JUNE 9, 2021

BOARD OF DIRECTORS

DECISION VIA AFFIRMATIVE VOTE

ALLOCATION FOR AN ESPIG TO MALAWI

Reference	Decisions
BOD/2021/06-04	**Allocation for an Education Sector Program Implementation Grant to Malawi:** The Board of Directors with respect to the application submitted in January 2021: 1. Notes compliance with the requirements for accessing the fixed part of the maximum country allocation (MCA) for an education sector program implementation grant, as described in the application and summarized and assessed in Annex B to BOD/2021/05 DOC 17. 2. Notes compliance with meeting the requirements for accessing the variable part of the MCA and approves the indicators on Equity, Efficiency, and Learning and their means of verification as described in the application and assessed in Annex B to BOD/2021/05 DOC 17. 3. Approves an allocation from GPE trust funds for an ESPIG, as described in the application submitted and summarized in Table 1 in BOD/2021/06-04 3 (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) Secretariat recommendations for funding, including (all amounts in US$):

Table 1 Application Summary and Secretariat Allocation Recommendations:

Malawi		
a.	ESPIG Maximum Country Allocation	48,700,000
b.	Fixed Part	18,700,000
c.	Variable Part	30,000,000
d.	Allocation Requested (100%)	48,700,000[1]
e.	**Allocation Recommended by Secretariat**	**48,700,000**
f.	Grant Agent	World Bank
g.	Agency Fee % - Amount	1.75% - 852,250
h.	Period	4 years and 4 months
i.	Expected Start Date	August 17, 2021
j.	Variable Part Disbursement Modality	Ex-post
k.	Funding Source	GPE Fund

4. Requests the Secretariat to:

a) Include in its notification of grant approval to Malawi the observations and request for report-back set out in Annex A.

b) Include an update on the requested report back in the annual Grant Status Report in accordance with the specified timeline.

[1] Includes US$700,000 for the cost of the grant agent to perform its roles and responsibilities.

Annex A – Secretariat Observations and Report-Back

Malawi	
Observations	The Secretariat finds the proposed program to be relevant in the country context and well aligned to the education sector plan and complementing the programs supported by development partners in the education sector. The program's approach towards improving girls' learning outcomes is particularly strong, comprehensive, and based on global and local evidence. The Variable Part indicators are focused on key sector results and their transformational nature is clear. The Secretariat encourages efforts to ensure that evaluation findings and lessons learned under the program are integrated in the policy dialogue. With regard to the variable part strategy, the Secretariat recommends integration of the proposed approach to the primary school improvement grants (efficiency strategy) and the approaches employed by the program to improve girls learning (learning outcomes strategy) into the National Education Sector Investment Plan (NESIP) at the next available opportunity. Further, with regard to the variable part strategy on equity, the Secretariat encourages the development of a mitigation strategy for two potential risks: (i) a focus on financial incentives and re-allocation of teachers within schools may ignore other factors influencing teachers' avoidance of rural schools, and (ii) equity strategy targets can be met by making some schools with already high pupil-qualified teacher ratios (PqTRs) worse off. Finally, the Secretariat notes the impact of the pandemic on education systems and invites the Government and the grant agent, in consultation with the local education group, to consider adapting the proposed program to emerging issues, notably impact on children learning as a result of school closures, as needed. Other adaptations to consider could relate to mitigation measures on potential delays or other constraints that the pandemic may have on program

	implementation including, if necessary, a modification of indicator targets.
Report-Back	While the Secretariat positively notes the growing trend in domestic financing for education in the period 2017-2019, the drop in the total education allocation from 19.4 percent in 2019 to 18 percent in 2020 is a cause for concern. The Secretariat requests a report-back from the coordinating agency on the level of government funding allocated to the sector annually.