REPORT OF THE FINANCIAL ADVISORY COMMITTEE

For Decision

1. PURPOSE

The purpose of this paper is to summarize the deliberations of the Financial Advisory Committee ("FAC") since the November 2011 face-to-face meeting of the Board of Directors in Copenhagen, Denmark.

2. EXECUTIVE SUMMARY

This paper contains recommendations from the FAC to the Board of Directors on the following issues:

- Revisions to the terms of reference of the Financial Advisory Committee (Section 4.1);
- Standards for the annual review of indicative allocations and consideration of requests for program implementation grants[1] above the US$100 million cap (Section 4.2); and
- Policy on engagement with potential developing country partners with federal systems of government (Section 4.3).

It also provides information on the work of the FAC on:

- "Top-up" financing (Section 5.1); and
- Establishing minimum fiduciary standards for Supervising Entities and Implementers (or "Managing Entities") (Section 5.2).

[1] Education plan implementation grants will be referred to as "program implementation grants" where relevant in this paper, in keeping with new terminology being developed by the Secretariat.

3. BACKGROUND

Meetings of the FAC

3.1 **Face-to-face meeting (13-14 November 2011).** The FAC held a face-to-face meeting in Copenhagen immediately following the meeting of the Board of Directors on 11-12 November 2011. The outcome of that meeting was the FAC recommendations on the first allocations for program implementation grants from the Global Partnership for Education Fund ("GPE Fund"), which were approved by the Board of Directors by audio-conference on 15 December 2011.[2]

3.2 **Needs and Performance Framework discussions.** The Needs and Performance Framework for program implementation grants 2012-2014 ("NPF") was also discussed by the FAC at its November 2011 face-to-face meeting and discussions continued by e-mail thereafter. The FAC's final recommendation was sent to the Board of Directors in December 2011 and was discussed and approved by the Board of Directors at its audio-conference on 12 January 2012.[3]

3.3 **Audio-Conferences (January 2012-May 2012).** The FAC conducted business at three audio-conferences from January to May 2012:

a. 7 February 2012: to discuss the FAC work plan and amendments to its terms of reference;

b. 5 March 2012: to discuss a policy on revisions to implementation grant programs and standards for the annual review of the indicative allocations for program implementation grants and consideration of requests above the US$100 million cap; and

c. 24 April 2012: to discuss a policy on engagement with potential developing countries that have federal systems of government, top-ups and minimum fiduciary standards for Supervising and Managing Entities.

The attendance records for each of the audio-conferences and the meeting summaries, where available, are attached as **Annex 1.**

[2]http://www.globalpartnership.org/media/docs/board/meetings/Final_Audioconference_Board_Decision_15_Dec_2011.pdf

[3]http://www.globalpartnership.org/media/docs/board/meetings/Final_Audioconference_Board_Decision_12%20Jan_2012.pdf)

3.3 **Upcoming face-to-face meeting of the FAC.** The FAC will meet face-to-face on 28-29 June 2012 in Oslo, Norway. On the agenda for the upcoming meeting is the review of four applications for program implementation grants (Ghana, Nicaragua, Sudan and Vietnam), and a review of the grant portfolio of the Global Partnership for Education. Information and recommendations emanating from this meeting will be delivered to the Board of Directors shortly thereafter.

Decision sent for no-objection

3.4 On 24 April 2012, the FAC sent to the Board of Directors a recommendation for decision for no objection on the Policy on Timeframes for Grant Agreement Signing and Implementation and Procedures for Revisions to Education Plan Implementation Grant Programs (BOD/2012/05 DOC 01). The decision was approved by the Board of Directors on 9 May 2012[4].

Developing Country Partner Participation

3.5 The FAC Chair notes with concern that the developing country partners represented on the FAC were not able to participate in most of the FAC's work since January 2012. No developing country partners attended the second and third audio-conferences of the FAC and one FAC member from a developing country partner did not attend any of the audio-conferences. Responses to written communications from the developing country partners were also minimal. Further work needs to be done to explore ways to ensure more robust developing country partner participation, as it is essential to ensure that the country perspective is reflected in the FAC's work. This issue will be considered by the Chairs of the Board of Directors and the FAC in the context of the annual assessment provisions of the proposed new FAC terms of reference (Section M).

4. RECOMMENDATIONS OF THE FINANCIAL ADVISORY COMMITTEE

4.1 Amendments to the Terms of Reference of the FAC

The FAC recommends to the Board of Directors the proposed amendments to its terms of reference as set out in **Annex 2** (available in English only). **Annex 3** is the terms of

[4]http://www.globalpartnership.org/media/docs/board/meetings/timeframes_and_revisions_email_board_decision_9_may_2012.pdf

reference as amended and will replace the current terms of reference. The FAC's recommendation clarifies the FAC's role and responsibilities and the rules under which the FAC operates.

4.1.1 Requested Decision

The FAC recommends that the Board of Directors approves the following decision:

> **BOD/2012/06-XX – <u>Revised Terms of Reference for the Financial Advisory Committee</u>:** The Board of Directors decides to replace the terms of reference for the Financial Advisory Committee with the terms of reference presented in Annex 3 of BOD/2012/06 DOC 07.

4.1.2 Background

4.1.2.1 The Board of Directors approved the establishment of the FAC (on an interim basis) and its initial terms of reference at its meeting in Madrid, Spain in November 2010. The FAC terms of reference were amended several times by the Board of Directors since November 2010, mainly regarding issues of membership. At its meeting in Kigali, Rwanda in May 2011, the Board of Directors requested the FAC to review its terms of reference and present any amendments to the Board of Directors no later than its first face-to-face meeting in 2012.[5]. A Working Group of the FAC was established to move the process forward and its recommendation was discussed by the FAC at its audio-conference on 7 February 2012. One of the proposed additions to the FAC terms of reference was including the role of the FAC in the Global and Regional Activities ("GRA") allocation process.

4.1.2.2 Since the time that the FAC met on 7 February 2012, the Board of Directors considered, but did not approve a decision to delegate to the FAC the approval of allocations for the GRA program. The FAC is therefore requesting a decision of all the other proposed amendments to the TORs for approval. Should the Board of Directors approve a role of the FAC in the GRA in the future, further amendments may be considered.

[5] BOD/2011/05-06

4.1.3 Summary of Changes to the FAC Terms of Reference

4.1.3.1 The amendments to the terms of reference recommended by the FAC are generally self-explanatory. The FAC made efforts to clarify many of the working arrangements of the FAC going forward, under the leadership of its new Chair. The paragraphs below provide a summary of the major recommended changes:

a. Membership, composition, etc. While the amendments add precision to the language used and re-organization of the document, there are no proposed changes to composition of the committee, skills required from members and chair, etc.

b. Roles and Responsibilities. The roles and responsibilities of the FAC have been clarified and aligned to the current work envisioned for the FAC.

c. Quorum and Decision-making. Provisions regarding quorum and voting have been added to enable the recommendations of the FAC to move forward to the Board of Directors if no consensus is reached on issues. Dissenting opinions will be included in the reports of the FAC to the Board of Directors. The Chair will be a non-voting member in order to allow her or him to chair without prejudice.

d. Clarification to Mode of Review Meetings for Program Implementation Grants. The terms of reference now contemplate the possibility of inviting Local Education Group members to provide information on programs when grant reviews occur. In addition, the recommendation categories from the FAC to the Board of Directors have been simplified.

e. Other. Provisions were added regarding vacancies, timing of meetings, document delivery, etc. It has been clarified that the FAC Chair will be invited to attend all meetings of the Board of Directors to present on FAC activities and a written report of the FAC (such as this one) will be delivered as part of the Board documents for all face-to-face meetings. In addition, provisions were added referring to the Policy on Conflicts of Interest approved by the Board of Directors in Copenhagen. An annual assessment of the FAC's functioning will be undertaken by the FAC Chair in collaboration with the Chair of the Board of Directors.

4.1.4 Next Steps on FAC Terms of Reference

Should the Board of Directors approve the terms of reference as recommended by the FAC, the FAC will operate on the basis of the new terms of reference immediately. The Secretariat will post the revised terms of reference on the Global Partnership website and update the Global Governance Manual in accordance with the new terms of reference.

4.2 Standards for Annual Review of Indicative Allocations and Consideration of Requests for Program Implementation Grants Above the US$100 Million Cap

The FAC recommends to the Board of Directors the standards for the annual review of indicative allocations and consideration of requests for program implementation grants as described in this section 4.2.

4.2.1 Decision Requested

The FAC recommends that the Board of Directors approves the following decision:

> **BOD/2012/06-XX – Standards for Annual Review of Indicative Allocations and Consideration of Requests for Program Implementation Grants Above the US$100 Million Cap:** The Board of Directors approves the standards for annual review of indicative allocations and consideration of requests for program implementation grants above the US$100 million cap as described in section 4.2 of the Report of the Financial Advisory Committee (BOD/2012/06 DOC 07).

