framework in June, the Committee mandates may be adjusted in line with the decision framework.

BOD/2016/12-13–<u>Cultural Norms for Board and Committee Service</u>: The Board of Directors:
1. Emphasizes its expectations that Board and Committee members will fully participate throughout their mandate and represent their Constituency category to the best of their abilities.
2. Approves revisions to the Committee Operating Procedures and Committee Terms of reference clarifying that:
    a. Board and Committee members prior to commencing their duties must acknowledge they have received and read the Charter and Committee terms of reference, completed an orientation, agree to act in the best interest of GPE and to use their best endeavors to consult within their constituency grouping before Board or Committee meetings.
    b. Recognizing the importance of ensuring constituency category views are consistently represented on the Committees, constituency categories are expected to consult with any Committee member who has not represented the constituency category in two consecutive face-to-face meetings, and if necessary propose a replacement.
    c. The use of an Alternate is only permitted if a request is submitted to the Committee Chair prior to the meeting and provided that the reason for absence by the Committee member is beyond his or her control, as determined by the Committee Chair.
    d. Requests the Committee Chair and Secretariat to provide new Committee members with an orientation prior to their first meeting.
    e. Committee Chairs are *preferably* Board or Alternate Board members at the start of each committee cycle, with the Board determining on a case-by-case basis whether to allow a Committee Chair who rotates off the Board to serve out the remainder of her/his term.

BOD/2016/12-14–<u>Board Vice Chair Position</u>: The Board of Directors:
1. Recognizes the increasing demands of the position of Board Chair and agrees to establish the position of Board Vice Chair as provided in the Charter.
2. Mandates the Committee overseeing governance and ethics to develop terms of reference for the Board Vice Chair and a proposal for the nomination and selection process for Board consideration at its February 28-March 1, 2017 meeting.

BOD/2016/12-15—<u>Committee Vacancies</u>: The Board of Directors:
1. Emphasizing the importance of ensuring partnership representation at the committee meetings, and the need to be consistent with the self-governing nature of constituency categories, approves that constituency categories adopt one of the following processes for replacing committee members who leave before their term expires, other than from the Coordinating Committee for which Option 2 will automatically apply:

Option 1**:** The *constituency* that the member belongs to nominates a replacement for that vacancy who is expected to serve for the remainder of the term. In this option the new committee member's term is limited to the duration of the remaining term of the departing member.
Option 2: The *constituency category* that the member belongs to nominates the replacement for that vacancy. Where a new call for committee member nominations is placed in the constituency category, the term of the committee member will be for two years.

2. Approves that as part of the Committee nomination process, each constituency category will identify which option they will use to replace committee members.

BOD/2016/12-16—Committee Nominations Process for 2017: The Board of Directors:

1. Noting the fundamental realignment of committee structures and mandates, and the refocusing of committee membership linked to a specific set of skills/knowledge as specified in the revised Committee terms of reference (Annexes 1-5), determines that the existing committee mandates will expire at close of business on 1 March 2017, and therefore all committee positions will be open for nomination.
2. Strongly encourages constituency categories to consider the importance of continuity and knowledge transfer in choosing their committee representation.
3. Determines that any member appointed will serve a term of two years, and may serve for a maximum of one additional term if so nominated. Service prior to 1 March 2017 does not count towards the two term maximum.

BOD/2016/12-17—Engagement of the Private Sector and Private Foundations: The Board of Directors:

1. Reaffirms its commitment to engaging in strategic collaborations with the private sector and foundations in order to achieve the goals and objectives set out in GPE 2020 and beyond.
2. Notes that following previous Board discussions, some preparatory work has been conducted on engaging the private sector and private foundations in the partnership, though progress has been slower than originally envisaged.
3. Mandates the Secretariat to work with the Strategy and Policy Committee, in consultation with the private sector and foundations constituency and other interested partners to develop, for February 2017, a roadmap for engagement with the private sector and foundations, that lays out principles and objectives and a staged approach to the development of an engagement strategy over the course of 2017.
4. Notes that the Financing and Funding Framework will have important and positive implications for the engagement of the private sector and private foundations.

BOD/2016/12-18-Secretariat Institutional Arrangements: The Board of Directors, in the context of mitigating foreign currency exposure, the potential hosting of Education Cannot Wait, the Financing and Funding Framework, and risks identified in the Risk Management Matrix, requests the Secretariat with external support as necessary, and in consultation with the World Bank as host of the GPE Secretariat, to explore options for and implications of potential modifications to GPE's current institutional arrangements, including its legal status, and to provide a preliminary report to the Board for its June 2017 meeting.

BOD/2016/12-19–Efficient and Effective Partnership: The Board of Directors requests the Secretariat with the support of an external firm to examine the issues and options for ensuring Grant Agents, Coordinating Agencies, and Local Education Groups are operating efficiently and effectively as well as learning from past experience to deliver GPE 2020. This process will take into consideration other related work at the Secretariat.

BOD/2016/12-20–Financing and Funding Framework: The Board of Directors:

1. Recognizes that GPE will need a step-change in its approach to funding and financing to achieve the level of ambition that GPE 2020 calls for, in order to maximize the unique window

of opportunity for increased commitment to education outcomes, and to underpin a successful replenishment round.

2. Endorses the proposed ambitious architecture of the Financing and Funding Framework (FFF) as outlined in BOD/2016/12 DOC 08A as a means of achieving this step-change.
3. Notes that, in order to deliver on GPE 2020, the FFF should:
    a. Consider the opportunities for strengthening the current funding and operating model, given its centrality to GPE goals (while referencing other Committees' work in this area).
    b. Includes support for the areas of i) Innovation, ii) Knowledge and Good Practice Exchange, and (iii) Advocacy and Social Accountability that reinforces the operational model.
    c. Enable GPE to leverage new and better structured forms of financing for education, including through:
        i. Co-financing of education sector programs at a country level, with multilateral development banks and other development partners, including loan buy-downs. This should include continued active engagement by the Secretariat CEO in discussions on development of the MDB Investment Mechanism.
        ii. Crowding in of private investment capital to strengthen education sector outcomes.
        iii. Disaster and political risk financing (subject to further exploration following the conclusion of The Rockefeller Foundation-supported analytical exercise).
    d. Enable GPE to become more flexible in accessing or mobilizing new resources for education, including through:
        i. Maximizing opportunities to raise domestic public expenditure
        ii. New sources of financing for education including private sources.
        iii. Targeted financing (subject to further exploration following the conclusion of the Contributions and Safeguards Policy development process).
4. In order to finalize the FFF for approval in February, 2017, requests the Strategic Financing Working Group to:
    a. Develop a proposal on eligibility for and allocation of GPE resources for the relevant components of the FFF
    b. Work with the external firm to further stress-test the FFF and outline the options and operational implications and roadmap for development and rollout of the various components of the FFF
    c. Consider implications of Education Cannot Wait on the FFF pending the finalization of the operating model design, as was mandated in BOD/2016/12 DOC 18.