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REPORTS FROM THE CGPC

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



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CGPC UPDATE

CGPC Work Since June

July 12

→ Reviewed proposed indicators for variable part Ethiopia ESPIG



August 25

→ Approved material revision to Uzbekistan ESPIG via non-objection

September 30

→ Approved 11-month extension to Cote d'Ivoire ESPIG via audio call

CGPC Work Since June

October 25-27

→ 2 ESPIG applications: Ethiopia and Zimbabwe **(recommendations)**

→ 1 material revision to ESPIG approved: Cote d'Ivoire

→ 2 grant updates: Uzbekistan and Uganda

→ 3 upcoming material revisions: Afghanistan, Rwanda, Tanzania

→ 10 Round 1-2017 check-ins with applicant countries (fixed part)

→ 2 policy recommendations considered: delegating approval of additional grant agent fees and increase of small grant allocations to cover grant agent costs **(recommendations)**

CGPC Work Since June

October 25-27 Continued

→ Portfolio Review
→ Risk Report and Operational Risk Framework
→ Governance Review
→ Update on Civil Society Education Fund



November 23

→ Approved material revision to Tanzania ESPIG

Early 2017

→ **Retreat**: Funding Model lessons learned (financing, transformative effect indicators, implementation period), CGPC and performance, handover



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Education Sector Program Implementation Grants (ESPIGs)

Two Proposals

Country	Allocation Requested	Fixed Part (70%)	Variable Part (30%)
Zimbabwe	US$20,580,000	US$20,580,000	N/A
Ethiopia	US$100,000,000	US$70,000,000	US$30,000,000



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Zimbabwe: Grant Program

- Grant builds on mid-term strategic plan, current grant, and complements work by development partners
- Addresses key sector challenges:
  1. Inequitable distribution of resources to schools
  2. Lack of safety net mechanisms that compromise access and learning for children left behind
  3. Need to strengthen management capacities at local levels
  4. Need to continuously engage in sector monitoring, data use and evidence-based decision-making

Zimbabwe: Fixed Part Requirements



- Credible, endorsed education sector plan
- Critical data and evidence for planning, budgeting, managing, monitoring and accountability
- Commitment to Finance the ESP
  - > 29% of overall budget goes into education (95% to salaries)
  - >45% of education budget to primary education

Zimbabwe: Key Discussion Points



- New school financing policy to lessen families' share of education costs
- Inter-ministerial liaison committee to strengthen sector-wide coherence
- Areas for improvement in results framework and theory of change

Zimbabwe: CGPC Recommendation

Fixed Part: recommended for approval

Variable part: N/A

Report-Back: Provide more complete results framework and theory of change before grant effectiveness, to include information on how district and provincial operational plans will operationalize school financing policy



Ethiopia Grant Program

- Supports GEQIP II pooled fund flagship project, ends July ‘18
- GEQIP largely follows country system, is integrated into new strategic plan and government budget system
- Grant supports curriculum implementation, school improvement, teacher development, system management & capacity building, ICT, monitoring evaluations

Ethiopia: Fixed Part Requirements

- ✓ Credible, endorsed education sector plan (5th multi-year plan)
- ✓ Critical data and evidence for planning, budgeting, managing, monitoring and accountability
- ✓ Commitment to Finance the ESP
  - 25% of overall budget goes to education
  - >45% of *recurrent* education budget to primary education (grades 1-8)
  - Government committed to increase primary education share in overall education by 1% a year during ESP period (2015-2020)

CGPC Key Discussion Points: basis for meeting the 45% benchmark, very short implementation period

Ethiopia: Variable Part Requirements

- → **Learning Indicator**: (1) reduce # of low-performing schools in region with highest share of these schools; (2) increase of trained zero-class facilitators in region with low percentage of zero-class teachers who received/are receiving training to enhance school readiness
- → **Efficiency Indicator**: reduce Grade 1 drop-out rates in the region with highest Grade 1 drop-out rate
- → **Equity Indicator**: (1) 1,000 additional female school principals; (2) doubling school grant allocation for special needs

CGPC Key Discussion Points: Concern about equity indicator. Very short implementation period for variable part.

Ethiopia: CGPC Recommendation

Fixed Part: recommend for approval

Variable part: submit revised proposal by mid-January for CGPC consideration:

- ✓ Set targets over 3-year period with higher-level outcomes in years 2 and 3
- ✓ Strengthen indicator on increase in female school leadership with stronger theory of change to show intended effect on improved gender sensitivity in classrooms, ensuring incremental milestones and targets that move towards outcomes

Report-Back: Report annually on progress on commitment to increase share of primary education by 1 % per year.