4.2.2 Background

4.2.2.1 As discussed above, following several months of discussion by the FAC and the Board of Directors, the Board of Directors approved by audio conference on 12 January 2012 the NPF and the indicative allocations for program implementation grants for the period of 2012-2014 recommended by the FAC.

4.2.2.1 The final decision of the Board of Directors states as follows:

> **BOD/2012/01-01 – Revised Needs and Performance Framework and Indicative Allocations for Education Plan Implementation Grants**: The Board of Directors approves: (i) the revised Needs and Performance Framework (NPF) as presented in BOD/2012/01-DOC 01, Annex 1; and (ii) indicative allocations for

education plan implementation grants from the Global Partnership for Education trust funds for the period 2012-2014 based on the application of the revised NPF to an indicative allocation total of US$2 billion and as presented in BOD/2012/01-DOC 01, Attachment 1 (with the $100 million cap applicable).

In exceptional circumstances, a Local Education Group in a country to which the $100 million cap applies may present a proposal for a higher amount. The indicative education plan implementation grant allocations shall be subject to an annual review by the FAC based on available resources and projections of the applications that will be submitted. Any changes shall be recommended by the FAC for approval by the Board of Directors.

The Board of Directors requests that the Secretariat advise developing country partners of their indicative allocations and post the list on the Global Partnership website as soon as possible.

(emphasis added).

4.2.2.2 As required by the Board decision, and as mentioned in the "next steps" section in BOD/2012/01-DOC 01, the FAC is recommending to the Board of Directors the standards applicable to: (i) the annual review of the indicative allocations; (ii) exceptional requests for amounts above the US$100 million cap.

4.2.3 Factors for Review

4.2.3.1 As decided by the Board of Directors, the FAC will conduct an annual review of the list of indicative allocations for program implementation grants. The purpose of the annual review is to promote the efficient use of funds in that the indicative allocations will be based on the most recent information available regarding both the availability of funds and the demand for them.

4.2.3.2 The annual review will not alter the factors and statistical bases used in the NPF itself.[6] The NPF allocation formula is a "fair share" approach, where relatively fixed shares are applied to the forecasted available resources and the list of eligible countries likely to be applying for program implementation grants over the applicable period. The total available resources are affected, even in the short term, by contributions and pledges made to and disbursements made from the GPE Fund. The allocation "shares" is a function of changes, if any, to eligibility and desire of countries to apply for financial support, as well as the projected timing of such applications.

[6] These are described in the technical annex to BOD/2012/01 DOC 01.

4.2.3.3 Therefore, the annual review should be based on the following factors:

(1) <u>Changes in Potential Availability of Funds</u>

a. **Contributions.** Actual contributions received since the previous annual review.

b. **Pledges.** Changes, based on the latest available information, of pledges made since the previous annual review. Pledges would be captured in donors' signed contribution agreements to GPE trust fund(s). In instances where a donor is not able to sign a contribution agreement, or one is under negotiation, pledge amounts would be recognized based on a donor's written confirmation that a contribution is forthcoming.

c. **Allocations.** Approved or projected approval of allocations (including those over the cap amount, which may decrease the amount potentially available to other countries) since the time of the previous annual review.

d. **Utilization of existing GPE allocations.** Disbursements against existing GPE allocations and decisions by the Board to cancel or recover existing GPE resources.

(2) <u>Changes in Likely Demand for Program Implementation Grants</u>

a. **Disbursements.** Actual disbursements against existing GPE allocations, as compared to those projected at the time of the previous annual review which will assist in predicting whether a country with an existing GPE allocation would be eligible to receive an additional allocation in the 2012-2014 period.

b. **Reassessment of countries previously excluded from the NPF exercise.** This part of the exercise will require consideration of countries that were excluded from the previous list. As noted in BOD/2012/01-01, the following categories were excluded from the current list:

- Countries in their first year of program implementation and with grant closing dates in 2013 or 2014, as experience has shown that three-year grants take on average just under four years to disburse;[7]
- Countries with program implementation grants under implementation for more than one year (at the time), but with very low disbursement rates; and[8]
- Countries that received allocations in December 2011.[9]

These countries will be reconsidered during the first annual review process and countries in the same position will be reconsidered during the second annual review process.

c. Eligibility. The list is based on the eligibility standards for program implementation grants approved by the Board of Directors. The following categories of countries are currently eligible for such grants: (i) countries eligible for International Development Association ("IDA") financing in categories i and ii; and (ii) IDA Category iii countries that are small island economies or fragile states. The IDA eligibility list and categories changes every year on 1 July. Countries may move categories from year to year based on their gross national income in the previous year. The Strategic Plan Working Group is expected to consider the issue of eligibility of countries that are IDA Category iii, including the issue of "graduation" to IDA Category iii. Any changes to eligibility approved by the Board of Directors would affect the indicative allocations list.

4.2.3.4 The 25% "over-programming" basis of the availability of funds, as described in BOD/2012/01-DOC 01, will continue to be used in the annual review. The cap of US$100 million will also be maintained.

4.2.3.5 The FAC emphasizes that GPE funding should always be additional to existing domestic and external funding sources and all GPE partners, both in-country and

[7] In the current list, this includes Lao PDR, Lesotho, Liberia, Malawi, Mozambique, Nepal, Papua New Guinea, Rwanda, and Togo.

[8] In the current list, this includes Guinea.

[9] These include Afghanistan, Cote D'Ivoire, Guinea Bissau, Mali, Timor Leste, Moldova and Mongolia.

globally, should contribute to increasing their financial commitment to education from all stakeholders.

4.2.4 Timing of the Annual Review and Effectiveness of the Revised List

4.2.4.1 The goal is to have a FAC recommendation on any changes to the indicative allocations list ready in time for the November 2012/2013 face-to-face meetings of the Board of Directors. Given the time required for the information to be available, collected and synthesized by the Secretariat and presented to the FAC, the cut-off date for information used for the FAC review will be 31 August to enable a FAC discussion at its September face-to-face meeting. Any changes recommended by the FAC can be considered by the Board of Directors at its second face-to-face meeting of the year. The information used as the basis for the review and the FAC recommendation will be updated as needed to prepare for the Board meeting.

4.2.4.2 In order to provide sufficient advance notice to countries, the effective date for the revised allocations list only takes effect for the second round of proposals in 2013. The new list will then remain in effect until the second round of proposals in 2014.

4.2.5 Standards for Consideration of Requests for Allocations Above US$100 Million

4.2.5.1 As set out in BOD/2012/01—DOC 01, the decision of the Board of Directors is to apply a cap to all program implementation grants at US$100 million.[10] The Board or Directors also included in its decision a provision to permit countries to apply for over the capped amount in *exceptional circumstances* and the FAC has been tasked to develop a policy on how this may occur.

4.2.5.2 The FAC emphasizes that what they propose below will only apply to a small number of countries (the "Capped Countries"), based on the most recent program implementation grant indicative allocations list and will only be considered in exceptional circumstances.

[10] As of the time of writing this document, the countries to which the cap applies are Bangladesh, Democratic Republic of Congo, Ethiopia, Nigeria and Pakistan.

4.2.5.3 The maximum amount a country may apply for is the uncapped amount as calculated by reference to the latest approved indicative allocations list. The FAC does not expect the Capped Countries that choose to apply for an amount over the cap to use the maximum amount as an indicator of the appropriate amount to apply for. Moreover, the relevant LEG will always need to justify the amount that they are applying for based on the points described in paragraph 4.2.5.6 a to e below, which includes their capacity to absorb funds to implement sound and cost-efficient programs.

4.2.5.4 The FAC notes that unless significant additional contributions are made to the GPE trust fund resources, the effect of approving an indicative allocation above the cap will be to reduce the amounts available to all other countries.

The Applicable Process

4.2.5.5 Capped Countries intending to submit an application for funding above the cap must consult with the Secretariat at their program concept stage (i.e. in "Phase 1" of the Quality Assurance Review process). The Secretariat will convey to the FAC the intent of the Capped Country to apply for funding above the cap and the FAC will issue an initial opinion of whether the country may apply for the amount requested. This will ensure that only countries with a solid case for going above the cap invest time in preparing an application. The ultimate decision of whether to approve a request over US$100 million will continue to rest with the Board of Directors.

4.2.5.6 The following factors should be taken into account by the FAC when considering a request to apply for an amount above the cap:

a. The current resources available, and consequently, the impact on the other countries of providing an amount above the cap. This will tie in with the annual review of the indicative allocations list as countries that were projected to apply during the 2012-2014 period may not be in a position to do so and more funds may be available for distribution than initially anticipated.

b. The demonstrated efforts of the country in question to secure other donor funding (including IDA and bilateral funding, i.e. the "crowding in" issue). This is a new element not currently in the NPF.

c. The country's domestic contribution devoted to education, over several years, as measured by factors such as the share of education in the government budget and in Gross Domestic Product ("GDP") (including, where appropriate, the percentage of tax revenue as a percentage of GDP). While the first part is an element of the NPF, it should be looked at more closely, considering the large amount of funding being requested. The GDP element is not part of the NPF.

d. Evidence of ability to use past funding well, including GPE grants where applicable, in terms of results as demonstrated in evaluations and Joint Sector Reviews. This element is not currently captured in the NPF.

e. Clear evidence of need. Given that the caps limit the per-child distribution of GPE funds compared to what would have been possible under a non-capped application of the NPF, a "second look" at this factor may be merited.

