# GUIDELINES

## SYSTEM CAPACITY GRANT

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GPE Transforming Education

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# QUICK START

**What is this document?**

This is both an introduction to GPE's **system capacity grant** and a guide to completing and submitting the system capacity grant **application.**

**Who is eligible for a system capacity grant and for how much?**

Grant ceilings or **allocations** for eligible countries are available at the **GPE web site**.

**What is the system capacity grant for?**

The **system capacity grant** can be accessed at any time for a broad range of capacity building activities, but it is ideally suited for addressing specific weaknesses identified during the **enabling factors** analysis. Countries can elect to **quickly access** up to US$100,000 of a system capacity grant allocation to develop a **partnership compact**.

**What do I need to do?**

Use the application to specify the relevant activities the grant will support, grouped under the three financing windows of the system capacity grant:

- **Gender-responsive planning and policy development**
- **Coordinated action and financing**
- **Strengthening capacity for adapting and learning**

**What do I provide?**

1. **Grant application** (as directed for a system capacity grant)
2. **Budget** applying to the activities to be funded (Excel file)
3. **Program proposal** showing the scope of the work and associated tasks (Word file)

If **combining** a system capacity grant with other GPE grants, the partner country can choose to submit a combined program document and budget.

**What's next?**

In consultation with the government, the **grant agent completes the grant application**. The coordinating agency submits the final application for the government and the local education group, copying the grant agent, relevant government officials (including the education ministry), as well as the GPE focal point and country team lead.

The **GPE Secretariat carries out an initial application screening within 5 business days** and, if there is no need for clarifications or adjustments, passes it to the grant application review committee for **final decision within 15 working days**. The review timeline may be longer if the application is combined with an application for a system transformation grant and/or a Multiplier grant.

# INTRODUCTION

The system capacity grant responds to partner country requests for a demand-driven funding mechanism that **builds national capacity to develop, implement and monitor education sector plans and policies.**

These guidelines describe how the system capacity grant fits within GPE's approach to supporting partner countries in transforming their education systems and getting more girls and boys a quality education. They explain the grant's main features and provide step-by-step guidance for the grant application process. They also provide general guidance for managing the grant, including reporting requirements.

## The GPE approach

GPE's **operating model** is based on three stages that support countries in moving from assessment and diagnosis to prioritization and alignment, and finally to implementation, learning and adapting.

**Step 1: Assess and diagnose:** Partners in the local education group review policy frameworks as well as the sector's performance, needs and existing evidence to identify critical barriers and a priority reform with the potential to drive system transformation. The review also includes an analysis of a country's performance under four **enabling factors** to support system transformation:

- Data and evidence
- Sector coordination
- Gender-responsive education sector planning
- Volume, equity and efficiency of domestic public expenditure on education

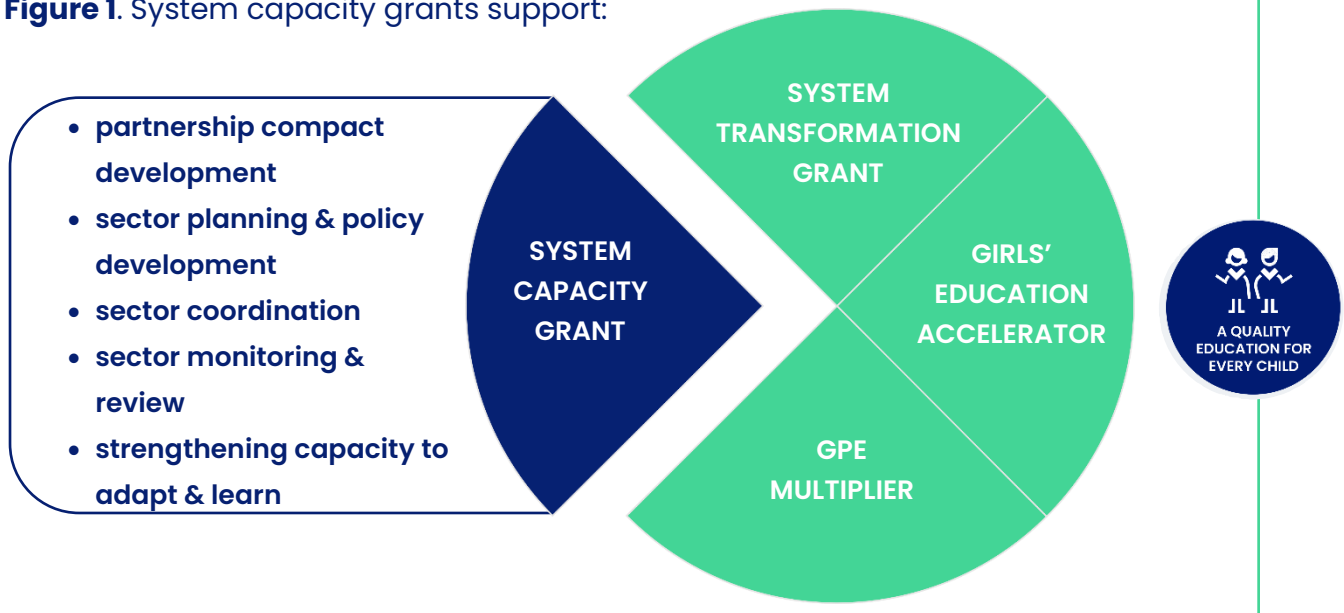
**Step 2: Prioritize and align:** With its partners, the ministry of education prepares a **partnership compact** to align stakeholders and resources behind a prioritized reform area. The compact is a key strategic tool to drive system transformation through its focus on sector obstacles and transformative solutions to address them. It allows each country to adapt the GPE model to its particular context, defines GPE's engagement and ensures that partner financing is complementary and harmonized. The partnership compact also includes how the country aims to make progress on gender equality within the prioritized reform area.