Recommended Decision

BOD/2016/12-XX–Approval of Allocations for ESPIGs: 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-XX 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$):

	Country	Ethiopia	Zimbabwe	Totals
a.	Maximum Country Allocation	100,000,000	29,400,000	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	

Recommended Decision Continued

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.

Recommended Decision Continued

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 LEG, of the approval of the allocations and the expected timeframe for signing of the Grant Agreement and grant effectiveness, as applicable, 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.



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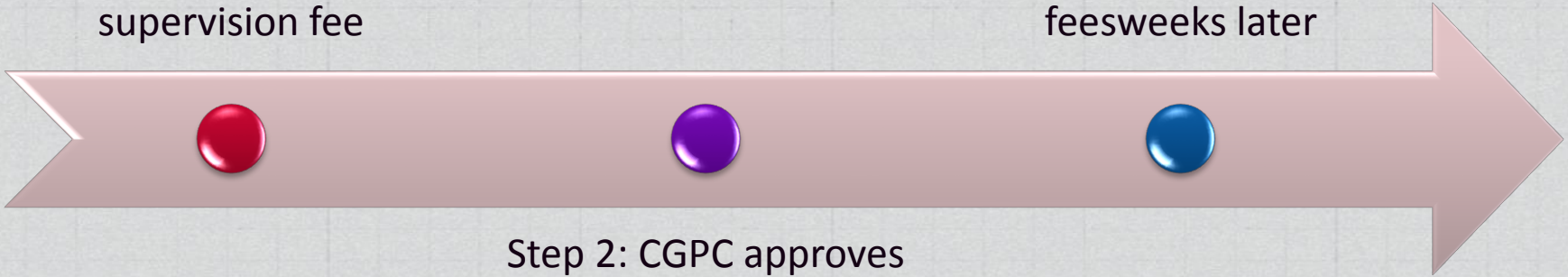
Delegation of Authority to CGPC to Approve Requests for Additional Supervision Fees

Current Process and Issue

Step 1: Secretariat receives proposed material revision. May include request for supervision fee

Step 2: CGPC approves revision, must defer decision on supervision fee to Board

Step 3: Board considers supervision feesweeks later



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Recommendation



- ✓ CGPC to make decisions on supervision fees for grants approved *prior* to R2-2016
- ✓ Streamlined decision-making: from R2-2016, supervision fees are included in grant. Any changes are processed as grant revision

Recommended Decision

BOD/2016/12-XX—Delegation of Authority of Requests for Additional Supervision Allocations: 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 Implementation Grants (ESPIG) approved before the second funding round of 2016 or to refer them to the Board for decision.



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Funding of Supervision Fees for Maximum Country Allocations of US$5 Million And Less

Background



- Until now, ESPIG approvals include 3 allocations: grant allocation, agency fee, and supervision fee
- October 2015: supervision fee to be funded from grant allocation
- Leaves smaller grants disproportionately affected

Supervision Allocation Levels

Grant size	Supervision Allocation			
	Non-fragile Context		Fragile Context	
Up to 5 million	200,000	4-20% of MCA	300,000	6-30% of MCA
5–10 million	300,000	3-6% of MCA	450,000	5-9% of MCA
10–25 million	400,000	2-4% of MCA	600,000	2-6% of MCA
25–50 million	500,000	1-2% of MCA	750,000	2-3% of MCA
50 million+	600,000	1-1% of MCA	900,000	1-2% of MCA

Recommendation

Increase country allocation of US$5 million and less by standard level of supervision fee (US$200,000 non-fragile, US$300,000 fragile)



Grant Recipient	MCA	Proposed increase	Revised MCA
Sao Tome and Principe	1,000,000	200,000	1,200,000
Maldives	1,000,000	200,000	1,200,000
Cabo Verde	1,200,000	200,000	1,400,000
Bhutan	1,600,000	200,000	1,800,000
Solomon Islands	1,600,000	200,000	1,800,000
Guyana	1,700,000	200,000	1,900,000
Comoros Islands*	2,000,000	300,000	2,300,000
Lesotho	2,100,000	200,000	2,300,000
Guinea Bissau*	4,400,000	300,000	4,700,000
Nicaragua	4,400,000	200,000	4,600,000
Pacific island states	3,800,000	200,000	4,000,000
Timor Leste	3,900,000	200,000	4,100,000
The Gambia	5,000,000	200,000	5,200,000
Total Additional Cost to GPE		**2,800,000**	

Papua New Guinea

Grant Recipient	MCA in US$	Proposed increase to MCA in US$ to cover grant agent cost (450,000 for fragile context)	Revised MCA in US$
Papua New Guinea	6,600,000	450,000	7,050,000
Total Additional Cost to GPE		**450,000**	

Recommended Decision

BOD/2016/12-XX—<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).