4.2.5.7 Once the analysis described above is completed by the FAC, and if the FAC is favorable to accepting a request for an allocation above US$100 million dollars, the FAC will provide an initial opinion regarding whether the total amount is justified and reasonable and will ask the Secretariat to deliver this opinion to the affected Capped Country. The FAC Chair will also advise the Board of Directors.

4.2.5.8 In all cases, all program implementation grants, capped or uncapped, are subject to a successful application and final approval by the Board of Directors.

4.2.6 **Continuing Concerns about Exceptions to the Cap**

Several FAC members continue to strongly oppose any exceptions from the capped amount. This is based on the principle that GPE funds are meant to be additional and not cover the entire education plan and to avoid a situation where large amounts of funds are provided to a few countries with large populations. FAC member raised concerns regarding requiring good evidence of past use of external funding. The FAC member from Donor 1 suggested that only Capped Countries with a prior GPE grant should be able to apply for amounts over the cap. The FAC member from Donor 3, while it supports having an exception to the cap in exceptional circumstances, suggested that amounts over the cap should only be considered by the FAC and Board of Directors after

a review of the Capped Country's progress after a year of implementation. However, these proposals were rejected by the FAC.

4.2.7 Next Steps on Annual Reviews and Considerations above the Cap

Upon approval by the Board of Directors of the recommended decision, the Secretariat and FAC will proceed to conduct the annual review of the program implementation grant indicative allocations list as described in this paper. With respect to the considerations of requests above the cap, the Secretariat will provide guidance for the Capped Countries on the process and direct any requests over the cap to the FAC in accordance with the system outlined in this section. The Board of Directors will be advised when the FAC has issued a positive opinion on considering a request for over the cap amount and will continue to make a final decision on any allocation above the cap. The FAC will continue to monitor this issue closely.

4.3 Engagement in Potential Developing Country Partners with Federal Systems of Government

The FAC recommends to the Board of Directors certain operational adjustments of GPE processes in relation to engagement with potential developing country partners with federal systems of government. While the FAC has agreed to many of the operational adjustments, further work may need to be undertaken by the FAC to arrive at a recommendation for guidance in relation to applying the overall national indicative allocation amounts for program implementation grants in these states.

4.3.1 Decision requested:

The FAC recommends that the Board of Directors approves the following decision:

> **BOD/2012/06-XX – Engagement with Potential Developing Country Partners with Federal Systems of Government:** The Board of Directors approves the following in relation to potential developing country partners that have a federal system of government:
>
> a. **Joining the Global Partnership:** Developing countries with federal systems of government join the Global Partnership as a national entity only (irrespective of the degree to which authority to govern education is devolved to sub-national governments). They will do so by communicating in writing to the Chair of the Global Partnership their

commitment to the education Millennium Development Goals and Education for All goals and their support of the development and implementation of sub-national education plans.

b. **Education Plan Development Grants:** In cases where, due to the existence of a federal system, development of a national education plan is not feasible, sub-national governments of eligible federal states responsible for education may apply for education plan development grants of up to US$250,000.

c. **Appraisal and Endorsement:** A sub-national education plan must be appraised and endorsed by a Development Partner Group (including local donors, and where applicable, civil society organizations and the private sector operating at the national or sub-national level). The Development Partner Group may operate at the national and/or sub-national level. The Board of Directors requests the Secretariat to work with country-level stakeholders to determine what is feasible and most effective.

d. **GPE Program Development Grants:** In cases where there will be multiple program implementation grants due to the existence of multiple education plans at the sub-national level, Supervising Entities or Managing Entities appointed at these levels may each apply for a GPE program development grant of US$200,000 to 400,000. Where one Supervising Entity or Managing Entity is operating in several sub-national regions, only one grant will be given, unless a strong justification is provided by the Supervising Entity or Managing Entity to the Secretariat for the need for more than one grant.

e. **Indicative Allocations for Program Implementation Grants:** GPE indicative allocations for program implementation grants apply to all countries at the national level, including those with federal governments. In cases where the national and sub-national levels are in agreement on how to divide the national indicative allocation between sub-national levels, this decision will be respected by the Board of Directors and applications will be reviewed using the normal program implementation grant review and allocation processes. In cases where

more guidance is required from the Global Partnership, in particular in cases where the country is subject to the US$100 million cap, it shall be provided by the Secretariat, subject to agreement by the Board of Directors after recommendation by the Financial Advisory Committee. Once a developing country partner's full national indicative allocation has been allocated by the Board of Directors, any sub-national entity in that country which has not had an allocation must await a new three-year indicative allocation.

f. The federal government will typically be the first point of engagement for the Global Partnership.

4.3.2 Background and Context

4.3.2.1 GPE engagement with potential developing country partners is generally premised on national planning processes in which a national education plan is developed and endorsed by a national Local Education Group as a basis for joining the partnership.

4.3.2.2 In most countries with a federal system of government, responsibilities for education are shared between national and sub-national levels. Even when the locus of strategic and operational planning and administration is at the sub-national level, the national or federal government is likely to retain oversight and authority over sector activities and performance, especially in domains such as curricula and examinations. Higher education may also remain under the purview of national government. In federal states of this nature, a national ministry of education often exists and a national education plan provides an overarching framework for education in that country. Resources may be allocated to states from federal budgets for the provision of education services. In these contexts, the GPE model of engaging at the national level on a national education plan is an appropriate way to engage. GPE engagement in Ethiopia follows this approach.

4.3.2.3 There are also, however, a small number of federal states that are potentially eligible to join the Global Partnership which do not have a single national ministry of education or which have a national ministry of education which has no or little authority over education in that country's states or provinces. These countries are Comoros, Nigeria, Pakistan, Somalia and Tanzania. In these contexts, the GPE model of

engagement with a national ministry of education will be difficult if not impossible to apply. Each of these countries has signaled an interest in joining the Global Partnership in the coming year. Given the very different nature of federalism in these five countries, it is important to agree to overarching principles for GPE engagement, adaptations to GPE processes, as well as specific country-specific strategies. The country-specific strategies are still under development by the Secretariat. Some of the challenges and potential strategies were shared with the FAC for comment.

4.3.3 **Principles for Engagement in Developing Country Partners with Federal Systems of Government**

In contexts where the Global Partnership will engage directly with sub-national governments, key objectives in developing an individual country engagement strategy include the following:

1) Strengthen dialogue and accountability between federal and regional governments (where possible and appropriate) in order to avoid fragmentation.
2) Engage at sub-national levels where there is both a propensity to reform as well as evidence of a concentration of need (poverty or lagging in education indicators).
3) Foster the transparent allocation of GPE resources with due attention given to needs and performance as well as to GPE strategic priorities (for example, girls' education).
4) Foster effective dialogue between the Global Partnership and federal government to identify opportunities for catalytic action in the education sector.
5) Provide a 'demonstration effect' whereby progress in sub-national levels where the Global Partnership is engaged, may incentivize other regions, states or provinces to accelerate their own efforts.
6) A flexible, tailored approach that recognizes that circumstances in each of the five countries is unique. It may be appropriate, for example, to encourage one Supervising or Managing Entity to operate across several sub-national levels or it may be necessary to have different Entities in different states depending on comparative advantage.

7) Promote development effectiveness at every level.

4.3.4 **Operational Challenges**

The decision recommended by the FAC addresses some of the current operational challenges to engaging with federal states using the current GPE processes.

4.3.4.1 **Joining the Partnership:** Developing countries that are not federal states join the partnership through a national education plan that has been endorsed by in-country development partners. In the federal states outlined below this is not possible.

- In Pakistan, although the national government is expected to be involved in some form of curriculum development, accreditation and research, there is no clarity at the national level regarding these areas and no federal Ministry of Education with which to engage. The provinces are fully responsible for all education. There is little expectation at present that a national education plan can be developed.
- The current organization of the Somali Republic is based on the Transitional Federal Charter. This includes a Transitional Federal Government at the national level, and State Governments. The northwestern part of the country has been relatively stable under the self-declared but unrecognized sovereign state of Somaliland. The self-governing state of Puntland covers the northeast of the country. It declares itself to be autonomous, but not independent from Somalia. The South Central region of the country where the Transitional Federal Government is housed in Mogadishu is characterized by instability and conflict. In addition to these three regions, Galmudug declared itself autonomous from the central part of the country in 2010, and in 2011 Azania (in the South) declared itself autonomous from South Central Somalia. It appears unlikely for the foreseeable future that a national education can emerge.
- In the United Republic of Tanzania, there are two Ministries of Education governing basic education: The Ministry of Education and Vocational Training of Tanzania Mainland, and the Ministry of Education and Vocational Training of Zanzibar. There are therefore two separate education sector plans—the Tanzania Education Sector Development Program (2008-2017) and the Zanzibar Education Development Plan (2008-2015). Both plans are likely to be appraised and endorsed.

