GLOBAL PARTNERSHIP for EDUCATION

BOD/2012/10 DOC 01
Meeting of the Board of Directors
Via Audio Conference
9 October 2012

REPORT OF BOARD WORKING GROUP ON EVANS REVIEW

For Decision

1. PURPOSE

The purpose of this paper is to seek a decision of the Board of Directors on the implementation plan for "Stage 1 – Status Quo Plus" contained in **Annex 1** to this paper and recommended by the Board Working Group on the Evans Review.

2. REQUESTED DECISION

The Board Working Group on the Evans Review recommends that the Board of Directors approves the following decision:

> **BOD/2012/10-01 – Implementation Plan for "Stage 1 – Status Quo Plus":** The Board of Directors:
>
> a. endorses the implementation plan for improving the operational and administrative effectiveness of the Global Partnership for Education, including the Secretariat, as set out in Annex 1 of BOD/2012/10 DOC 01 (the "Implementation Plan"), other than Hosting Issue 1 and Partnership (Governance and Performance Management) Issue 1 and Issue 4;
>
> b. requests the Secretariat and other parties identified in the Implementation Plan, in particular the Chair and the Board Working Group on the Evans Review (the "Working Group"), to commence addressing the Board-endorsed issues as set out in the Implementation Plan; and
>
> c. requests the Working Group to further consider Partnership Issue 1 and Issue 4 and to provide a recommendation to the Board of Directors at its next face-to-face meeting.

3. BACKGROUND

3.1 Early in 2012, the Chair of the Board of Directors commissioned Dr. Alison Evans, Director of the Overseas Development Institute, to produce an independent report on the "hosting arrangements" for the Global Partnership for Education ("Global Partnership" or "GPE") Secretariat by the World Bank. Dr. Evans's independent report

and the concept note for her engagement, previously circulated to the Board of Directors are posted on the GPE website at: http://www.globalpartnership.org/media/docs/publications/GPE-Report-Hosting-Review-June-2012.pdf.

3.2 At the retreat of the Board of Directors, held on 6 June 2012 in Berlin, Germany, immediately prior to the Board meeting on 7-8 June 2012, Dr. Evans presented on her findings and recommendations on the options available to the Board of Directors.[1]

3.3 At the meeting, the Board of Directors approved the following decision:

> **BOD/2012/06-11 — Evans Review:** The Board of Directors takes note of the presentation by Dr. Alison Evans at the meeting of the Board of Directors on 7-8 June 2012 (the "Presentation"), which recommends a staged process for improving the operational and administrative effectiveness of the Global Partnership for Education, including the Secretariat.
>
> The Board of Directors:
>
> (a) requests the Chair to form a Board Working Group that will work with Dr. Evans to produce a detailed plan for the implementation of "Stage 1—Status Quo Plus", as described in the Presentation, by no later than the end of July 2012 (the "Final Report"); and
>
> (b) agrees to consider the Final Report at a meeting to be scheduled.

3.4 Immediately following the Board meeting, the Chair established the Board Working Group on the Evans Review with the following members:

Deputy Minister Mahama Ayariga (Ghana)
David Archer (Action Aid)
Paul Griffiths (AusAid)
Susan Durston (UNICEF)
Vincent Snijders (Netherlands)

4. REASONS FOR RECOMMENDATION

4.1 The Working Group met several times by audio-conference and produced a detailed plan for the implementation of "Stage 1—Status Quo Plus", as described in the presentation and Dr. Evans's final report.

[1] http://www.globalpartnership.org/media/Berlin%202012/Board%20Presentations/03_GPE%20Hosting%20Review%20-%20Options.pdf).

4.2 As set out in the report, "Stage 1--Status Quo Plus" involves the decision to retain the hosting arrangement with the World Bank but to deliver a package of improvements. The implementation plan in Annex 1 contains:

- Seven issues dealing with hosting and Secretariat performance (working better within the business model of the World Bank);

- Four issues dealing with the Partnership (governance and performance management); and

- Three issues dealing with operations at country level.

It is a requirement of "Stage 1--Status Quo Plus" that performance improvements are made across these areas.

4.3 In the implementation plan, issues are ranked by priority. Those that are ranked HIGH are considered non-negotiable for the implementation of Stage 1—Status Quo Plus". Those that are ranked MEDIUM are additional and may need some further work but are, nevertheless, considered essential for improved operational performance over the short to medium term.

4.4 Hosting Issue 1 as outlined in the implementation plan has been superseded by an agreement between the Chief Executive Officer (CEO) Working Group and the World Bank on the CEO recruitment process and so is excluded from the request for endorsement from the Board of Directors.

4.5 There is a consensus in the Working Group about all the elements of the implementation plan other than the following:

a. **Partnership Issue 1:** The Working Group felt further work was needed on a proportionate response that was also consistent with the Chief Executive Officer recruitment process. The Working Group proposes to do additional thinking with the view to a fuller discussion by the Board of Directors at its face-to-face meeting scheduled for 19-20 November 2012.

b. **Partnership Issue 4:** The Working Group has not yet decided on a proposal to address this issue, but suggests additional thinking on how a virtual independent technical review panel could give feedback on a random selection of education sector

plans and GPE program implementation grant applications while acting as an appeals mechanism in the event of disputes over the quality/readiness of education sector plans in particular.

5. NEXT STEPS

Following approval by the Board of Directors of the implementation plan, the Chair will lead a process for its implementation other than the two issues noted in the decision. The Working Group will continue to work on the outstanding issues and provide a recommendation to the next face-to-face meeting of the Board of Directors on 19-20 November 2012, in Paris, France.

ANNEX 1: Status Quo Plus – Implementation Plan

This plan reflects follow up work on the Evans Review by a small working group of members of the Board of Directors. The purpose of the matrix is to identify key actions needed to take forward the recommended strategy of 'Status Quo Plus" as described in the independent report of the Evans Review.

Status Quo Plus involves the decision to retain the hosting arrangement with the World Bank but to deliver a package of improvements that cover the following areas: (i) hosting and Secretariat performance (working better within the business model of the World Bank); (ii) the Partnership (governance and performance management); (iii) operations at country level. It is a requirement of Status Quo Plus that performance improvements are made across these areas.

In the matrix areas/actions are ranked by priority. Those that are ranked HIGH are considered non-negotiable for the implementation of Status Quo Plus. Those that are ranked MEDIUM are additional and may need some further work but are, nevertheless, considered essential for improved operational performance over the short to medium term.

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Hosting Issue 1	High	According to World Bank human resources rules, while the Board of Directors is consulted as part of the process of recruitment of the Head of the Secretariat, the final decision rests with the Vice President of the Human Development Network in the World Bank. This rule, which makes sense for the World Bank's core business, undercuts the authority of GPE partners on the Board of Directors ("Board") to determine future leadership of the global program that they fund/ participate in.	Senior level/Chief Executive Officer ("CEO") appointment includes full engagement of the Board in recruitment and decision-making.	Chair of the Board and CEO Working Group convene a meeting with Bank management at the highest level (President if necessary) to agree and confirm in writing a more equitable approach to CEO recruitment. Bank human resources staff supports CEO recruitment with full and equitable participation of nominated Board members.	September 2012 for agreement, January 2013 for CEO appointment.	Board has full and equal authority to appoint the CEO.	CEO appointment made at appropriate senior level to the full satisfaction of the Board and the World Bank. Clear performance framework in place for CEO to be measured against.

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Hosting Issue 2	High	World Bank human resources procedures service core World Bank business and are not easily tailored to Secretariat staffing needs (in terms of mix of skills/job titling and seniority). The recently introduced cluster system in the World Bank slows down recruitment further. The need for flexibility by the Secretariat means an increased reliance on short-term and extended term consultant staff. The uncertainty of short term contracts adds to the challenge of building a strong/stable Secretariat team e.g. extended term consultants cannot, for example, be task managers with authority over budgets. Flexibility as to Secretariat recruitment remains an area of some tension between the Secretariat and the World Bank.	A Memorandum of Understanding (MoU) to be prepared and agreed between the Board of Directors and the World Bank setting out: roles and responsibilities in decision-making on human resource matters, procedures for hiring Secretariat staff and (as above) terms for the participation by the Board in senior recruitments (also see staff rules below).	Board Chair and CEO working group plus World Bank– as part of wider MoU.	Process started by September 2012, final MoU by December 2012	Improved flexibility, speed and leadership in hiring Secretariat staff appropriate to the Global Partnership's needs.	MoU finalized and disclosed internally and via GPE website.

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Hosting Issue 3	High	World Bank rules on procurement are there to support its core business but are often too limiting for the scale and type of contracting undertaken by the Secretariat. This slows down and adds costs to Secretariat decision-making and delivery. Currently Secretariat staff leads on procurement themselves which adds costly steps to the process as not all are equally familiar with the rules and exemptions etc.	The Secretariat's current decision to recruit a 'Resources Manager' with responsibility for leading on procurement should significantly aid current procurement processes. Training/sharing of good practice within the Secretariat on the scope for more flexible/smarter ways of doing business. The Secretariat needs to develop a stronger voice in working with the service departments of the Bank along with dedicated human resource procurement and information technology contact persons within World Bank service departments.	Secretariat with World Bank human resources to finalize recruitment of a Resources Manager as soon as possible. Secretariat to ensure internal knowledge sharing on engaging effectively with World Bank systems. "How to"s developed to assist recruitment, rapid and flexible procurement etc. Resources Manager as above.	October 2012 Ongoing Ongoing	Secretariat is able to quickly and efficiently procure goods and services to meet the needs of the Partnership. The Secretariat is fully up to speed with World Bank procurement processes and the flexibilities therein.	Resources Manager post filled. New and existing Secretariat staff show improved speed/confidence working with a range of Bank systems (measured through GPE staff and client surveys)

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Hosting Issue 4	High	World Bank staff rules put all matters relating to the World Bank – brand, identity etc - above that of the Global Partnership. World Bank staff rules are a key part of the authorizing environment for the hosting arrangement but should not exclude the possibility of staff duly serving both the World Bank and the Global Partnership on an equal footing	A key principle, the MoU should include the simple statement that "for staff of the Secretariat, loyalty to the World Bank means duly serving the interests of the Global Partnership for Education" (similar to what happens when WB staff are seconded to other organisations	Board Chair and World Bank senior management to agree as part of an MoU language to manage the staff rule for Secretariat staff as per World Bank secondees.	Finalised by December 2012	The Secretariat fully recognizes and operationalizes its accountability to Secretariat senior management and the Board.	Clause on staff rules included in MoU
Hosting Issue 5	High	World Bank-led performance management of the senior team in the Secretariat skews incentives and gives the appearance of greater accountability to World Bank management than the Board.	MoU needs to clearly specify Board involvement in senior leadership performance management through: (a) Possible establishment of a 'performance management sub-committee' to oversee Secretariat performance (b) Drawing up a performance framework for Head/CEO to be monitored by the Board.	Board Chair/nominated Board representatives agree with senior World Bank management on a modus operandi (to be inserted into MoU) for Board formal engagement in performance management.	Finalised by December 2012	CEO and senior Secretariat management are directly and fully accountable to the Board.	Board involvement in senior performance management formalised with clear performance goals being monitored by the Board on a regular basis.

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Hosting Issue 6	High	World Bank financial reporting/charge codes do not give a readily accessible picture of the Secretariat operating costs to Board members and external stakeholders.	Work on the presentation and transparency of cost data to allow for a clearer assessment of 'cost of doing business and pass through cost' with clearer benchmarking over time.	Secretariat to (a) introduce a new/simplified format for tracking costs of doing business categorised clearly into Board governance, administrative and operational costs (b) ensure the timely production of financial reports with cost data and portfolio performance data fully disclosed (c) production of a scorecard with cost vs. spend & portfolio performance data regularly presented to the Board (see below).	October 2012 for simplified cost data December 2012 for performanc e scorecard (see below).	Greater transparency of costs of doing business and portfolio performance improves the regularity and quality of Board oversight of Secretariat operations.	Scorecard and improved cost data regularly presented to Board and disclosed as part of an Annual Report.
Hosting Issue 7	High	No clear/simple methodology for Secretariat reporting to the Board on key performance issues: from elapsed times for recruitment to portfolio performance and average disbursement rates.	Develop a scorecard of key performance measures to be routinely shared with and monitored by the full Board.	Secretariat with the Board.	Ongoing for Annual Report First scorecard by December 2012	Board oversight of the quality of operations of the Secretariat and partners improves.	Greater transparency of operational/ portfolio performance improves the quality of Board oversight of Secretariat and partner operations.

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Partnership Issue 1	Medium	Managerial accountability is current weighted towards the World Bank. There is a need to increase the managerial authority of the Board by increasing the amount of regular engagement/ oversight on matters of operational importance to the Global Partnership.	1. Appraise in more detail the pros and cons of establishing a sub-committee (or alternative formulation) of the Board to take particular responsibility for administrative/ managerial and performance issues of the Secretariat. 2. Identify and phase in methods into regular Board working that allow for more regular decision-making and monitoring of delivery of the strategic plan.	1. Board chair to get agreement from the Board in September 2012 to commission a short additional piece of work appraising ways to improve the managerial heft of the Board for decision at the second face-to-face Board meeting in 2012. 2. Board Chair to work with Secretariat to identify opportunities for introducing electronic decision-points between Board meetings and more virtual decision-making.	November Board meeting	A more engaged and responsive Board providing effective and timely oversight.	CEO/Secretariat view the Board as having an equally important role in managerial oversight. Partners see an improvement in the accountability relationship between the Secretariat and the Board.

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Partnership Issue 2	High	The Partnership has relied heavily on the World Bank to perform as Supervising Entity. In line with other global programs, a broader participation from donor partners is vital to deliver a true partnership and break the perception that GPE funds are being used 'as if' World Bank funds at country level.	Finalise Accreditation Guidelines as soon as possible. GPE donor members must step up to taking on Supervising and Managing Entity roles as befits the GPE partnership model.	Board to finalise/approve Accreditation Guidelines. Board to develop and implement a strategy alongside the Guidelines that actively promotes and negotiates the role of Supervising or Managing Entity with other multilateral and donor partners. Secretariat to be part of high level negotiations with donor partners on becoming a Supervising or Managing Entity.	Second face-to-face meeting of the Board of Directors in 2012 at the latest. The current process of accrediting additional Supervising Entities is complete by December 2012. A further six accredited Supervising Entities are in place by December 2013.	A greater diversity of partners engaged in the Supervising or Managing Entity role.	Policy finalized and disclosed. Strategy finalised and at least one new Supervising Entity appointed/ operational by June 2013

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Partnership Issue 3	High	The Global Partnership has not played a full leadership role in resource mobilization, relying too heavily on a few donor partners to carry most of the burden. Funding at the global level needs a wider range of contributors, while more emphasis needs to be given to crowding-in resources at country level through the demonstration effect of committed domestic resources and innovative aid modalities.	Clarify the Global Partnership's 'offer' with a funding strategy that: (i) is clear about a range of opportunities to engage and (ii) seeks to attract not just donor partners but country partners and private/ philanthropic partners both globally and nationally. The Funding strategy must set clear performance targets for raising funds both globally and at country level.	Secretariat to prepare a funding strategy with key performance targets for global and country level resource mobilization to be signed off by the Board. Board members to agree on division of labour in assisting with approaches to new funders at country level.	December 2012	The Global Partnership ambitiously fundraising and championing basic education among donors, including new and emerging donors.	At least one new committed funding source at scale secured by December 2012, with an additional two by the end of 2013. Resource mobilisation strategies piloted in 5 developing country partners by mid 2013.

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Partnership Issue 4	Medium	Secretariat quality assurance processes are relatively new. The FAC is functioning well but neither process draws on independent technical advice. Good practice would suggest an important role for independent technical input/challenge in order to improve the overall quality and relevance of sector plans and grant proposals.	Appraise the potential contribution of a small but diverse panel of independent experts who would provide periodic input on the quality of ESPs and GPE grant proposals.	Board chair to commission further work on the possible role and scope of work of a small independent (virtual) technical advisory panel for discussion at the November Board meeting. Independent panel members should be drawn from a broad expert pool across education and aid effectiveness (public, private and civil society).	Decision taken by end 2012. Panel members in place with clear terms of reference by mid 2013.	High quality and timely feedback available to the Board and FAC on ESPs and grant development / implementation.	Independent group/panel convened and operational. Partners report useful contributions from the Independent panel that improve the quality of plans and grant decisions.

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Country Level Issue 1	High	Local Education Groups ("LEG")/local donor groups often weak and most are insufficiently representative.	Secretariat must devise a program of active support to LEGs with a focus on creating inclusivity and being clear about performance viz GPE goals at country level.	Secretariat finalizes a strategy for support to LEGs/LDGs with clear benchmarks for assessing/ comparing composition and performance and a specific focus on ensuring effective and broad-based civil society involvement and promoting better quality civil society engagement.	Strategy in place and agreed by Board by December 2012 Support ongoing from October 2012 with regular monitoring	Increased local/national civil society engagement in GPE country-level processes. Greater Secretariat presence at country level helps to distinguish the Global Partnership's mission from that of the World Bank.	Benchmarks show improvements in LEG composition & performance over a 9-12month period in over half GPE countries.

Issue Number	Priority	Issues to be addressed	What is needed	Actions by Whom	By When	Desired Outcome	Measured How?
Country-Level Issue 2	High	Lack of flexibility in the process of planning and implementation. Slow disbursements of funds after grant approval.	Secretariat pilots and evaluates ways of increasing flexibility and speed in planning process plus funds disbursement/ implementation of funds, especially in countries with weak/ fragmented institutional capacity.	Secretariat work on front-loading of resources in fragile states finalised/ implemented and disclosed. Further work done by Secretariat with key country stakeholders to identify options for added operational flexibility & speed (through streamlining of procedures & processes) Board or Executive Committee, if established, to discuss and approve options as soon as possible.	October 2012 Options paper for Executive Committee finalized by December 2012	GPE improves the quality and scale of support to conflict affected and fragile countries.	Challenges of World Bank as Supervising Entity mitigated through the use of more flexible aid modalities.
Country Level Issue 3	Medium	Range of aligned aid modalities in operation limited by constraints of Supervising Entities (especially the World Bank).	Secretariat works with sector teams in the World Bank and with non-World Bank Supervising Entities in piloting alternative aid modalities to bring about greater alignment of GPE program implementation grant funds with education sector plans.	Secretariat secures commitment from Supervising Entities on suitability of alternative modalities for disbursing program implementation grant funds. Piloting takes place in 2-3 countries by June 2013.	Alternative modes for disbursing funds in place by June 2013.	More flexible aid modalities bring about stronger alignment of GPE funds and national education sector plans.	Evidence of increased alignment and crowding-in of resources at country level.