Recommended Decision Continued

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.

Recommended Decision Continued

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.

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PORTFOLIO REVIEW AND CGPC OBSERVATIONS

BOARD OF DIRECTORS MEETING
SIEM REAP, CAMBODIA

November 30 – December 2, 2016



Introduction

First Portfolio Review delivered in 2013

2013 & 2014 Portfolio Reviews included …

- Portfolio growth and diversification
- Grant timelines & implementation status, basic grant data
- Implementation modalities
- Components relative to 2012-15 Strategic Plan

2015 Portfolio Review added …

- funding model implementation, including ESP support
- Support in situations of crisis

Introduction

Portfolio Review 2016 uses enhanced tools for grant analysis:

- Grant coding
- Standard grant reporting template
- Country-facing results framework indicators

Links between Portfolio Review and Results Report

2016 Portfolio Review - summary data

* fiscal year July2015- June 2016)

94 country-level grants:

- 59 ESPIGs to 52 countries - total US$2.39 billion
- 27 ESPDGs to 29 countries - total US$8.9 million
- 8 PDGs to 11 countries - total US$1.9 million

Since 2002, US$4.5 billion invested through125 grants supporting education sector plan implementation

Portfolio - FY 16 vs FY 15

59 active ESPIGs - **52** countries -**US$2.39 billion**

↓ 68 active ESPIGs - 55 countries - US$2.8 billion (FY15)

72% of ESPIGs implemented in **Sub-Saharan Africa**

↑ **68%** (FY15)

54% of DCPs with active ESPIGs are **Fragile and Conflict Affected Countries**

↑ **49%** (FY15)

56% of DCPs with active ESPIGs are **Low income** and **44% Lower-middle income**

→ unchanged from FY15.

Portfolio summary data

Results reported through Standard Grant Reporting template:

- **29,702,977 textbooks purchased and distributed**
- **238,541 teachers trained**
- **3,554 classrooms built or rehabilitated**

Grant implementation delays

- 20% ESPIGs delayed (15% FY15)
- 52% slightly delayed (38% FY15)
- 25 of 39 delayed or slightly delayed grants are in FCAC
- 7 delayed or slightly delayed grants directly related to political instability, conflict, disaster
- More delays in start-up phase than later in implementation
- Complexity of design frequently a cause for delays

Grant implementation delays

Implications:

- Improved attention to implementation capacity needs and design, including implementation preparation activities
- Improved quality enhancement and monitoring according to risk level
- Need for flexibility and adaptation in fragile contexts: Extensions and restructuring often necessary to course correct and adapt to new circumstances

Monitoring grant modality

Alignment with national systems - slight decrease

Continue promoting use of country systems through:

- Grant Agent selection process
- QA review process
- Engaging beyond education sector

Grant Agent diversification

During FY16 pool of potential Grant Agents increased with 5 new organizations:

- **Asian Development Bank (active)**
- **Swiss Agency for Development Cooperation (active)**
- **Save the Children UK (active)**
- **Save the Children US**
- **Concern Worldwide**

Grant support aligned with GPE 2020

Learning outcomes

- 50 grants focus on teacher training
- 46 provide learning materials
- 36 support national learning assessment systems

Equitable access to education

- 45 grants support classroom expansion/rehabilitation
- 28 support gender equality
- 22 support nutrition/health programs
- 18 support children with disabilities

Systems strengthening

- 54 grants support management capacity building
- 27 support EMIS activities

CGPC Observations

- GPE support is aligned with GPE 2020
- Increase in grant delays
- Operational Risk Framework an opportunity to strengthen performance monitoring
- Alignment with country systems in slight decline
- Grant Agent diversification
- Need for more investment in analysis and learning around GPE operating and funding model


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Additional Funding Rounds

Background

- Currently 2 ESPIG funding rounds
- Affects quality ESPs and applications, non-alignment with country processes and timelines
- Funding consequences for awaiting next round often significant



Proposal

- Four funding rounds annually, starting in 2017



- For May 2017 funding round, CGPC reviews late June, Board approval via audio call in July. Subsequent approvals in accordance with Decision Framework

Thank You!