- Nigeria has a decentralized structure, comprising 36 States, the Federal Capital Territory (FCT) and 774 Local Government Authorities (LGAs). Responsibility for the education sector is generally divided among LGAs (primary), States (Secondary), and the Federal Government (Tertiary). In January 2011, the President of Nigeria inaugurated a Presidential Task Team on Education to develop concrete proposals to 'revamp' education. Going forward, Nigeria may choose to appraise and endorse a high-level national education strategy. At the same time, however, most states already have state-level education plans and it is reasonable to expect that each state will see value in appraising and endorsing their plans.
- The Union of the Comoros is a federal republic comprised of three island members each with its own constitution, president and parliament. There are four ministries of education in the country[11]: one Union Ministry of Education and three island ministries of education. The islands share a common Education for All Plan and the country is likely to join the Global Partnership by appraising and endorsing this plan.

4.3.4.2 Aside from the Union of the Comoros, therefore, it does not appear sensible to expect the countries outlined above to join the Global Partnership through one national education plan. Recognizing the importance of these countries joining the Global Partnership, the FAC recommends that they be permitted to do so based on the national government communicating in writing to the Chair of the Global Partnership their commitment to the education Millennium Development Goals and Education for All goals and their support of the development and implementation of sub-national education plans. Representation in the Global Partnership, in particular at the Board of Directors level, should remain on a national basis.

4.3.4.3 **Education Plan Development Grants:** Developing countries that are not federal states may apply for Education Plan Development Grants for one single national plan. In federal states, as demonstrated above, where sub-national entities will develop or revise multiple plans, it is logical to provide more than one Education Plan Development Grant. Where applicable, the Global Partnership should also provide for

[11] These sub-national ministries in the Comoros were recently re-named "Commissaires.".

the development or revision of a national education strategy or plan. In Nigeria, for example, there would be value in financing the development of a national education strategy that unites the country's education stakeholders at every level around core, common goals. The FAC raised concerns about the potential high cost of this approach. It is noted that all of the federal states under discussion, except Nigeria, have a small number of sub-national authorities. The cost of multiple grants for each country is therefore not high. In Nigeria, where 36 states might potentially seek Education Plan Development Grants, the total cost of supporting every state to develop a sound education plan would be US$9 million[12]. In any event, states develop at different rates and it is extremely unlikely that all 36 states would apply in the same timeframe. Given that Nigeria in 2007 had 8.7 million children out of school – 12% of the world total and 1 million more than in 1999 – total coverage for Nigeria seems an effective investment for the Global Partnership.

4.3.4.4 The current decision of the Board of Directors, made at the Board meeting in Kigali, Rwanda in May 2011 provides for fixed allocations for education plan development and revision grants of up to US$250,000.[13] The Board of Directors also delegated to the Secretariat the administration of education plan development grants.[14] It is therefore appropriate for the Secretariat to manage the requests that are made for these grants.

[12] Support for sub-sub national plan development, for the 774 Local Authorities in Nigeria, would not be considered.

[13] **BOD/2011/05-10 – <u>Fixed Allocations for Education Plan Development and Revision, and for EFA FTI Program Development</u>**: The EFA FTI Board of Directors approves the maximum amounts for fixed allocations as follows:

- for education plan development or revision:

  (i) a base amount of US$200,000; and

  (ii) a total additional amount of US$50,000 for increased policy work on any of the following priority themes: (i) learning outcomes (ii) girls' education; and (iii) out-of-school children.

- for EFA FTI program development, a maximum of US$400,000 with the expectation that the typical amount awarded will be approximately US$200,000.

[14] **BOD/2010/11-13 – <u>Administration of fixed allocation amounts for ESP Development and Revision, EFA FTI Program Development, and Strengthening of Local Education Groups and Joint Sector Reviews</u>:** The FTI Board of Directors delegates to the FTI Secretariat the authority to allocate resources from the Education for All Fund to support ESP development and revision, EFA FTI program development, and strengthening of Local Education Groups and Joint Sector Reviews in accordance with the fixed allocation amounts approved by the FTI Board of Directors and subject to the availability of funds.

4.3.4.5 **Appraisal and Endorsement of Education Plans:** Where national education plans are feasible, these should be appraised and endorsed by the development partners operating in a national LEG. In the federal states the appraisal and endorsement of plans will require a range of tailored solutions. For example, each of the countries below has unique sector coordination approaches. Therefore the methods to appraise and endorse plans will need to be determined at the country level. The Secretariat should work with country-level stakeholders to determine what is feasible and most effective in the country context.

- In Nigeria, six international development partners (IDPs) support education – the World Bank, the United Kingdom, Japan, UNICEF, the United States and UNESCO. Support is clustered in selected northern states, most IDPs provide support to more than one state and engagement overlaps in a number of states. A national Local Education Group, comprising the Federal Government, donors and civil society does not exist, although IDPs do meet on a regular basis at a national level.
- In Pakistan, eight international donors support education - the United States, Canada, the World Bank, the United Kingdom, Australia, Germany, Norway and the European Union. Each donor works across several provinces and territories on different aspects of education. Without national government participation at this point, donors have agreed that there should be a national development partners group with a Coordinating Agency and a co-Coordinating Agency. This group will continue to seek some form of national government participation. In addition, LEGs will be established for each province. A Coordinating Agency and co-Coordinating Agency for each province and territory have already been identified.
- Somalia does not have a Local Education Group and it is difficult to imagine such a coordinating body being formed in the near future. In 1996 the Somalia aid coordination body was established in Nairobi, with uncertainties over legalities of international support for Somalia. The education unit in this body is the Education Sector Coordination Committee (ESCC). The European Commission, UNICEF and the United States provide the bulk of aid to the education sector.
- In the United Republic of Tanzania, there is an Education Sector Development Committee (ESDC) for the Mainland, and the Zanzibar Education Sector

Committee (ZESC)—a sub-group of the main education development partners that meets regularly to coordinate on issues related to Zanzibar. Development partners participate in these committees according to their engagement in each of the jurisdictions. The structure for dialogue with the Zanzibar Ministry of Education and Vocational Training (MOEVT) is separate from the Mainland structure and somewhat less developed. The appraisal and endorsement of the two separate education plans by the ESDC or the ZESC, as appropriate, will be required.

- In the Union of the Comoros, there is a Local Education Group comprising the Union Ministry of Education, local education donors and other development partners. This body will appraise and endorse the national plan.

4.3.4.6 **GPE Program Development Grants:** GPE Program Development Grants are available to the Supervising or Managing Entity appointed by the LEG to supervise or enable the implementation of a national program implementation grant. In federal states where there may be multiple program implementation grants due to the existence of multiple education plans at the sub-national level, Supervising Entities or Managing Entities appointed at the local level should each be able to apply for a GPE Program Development Grant of US$200,000 to 400,000. Where one Supervising Entity or Managing Entity is operating in several sub-national regions, only one grant will be given, unless a strong justification is provided by the Supervising Entity or Managing Entity to the Secretariat for the need for more than one grant.

4.3.4.8 **Indicative Allocations for Program Implementation Grants:** GPE indicative allocations for program implementation grants apply to all GPE eligible countries at the national level, including those with federal governments. Where feasible, federal governments in consultation with sub-national governments, will divide GPE resources to sub-national entities based on indicators of needs and performance and with a focus on ensuring fair allocations. In those cases, such division will be respected by the FAC and the Board of Directors and program implementation grants will be reviewed using the normal GPE processes. In cases where this is not feasible, further guidance may be required from the Global Partnership. The FAC's recommendation therefore indicates that the FAC will work on such guidance, where needed, for approval by the Board of Directors at a later time. The FAC notes that once a country's full

indicative allocation has been allocated, a sub-national level in the country which has not had an allocation might then await a new three-year indicative allocation.

4.3.5 Next Steps on Federal States

The FAC requests that the Board of Directors approves the decision cited in section 4.3.1 above. The decision provides the Secretariat with guidance in its current and future engagement with developing countries with federal systems of government that are interested in joining the Global Partnership and potentially applying for funding. The FAC will continue to work on questions regarding guidance on program implementation grant indicative allocations where required and will report back to the Board of Directors when it has developed a recommendation.

5. ITEMS FOR INFORMATION

5.1 Top ups

5.1.1 The FAC discussed at its audio-conference on 24 April 2012 a note on "top ups." A summary of the discussion is provided in **Annex 1**.

Background

5.1.2 The issue of "top ups" arose in the context of the discussions by the FAC and the Board of Directors of ways to ensure that the GPE policy priorities be reflected in the NPF. There was concern expressed that the NPF reflected two of the GPE policy priorities, namely, a focus on fragile states and girl's education, but was missing the element of learning outcomes due to the unavailability of international standards for indicators of learning as well as data. The idea for a "top up" facility was designed to address this issue, as well as focusing the financing of the Global Partnership on results.

