January 2018

FRAUD AND ANTI-CORRUPTION



Credit: GPE/Kelley Lynch

Providing financial and other assistance geared towards improving education in the world's poorest and least developed countries, including fragile and conflict- affected states, entails inherent risks which must be managed. The Secretariat of the Global Partnership for Education, as well as all GPE partners, are aware and alert to these risks and their duties as stewards of donor funds.

GPE'S APPROACH

- **A partnership model** Like other global funds, the Global Partnership for Education has no in-country presence. Using a partnership model ensures that the funding GPE provides through its trust fund is supervised or implemented by grant agents that have policies and procedures to mitigate the risk of misuse of funds and to address misuse should it occur.

  Currently multilateral agencies such as the World Bank and UNICEF, and bilateral agencies such as the United Kingdom's Department for International Development, and France's Agence Française de Développement, along with non-governmental organizations such as Save the Children that have successfully passed a robust accreditation process, perform the role of grant agent for GPE grants.

  The responsibility for prevention, detection and reporting the misuse of funds is shared with the developing countries, grant agents, local education groups, civil society organizations and other stakeholders.

- **Clear policies** The Global Partnership for Education has a comprehensive policy and communications protocol on misuse of GPE Trust Funds, which is publicly available on the GPE website. The policy clearly outlines that GPE partners have zero tolerance for misuse and will take immediate action to address misuse and secure the recovery of GPE Trust Fund resources lost to misuse.

  The policy outlines the roles, responsibilities, and requirements of the various actors in the GPE model through the entire grant-making process, from award to close-out. The policy is also designed to ensure strong communication flows, reinforce the principles of transparency through public disclosure of misuse, and ensure that organizations entrusted with GPE funds have appropriate protections in place for whistle-blowers.

GPE Transforming Education

GPE's operational risk framework examines the risk of fraud and other forms of misuse on a country by country and grant by grant basis, ensuring that mitigation actions are tailored to the level of risk.

- **Strong governance** The GPE Board of Directors, made up of donors, developing countries, civil society organizations, multilateral institutions and the private sector and private foundations, has the ultimate decision-making authority over the award of grants, as well as decisions to suspend or cancel grants and request refunds where appropriate. This authority is dependent on and driven by open communications between the Secretariat and GPE grant agents, implementers and other in-country actors with knowledge about suspected misuse.

  The Board exercises its powers in a manner that recognizes its fiduciary duties and maximizes the use of donor funds and development effectiveness. The Board's Finance and Risk Committee oversees risk management practices, financial management and audit arrangements. The Governance and Ethics Committee ensures that GPE is fully capable of meeting the challenges it faces on issues of governance and ethics, while the Grants and Performance Committee reviews the portfolio of GPE grants regularly including implementation of the Operational Risk Framework which considers the risk of misuse on a country by country and grant by grant basis.

GPE'S RESULTS

All instances of misuse of GPE funds to date have been handled by maintaining open lines of communications with the Board of Directors, while allowing GPE grant agents, implementers and the countries themselves to investigate the cause of the issues, and come to an appropriate resolution, including a refund to the GPE Fund. Reported cases of misuse to date have affected less than 1% of GPE disbursements, and GPE has a 100% track record in recovering all funds that have been identified as misused.

