JULY 26, 2023

MEETING OF THE BOARD OF DIRECTORS

VIDEOCONFERENCE

FINAL DECISION

Reference	Decision
BOD/2023/07- 01	**Adaptations to GPEs Operating Model** The Board of Directors: 1. Recalls its decision BOD/2020/12-03 on the GPE 2025 operating model and the importance of ongoing learning and adapting, 2. Endorses the principle of adaptive learning for continuous improvement as GPE transitions from one strategy period to the next, 3. Approves the following recommended changes as set out in BOD/2023/07 DOC 02 to further optimize GPE country level engagement and operations and reduce transaction costs: i. **Phase out the variable part.** Emphasizing the important role of context appropriate results-based financing in GPE grants, determines that a mandatory variable part is not required for any system transformation or multiplier grant approved under GPE2025. Countries are expected to include results-based financing components within grants that are aligned with grant agent procedures. Countries that choose not to implement results-based financing, must provide an explanation in their grant application. ii. **Results-based financing through top-up triggers**. Partner countries may apply for 100% of their indicative allocation for a system transformation grant under GPE 2025 with the understanding that any top up funds would only be released upon the achievement of the approved triggers at mid-term review. Partner countries that do not apply upfront for 100% of their indicative allocation but achieve the top up triggers, may continue to program the top up funds: (1) as additional financing or (2) as top up funds to any 2030 system

	transformation grant allocation, submitting a single application that includes the 2025 top up in addition to the 2030 allocation. A top up would not be required for system transformation grants of USD 10 million or less. iii. **Use of the Mid-Term Review.** The mid-term review of the partnership compact shall to the extent practicable be integrated within existing sector processes and serve as the basis for the strategic parameters for the subsequent funding round for the 2026-2030 financing period. The Secretariat is requested to develop and communicate the necessary guidelines to support the mid-term review. iv. **Independent Technical Advisory Panel (ITAP) Review.** Maintain the ITAP requirement while requesting the GPE Secretariat to implement targeted measures to improve the relevance of recommendations and ensure timely report completion. All partner countries eligible for multiplier only grants, as well as those with a system transformation grant allocation of $10 million or less, may forgo an ITAP review of the enabling factors. v. **System Capacity Funding**. Allocates US$ 2 million of System Capacity Funding to provide additional support for partnership compact development and review to be approved by the Secretariat as either grant financing from the GPE Fund and/or as administrative expenses. Requests the Secretariat to report on progress to the Performance Impact and Learning Committee at its first regular meeting in 2024. 4. Requests the GPE Secretariat, upon Board approval, to operationalize these changes, including communicating transition arrangement for those countries who are already advanced in developing partnership compacts and grant applications.