Current status

5.1.3 The Secretariat presented a note on the top ups issue and solicited feedback from the FAC on a possible top ups facility. The paper focused mainly on "cash on delivery" systems and proposed that a pilot be undertaken with US$50 million in 5 countries. The Secretariat also raised the issue whether top ups should be focused on learning outcomes only or also on girls' education.

5.1.4 As can be seen by the summary of the FAC audio-conference, FAC members raised many concerns with the approach and would like to discuss the issue further prior to presenting a recommendation to the Board of Directors. Some FAC members raised the possibility of a "middle way" between a fully developed concept note and outright rejection of top-ups. Some stressed that it should build on what a country is already doing at the country level. Several agreed that the GPE should conduct modest exploratory work to better understand the benefits and costs of result based financing. The issue will continue to be discussed by the FAC at its face-to-face meeting in Oslo on 28-29 June 2012.

5.2 Minimum Fiduciary Standards for Supervising and Managing Entities[15]

5.2.1 The FAC discussed at its audio-conference on 24 April 2012 an introductory note written by the Secretariat on establishing minimum fiduciary standards for Supervising Entities and Implementers (now referred to as "Managing Entities") for allocations from the GPE Fund. A summary of the discussion is provided in **Annex 1**.

5.2.2 FAC members supported the establishment of a system for minimum fiduciary standards, as well as other capacities, for Supervising and Managing Entities. This is especially important as some members of the Board of Directors have expressed an interest in expanding the pool of Supervising and Managing Entities for GPE allocations. The GPE Fund Governance Document limits the eligibility of agencies acting in this role to donor country and multilateral agencies represented on the Board of Directors. So far, the following agencies have acted in this role: World Bank, UNICEF, the United Kingdom Department for International Development and the Netherlands.

5.2.3 The FAC is aware that as part of the development of the strategic plan, the Board of Directors will also be considering an expansion of the current eligible pool of entities acting in this role to non-governmental entities. However, even if this expansion is not supported, a system for assessing the current operating frameworks of agencies acting or potentially acting in these roles is needed in order to give comfort to the Board of Directors that the allocations from the GPE Fund for each of the country level grants

[15] "Managing Entities" is the new term being used by the Secretariat instead of "Implementer", which is used in the GPE Fund Governance Document. A guidance not on the roles and responsibilities of Managing Entities is being developed by the Secrerariat.

(education plan development grants, GPE program development grants and program implementation grants) and, potentially, global and regional activities grants, are managed by entities with adequate fiduciary and other standards and systems.

5.2.4 The FAC will continue to work on this issue, including discussing it at its face-to-face meeting on 28-29 June 2012 in Oslo and will report back to the Board of Directors when it has a recommendation.

ANNEX 1: ATTENDANCE RECORDS AND MEETING SUMMARIES OF FAC AUDIO-CONFERENCES JANUARY- MAY 2012

FAC AUDIO CONFERENCE MEETING

FINAL ATTENDANCE OF FAC MEMBERS

Constituency	Member	7 February	5 March	24 April
Chair	Camilla Helgø Fossberg	Yes	Yes	Yes
Africa 1	Miriam Chonya	n/a	n/a	No
Africa 2	Alim Hadidja Youssouf	No	No	No
Africa 3	Charles Y. Aheto-Tsegah	Yes	No	No
CSO 1 and 2	Swati Narayan	Yes	Yes	Yes
Donor 1	Vincent Snijders	Yes	Yes	Yes
Donor 2	Nora Fyles	Yes	Yes	Yes
Donor 2 and Donor 4	Paula Nolan	Yes	Yes	Yes
Donor 5	Sylvia Schmitt	Yes	Yes	Yes
Donor 6	Margaret Koziol	Yes	Yes	Yes
East Asia and the Pacific	Sangay Zam	Yes	No	No
Eastern Europe, Middle East and Central Asia	Hamoud Al-Seyani	Yes	No	No
Multilateral and Regional Banks	Elizabeth King	Yes (by Olav Christensen)	Yes (by Olav Christensen)	Yes (by Olav Christensen)
CSO 3 (Teachers) and Private Sector/Private Foundations	Aleesha Taylor	Yes	Yes	No
UNICEF/UNESCO	David Atchoarena	Yes	No	No
	Susan Durston	Yes	Yes	Yes

GLOBAL PARTNERSHIP for EDUCATION

FINANCIAL ADVISORY COMMITTEE

AUDIO-CONFERENCE MEETING

5 MARCH 2012

MEETING SUMMARY

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1. **Attendance:** The Financial Advisory Committee held an audio-conference on 5 March 2012. Audio-conference meeting participants included the following:

   a. Committee Members:

      Camilla Helgø Fossberg (Chair)
      Olav Christensen (Multilateral and Regional Banks)
      Susan Durston (UNICEF/UNESCO)
      Nora Fyles (Donor 3)
      Margaret Koziol (Donor 6)
      Swati Narayan (CSO 1 and 2)
      Paula Nolan (Donor 4 and Donor 2)
      Sylvia Schmitt (Donor 5)
      Vincent Snijders (Donor 1)
      Aleesha Taylor (Private Sector/Private Foundations and CSO 3)

   b. Carol Bellamy (Chair of the Board of Directors)

   c. Secretariat:

      Bob Prouty (Head)
      Sandra Barton
      Luis Crouch
      Nancy Pinto
      Tal Sagorsky

   d. Apologies:

      Charles Y. Aheto-Tsegah (Africa 3)
      Hamoud Al-Seyani (Eastern Europe, Middle East and Central Asia)
      Minister Alim Hadidja Youssouf (Africa 2)
      Sangay Zam (East Asia and the Pacific)

2. **Discussion Items**: The FAC discussed the following items:

a. Follow up from teleconference on 7 February:

The FAC Chair advised that the revised FAC work plan was distributed to the FAC members and is now available in French. It will continue to be updated as work progresses.

The FAC Chair advised that the Secretariat had not yet requested from the Board of the Directors a decision regarding the role FAC in the Global and Regional Activities program. Once it has been agreed by the Board of Directors, the FAC will then be in a position to recommend all of the amendments to the FAC TORs discussed at the 7 February meeting to the Board of Directors. It will have a cover note, which we will be sent to the FAC for clearance.

The Secretariat advised that they aimed to get the request to the Board of Directors on the GRA by the end of the second week in March.

With respect to the role of the FAC in the development of the Secretariat budget, the Chair of the Board of Directors advised that she did not think that this would be necessary as the role of the Board of Directors is to approve the Secretariat budget.

b. Update on Education Plan Implementation Grants

The Secretariat summarized the note that had been circulated regarding the status of countries potentially applying for education plan implementation grants and addressed the questions of the FAC members. The note will be shared with the Board of Directors following translation into French.

c. Update on Reading Workshops

The Secretariat provided an update on the All Children Reading Workshops in Kigali, Rwanda, which were successful. Countries that attended are beginning to work on their action plans.

d. Policy on Revisions to Programs

FAC members provided comments on the paper prepared by the Secretariat on a policy on program revisions (FAC/2012/03 DOC 01). The Chair summarized the revisions to the paper as a result of the comments as follows:

-as the policy deals with closing date extensions, which is also subject to the "Policy on Time Frames for Grant Agreement Signing and Grant Implementation" approved by the Board of Directors in November 2010 at its meeting in Madrid, Spain, the two policies should be combined and reconciled

-a clearer stated reason for the need for the policy

-clearly indicate in the paper that the Board is delegating to the Secretariat the determination of whether a change is material or not

-a clearer definition of "material change", based on definitions used by partner agencies (an email asking for input on this will be sent to the FAC)

- ensure that improving level of results should be the guiding factor for any changes

e. Standards for Annual Review of Indicative Allocations and Consideration of Requests for Education Plan Implementation Grants Above the $100 Million Cap

FAC members provided comments on the paper prepared by the Secretariat which contains its proposal for the standards (FAC/2012/03—DOC 02). The Chair summarized the revisions needed as follows:

-on the annual review, a clearer rationale for the need for the annual review should be stated (i.e. efficient use of funds)

-clarify the role of "over-programming" in the annual review process

-remove references to Tanzania and Uganda as "capped countries" as their uncapped amount is less than $100 million

-add to the factor in the over-cap consideration the country's tax revenue as a percentage of GDP

-the FAC will be asked their view, after consultation with their constituencies, on whether capped countries with no prior history of GPE funding should be permitted to apply for more than the cap

3. **Next steps:**

a. The FAC Chair will send a message to the FAC members asking for written comments, especially from the developing country partner members who did not attend. FAC members will also be asked about their preferred definition of "material change" and their view on whether capped countries should be able to apply for over the cap without prior GPE funding history.

b. Based on feedback received from the FAC, the Revisions to Programs document will be revised and distributed to the FAC for their final approval/recommendation to the Board of Directors.

c. Based on feedback received from the FAC, the Standards for Annual Reviews and Over-Cap document will be revised. Once approved the by the FAC as its recommendation, the FAC Chair will discuss with the Chair of the Board of Directors the process for sending it to the Board of Directors for approval.

