Board of Directors Email Decision

9 May 2012

BOD/2012/05-01 -- <u>Policy on Time Frames and Revisions</u>: The Board of Directors approves the Policy on Timeframes for Grant Agreement Signing and Implementation and Procedures for Revisions to Education Plan Implementation Grant Programs, attached as Annex 1 to BOD/2012/05 Doc 01. This new policy supersedes and replaces the "Policy on Time Frames for Signing Grant Agreements and Implementation" approved by the Board of Directors in decision BOD/2010/11-14.

ANNEX 1:

POLICY ON TIME FRAMES FOR GRANT AGREEMENT SIGNING AND IMPLEMENTATION AND PROCEDURES FOR PROPOSED REVISIONS TO EDUCATION PLAN IMPLEMENTATION GRANT PROGRAMS

PART I: INTRODUCTION

1. PURPOSE

The purpose of this policy is to set out the expectations of all stakeholders involved in the management and administration of education plan implementation grants from Global Partnership for Education ("GPE") trust funds[1]. The policy:

a. establishes expected time frames for:

   i. signing of grant agreements between Supervising Entities and developing country partners; and

   ii. implementation of activities under signed grant agreements; and

b. ensures that any significant revisions to activities financed by GPE education plan implementation grants after initial approval by the Board of Directors, are:

   i. managed in a consultative way among the stakeholders involved in implementation of the program;
   ii. designed to promote education results and outcomes; and
   iii. appropriately documented and approved for the purpose of demonstrating compliance with GPE trust fund allocation approval processes.

2. APPLICATION

Paragraphs 8a. and sub-paragraphs 10c.ii and 12a. apply only to grants from GPE trust funds for education plan implementation approved after 1 December 2011. All other provisions of this policy apply to all allocations for education plan implementation grants from GPE trust funds.

[1] The reference to Global Partnership for Education trust funds includes means all of the current and future trust funds established as funding vehicles for the Global Partnership for Education that transfer funds to a Supervising Entity or Implementer.

3. DEFINITIONS

Capitalized terms used in this document that are not defined herein are defined in the Charter of the G PE and/or the GP E Fund Governance Document, as relevant.

PART II: ALLOCATION APROVAL PROCESS

4. PROCESS FOR APPROVAL OF AN ALLOCATION FOR IMPLEMENTATION GRANTS

a. **Education Plan Endorsement.** Pursuant to the Charter of the Global Partnership and the GPE Fund Governance Document, the Board of Directors approves allocations for education plan implementation grants from the resources of the GPE trust funds. As a requirement for submission of an application for an implementation grant, there must be in place an endorsed education plan.

b. **Application Package and Board Approval.** Upon endorsement of the education plan, the Coordinating Agency may submit to the Secretariat, on behalf of the Local Education Group ("LEG") of an eligible developing country partner, an application for an implementation grant (an "Application Package"). The Application Package sets out how GPE trust fund resources will be used to support implementation of the endorsed education sector plan, and proposes the Supervising Entity or Implementer for the grant. Following review by the Financial Advisory Committee ("FAC"), the Board of Directors may approve the Application Package, including the duration of the grant and the designation of Supervising Entity or Implementer for the grant.

5. TIME LIMIT FOR IMPLEMENTATION

An Application Package may cover activities for a period of up to three years.

PART III: SIGNING GRANT AGREEMENTS

6. TIME LIMITS FOR SIGNING GRANT AGREEMENTS

a. **Standard**. It is expected that, in cases where the Board of Directors approves an allocation with a Supervising Entity arrangement, the Supervising Entity will sign a Grant Agreement with the developing country partner government no later than six months following the date of the Board of Directors' approval of an allocation for an education plan implementation grant (the "Allocation Date").

b. Notification of Standard. Immediately after the Allocation Date, the Secretariat shall advise: (i) the developing country partner; (ii) the Local Education Group through Coordinating Agency; and (iii) the Supervising Entity of the allocation decision and that the expected time frame for signing a Grant Agreement is six months after the Allocation Date.