**Step 3: Act on evidence, learn and adapt.** The country and its partners implement the agreed programs and reforms, with gender considerations included at each stage of program and reform implementation and monitoring. These efforts are reinforced by improved access to data and close tracking of agreed results. This in turn increases accountability and allows evidence-based course correction during implementation.

## About this Grant

The system capacity grant is ideally suited to address capacity gaps identified during the country's **enabling factors analysis**, which serves to inform each country's development of a partnership compact. This grant can also be used to support the conduct of the enabling factors analysis itself, or the development of the country's partnership compact.

**Figure 1**. System capacity grants support:




The main objective of the system capacity grant is to address barriers identified during the enabling factors analysis to support the planned education sector reform within the compact. The grant should be allocated toward strengthening the most critical enabling factors identified through the enabling factors review and Independent Technical Advisory Panel (ITAP). This grant can also be used to support the conduct of the enabling factors analysis itself, or the development of the country's partnership compact.

A country can seek a system capacity grant even **before identifying capacity gaps** if the grant is to be used for development of partnership compact, sector analysis, education sector plan or similar initiatives (figure 1). Countries developing a

**partnership compact** can opt to use the **rapid funding option** to access up to US$100,000 of their system capacity grant allocation for this purpose (box 1).

A country can also ask for **exceptional access** to a system capacity grant before the enabling factors analysis if it explains why this support is urgently required, and how it expects to fund support for capacity reinforcement related to assessment of enabling factors during the compact development process.

When accessing a system capacity grant, countries that are **not eligible** for a **system transformation grant** are asked if they have conducted an enabling factors analysis and, if so, whether the grant will fund activities identified in that analysis.

**Box 1.** Using the system capacity grant in developing a partnership compact

**As a simplification to allow for rapid access to the system capacity grant to support compact development**, a government can submit a request for up to US$100,000 to be transferred to a grant agent for that purpose. The government is encouraged to select the coordinating agency to serve as grant agent, if possible.

In selecting a grant agent to support the development of a partnership compact, partners should be mindful of the potential for perceived or actual conflicts of interest where this entity is also considering nominating itself as grant agent for the system transformation grant. Consideration of how to mitigate the risk during the compact development process is advised.

No application or budget is required for this purpose, and the grant agent is responsible for efficient use of grant resources for compact development-related activities. The request can be sent to the Secretariat at gpe_grant_submission@globalpartnership.org, copying the coordinating agency and the GPE country team lead.

A system capacity grant used for this purpose is subject to the same reporting requirements that apply to other financing windows.

## Eligibility and Combining with Other Grants

A system capacity grant of between US$1 million and US$5 million is available to **all** countries eligible for GPE funding during the period 2021-2025. Each country's **ceiling** for accessing this grant is determined by a formula based on the school-aged population (a 70 percent weighting) and capacity considerations (30 percent); the latter is based on the Country Policy and Institutional Assessment (CPIA) score as a proxy for capacity.

An eligible country can seek **multiple system capacity grants** at different times **up to its preset ceiling**. For example, a country may elect to use one system capacity grant

in support of its enabling factors analysis and another for undertaking a joint sector review. It can also subsequently apply further system capacity grant funding to needs identified in the compact or in a mid-term review.

In certain circumstances, a country may choose to access its system capacity grant **in combination** with a system transformation grant and/or Multiplier. In such cases, the country needs to justify its choice, including by demonstrating how the system capacity grant will contribute to capacity reinforcement within the proposed program.

### How to use the system capacity grant

The grant provides funding for a broad range of eligible activities under three financing windows: **(1) gender-responsive planning, (2) coordinated action and financing,** and **(3) strengthening capacity for adapting and learning.** Progress in these three dimensions drives transformative change and results at scale.

Unless a country chooses the rapid-funding option for up to US$100,000 for compact development, **GPE does not set any limits** on the portion of a system capacity grant that a country can allocate for specific windows or activities. **The country decides how to apportion its grant** between initial activities, such as assessment of enabling factors or partnership compact development, and those activities that come at a later stage, including compact implementation, mid-term review or follow-up actions.

### Duration

An approved system capacity grant has a **maximum implementation period of 4 years.** However, the duration of activities will vary, depending on the grant window, activity group and country context.

## THE APPLICATION

Before developing an application, the government or coordinating agency should notify the GPE Secretariat of its intention to apply, as well as the likely timing.

You use the **GPE grant application** to seek a system capacity grant as well as any of the GPE Multiplier, the system transformation grant and the Girls' Education Accelerator. For a **system capacity grant**, please complete the following sections:

- Overview
- Activities under three financing windows
- Linking activities with the partnership compact
- Program proposal
- Budget
- Endorsement
- Safeguards
- Grant agents and costs

- Application development

To complete the application submission, you are asked to **attach three files:**

1. A spreadsheet outlining the **budget** for the activities to be funded
2. A **program proposal** showing the scope of the work and associated tasks
3. **Minutes** of the local education group meeting endorsing the application

If combining a system capacity grant with system transformation grant and/or the GPE Multiplier, you may submit a **combined program document and budget**. The program proposal for the system capacity grant can be woven into the broader grant program as a separate component/activity or as sub-activities across different program components. However, the system capacity grant activities must be **clearly and explicitly identifiable and budgeted** in the larger grant program and budget.

## Overview

The overview summarizes significant elements of the application, including the **allocation ceiling, the grant amount requested under that allocation, grant agent fees, other sources of funding for activities that will be supported by the system capacity grant and the grant agents, amounts and key dates for activities under each financing window.** A partner country can apply for between US$1 million and US$5 million in each system capacity grant application up to its allocation ceiling.

Applicants can receive the system capacity grant in **euros**. This decision should be made by the grant agent in consultation with the government and the local education group and communicated to the Secretariat (copying the coordinating agency) before sending the grant application. Conversion of the grant amount into euros will be based on the prevailing exchange rate at the World Bank **as of the date the Secretariat receives the official application.**

## Financing Windows

The system capacity grant provides funding for a broad range of eligible activities under **three financing windows** (table 1): gender-responsive planning, coordinated action and financing, and strengthening capacity for adapting and learning.

The following section looks at these activities in detail but this list is not exhaustive; other appropriate activities may be considered eligible by providing sufficient justification in the application.

| Table 1. Eligible activities under the three system capacity grant financing windows | | |
|---|---|---|
| **Financing window 1: Strengthen gender-responsive planning and policy development for systemwide impact** | **Financing window 2: Mobilize coordinated action and financing to enable transformative change** | **Financing window 3: Strengthen capacity, adapt and learn, to implement and drive results at scale** |
| **Activity group:**<br><br>A. System diagnostics, partnership compact development and education sector analyses, including gender analysis<br>B. Gender-responsive sector planning, including operational planning and budgeting<br>C. Supporting policies and plans to identify and address multiple forms of exclusion and strengthen system resilience, including planning for children with disabilities and inclusion of displaced children<br>D. Strengthening evidence-based diagnosis of critical implementation bottlenecks and identifying potentially scalable, transformative solutions | **Activity group:**<br><br>E. Strengthening sector coordination, including local education groups, joint sector reviews and monitoring of the effectiveness of the country-level partnership<br>F. Establishing and operating pooled funding mechanisms<br>G. Strengthening budget processes and ministry of finance engagement; identifying opportunities to improve the equity and efficiency of education expenditure, including processes toward gender equality<br>H. Cross-sector convening | **Activity group:**<br><br>I. Strengthening data systems, including on improving the availability and use of sex-disaggregated data, and data on children with disabilities<br>J. Training, capacity building and support for government staff at central and decentralized levels, including on the gathering and use of data and evidence.<br>K. Support for implementation capacity, including sector plan implementation monitoring, gender responsiveness and evaluation of sector plans and policies/programs in priority areas; assessment of monitoring, evaluation and learning capacity, including uptake and use of evidence in the policy process |

## Activities by Financing Window

### Financing Window 1

**Activity group A1:**
**Gender-responsive education sector analysis and system diagnostics**

The first group of activities serves to fill existing gaps and seeks, whenever feasible, to build government capacity in different aspects of sector analysis, including gender analysis. Activities may cover the following:

- Development of partnership compact and related activities, including enabling factors analysis
- Comprehensive analysis — e.g., country status report, and diagnostics and analysis of the country's current education system
- Targeted analysis — e.g., needs diagnosis and/or policy assessments, including public finance management (PFM) analysis, gender analysis or diagnostics (including those related to the main barriers to gender equality in the education sector; the role of social norms in girls' education; school-related gender-based violence; curriculum, textbooks and teacher knowledge and attitudes from the gender perspective). This also includes diagnostics on learning/learning assessment/teachers and teaching quality or service delivery studies with the aim of improving the education sector plan/transitional education plan in areas related to equity, gender equality, efficiency and learning outcomes
- Capacity-building in specific methodological approaches, monitoring and evaluation
- Consultations to ensure a participatory process
- Technical services
- Peer-review arrangements
- Dissemination and knowledge exchange
- Analysis on PFM — If no recent PFM analysis is available for the education sector, this can be part of financing window 1 to inform good sector planning and its budget ceiling. PFM analysis can be necessary to assess the extent to which current management systems are underpinned by goals of prudent fiscal decisions, reliable and efficient transactions and institutionalized accountability. It is also needed to inform the local education group in the context of its task of identifying and agreeing on the most appropriate funding modality for the system transformation grant

**Activity group A2:**
**Development of capacity for improving the gender responsiveness of the education sector**

This sub-window provides funding for activities specifically targeted at improving the gender responsiveness of the education sector. This funding supports the development of capacity, the development and use of evidence, and system strengthening associated with improving the gender responsiveness of the education sector. While gender equality should be a key element of consideration in activities associated with the other grant windows, this specific set of activities should serve to fill existing gaps and build government capacity in different aspects of gender responsiveness. Activities may cover the following:

- Knowledge exchange, including those related to gender equality, in the education sector, including through links with other GPE grant funding such as the GPE Knowledge and Innovation Exchange (KIX).
- Development or strengthening of data systems that track important gendered aspects and barriers of the education sector; these might include the prevalence of school-related gender-based violence, early marriage and pregnancy and the intersection of gender with other factors (disability, poverty, location) that drive disparities in education outcomes.
- Capacity-building and technical assistance to improve the gender responsiveness of the education sector, including fully integrating a focus on gender equality in reform, planning, policy, implementation and budgeting processes.
- Gender audit of curriculum, textbooks and any other content to address harmful gender stereotyping.
- Gender dimensions of teacher recruitment, deployment, performance, career path options, curriculum and teacher training

**Activity group B:**
**Gender-responsive education sector plan/transitional education plan development**

This sub-window provides funding for the activities that follow the completion of the sector analysis and supports the development of a gender-responsive education sector plan or a transitional education plan. As above, activities and technical services under this group should seek, whenever feasible, to build government capacity, and may cover the following:

- Development or revision of sector strategy, programs and actions
- Development of multiyear operational plans and medium-term expenditure frameworks

- Technical services related to education sector plan development
- Capacity-building in specific areas related to gender-responsive planning, monitoring and evaluation
- Consultations to ensure a participatory process
- Independent assessment of the education sector plan/transitional education plan, follow-up on its recommendations
- Dissemination of the education sector plan/transitional education plan or operational plans to a broader audience

**Activity group C:**
**Identify and address multiple forms of exclusion and strengthen system resilience**

This sub-window provides funding to activities in support of policies and plans to identify and address multiple forms of exclusion, including planning for children with disabilities and other excluded groups. It also includes funding for activities that support the education system to prepare for, respond to and recover from adverse events. These can be related to climate change, disasters, public health emergencies, conflict, forced displacement, political crises or economic shocks.

The system capacity grant activities and technical services under this financing sub-window should serve to fill existing gaps and seek, whenever feasible, to build government capacity in different aspects of system resilience. Activities may cover the following:

- Diagnostics and analysis to help determine whether policies and plans adequately address multiple forms of exclusion; activities to help build capacities to address the gaps diagnosed
- Capacity-building and technical assistance related to the full realization of the right to education for all children, such as applying a rights-based assessment of policies
- Review and updating of national legal frameworks around the right to education, where applicable, to be in better accordance with the state's obligations under international human rights law; and activities to review and ensure that there are clear and direct linkages between such legal frameworks and education sector policies of that country
- Diagnostic of external/contextual risks to the education system—e.g., climate and disaster risk screening, analysis of hazards, exposure and ability of the education system to cope with adverse events

- Analysis of forced displacement trends, impacts on the education system and pathways to improve inclusion of displaced children in the national system
- Conflict analyses, including two-way relationship between education and conflict
- Development or strengthening of data systems that track risks and their impact on the education system, and/or track the education needs of displaced and refugee populations
- Knowledge exchange related to strengthening resilience of the education system
- Capacity-building and technical assistance related to integrating resilience and risk management in planning, monitoring and evaluation, in the short to long term
- Development or revision of sector plan, strategy, programs, budgets and actions to include preparedness, response, and recovery strategies and/or inclusion of displaced populations
- Climate-sensitive planning for both adaptation and mitigation (approaches to school construction, curriculum content, teacher professional development, evacuation measures)
- Development of contingency plans or mechanisms that allow the system to respond to and recover from adverse events
- Training, capacity building and support for government staff at central and decentralized levels, including on the gathering and use of data and evidence

**Ineligible activities** include procurement and delivery of contingency or response supplies, school-level planning and capacity-building, and any other activities whose purpose is the implementation of preparedness, response or recovery strategies, unless specifically mentioned above. Activities associated with resilience without a direct link to the education sector are also ineligible.

**Activity group D:**
**Strengthen evidence-based diagnosis of critical implementation bottlenecks**

This sub-window provides funding for activities to help strengthen evidence-based diagnosis of critical bottlenecks in the implementation of other GPE grants, such as the system transformation grant or the Girls' Education Accelerator, and to identify potentially scalable, transformative solutions. Activities covered include, but are not limited to, the following:

- Diagnostics, analysis and other activities to help determine and address bottlenecks in the implementation of GPE grants
- Activities to help strengthen or reinforce capacity for the implementation of other GPE grants

## Financing Window 2

### Activity group E: Strengthening sector coordination and monitoring

This sub-window provides funding to support the engagement and coordination of education sector stakeholders to strengthen capacity for system transformation. This includes support to sector monitoring activities, including the organization of effective joint sector reviews, as well as support to coordinating agencies, ministries of education or other eligible partners for the effective coordination and administration of the local education group. This sub-window can also be used to support the monitoring of the country's partnership compact. Activities covered include the following:

- Activities related to joint monitoring—e.g., gathering and assessing data for and drafting the annual implementation report, dissemination and implementation of aide-memoire and its action points. Also includes other joint sector review–related costs, such as cost of venues, hiring of facilitators and interpreters/translators
- Strengthening the capacity for subnational representation and effective participation in policy dialogue and sector monitoring, including participation of local civil society actors and representatives of teachers' organizations. This may also include travel costs for joint sector review participants
- Activities/technical services to help build and sustain the ministry of education's capacity for effective coordination, leadership and ownership of sector engagement and processes
- Activities that support greater inclusiveness of the local education group, e.g., by fostering the participation of civil society, agencies focused on gender equality, human rights and children with disability
- Activities that enable coordinating agencies to better support local education group coordination
- Activities that help build and retain capacity for monitoring and reporting on local education group coordination
- Activities that may help address capacity gaps for coordination identified in the local education group self-assessment as areas where improvements are needed
- Support for coordination between central and local levels (state/provincial), across the different tiers of government, or among multiple ministries working on education (e.g., ministry of education, ministry in charge of preschool/early childhood education, ministry in charge of vocational, and/or higher-education ministry in charge of refugee education or education in emergencies)

- Support to build and retain capacity for sector coordination in response to needs identified in the partnership compact
- Activities and technical services to help monitor the partnership compact

**Activity group F:**
**Strengthening budget processes and ministry of finance engagement**

This financing seeks to support the budget-related planning and coordination capacity of the ministry of education and strengthen its engagement with the ministry of finance on matters of domestic financing for education. Activities covered include the following:

- Activities to strengthen the ministry of education's capacity to engage with the national budgeting process or increase domestic financing for education. This may include studies and analyses on the equity and efficiency of education expenditure or other activities that help make a compelling case for increased domestic funding for education
- Targeted training, technical assistance and other services to strengthen the capacity of staff at the ministry of education budgeting and planning offices. This may include efforts to improve budgeting efficiency, proper costing of budget through simulation models
- Activities to strengthen procurement and human resource management
- Activities to support clarity and transparency in budget reporting and strengthen budget data credibility, including but not limited to teacher data, student enrollment data and cleaning up of teacher payroll
- Activities and technical assistance to establish or strengthen gender-responsive budgeting
- Activities that help facilitate education sector budget dialogues and negotiations with the ministry of finance to ensure important education-related activities are factored into the national budgeting process

**Activity group G:**
**Funding to establish and operate pooled funding mechanism**

The use of a pooled funding mechanism contributes to aid harmonization. Funding for activity group G can be accessed by countries that have indicated (in their partnership compact) an interest to develop a pooled funding mechanism or reinforce an existing one. The funding may cover the following:

- Activities that help establish or strengthen the pooled fund. This includes support for the smooth operation of the pool fund, including scheduled and ad hoc decision meetings of the partners to receive and approve results, disbursements and reports
- Activities that support education sector resource mobilization and alignment dialogue between the partner countries and its education sector development partners
- Activities that support greater use of country public financial management systems (alignment of pooled funding)
- Hiring of consultants to support setting up or strengthening existing pooled funding
- Studies or analyses on public financial management, pooled funding or aid effectiveness
- Coordination of development partners for the purpose of establishing or strengthening a pooled fund mechanism

**Activity group H:**
**Support to cross-sectoral convening**

This financing supports activities that help facilitate engagement and coordination between the ministry of education and stakeholders from other sectors, with the aim of strengthening the ministry's capacity to address relevant education challenges.

This includes, but is not limited to, engagements between the education ministry and ministries of finance and health and other government agencies that deal with gender and humanitarian affairs and the strengthening of links between humanitarian and development coordination mechanisms.

While some cross-sector coordination activities are also supported by other financing windows or activity groups, financing for cross-sectoral convening specifically focuses on activities that are not covered elsewhere in these guidelines.

## Financing Window 3

**Activity group I-K:**
**Strengthen capacity, adapt and learn, to implement and drive results at scale**

This window provides funding to help strengthen capacity, adapt and learn in order to implement and drive results at scale. This window may cover the following activities:

- Strengthening capacity for uptake and use of data and evidence, including an educational management information system and learning assessment systems. This also includes improving the availability and use of sex-disaggregated data and other types of data (such as learning outcomes) on the most marginalized children, including displaced children
- Training and support for government staff at central and decentralized levels, including capacity strengthening for staff working on educational management information system and learning assessment systems
- Support to strengthen capacity for ongoing monitoring at central and decentralized levels in order to adapt, learn and correct course
- Support to strengthen capacity for greater gender responsiveness of the ministry of education, including for training and support for staff working on the gender unit
- Technical assistance to support implementation capacity, including sector plan implementation monitoring, strengthening of data systems (including an educational management information system and learning assessment systems) and evaluation of specific policies and programs in priority areas. The technical assistance could take different forms, including mobilization of external expertise as needed
- Strengthening capacity for efficient management of resources, including policies on teacher management and policy or capacity for procurement of textbooks and school construction

### Linking Activities with Enabling Factors and Partnership Compact

This section asks whether the country has already developed a partnership compact, and whether the system capacity grant will be used to fund activities identified in the compact or for its development. Countries **not eligible for a system transformation grant** are asked if they have conducted an enabling factors analysis and, if so, whether the grant will fund activities identified in that analysis.

## Program Proposal

GPE recommends defining the scope of work, activities and timeline in a **program proposal**, allowing the government team, grant agent and partners to work together on a common vision and to specify tasks and expected results. While there is flexibility on how to structure the proposal, it should address the following items:

1. Reasons for addressing obstacles to system transformation within the specific enabling factors or areas. (This can be omitted from the proposal if a partnership compact identifying specific enabling factors or areas of need is already in place)
2. How the proposed actions will address capacity gaps identified within them
3. How the proposed actions will reinforce or contribute to strengthening overall system capacity

If the program proposal is not specifically focused on capacity strengthening as regards gender equality it should still draw on a gender-equality perspective in the design of program activities. The program design should also include the identification of risks associated with sexual exploitation, abuse, and harassment (SEAH) that may be induced or exacerbated by the system capacity grant. See additional information on SEAH under the section on Safeguards and Obligations.

As indicated, application for a system capacity grant is expected to be primarily driven by the need to address capacity gaps within the enabling factors as assessed by the government and partners in the partnership compact. The compact enables the identification of reforms that could be supported through the grant: volume, equity and efficiency of domestic finance; gender-responsive sector planning, policy and monitoring; data and evidence; and sector coordination.

A country could also reserve part of its system capacity grant allocation to organize a mid-term review to monitor the progress made on the implementation of the compact.

## Budget

Applicants use the system capacity grant **budget template**, prepared by the GPE country team, to specify the costs of the activities to be financed and how these represent value for money.

## Endorsement

Upon completion of the system capacity grant application, the government and its partners should have clarity on the processes, resources and time needed to complete the activities. GPE expects that the application will be discussed and endorsed by the local education group prior to its submission. The **minutes of the meeting should be included as an attachment** when submitting the application.

## Grant Agents

**Partner countries receive GPE funding through grant agents** who are accountable for the use of the resources throughout the grant's duration. Governments, in consultation with the local education group, are encouraged to select a grant agent who can best assist them in a particular area supported by each GPE grant.

As comparative advantages of agencies could depend on the area of support, a country may opt for different grant agents, separating applications for different types of support as most appropriate in the country context. The advantages of that choice should outweigh the additional transactions that might result.

The selection process of the system capacity grant agent should be transparent and streamlined to ensure low transaction costs. The selection is decided by the government and endorsed by the other members of the local education group based on the agent's ability to provide technical support and build capacity for areas targeted by the system capacity grant. To allow for fast access to the system capacity grant in support of compact development, the government is encouraged to select the coordinating agency as grant agent in this instance, if possible. **Minutes of the local education group meeting endorsing grant agent selection should be sent to the GPE Secretariat.**

If a country identifies the same grant agent to receive the system capacity grant multiple times, the grant agent should allocate subsequently requested amounts as top-up or additional funding to the ongoing grant implementation. This approach ensures that grant agents only need to submit one progress report instead of multiple reports for each requested system capacity grant amount.To receive transferred funds, the grant agent must have **a financial procedures agreement with the GPE trustee, the World Bank.** If such an agreement does not exist, the designated agency should immediately seek to secure one after selection. Country offices should liaise with their headquarters should they have questions or require assistance regarding cash transfers.

The terms of reference for grant agents set the general objectives and expectations for administering a system capacity grant. Agencies that are selected as grant agents meet certain minimum standards and are entrusted to follow their own policies and procedures including those related to audit, eligible expenditures, procurement, employment and supervision of consultants, and fiduciary oversight, including continued support and corrective actions during implementation.

While the government leads the planning process in close consultation with in-country development partners, the grant agent has the delegated **responsibility for developing the system capacity grant application** based on the agreed process. The grant agent will work with the government and its partners to ensure that all

deliverables are prepared in accordance with the agreed scope, technical decisions and complementary funding from the grant agent and other partners.

**The grant agent is responsible for ensuring that high-quality work is carried out in accordance with (1) its own policies and procedures, (2) the grant application, (3) applicable GPE policies and guidelines and (4) the financial procedures agreement.**

The government leads the grant application process in close collaboration with the grant agent who engages in policy dialogue and provides technical support.

The grant agent is expected to work closely with the government to ensure full leadership and ownership of the system capacity grant-supported activities and to use the process to build government capacity. It is also important for the grant agent to work with the coordinating agency to ensure that the local education group is consulted and regularly informed on the status of activities, including any implementation delays.

In addition, **the grant agent is expected to detect issues that may arise during implementation as early as possible** and to resolve them. If there are delays or issues that may adversely affect the quality and timing of the work, it is the responsibility of the grant agent to inform the Secretariat and the local education group. In doing so, the grant agent should also include an explanation of what is being done or considered to mitigate the impact of delays and ensure that the grant activities will be completed in a timely manner.

**If more than one grant agent is selected for different funding windows or sub-windows, there can be multiple applications (submitted jointly, if desired), which should then be adapted to their specific purposes.** These applications can be submitted either together or at different times. Each application has a maximum 4-year implementation period.

## Safeguards and Obligations

### Sexual exploitation, abuse, and harassment

GPE aims to ensure that there are adequate safeguards against **sexual exploitation, abuse, harassment and related misconduct** (SEAH) during implementation of programs funded by its resources. While grant agents are expected to follow their own SEAH policies and procedures, the grant application will ask for confirmation that:

1. The grant agent has considered SEAH risks that are induced or exacerbated by the GPE grant

2. If SEAH risks are identified, then details of risk assessment and proposed mitigation measures are provided
3. If SEAH risks are not relevant for the GPE grant, then reasons for this conclusion are provided.