d. The next meeting of the FAC will be in April (likely third week). On the agenda will be:

-top ups
-federal states policy
-introductory note to "certification" process for minimum fiduciary standards for Supervising Entities and Implementers

GLOBAL PARTNERSHIP for EDUCATION

FINANCIAL ADVISORY COMMITTEE

AUDIO-CONFERENCE MEETING

24 APRIL 2012

MEETING SUMMARY

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1. **Attendance:** The Financial Advisory Committee held an audio-conference on 24 April 2012. Audio-conference meeting participants were as follows:

a. Committee Members:

Camilla Helgø Fossberg (Chair)
Olav Christensen (Multilateral and Regional Banks)
Susan Durston (UNICEF/UNESCO)
Nora Fyles (Donor 3)
Margaret Koziol (Donor 6)
Swati Narayan (CSO 1 and 2)
Paula Nolan (Donor 4 and Donor 2)
Sylvia Schmitt (Donor 5)
Vincent Snijders (Donor 1)

b. Carol Bellamy (Chair of the Board of Directors)

c. Secretariat:

Bob Prouty (Head)
Sandra Barton (and members of the Country Support Team)
Luis Crouch
Nancy Pinto
Tal Sagorsky
April Golden (taking notes)

d. Observers:

Toby Kasper (Top-ups consultant)
Sally Waples (Donor 3)

e. Apologies:

Aleesha Taylor/David Edwards (Private Sector/Teachers)
Charles Y. Aheto-Tsegah (Africa 3)
Hamoud Al-Seyani (Eastern Europe, Middle East and Central Asia)
Minister Alim Hadidja Youssouf (Africa 2)
Miriam Chonya (Africa 1)
Sangay Zam (East Asia and the Pacific)

3. **Discussion Items**: The FAC discussed the following items:

a. Follow up from audio-conference on 5 March 2012:

The FAC Chair advised that the policy on revisions and the policy on time frames and revisions were combined and sent out for comment. Comments were received from the FAC and a final version was sent out for comments due April 20. Final comments were well-received and will be addressed in the final version that will be sent to the Board for no objection as soon as possible.

The FAC Chair advised a revised version of the annual review and caps paper was sent out for comment, which will be addressed in the final version that will appear in the FAC Report to the Board in Berlin. The FAC will have a chance to review this report before it is finalized.

The FAC Chair advised that a decision on the GRA indicative allocation of $60 million for 2012-2014 and the role of the FAC was sent to the Board. There were multiple objections, including, in some cases, with respect to delegating the GRA allocation decisions to the FAC. At this point, the revised TORs of the FAC which were discussed in February, without the new role regarding the GRA, will be included in the FAC Report to the Board in Berlin. If the FAC's role in the GRA is approved at a later time, the report will be amended to reflect this decision.

b. Update on the Program Implementation Grant "Pipeline"

The Secretariat advised the FAC that at this time four countries plan to come forward with grant applications in June. These countries and their indicative allocations (in US millions) include: Nicaragua, $16.7; Vietnam, $84.6; Sudan, 76.7; and Ghana, $75.5. Previously, Mauritania was planning to also come forward but have now indicated that they will come forward during the second round of allocations along with Benin, Burundi, Central African Republic, Chad, Comoros, the Democratic Republic of Congo, Tajikistan and Uganda.

c. Federal States

FAC members provided comments on the paper prepared by the Secretariat on GPE Engagement in Potential Developing Country Partners with Federal Systems of Government (FAC/2012/04—DOC 01). Some of the comments made by FAC members included the following:

-the paper should focus on principles rather than country-specific strategies, which are too detailed

-questions regarding the selection of sub-national partners and how much money for each kind of grant they would receive

-preference for using an equity model for choosing sub-national partners that would receive funds; some thought it should be country-led

-concern that engaging with too many states, each with an education plan development grant and a program development grant would be prohibitively expensive

-concerns around a "first come first served" model where states that are ready first would apply for and receive all implementation grant funds

-issues of fragmentation

-issues of dealing with fragile states where there is no national government with which to engage

-some of the principles could be expanded using the Nigeria case-study

The Secretariat responded to comments, stressing that they included in the paper the operational adaptations that they thought were necessary on a general level, but it was not possible to design the paper based on "typologies" or models of federalism, as every country situation is radically different. They agreed to revise the paper to be more general, but use country examples as illustration.

The Chair summarized the revisions to the paper as a result of the comments as follows:

-as to the "Principles of Engagement", the Secretariat will add relevant principles that were included in the Nigeria case study as strategic approaches, but are not currently in the "Principles of Engagement." This reflects the general nature and wider applicability of some of the Nigeria case study principles.

- generalizing the "Country Case Studies" to reflect an understanding of how the GPE can engage with Federal States without getting into too much detail regarding specific country issues

-include an additional section that addresses unresolved issues, including questions around indicative allocations applying at the national or sub-national level, engagement at the federal level, how to engage with fragile states in this context, in addition to others.

-The revised paper will be included in the FAC Report to the Board in Berlin.

e. <u>Top ups</u>

FAC members provided comments on the paper prepared by the Secretariat which contains a proposal for top up grants to GPE developing country partners (FAC/2012/04—DOC 03). The Chair explained that the paper was a "conversation starter" and FAC comments were welcome to provide the Secretariat with further direction in this area. Some of the comments were as follows:

-the paper only gives two choices: one way to do top-ups, or not to do them at all; questions of whether there is a "middle way"

-the paper is built on the assumption that results-based funding works

-the paper puts too large a burden on the Secretariat; should be country-led and work off existing programs that are already using these kinds of methods

-questioning focusing on learning outcomes only at the expense of girls' education

-questioning how pilot countries will be selected, how much each would receive

-the need for a good system to measure outcomes

The Head of the Secretariat stressed the need to move forward in this area and obtain a signal from the Board of Directors to do so, so that the Global Partnership appears to be a leader in innovation in this area.

The Chair summarized the process moving forward as follows:

-in the FAC Report to the Board of Directors, make mention of the discussion on top-ups and acknowledge the issues are complex, but no official presentation of the paper in its current form for a decision

-FAC members will provide further comments to the Secretariat, in particular on the "middle way"

-the issue will be included on the agenda at the FAC face-to-face meeting in Oslo and a further paper will be developed for the face-to-face FAC meeting in September.

f. Minimum Fiduciary Standards for Supervising Entities and Implementers

FAC members provided comments on the paper prepared by the Secretariat which identifies the need for minimum fiduciary standards for Supervising Entities and Implementers (FAC/2012/04—DOC 02). FAC members were generally supportive of the approach, and made the following comments:

-it provides an opportunity for the broadening of the role of the Supervising Entity and Implementer

-a request was made to provide a description of the duties of Supervising Entities and Implementers to give it some context

-a preference was expressed for the "Nordic Plus" arrangements.

-should be able to rely on previous agency assessments done in other contexts

-clarification is needed if this would apply to just implementation grants or other grants such as GRA

The Chair summarized the process moving forward as follows:

-in consultation with the FAC, the Secretariat will prepare a presentation for the FAC face-to-face meeting in Oslo for further conversation. This will depend on possible decisions made at the Berlin Board meeting regarding expanding the pool of Supervising Entities and Implementers.

3. **Next steps:**

a. Based on feedback received from the FAC, parts of the federal states paper will be incorporated into the report of the FAC to the Board of Directors in Berlin, which will be distributed to the FAC for their final approval/recommendation to the Board of Directors.

b. FAC members to provide comments on the top-ups paper in writing on the FAC document to the Secretariat. The issue will be discussed further at the face-to-face meeting in Oslo. A report of the general discussion around Top ups will be included in the FAC Report to the Board in Berlin. A revised paper will be prepared for the FAC face-to-face meeting in September.

c. Based on feedback received from the FAC, further work will be done on the Minimum Fiduciary Standards for SEs and Implementers. The Secretariat will provide a presentation on the topic to the FAC at its face-to-face meeting in Oslo in June.

d. Finalize the Report of the FAC to the Board in Berlin. This will contain a summary of all the FAC's work and meetings since Copenhagen, including a summary of this meeting and FAC recommendations.

e. This is the final meeting before the Board meeting in Berlin in June 2012. The FAC will meet again, face-to-face, in Oslo on 28-29 June 2012.

ANNEX 2:



TERMS OF REFERENCE OF THE FINANCIAL ADVISORY COMMITTEE ~~OF BOARD OF DIRECTORS~~

(as of June~~January~~ 2012)

A. COMPOSITION ~~Composition~~

1. **Size.** The Financial Advisory Committee ("~~membership of the~~ FAC") shall consist of a maximum of ~~up to~~ 14 members (excluding the Chair).

