TERMS OF REFERENCE FOR GRANT AGENTS

June 2024

GPE Transforming Education

1. Definition and framing

A grant agent is any GPE partner approved to receive funds **directly from the trustee. The grant agent** is expected to ensure that GPE grants are appropriately managed, fully aligned with broader education sector developments and add value to country-level processes and results.

Eligible partner countries can draw on two distinct types of GPE funding to support their efforts to deliver quality education for all: **implementation grants** and the **system capacity grant**.

Implementation grants drive focused, evidence-based investments in support of a country's **priority reform** with the potential to transform the education system itself. Comprising the **system transformation grant, GPE Multiplier** and **Girls' Education Accelerator**, these implementation grants enable a partner country to break down barriers to systemwide change, as set out in a **partnership compact.**

In addition, GPE provides the system capacity grant to assist countries in addressing barriers identified during the enabling factors analysis to support the planned education sector reform within the partnership compact. The grant is designed to be allocated toward overcoming the most critical enabling factors identified through the enabling factors review and Independent Technical Advisory Panel (ITAP) assessment. It can also be used to support the conduct of the enabling factors analysis itself, or the development of the country's partnership compact.

These terms of reference for grant agents set out the **operational responsibilities and accountabilities** of grant agents as they relate to GPE funding. They are applicable to grant agents for the system capacity grant and all implementation grants.

The World Bank acts as **trustee** for the GPE Fund. **Any agency selected as a grant agent must secure a formal, signed financial procedures agreement with the trustee**.

The guidelines to the selection process **for grant agents** set out the **required, specific fiduciary minimum standards**, ensuring that each agency or organization selected as a grant agent has the required capabilities to perform its intended role. GPE applies the fiduciary minimum standards to screen prospective grant agents prior to their approval by the Finance and Risk Committee, systematically assessing whether the organization or agency has all the capacities, policies and procedures needed to provide due oversight of GPE Fund resources.

Grant agents are selected through a transparent process, approved by the government and endorsed by the other members of the local education group as part of a broader sector dialogue. The Secretariat verifies adherence to the agreed grant agent selection process. There is no expectation that the grant agent for implementation grants should be the same as the grant agent for the system capacity grant. A country can opt for different grant agents

depending on the type of support most appropriate in country context. This choice should, however, incur minimal transaction costs.

2. Responsibilities

The grant agent has the following specific responsibilities:

A. Supporting effective, inclusive partnership:

- The grant agent is expected to engage in the broader GPE agenda **as a partner and as a member of the local education group,** supporting inclusiveness in policy dialogue around the priority reform that a country and its partners have agreed upon in the country's partnership compact and/or the following enabling factors: 1) volume, equity, and efficiency of domestic finance; 2) gender-responsive sector planning, policy, and monitoring; 3) data and evidence; and 4) sector coordination.
- In collaboration with the coordinating agency, the grant agent promotes **harmonized, inclusive policy dialogue and contributes to and participates in joint sector reviews.**

B. For grant application preparation, the grant agent is expected to:

- Support the government's proposal for GPE financing and preparation of the grant **application package** in consultation with the local education group.
- Support the government in **developing its program** within the agreed scope of work and implementation modality, in consultation with the coordinating agency and other members of the local education group and consistent with the agreed priority reform (identified in the partnership compact), milestones and timelines.
- Provide gender and education **technical support**, ensuring that gender equality is considered in developing the grant program with the government.
- Support the government in identifying **evidence-based, programmatic solutions** to address specific education sector challenges regarding the priority reform.
- Work with the government to clearly **define the agent's role in relation to grant implementation**; this can be limited to fiduciary oversight and monitoring, including technical support and capacity building, or encompass direct implementation that includes program performance and achievement of results. The defined role should be explained and budgeted for in the application. With the exception of standardized agency fees, any grant agent costs, including supervision fees, will be paid from within the country allocation.
- Evaluate the **quality and effectiveness of the program** and work with the Secretariat to define the respective roles of the grant agent and the Secretariat in quality assurance processes of implementation grants within an agreed timeline, ensuring they are well coordinated and complementary.
- Use and align with **country procedures and systems** according to agreed grant agent criteria for the context, and in compliance with the grant agent's policies and procedures.