When an SEAH incident occurs in the implementation of a GPE-funded program, the grant agent is required to **immediately notify the GPE Secretariat country team lead**, copying: gpe_grant_submission@globalpartnership.org

## Misuse of GPE resources

GPE has a zero-tolerance policy regarding the misuse of its resources. In the event that it does occur, the grant agent's internal processes for dealing with such issues will apply, including steps to reclaim any misused funds, if applicable. The grant agent should also **immediately inform the Secretariat, in writing, of any concerns regarding misuse of funds** and remedial actions taken by the grant agent to mitigate the impact on the program in line with the GPE policy in this regard.

The notification should be sent to the Secretariat country team lead, copying gpe_grant_submission@globalpartnership.org

## The right to education

Countries and their grants should also note that GPE is guided by **five key obligations on states to ensure the right to education**, and **all GPE partners** are bound by these obligations:

1. Providing 12 years of free, quality, public primary and secondary education – of which at least 9 years are compulsory – and at least 1 year of free and compulsory quality pre-primary education
2. Ensuring the right of access to public educational institutions and programs on a non-discriminatory basis
3. Ensuring that education conforms to the aims of education recognized in human rights treaties and is directed to the full development of human personality and sense of dignity
4. Respecting the liberty of parents to choose for their children schools, other than those established by public authorities, which conform to minimum educational standards
5. Using maximum available resources, including both domestic and international resources, to facilitate the progressive realization of the right to education, and without retrogression.

## Submission

The complete SCG application package consists of:

- **Completed grant application** form
- **Program proposal** (Word document)
- Budget for activities support by the system capacity grant (Excel template)

If the local education group wishes to submit any additional documents for consideration, these can be attached to the email when submitting the application.

The grant application can be submitted at any time. The government signs and submits the completed application together with the required deliverables to the GPE Secretariat at the following email address, copying the coordinating agency, the grant agent and the Secretariat country team lead:
gpe_grant_submission@globalpartnership.org

## The Approval Process

If seeking a system capacity grant of up to $100,000 to support development of a **partnership compact**, a country is **NOT** required to complete this or the remaining sections concerning revisions, monitoring and learning.

After receiving the application, the **Secretariat will carry out an initial review within 5 working days.** If clarification is needed, the Secretariat will notify the coordinating agency, copying the grant agent and the designated ministry focal point.

During its initial review, the Secretariat determines whether the grant application clearly explains the reasons to address specific capacity gaps in enabling factors or other areas. It also establishes how what is proposed will address the specific issues identified, whether there are any gaps in the expected deliverables for the application and whether the application includes a reasonable budget and timeframe.

While this determination will vary according to each grant, in all cases the Secretariat will assess to **what extent the proposed program addresses the needs of the education system as identified by the local education group.**

If the Secretariat has any questions about the application, it will be returned with written comments to the coordinating agency, grant agent and the designated ministry focal point. The government and its partners can then address the Secretariat's queries and resubmit the application.

After the initial screening, the submission goes before the Secretariat's **grant application review committee,** comprising technical, policy and financial experts. Its job is to ensure that the grant process and budget are in line with the relevant guidelines before making a recommendation on the grant itself. Applicant can review the committee's review checklist on the GPE web site.

If an application has failed to address concerns raised during the screening stage, or if the grant application review committee raises significant new concerns, the Secretariat may ask for additional clarification. Should the Secretariat decide not to approve the grant application, it will provide written comments outlining its reasons.

**If no clarifications are needed** as a result of the screening, the application will be processed within **15 working days** of its receipt, and the Secretariat's decision will be communicated to the ministry focal point and copied to the coordinating agency and grant agent.

Review and final decision might take longer for an application if the system capacity grant is to be combined with a system transformation grant and/or a Multiplier grant.

Upon **approval** of the application, the Secretariat will notify the GPE trustee to process a transfer of funds to the grant agent under the existing financial procedures agreement. Where no such agreement exists, the Secretariat will work with the grant agent to develop one. The approval letter from the Secretariat will indicate: (1) The starting date of the grant; (2) The closing date of the grant; and (3) The date by which the grant reports are expected.

## Revisions

The partner country, together with the grant agent and in consultation with the local education group, may make **minor revisions** after grant approval. These include the reallocation of resources within sub-windows or activity groups not exceeding 10 percent of the grant's total budget. The revision should be consistent with the objectives of the approved grant and the grant agent must inform the Secretariat of these adjustments.

**Non-minor revisions** will be submitted to the Secretariat for approval after consultation with the local education group, usually within 15 working days. These revisions include (1) the extension of grant end dates; (2) the reallocation of resources within sub-windows or activity groups above 10 percent of total budget; (3) any reallocation of resources between windows, including increases to grant agent country office cost; and (4) changes to objectives and program deliverables.

The request should explain the rationale for the change and the amounts involved. The Secretariat will consider the change and either issue a non-objection to the proposed changes or inform the grant agent if the changes are not acceptable.

The grant agent should submit requests for revisions to the Secretariat via email to gpe_grant_submission@globalpartnership.org, copying the coordinating agency, the ministry focal point and the Secretariat country team lead.

# REPORTING, MONITORING AND LEARNING

The **consultative process within the local education group** is particularly critical in identifying areas to be supported by the system capacity grant, as well as in **reporting on how the grant has reinforced the government system capacity.**

The government and the grant agent will be expected to periodically share with the local education group policy-related issues from implementation of the system capacity grant relative to supported areas. Performance reporting for the grant is expected to be learning-oriented, identifying further opportunities for improvement in capacity strengthening practices.

Reporting can also assess the ongoing coherence between the grant and the other actions taken to reinforce the education system. The frequency and intensity of reporting will likely vary depending on the country context, but **updates to the local education group must be provided at least twice a year.** As relevant, reporting should be integrated in joint sector reviews within the broader sector monitoring.

Countries will also have an opportunity to evaluate progress of activities supported by the system capacity grant during the **partnership compact mid-term review**, as most will have set out their goals based on the reforms specified in the compact.

Finally, the country is expected to discuss the **grant completion report** within the local education group, reflecting on how it addressed weaknesses with regards to the enabling factors and to explore how these lessons can be incorporated and applied to future actions, including the next cycle of system capacity grant funding.

### Reports to GPE

**Narrative reports:** The grant agent is required to submit two types of implementation reports using GPE templates (table 2):

1. **A periodic performance report for each year of system capacity grant implementation.** The first annual progress report must cover the first 12 months of implementation and must be submitted no later than 3 months after the first anniversary of the official grant effectiveness/start date. The second annual progress report must be submitted no later than 3 months after the second anniversary of the official grant effectiveness/start date.
2. **A final performance report at completion**, to be submitted within 6 months of the grant closing date.

**For grants with an implementation timeframe of 12 months or less**, a periodic performance report is **not** required. A final performance report at completion must be submitted **within 6 months** of the grant closing date. However, if a grant with an initial duration of 12 months or less is revised and the **closing date is extended beyond 12 months**, a periodic performance report and a final report will be required as mentioned in points 1 and 2 above.

If more than one grant agent has been selected, they can elect to file reports to GPE either jointly or separately, as is convenient. In cases where a system capacity grant is combined with a system transformation grant and/or GPE Multiplier, the specific reporting requirements outlined in these guidelines should be followed for the system capacity grant portion of the larger grant.

**Table 2.** Reporting for the system capacity grant

| Features | Annual implementation report | Final performance report |
|---|---|---|
| Purpose | To periodically monitor progress of grant implementation and its ongoing suitability vis-à-vis systemic capacity strengthening needs to inform possible improvements. | To account for and learn from information on relevance, strategic coherence, effectiveness, efficiency and sustainability, and inform any future capacity strengthening programming efforts. |
| Frequency | Once per year throughout grant implementation. A periodic report is not required for grants with an implementation period of up to 12 months. If a grant with an initial 12-month implementation period is extended, a periodic report should be submitted within 3 months of the start date anniversary.<br><br>The last periodic performance report can be combined with the final performance report when the implementation reporting period does not exceed 3 months. | Once, at completion, within 6 months of grant closing date.<br><br>There may be cases where the completion report is due less than 12 months from the date the last implementation progress report was submitted. In such cases, the Secretariat still requires that last progress report. |
| Format | Grant reports should be submitted using the GPE reporting portal for grant agents, adhering to the GPE implementation and completion report templates available online. | Grant reports should be submitted in the GPE reporting portal for grant agents, adhering to the GPE implementation and completion report templates available online. |

| | | |
|---|---|---|
| | Please contact the grant operations officer responsible for your country if requiring assistance in accessing the portal. | Please contact the grant operations officer responsible for your country if requiring assistance in accessing the portal. |
| Contents (highlights) | Analysis of progress and performance on each of the three system capacity grant windows. Indication of any (current, previous) challenges and proposed remediation, and their degree of success at subsequent follow up. Emerging successful practices and lessons. | Stocktaking of performance, relevance, and efficiency of the grant activities/deliverables at completion across the three financing windows. Success in filling identified capacity gaps. Contribution to strengthened capacity in the relevant capacity areas. Picture of fiduciary performance. Successful practices and lessons. Possible areas of continuation or scaling, and related sustainability factors. |
| Reporting process | The report should be prepared by the grant agent and then shared for input with the government and the local education group, or as per alternative governance arrangements, before submission to the Secretariat. | |
| Timing of report | Within 3 months after the end of the implementation year. | Within 6 months after the actual grant closing date. |
| Submission details | GPE has established a reporting portal for grant agents to submit implementation and completion reports online. If you require assistance in accessing the portal, please reach out to the grant operations officer responsible for your country. | |

A key purpose of the periodic performance report is to inform the Secretariat of the grant agent's assessment **of progress in a specific area**. In addition, these reports will serve to **highlight issues that arise during implementation and actions taken to resolve them.** The grant agent is expected to share the reports with the local education group for their input.

**The final performance report,** prepared by the grant agent at completion, takes stock of the **performance, relevance and efficiency of the grant's activities and deliverables across the three financing windows.** The grant agent reports on the grant's success in addressing weaknesses with regard to the enabling factors, and its contribution to strengthened capacity. Finally, the grant agent is requested to provide an **overview of successful practices and lessons**, possible areas of continuation or scaling, and related sustainability factors. The final performance report should be submitted respecting the deadlines set out above.

### Financial Reporting

The grant agent is tasked with submitting the grant's final financial statements to the GPE trustee as stipulated in the financial procedures agreement. Any unspent funds at the close of the grant should be reported to the Secretariat and to the GPE trustee by an authorized signatory using the relevant annex outlined in the financial procedures agreement. The Secretariat and the trustee will liaise with the grant agent as to how the unspent funds will be returned.

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