2. **Skills.** Each FAC member shall have~~, each with~~ relevant skills/experience to fulfil the FAC's mandate, some examples of which include the following:

- knowledge of the Global Partnership for Education, its mission, vision and processes, as well as general policy issues in the field of education in developing countries
- experience in applying for or analyzing requests for funding and making recommendations
- experience in developing, managing or overseeing education programs in developing countries
- experience in/knowledge of managing country-level processes
- experience in participating in the governance structures of funding mechanisms
- experience in public expenditure analysis and/or funding civil society monitoring efforts of public expenditure
- knowledge of different costing tools, budget tracking and financing modalities

In addition, the FAC members and their organizations shall have the ability to make a significant time commitment~~commit up~~ to the work of the FAC (approximately 25 days a year) to fulfil the duties of the FAC.

3. **Representation of Board Constituencies**. Candidates for FAC membership shall include representatives~~be nominated~~ from the following constituency categories represented on ~~constituencies of~~ the Board of Directors:

- up to 5 representatives from donor countries;
- up to 5 representatives from developing country partners;
- up to 2 representatives from non-government partners (i.e. the 3 civil society constituencies or the private sector/private foundations); and
- up to 2 representatives from multilateral agencies.

Subject~~The membership of the FAC may be increased~~ to paragraph H.3 below, there~~15 in the event that the FAC Chair is not chosen from amongst the members of the FAC.~~

~~There~~ will be no more than one member from a single constituency on the FAC. A FAC member may represent up to two~~One or more~~ constituencies in their~~may be represented on the FAC by another~~ constituency category, in circumstances that such arrangements are negotiated by ~~. It will be up to~~ the constituencies and have advised the Chair of the Board of Directors.~~themselves to negotiate such arrangements.~~

4. **Alternates**.

Each FAC member may~~will~~ put forward an Alternate with relevant skills from the constituency or constituencies that the FAC member represents, who may serve in his or her stead at any particular FAC meeting. The FAC member shall inform the Chair of the FAC in circumstances where he or she cannot attend a FAC meeting and his or her alternate will be attending in his or her place.~~.~~

~~Either the FAC member or his/her Alternate may attend FAC meetings to represent his/her constituency.~~ 5. **Duty to Consult.** ~~In the event that one FAC member is representing two constituencies, his or her Alternate may attend a meeting, but only the FAC member or the Alternate may speak on any one agenda item. Observers shall be permitted to attend FAC meetings at the discretion of the FAC Chair.~~

~~In order to permit the FAC Chair to chair meetings without prejudice, the Alternate FAC member from the Chair's constituency/ies may attend meetings and represent the constituency/ies interests.~~[16]

FAC members and Alternates, when serving in that capacity, should have an appropriate mandate, be sufficiently informed, briefed and empowered after consultation with his/her constituency so that he/she can contribute to the work of the FAC and accurately represent his/her constituency.

B. SELECTION OF MEMBERS AND TERMS OF SERVICE

1. **Nominations Process.** ~~**B. Selection of Members and Terms of Service**~~

~~Membership of the FAC will be determined by the Board of Directors.~~

The Chair of the Board of Directors shall propose membership of the FAC, based on nominations made by constituencies of the Board of Directors as against the skills and time requirements listed in Section A above.

In addition, if appropriate, priority will be given to nominees from constituencies that were not included as members in the previous membership of the FAC.

2. **Ratification by the Board of Directors.** The Chair of the Board of Directors shall present the FAC membership to the Board of Directors for its ratification.

3. **Terms of Service**. FAC membership shall be for two years from the commencement of service of a FAC member or until a successor has been appointed.

4. **Vacancies.** A vacancy in the ~~. Membership as an interim~~ FAC membership resulting from death, resignation, disqualification or other reason, shall be filled in the same manner in which the previous member was appointed. Individuals appointed to fill a vacancy in the FAC membership shall hold such position for the unexpired term of his or her predecessor. ~~shall not count as commencement of terms of service of a FAC member.~~

~~In the exceptional event that membership must permanently change from one delegate to another, both the incoming and outgoing members may, with the explicit permission of the FAC Chair, attend one meeting together in order to facilitate the transition of membership.~~

C. CHAIR~~Chair~~

1. **Skills.** In addition to the skills required of a FAC member, the FAC Chair shall have the following skills/experience:

- experience in chairing governance bodies in a diplomatic, non-biased way, reconciling many different inputs into a coherent recommendation, and facilitating agreement on the basis of consensus
- experience in corporate governance matters
- readiness to work with the Secretariat on a close basis
- readiness to report to the Board of Directors on a regular basis, including by attending face-to-face meetings of the Board of Directors

The FAC Chair and his/her organization shall have the ability to make a significant time commitment over and above that of a FAC member (approximately 45~~commit up to 30~~ days a year) to fulfil her/his~~the~~ duties.

2. **Term.** The FAC Chair shall serve for two years from the time of his/her appointment.

3. **Non-Voting.** The FAC Chair shall be a non-voting member of the FAC.

D. SELECTION OF THE CHAIR

1. **Identification of the Chair.** ~~Selection of the FAC Chair:~~ The Chair of the Board of Directors, in consultation with the relevant constituency, shall identify a qualified candidate to chair the FAC from amongst the FAC members based on nominations received from the constituencies of the Board of Directors and taking into

account the skills and time commitments stated above. ~~The Chair of the Board of Directors shall present the candidate to the members of the FAC for ratification.~~ In the event that the Chair of the Board of Directors determines that candidates from among the FAC do not adequately meet the requirements for the FAC Chair, the Chair of the Board of Directors may identify a FAC Chair from outside the FAC membership. ~~and shall present the candidate to the FAC membership for ratification.~~

2. ~~When the~~ **FAC Approval.** The ~~Chair is no longer available, or is not adequately fulfilling the role, the~~ Chair of the Board of Directors shall present the identified candidate to the ~~nominate a replacement FAC Chair. The~~ FAC membership for ratification.

3. **Vacancy.** A vacancy for the FAC Chair resulting from death, resignation, disqualification or other reason, shall be filled in the same manner in which the previous FAC Chair was appointed. Individuals appointed to fill a vacancy in ~~shall approve the change of~~ the FAC Chair position shall hold such position for the unexpired term of his or her predecessor.~~.~~

E. ROLES AND RESPONSIBILITIES

1. The FAC shall serve in an advisory role to the Board of Directors in the following areas. All decisions related to these areas shall be presented by the FAC Chair to the Board of Directors for decision:

develop ~~**D. Roles and Responsibilities**~~

~~The FAC shall have the following roles and responsibilities:~~

(a) ~~Oversee the formulation and implementation of~~ policies (including ~~for~~ eligibility of countries) relating to the ~~and prioritization of~~ funding from Global Partnership for Education resources (including the Global Partnership for Education Fund, the Catalytic Fund and the Education Program Development Fund) for ~~in~~ the following purposes:~~areas:~~

i. Support to countries for the development and revisions of education plans and Global Partnership for Education~~,~~ program development;

anddevelopment, education plan implementation supervision and strengthening Local Education Groups and Joint Sector Reviews;

ii. Support to countries for implementation of education plans, including grants for countries that become ineligible for program implementation grants and performance incentives; and

ii. c. The roles and responsibilities and accountabilities of Supervising Entitiesplans; and Managing Entities (defined in the Global Partnership for Education Fund Governance Document as "Implementers").

iii. Support for regional capacity-building activities,

and make recommendations to the Board of Directors regarding any changes to such policies as appropriate.

(b) Review proposals and make recommendations for requests for allocations from the Global Partnership for Education resourcesFund to support implementation of education plans in eligible developing country partners.

(b) Review, on an Requests for allocations from the Global Partnership for Education Fund to support the Secretariat annual basis, work program, trustee fees, and the indicative allocation list for program implementation grants approved bybudget of the Chair of the Board of Directors and make recommendations for changes.shall be made directly to the Board of Directors.

(c) Review monitoring and evaluation work commissioned by the Secretariat, periodic results and performance reports and make recommendations to the Board of Directors regarding the funding of the portfolio of grants from the Global Partnership for Education Fund.

(d) Analyze country-level processes (application and implementation) for program implementation grants, as part of the FAC's general oversight function.

~~(d)~~ Provide annual reports on the grant portfolio (including program implementation grants, education plan and program development grants and Global and Regional Activities), including disbursements, budgets~~, including the external quality review of proposals,~~ and implementation progress~~make recommendations to the Board of Directors, as appropriate.~~

(e) ~~Provide annual reports to the Board of Directors~~ and make recommendations on future funding priorities and ~~investment~~ strategies.

(f) Review quarterly financial reports and discuss, as needed.~~and make recommendations to the Board of Directors on revisions to the FAC Terms of Reference.~~

(g) Review its terms of reference on an as-needed basis for the purpose of recommending~~Perform~~ any changes to~~other tasks delegated to the FAC by~~ the Board of Directors.

2. Other. ~~E. Use of External Experts~~

The Board of Directors~~FAC Chair~~ may delegate~~approve~~ additional decision-making authority~~participation of experts or other guests at FAC meetings.~~

~~F. Role of the Secretariat~~

~~The Secretariat shall coordinate and facilitate the work of the FAC, providing support~~ to the FAC or request the~~Chair and~~ FAC ~~members.~~

2. ~~The Secretariat will appoint one qualified individual to be the FAC focal point.~~to ~~The focal point will~~ provide recommendations~~secretarial assistance and support to the FAC, attend FAC meetings, and assist the FAC Chair~~ in additional areas.~~preparing, facilitating and coordinating the work plan and meetings for the FAC.~~

F. MEETINGS

1. **Frequency of ~~G. Committee Costs~~**

~~The attendance of FAC members from developing country partner and CSOs from developing countries shall be funded by the Global Partnership for Education Fund upon~~

~~request of the FAC member from these constituencies. This funding shall be facilitated by the Secretariat and shall be included in the budget of the Secretariat work program approved by the Board of Directors.~~

~~H.~~ Meetings.

The FAC shall meet:

(a) annually, face-to-face,~~Annually, in person,~~ to review the status of the portfolio of Global Partnership grants ~~(~~, including program ~~grants for~~ implementation grants,~~of~~ education plan development grants~~s, other in-country work~~ and GPE program development grants ~~global and regional activities,~~ and any other matters that the FAC Chair determines shall be placed on the agenda; and

(b) on an as-needed basis~~Quarterly,~~ to review proposals for ~~grants from the Global Partnership for Education Fund for implementation of education plans (a "Proposal Review Meeting").~~ program implementation grants from Global Partnership for Education resources (a "Program Implementation Grant~~The FAC Chair shall decide prior to every~~ Proposal Review Meeting"); and

(c) at other times as determined by the FAC Chair.

There shall not be more than two face-to-face meetings of the FAC in any calendar year.

2. **Mode of Meeting.** FAC meetings other than the annual ~~whether to hold the~~ meeting described in paragraph F.1.(a) may be held face-to face, by video or ~~in person or by e-mail,~~ teleconference or any other electronic communication medium that allows a FAC member to follow and contribute to meeting discussions as they occur in real time. The FAC chair shall decide on the medium used for each meeting. ~~, or a combination thereof.~~

3. **Notice~~Modes~~ of ~~Operation for Proposal Review~~ Meetings.** The FAC Chair shall provide no less than:

(a) two months' notice for face-~~Prior~~ to-face meetings; and

(b) two weeks' notice for a meeting held by other means.

FAC meetings shall be convened at times that allow sufficient time to develop a written report of the FAC recommendations to the Board of Directors.

G. MODE OF OPERATION FOR PROGRAM IMPLEMENTATION GRANT PROPOSAL REVIEW MEETINGS

1. Documentation.

(a) The ~~a Proposal Review Meeting, the~~ Secretariat shall provide to the FAC~~, at a minimum,~~ the following documents as soon as possible after submission to the Secretariat by the Local Education Groups:~~:~~

i. The education plan of the relevant country;

ii. The appraisal by the Local Education~~Donor~~ Group of the education plan;

iii. The project documentation from the proposed Supervising Entity; and

iv. The proposal requesting an allocation from the Local Education Group.~~Group; and~~

(b) No later than two weeks prior to a Proposal Review meeting, the Secretariat shall provide to the FAC the~~The~~ Quality Assurance Review Report, which includes an assessment of whether the proposal is ready for review.

FAC members may request the Secretariat to provide additional information regarding~~on~~ a proposal no later than one week prior to a Program Implementation Grant Proposal Review Meeting. ~~during their review.~~

2. **Recommendation Categories.** Following review of proposals, the FAC shall provide its recommendations to the Board of Directors, using the following categories:

i. allocate full amount as requested.

ii. allocate reduced amount from the amount requested, with the reasons for the reduction.

~~iii.~~ do not allocate with reasons,~~at this time, but encourage the applicant to revise and resubmit the proposal, indicating which areas requiring revision.~~

~~iv.~~iii. ~~do not allocate at this time,~~ including, where appropriate, suggestions for revisions required prior to re-submission. ~~reasons.~~

Recommendations for categories (a) and (b) above may include conditions for funding and other program management recommendations.

3. **Availability of Members of the Local Education Group.** The FAC Chair may request members of the Local Education Groups (LEGs) that have submitted proposals to be available to communicate with the FAC regarding the proposals. Communications with LEG members may occur in-person, by telephone or video-conference at the discretion of the FAC Chair.

4. **Attendance by Secretariat members.** Secretariat members with knowledge of the proposals being presented shall attend the relevant Program Implementation Grant Review Meeting to address technical questions.

5. **Delivery to** ~~approval of~~ **the Board of Directors.** The FAC shall deliver its recommendations to the Board of Directors following a Program Implementation Grant Proposal Review Meeting, preferably at a face-to-face meeting of the Board of Directors. In exceptional circumstances, ~~by e-mail on a no-objection or using other methods basis~~ as determined by the FAC Chair, in consultation with the Chair of the Board of Directors, the FAC may deliver its recommendations to the Board of Directors at a meeting of the Board of Directors held by audio or video conference.

H. QUORUM AND ATTENDANCE AT MEETINGS

1. **Quorum.** The FAC may conduct business at a meeting only when a majority of the FAC members is present, whether in person, by teleconference, by video-conference or by any other electronic communication medium that allows a FAC member to follow and contribute to meeting discussions as they occur in real time.

2. **Attendance by Members.** Either the FAC member or his/her Alternate may attend FAC meetings to represent his/her constituency. In the event that one FAC member is representing two constituencies, his/her Alternate may also attend FAC meetings, but only the FAC member or the Alternate may speak on any one agenda item. In cases where both attend, the FAC member and the Alternate from one constituency shall count as one member for the purposes of calculating a quorum.

3. **Chair's Constituency.** In order to permit the FAC Chair to chair meetings without prejudice, the Alternate FAC member from the Chair's constituency/ies may attend meetings and represent the interests of the constituency/ies.

4. **Observers.** Persons who wish to observe meetings of the FAC shall advise the FAC Chair in advance of the meeting. The FAC Chair may decide at his or her discretion whether to agree to attendance of an observer.

5. **Independent Experts**. The FAC Chair may request the advice of independent external experts to assist the FAC in its decisions. Input from an independent external expert shall be provided through a mechanism to be determined by the FAC Chair, which may include reporting directly to the FAC as a whole, or reporting through the FAC Chair.

6. **Outgoing FAC Members.** In the event that an incumbent FAC member must be replaced permanently by a new FAC member, both the incoming and outgoing members may, with the written permission of the FAC Chair, attend one meeting together in order to facilitate the transition of membership.

7. **Funding.** The attendance of FAC members from developing country partner and civil society organizations from developing countries at FAC meetings shall be funded by Global Partnership for Education resources upon request of the relevant FAC member. The attendance of Alternate FAC members in addition to the FAC member and of observers shall not be funded by Global Partnership for Education resources. Funding shall be facilitated by the Secretariat and shall be included in the budget of the Secretariat work program approved by the Board of Directors. Funding for the attendance of all other FAC members shall be the responsibility of the FAC member.

I. DECISION-MAKING

1. **Consensus.** The FAC shall use its best efforts to reach all decisions and recommendations for decisions by the Board of Directors by consensus. If the FAC Chair believes there is a clear consensus, he or she shall restate the decision and declare that the FAC has reached consensus and made a decision or recommendation.

2. **Voting.** If all practical efforts by the FAC and the FAC Chair have not led to consensus, any member of the FAC may call for a vote. In order to pass, at least a majority of the FAC members present must vote affirmatively, with at least one vote from a donor partner country representative and one vote from a developing country representative.

J. REPORTING TO THE BOARD OF DIRECTORS

1. **Report at Board Meetings.** The FAC shall report to the Board of Directors at each of its face-to-face meetings on the deliberations and activities of the FAC since the previous face-to-face meeting of the Board of Directors. On an annual basis, this report shall include an assessment of the portfolio of program implementation grants funded by Global Partnership for Education resources.

2. **FAC Reports.** Reports of the FAC shall include draft decision language for consideration by the Board of Directors when appropriate. In cases where FAC recommendations are not made by a consensus of FAC members, the minority view should be included in the report. The FAC Chair shall provide FAC members of a draft of the report of the FAC for approval by the FAC prior to its delivery to the Board of Directors. The FAC Chair shall provide FAC members no less than two weeks for such approval.

K. WORKING GROUPS

The FAC Chair may establish working groups of the FAC that the Chair deems necessary to carry out the business of the FAC subject to consultation with the Chair of the Board of Directors. Such groups shall fulfill a specific function for a fixed duration under terms of reference approved by the FAC.

L. CONFLICTS OF INTEREST

1. **Application to FAC Members.** All FAC members, including the Chair, are subject to the Policy on Conflicts of Interest approved by the Board of Directors, as amended by the Board of Directors from time to time.

2. **FAC Chair Responsibilities.** The FAC Chair shall execute his or her responsibilities in compliance with the Policy on Conflicts of Interest as described therein.

M. ANNUAL ASSESSMENT

The Board of Directors shall conduct an annual assessment of the overall functioning of the FAC, in consultation with the FAC Chair. