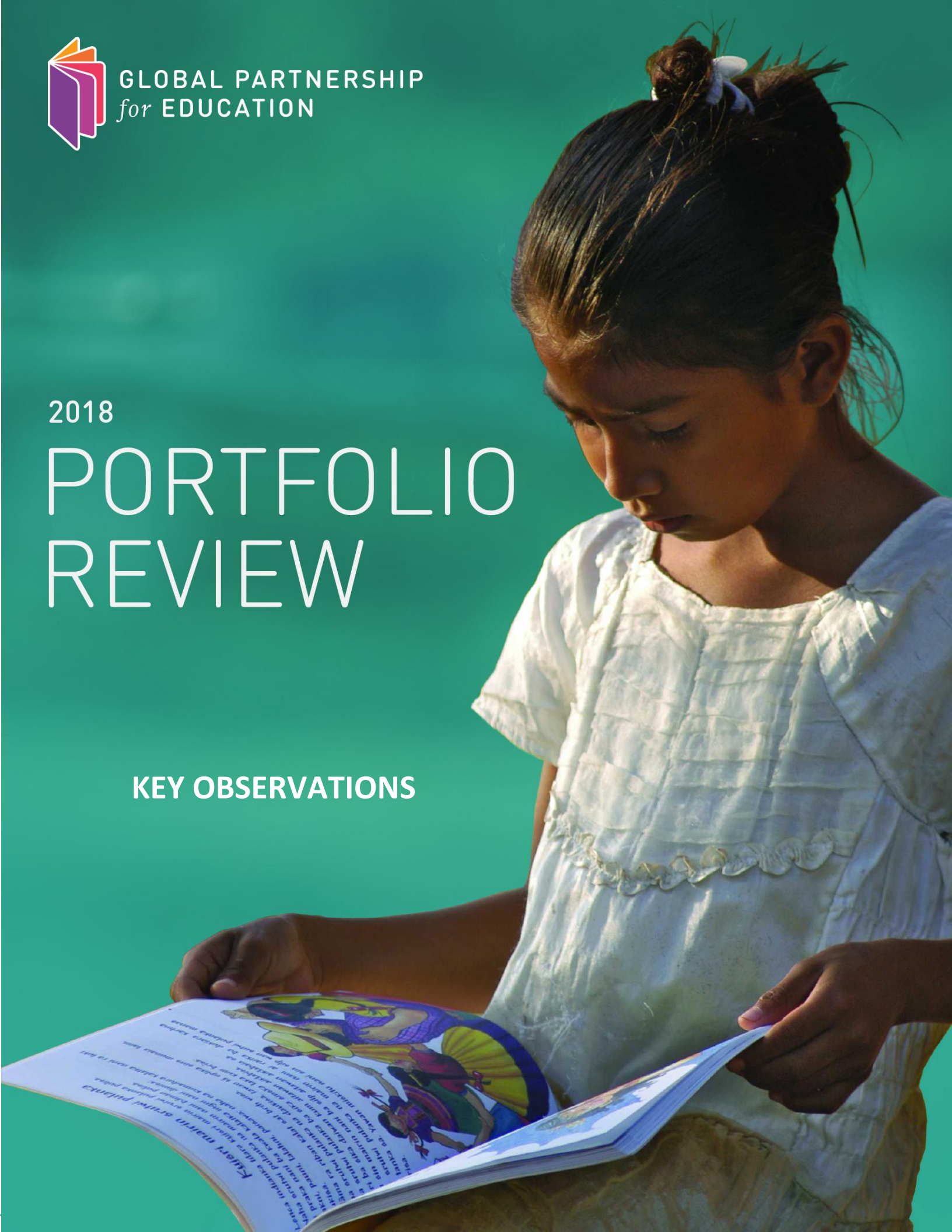
GLOBAL PARTNERSHIP *for* EDUCATION

2018

PORTFOLIO REVIEW

KEY OBSERVATIONS



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KEY OBSERVATIONS[1]

GRANT PORTFOLIO TO DATE

Between its inception in 2002 and June 30, 2018, 145 education sector program implementation grants (ESPIGs) have been provided to 59 countries, including one regional grant, for a total of US$4.829 billion. Seventy-six percent of this ESPIG funding is allocated to countries in Sub-Saharan Africa, totaling 100 ESPIGs. GPE has cumulatively disbursed US$4.12 billion in ESPIGs.

Figure 1: Cumulative Number of ESPIGs and Cumulative Number of DCPs that Have Received an ESPIG by Calendar Year*

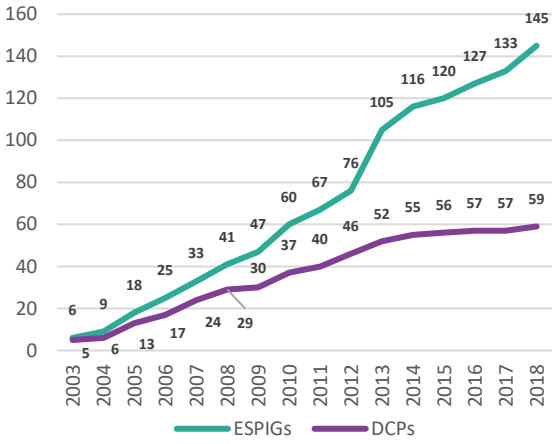
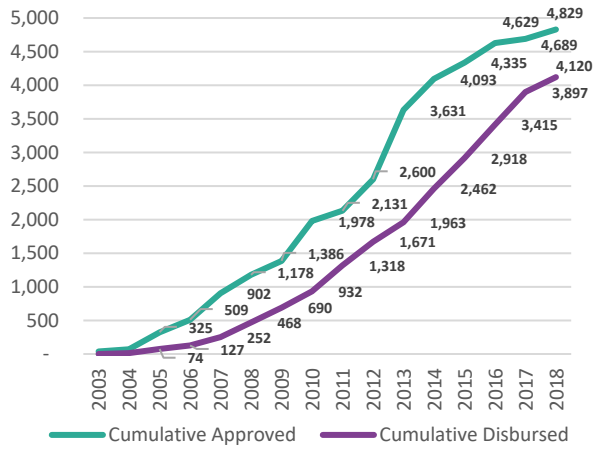


Figure 2: Cumulative ESPIG Approvals and Disbursements by Calendar Year (in US$ millions)*

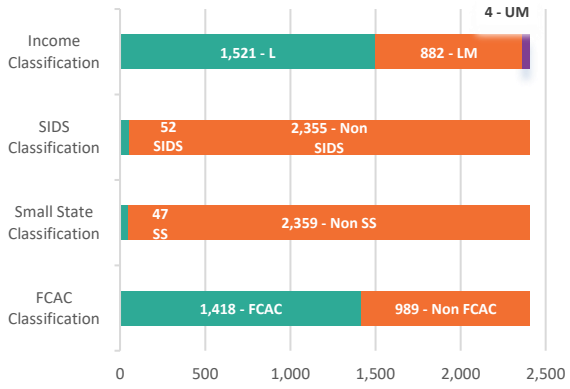


*Note: 2018 figures are as of June 30.

DESCRIPTION OF THE PORTFOLIO IN FY18

In FY18, 55 developing country partners (DCPs) benefitted from a total amount of US$2.397 billion in ESPIG allocations[2]. Fragile and conflict-affected countries (FCACs) and low-income countries continue to receive a larger proportion of grant allocations. During the fiscal year, 30 (55 percent) of the DCPs with active, closed or pending grants were classified as low-income, and they received US$1.521 billion (63 percent) of total ESPIG allocations. Twenty-nine DCPs in the FCAC category (or 53 percent of all ESPIG beneficiaries) received US$1.418 billion (59 percent of all ESPIG allocations).

Figure 3: Total Active, Closed and Pending ESPIGs Amount (US$ million) by Income, FCAC, Small States and Small Island Developing States in FY18[3]



[1] This separate Key Observations highlights key information from GPE's Portfolio Review 2018. For contexts and details see the main report.
[2] This is the implementable grant amount for all the active, closed and pending grants as of June 30, 2018.
[3] Country profile acronyms: FCAC (fragile and conflict-affected country); SIDS (small island developing state); UM (upper-middle-income country); LM (lower-middle-income country); and L (low-income country).

Table 1: ESPIG Portfolio as of June 30, 2018

	NEW APPROVED	ACTIVE	CLOSED	PENDING	TOTAL	ACTIVE & CLOSED
Number of grants	14	34	24	8	**66**	**58**
Value (US$ million)[4]	189.1	1,437.7	870.3	89.2	**2,397.2**	**2,308**

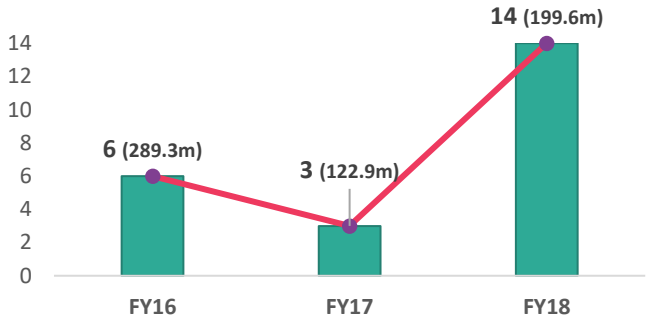
Table 2: Country-Level Grants Overview for FY18

GRANT TYPE	NUMBER OF GRANTS FY18 (ACTIVE AND CLOSED)	AMOUNT ALLOCATED IN FY18 ($US MILLION)	AMOUNT DISBURSED IN FY18 ($US MILLION)
ESPDG	42	4.6	3.8
PDG	25	2.9	2.8[5]
ESPIG	58	189[6]	491.9
MULTIPLIER ESPIG	N/A[7]	N/A	N/A

FUNDING MODEL UPDATE

Four years after the adoption of the GPE results-based funding model, the number of program implementation grants allocated to DCPs continues to grow and is expected to increase significantly in the years ahead. Fourteen ESPIG applications were approved in FY18. This is more than quadruple the three ESPIGs approved in FY17 and more than double the six in FY16. It is projected that 15 ESPIG applications will be received by the Secretariat in the first half of FY19.

Figure 4: Evolution of Number of ESPIGs Approved under the Funding Model*



*Total allocations (in US$ million) in brackets include supervision allocations.

ESPIGS BY THEMATIC COMPONENTS AND OBJECTIVES

As in the previous fiscal year, GPE's investments in partner countries' education sectors remain aligned with the GPE 2020 strategic vision of ensuring inclusive and equitable quality education for all, especially children in some of the most difficult circumstances. An analysis of the activities and objectives supported by program implementation grants reveals that all 37 ESPIGs that were active and pending (excluding the sector-pooled ESPIGs)[8] at the end of FY18 include interventions that contribute to improvement in learning outcomes, increased equity, and system change.

[4] Value represents the implementable amount (the grant amount excluding supervision allocation).
[5] Includes actual figures for World Bank disbursements and estimates for the other GAs, whose data will be available upon grant completion.
[6] US$189,060,744 is the implementable amount (i.e. excludes the supervision allocation), while the grant amount is US$199,585,830.
[7] No Multiplier ESPIG approved as of the end of FY18.
[8] There were 34 active ESPIGs as of June 30, 2018; however, five sector-pooled ESPIGs that were active as of June 30, 2018 were excluded from the coding analysis because such grants involve various donor contributions and cannot be earmarked. Therefore, the sample comprises the remaining 29 active ESPIGs (as well as the 8 eight pending ESPIGs).

Table 3: Summary of Thematic Activities and Education Subsectors Supported by ESPIGs, Active/Pending in FY18 (N = 37)

GPE 2020 GOALS	THEMATIC ACTIVITIES	FY18 ESPIGS CODED			FY17 TOTAL (N=41)
		FCAC (N=22)	NON-FCAC (N=15)	TOTAL (N=37)	
Learning	Teacher training	22	15	37	40
	Standard/curriculum/learning materials	21	12	33	35
	Learning assessment systems	21	12	33	29
	Teacher management	14	5	19	26
	Use of ICT in learning	2	2	4	5
Equity	Gender equality	18	13	31	30
	Education facilities	15	6	21	30
	Access for out-of-school children	12	3	15	17
	Support to children with disabilities and special needs	9	4	13	10
	Well-being programs	5	4	9	12
	Cash transfers/other targeted incentives for students	4	1	5	4
	Adult learning	4	1	5	5
System	System strengthening: central level	22	15	37	41
	System strengthening: decentralized/school levels	19	13	32	33
	EMIS (Education Management Information Systems)	19	10	29	33
EDUCATION SUBSECTORS					
	Early childhood care and education (ECCE)	14	10	24	22
	Primary	22	15	37	40
	Secondary	11	14	25	24
	Post-secondary	0	0	0	2
	Adult education	4	1	5	5

PERFORMANCE

Compared to the previous fiscal year, there is an improvement in the performance of ESPIGs. In FY18, six (21 percent) of 28 active grants (with available ratings[9]) were rated as on track in both disbursement and implementation, and seven grants (25 percent) were rated as delayed in either disbursement or implementation. This is an improvement from last year when 19 percent of total active grants were rated as on track overall and 31 percent as delayed. Operational challenges are a major cause of implementation delays, accounting for about 58 percent of all delays in FY18. The bulk of the operational challenges are related to issues faced by government departments or units during program implementation as well as issues pertaining to implementation of procurement activities. Another major cause of delay is unforeseen changes and external circumstances, such as changes in government leadership or policy, and in weather and security conditions. These unforeseen circumstances accounted for about 25 percent of implementation delays in FY18.

[9] The FY18 implementation and disbursement analysis does not include information on the six new grants for which the first progress report (and the GA's ratings) were not yet due to be submitted to the GPE Secretariat at the time of this analysis.

Figure 5: ESPIGs: Implementation Status, FY14-FY18 (in percentage and number of ESPIGs)

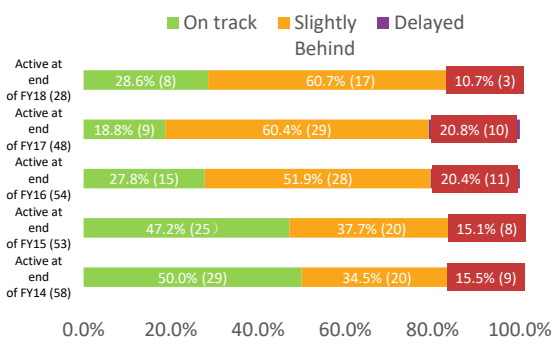
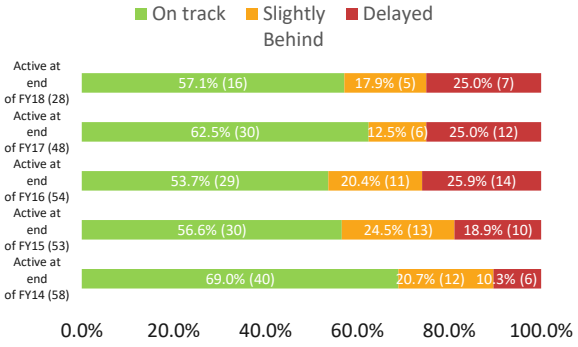


Figure 6: ESPIGs: Disbursement Status, FY14-FY18 (in percentage and number of ESPIGs)



Although most ESPIGs are on track in disbursement as in previous years, the share of delayed grants has not seen any improvement since FY15 (about a quarter of grants have remained delayed in disbursement over the past three years). Compared to FY17, the share of slightly behind grants has increased (from 12.5 to 17.9 percent) with a proportional decrease in share of on-track grants.

Measures taken to address implementation and disbursement delays include program restructuring and extension, provision of technical assistance, improved coordination between the grant agent (GA) and the government, and enhanced facilitation of the dialogue by the GPE Secretariat to reach a common understanding on program implementation. Improvement in the implementation of specific activities based on lessons learned from the previous grant experience also played a role.

RESTRUCTURING

The number of non-minor and material revision requests has decreased in FY18 compared to FY17. Twenty-three non-minor and material requests were approved in FY18 compared to 40 in the previous period.

Table 4: Non-Minor and Material Requests Approved in FY18

	APPROVED BY	RESTRUCTURING		FCAC	
		# REQUESTS	%	# REQUESTS	%
Non-minor	GPE Secretariat	12	52.2	9	64.3
Material	GPC	11	47.8	5	35.7
Total		**23**	**100**	**14**	**100**

MODALITIES

There is an improvement in the proportion of ESPIGs aligned to national systems. FY18 had 20 (36 percent) of 56 ESPIGs significantly aligned with national systems,[10] compared to 31 percent in both FY15 and FY16, and 28 percent in FY17. While this may suggest an increase from the previous years, it is worth noting that year-on-year fluctuations in the percentage are not necessarily significant and may not denote

[10] There were 34 active ESPIGs and 24 closed ESPIGs (total 58 ESPIGs) during FY18. Active ESPIGs for Organisation of Eastern Caribbean States (OECS) on behalf of Dominica, Grenada, Saint Lucia, Saint Vincent and the Grenadines and closed Accelerated Funding (AF) for Somaliland were excluded from the sample for alignment: OECS is an inter-governmental organization, and AF is not an instrument to promote alignment but rather to channel through the funding as quickly as possible.

a clear trend either way. Grant implementation cycles are typically more than four years and the sample of active grants captured in any given year is not constant over a particular period, with grants opening and closing in different time periods.

Figure 7: Proportion of ESPIGs Strongly Aligned to National Systems (FY15-FY18)

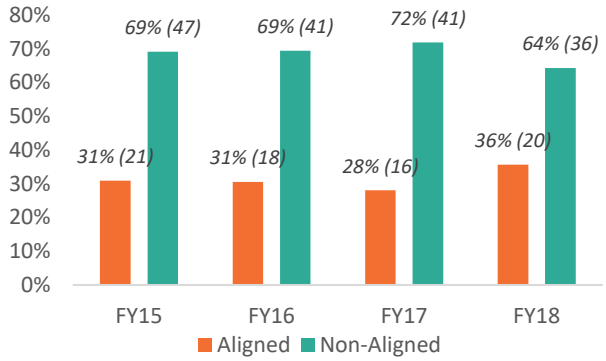
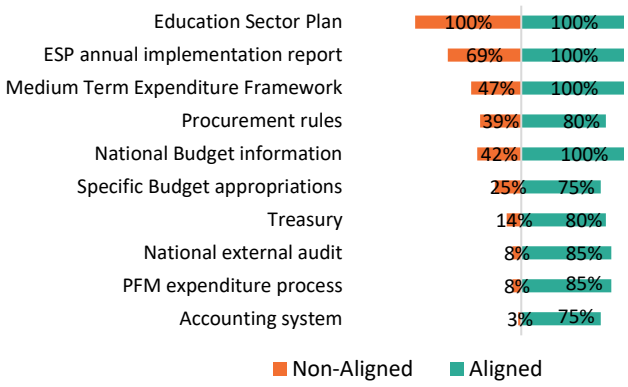


Figure 8: Proportion of ESPIG Alignment per Dimension (FY18)



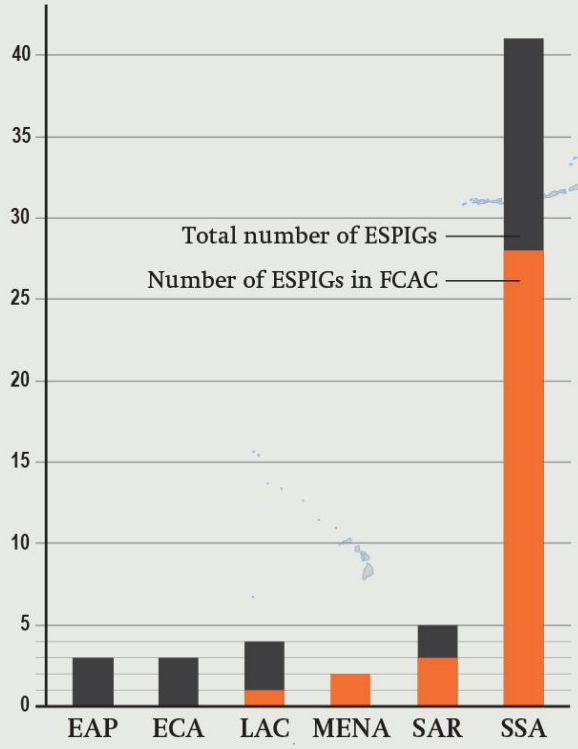
It was the coincidental cycle of closure of many non-aligned ESPIGs in FY17 with the start of several aligned grants in FY18 that resulted in the increase in the proportion of ESPIGs aligned in FY18.[11] It is therefore too early to state whether a positive longer-term trend is in motion. Hence the broader picture remains the same as in last year's portfolio review**: a majority of ESPIGs remain insufficiently aligned with national systems and there is a significant effort required to progress towards the Partnership's aim of having about half of ESPIGs strongly aligned.**

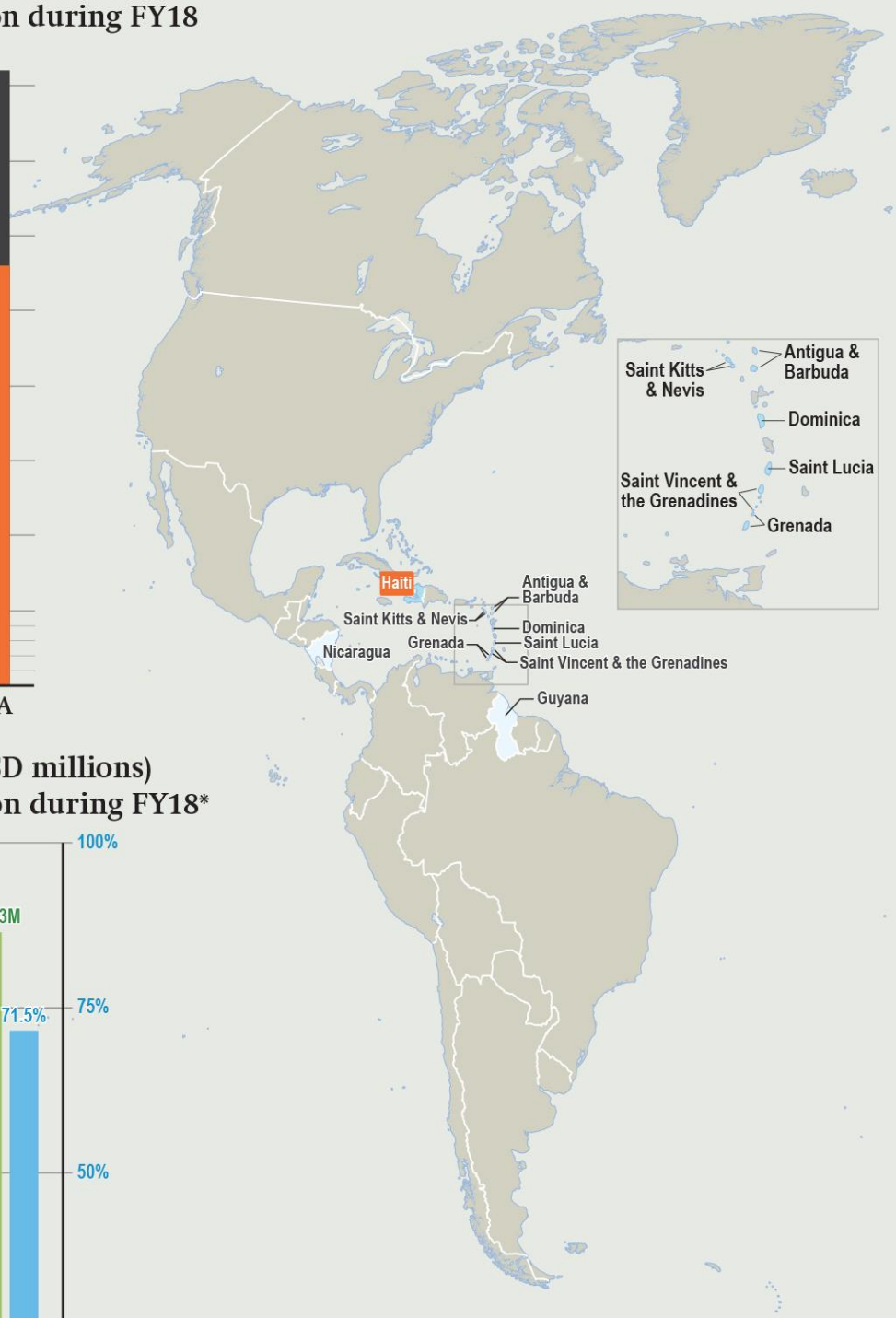
The Secretariat will continue the implementation of the alignment road map started in 2017, working with and supporting country partners to develop more aligned modalities. Further tools and practices will be developed to reinforce the Secretariat's capacity to engage, including the capitalization of successful aligned modalities that maximize the strengthening of country systems and contribute to increased funding at scale, together with sound fiduciary risk management for GPE and partner resources.

[11] In FY17, 11 ESPIGs closed (one aligned and 10 not aligned) and in FY18, nine ESPIGs became active (four aligned and five not aligned).

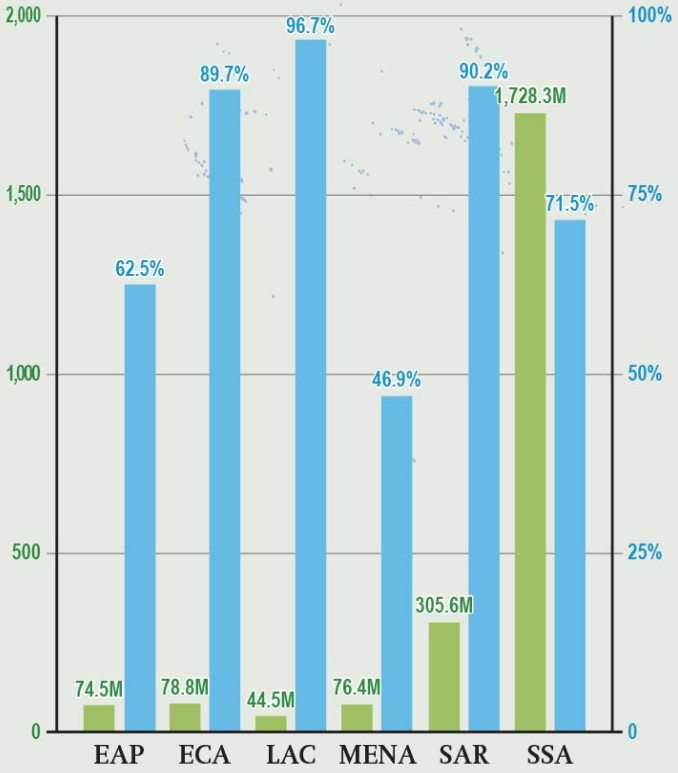
EDUCATION SECTOR PROGRAM IMPLEMENTATION GRANTS (ESPIGs) DISTRIBUTION BY REGION
(ACTIVE/CLOSED DURING FY18)

Total active/closed ESPIGs by region during FY18



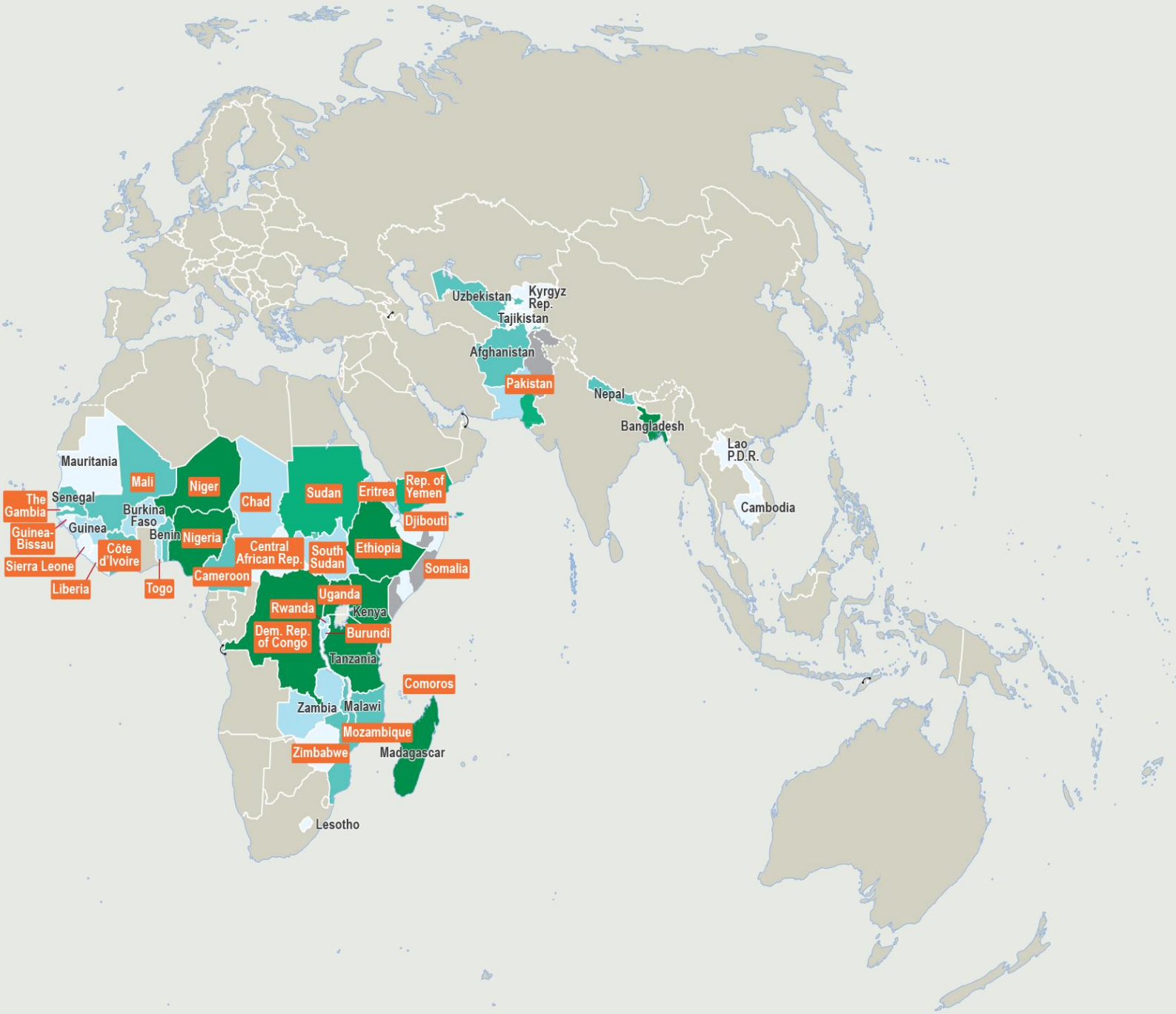


Total grant amount approved ($USD millions) and percentage disbursed by region during FY18*



** Percentage disbursed is calculated by dividing the disbursement by the implementable grant amount.*

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Implementable Grant Amount by Country* in $USD Million:

- 0 – 19.9
- 20 – 39.9
- 40 – 59.9
- 60 – 79.9
- ≥ 80
- No data

Grenada — GPE Developing Country Partner (DCP)

Somalia — DCP affected by fragility and conflict (FCAC)

** If country has more than one ESPIG, only the most recent one is taken in account.*

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