c. Notification of Upcoming Deadline. If the Supervising Entity and the developing country partner have not signed a Grant Agreement for the education plan implementation grant prior to five months after the Allocation Date, the Secretariat shall immediately send a notice to the developing country partner, Supervising Entity and the Local Education Group (through the Coordinating Agency) requesting the following information:

i. A joint indication from the developing country partner and Supervising Entity of whether the Grant Agreement will be signed within the expected time frame; and
ii. if the Grant Agreement is not expected to be signed within the expected time frame, an explanation for the delay and the new date when it is expected that the Grant Agreement will be signed (the "Extended Deadline"). The Extended Deadline may not be more than 9 months after the Allocation Date.

d. Notification to the Board of Directors and FAC of an Extended Deadline. Following receipt of the information from the developing country partner and Supervising Entity, as indicated in paragraph c. above, the Secretariat shall notify the Board of Directors and the FAC of the status of the signing of the Grant Agreement, including the explanation of the delay and the Extended Deadline.

e. Grants Unsigned After the Extended Deadline. If a Grant Agreement is not signed by the Extended Deadline, the Secretariat shall immediately inform the Board of Directors and the FAC. At that time, the allocation decision shall be automatically revoked, unless decided otherwise by the Board of Directors, and the grant funds shall be cancelled and become available for allocation by the Board of Directors.

PART IV: IMPLEMENTATION AND REPORTING

7. RESPONSIBILITY OF THE SUPERVISING ENTITY/IMPLEMENTER

The Supervising Entity, or in cases where there is no Supervising Entity, the Implementer, is responsible for the use of the resources carried out therewith in accordance with: (i) its own policies and procedures; and (ii) the applicable decisions of the Board of Directors, including the purpose for which the specific allocations have been approved by the Board of Directors.

8. REPORTING ON STATUS OF IMPLEMENTATION

a. **Report.** No later than one year after the signing of a Grant Agreement, and annually thereafter, the Supervising Entity or the Implementer shall provide to the Secretariat as part of their regular implementation report, a projection of the anticipated use of the remaining undisbursed grant funds for the remaining term of the Grant Agreement in accordance with the annual work plan (the "Funds Use Projection").

b. **Implementation Delays.** It is recognized that in certain cases there may be severe delays in carrying out planned activities under a Grant Agreement due to exception circumstances (An "Exceptional Implementation Delay"). In circumstances where such delays occur, the implementation report shall include reasons for the delay. When possible, the Supervising Entity/Implementer should rely on reports being delivered in conjunction with joint sector reviews.

c. **Notification to the FAC.** The Secretariat shall provide information to the FAC regarding implementation and any delays, as described in paragraph b., in preparation of the annual review of the portfolio by the FAC. The FAC shall include information regarding these issues in their annual report to the Board of Directors on the GPE trust fund grant portfolio.

Where applicable, such information may include recommendations from the FAC to the Board of Directors to cancel grant funds, as set out in paragraph 12 below.

PART V: REVISIONS TO PROGRAMS

9. CONTEXT FOR REVISION OF PROGRAMS

Subsequent to the approval by the Board of Directors of the Application Package, flexibility is needed to enable revision of the approved program to address unforeseen circumstances, risks or weaknesses that arise during or even before implementation. A Supervising Entity or Implementer, together with the developing country partner and other members of the Local Education Group should work to develop options for adjusting the program as a means to promote the best possible outcome of the program. Circumstances that may lead to program revision include (but are not limited to):

- violence, political upheaval or large scale natural disaster in the developing country partner
- changed country context, e.g. introduction of a new government; or
- unexpected weaknesses/risk that arise during implementation.

10. PROCESS FOR REVISING GRANTS

a. **Supervising Entity/Implementer Processes; Consultation with LEG.** It is recognized that Supervising Entities and Implementers may have processes and procedures to reflect mutual agreement between themselves and the developing country partner government to undertake revisions to programs or activities, including required approvals within their agencies. All revisions should be aimed at promoting education results and outcomes.

b. **Local Education Group Approval of Minor Revisions**. The Supervising Entity and developing country government or Implementer may undertake revisions to a program, including changes to indicators and targets, modification of program scope or design, additions or cancellations of program components that result in reallocation of grant resources across program components (or equivalent, as presented in the Application Package) of less than 10% of the grant amount, provided that the other members of the Local Education Group are consulted and explicitly support the proposed revision. Notification to the Secretariat of such changes shall be included in the Supervising Entity's annual implementation report.

c. **Notification to the Secretariat of Non-Minor Revisions.** The Supervising Entity and developing country government or Implementer shall provide a notification in writing (a "Program Revision Notification") to the Secretariat prior to undertaking a revision to a program, including changes to indicators and targets, modification of program scope or design, additions or cancellations of program components that result in:

i. a reallocation of grant resources across program components of more than 10% of the grant amount[2]; or

ii. an extension to the grant closing date.

The Supervising Entity and developing country government or Implementer shall consult the other members of the Local Education Group and solicit their explicit support of the proposed revision in these circumstances. The Program Revision Notification shall include:

i. the reasons, content and timeline for the proposed revision;

ii. a description of how the changes will affect the expected results and outcomes outlined in the Application Package; and

iii. a statement by the Coordinating Agency indicating the LEG's support of the revision.

The Supervising Entity or Implementer shall not take the decision to implement a revision without first receiving a non-objection from the Secretariat or, where there is a Material Change (defined below), the Board of Directors.

c. **Secretariat Assessment of Program Revision**. The Board of Directors delegates to the Secretariat the authority to assess whether a program revision, as described in the Program Revision Notification, constitutes a Material Change to the Application Package approved by the Board of Directors. A Material Change is a change or a series of changes to indicators and targets, modification of program scope or design, additions or cancellations of program components that result in:

i. a reallocation of grant resources across program components of more than 25% of the grant amount or that amounts to more than US$10 million, whichever is lower[3];

ii. an extension to the grant closing date of more than 12 months.

[2] Not relevant in cases of budget support without specific component budgets.

[3] Not relevant in cases of budget support without specific component budgets.

d. **No Material Change and Non-Objection.** In cases where the Secretariat determines that the proposed program revision does not result in a Material Change to the Application Package approved by the Board of Directors, it may provide its non-objection to the proposed program revision. The Secretariat shall notify the FAC as soon as possible when it has provided a non-objection pursuant to this paragraph.

e. **FAC Recommendation and Board of Directors Approval for Material Change.** In cases where the Secretariat determines that the proposed program revision results in a Material Change to the Application Package as approved by the Board of Directors, it shall provide to the FAC the Program Revision Notification, and any other documentation requested by the FAC regarding the proposed revision. The FAC shall decide within two business weeks whether to recommend the proposed revision to the Board of Directors. The Board of Directors shall decide on a non objection basis, if possible, on the proposed revision. In the event that the FAC does not agree with a revision, it may refer the matter back to the LEG for further discussion. The Secretariat shall notify the developing country partner, Supervising Entity or Implementer and the Coordinating Agency of the decision of the Board of Directors immediately after a decision is made.

f. **Amendment of Grant Agreement.** The Supervising Entity and developing partner country shall amend the Grant Agreement as necessary to reflect any revisions that have been approved under this paragraph 10.

11. FAC REPORT TO THE BOARD OF DIRECTORS

The FAC shall include in its report to the Board of Directors delivered to each face-to-face Board meeting, information regarding the Program Revision Notifications that the Secretariat has received in the previous period and the action taken on such Program Revision Notifications. The report shall include any lessons learned.

PART VI: CANCELLATION OF ALLOCATED FUNDS

12. CANCELLATION OF GRANT FUNDS

a. At any time, the Board of Directors may recommend cancellation of all or part of the grant funds which a Funds Use Projection indicates are not needed. If the Board of Directors

recommends cancellation of grant funds, the Supervising Entity shall use its own policies and procedures to work with the developing country partner to amend the Grant Agreement to reflect the reduced grant amount. Any cancelled grant funds shall become available for allocation by the Board of Directors.

b. Cancellation of Grant Funds at End of Grant Term. After the end of a grant term (including any extension approved under paragraph 10 above), any amount of an allocation that has not been used for the agreed-on purposes within the agreed-on time frame shall be cancelled and made available for allocation by the Board of Directors.

13. RECORDING OF APPROVED DECISIONS AND NOTIFICATIONS

Record-Keeping. Following the:

a. cancellation of grant funds due to circumstances described in paragraph 6.e;

b. non-objection by the Secretariat to a program revision under paragraph 10.d; or

c. Board of Directors' decision regarding a proposed program revision under 10.e; and

d. cancellation of grant funds by the Board of Directors in paragraph 12,

the Secretariat will record information on such decisions in the official records of the GPE trust funds.