C. **Under its fiduciary responsibilities,** the grant agent is expected to:

- Enter into a **financial procedures agreement with the GPE trustee** and perform its fiduciary accountabilities in compliance with that agreement.
- Enter into a **formal agreement with the grant recipient** (usually the government) or recipients as appropriate to the grant agent's own policies and practices and the country context.
- Maintain **books, records, documents and other evidence** in accordance with its accounting procedures to sufficiently substantiate the use of transferred funds.
- Submit to the Secretariat **annual audit reports, financial statements and management letters** of GPE-funded programs (e.g., audits conducted by the supreme auditing institute) within 7 months of the conclusion any reporting period or after the grant completion date, unless a different arrangement has been agreed. **UN entities** that are exempt from GPE audit requirement due to their single-audit principle should submit copies of audit reports and management letters whenever "Harmonized Approach to Cash Transfers" (HACT) audits are commissioned exclusively for GPE grants. Additionally, this provision **does not refer to audits of the activities and expenditures of the grant agent itself**. The relevant provisions relating to the activities and expenditures of the grant agent are outlined in the financial procedures agreements.
- Submit to the Secretariat on an annual basis (or as otherwise agreed between the grant agent and the Secretariat) a **projection of implementation grant utilization** that shows the anticipated use of the remaining undisbursed, allocated funds during the remainder of the program implementation period for each grant allocation.
- Ensure the **use of GPE funds is carried out in accordance with:** (a) applicable GPE policies and guidelines, (b) the grant application approved by GPE, (c) the grant agent's own policies and procedures and (d) the financial procedures agreement.
- Ensure that **utilization of GPE grants is prioritized** or in proportion with other sources of funding, including but not limited to those from the grant agent.
- Follow its internal procedures as well as the GPE Policy and Communications Protocol on Misuse of GPE Trust Funds in the event of any suspected **misuse of funds.**

D. **During program implementation and monitoring,** grant agents:

- Ensure that the implementation of activities is in line with the **agreed policy priority and the approved program document**.
- Follow and implement the **GPE grants policy,** which details procedures on approval and notification processes, implementation period, reporting requirements, revisions and amendments.
- **Build government capacity and provide technical support**, as laid out in the approved program document.
- Support the government in **assessing quality and effectiveness** of program outcomes and/or outputs, and in pursuing the best programmatic solutions.

- Diagnose in a timely manner and work with the government to **resolve any implementation issues** that may adversely affect the desired outcome of the program and/or prevent the program from reaching the targets.
- Support the government in **notifying the local education group of any actions that impact the overall progress** of the program, the implementation of the priority reform and its targets. Such notification should include an explanation of what is being done to resolve any issues.

E. For reporting, grants agents:

- Use the GPE standard reporting portal to facilitate the **tracking** of overall grant performance. They also provide an annual progress report through the portal to the Board via the Secretariat.
- Support the government in periodically **sharing with the local education group** policy-related issues concerning grant implementation. Alternatively, the grant agent reports directly to the local education group if it is directly responsible for grant implementation. The frequency and intensity of reporting will likely vary depending on the modality and the role of the grant agent vis-à-vis the government, 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.
- Hold **semiannual portfolio meetings** with the Secretariat to facilitate joint problem-solving and keep the Secretariat regularly informed on performance of implementation grants, ensuring a good flow of information and timely reporting by the Secretariat to the Board. Those meetings can be organized as joint monitoring missions, which is recommended in case of shortcomings in grant performance that could limit or jeopardize the timely achievement of its contribution to system transformation.
- Make **action plans to address underperforming grants.** The grant agent may be requested to submit ad-hoc reports whenever there are shortcomings in implementation grant performance that might limit or jeopardize the timely achievement of its contribution to system transformation. This includes but is not limited to situations where the grant agent reports shortcomings in implementation progress or lower- or slower-than-expected fund utilization. The grant agent is required to report on planned measures or any past remedies to address the issues causing underperformance, as well as the timelines for realizing those improvements.
- Must submit a **completion report** within 6 months of the grant's closure.
- Promptly notifies the Secretariat of any incident of **sexual exploitation, abuse and harassment** in the implementation of any program funded by GPE.

F. For program communication and visibility, the grant agents:

- Jointly develop and distribute GPE visibility **materials for nontechnical audiences**, such as press releases, photo and video packages and beneficiary profiles.
- Ensure that communications materials—including but not limited to press releases, web stories, reports, photos and videos about the GPE grant program—will **clearly**

reference GPE funding and comply with GPE branding guidelines.

- Commit to facilitating an **introduction of relevant counterparts** to GPE's communications team to jointly promote the visibility of the grant.
- Help identify any **stories of impact** of the GPE program on beneficiaries that could be shared with the GPE Secretariat for media and publicity purposes. These stories will be featured on GPE communications materials and platforms, with attribution to the provider. Specific guidance on communications aspects is available online.

CONTACT

information@globalpartnership.org

OFFICES

Washington
701 18th St NW
2nd Floor
Washington, DC 20006
USA

Paris
66 Avenue d'Iéna
75116
Paris
France

Brussels
Avenue Marnix 17, 2nd
floor B-1000, Brussels
Belgium

Chennai
Global Infocity Park, Block
C 11th floor
40 MGR Salai, Perungudi
Chennai, Tamil Nadu
600096 India

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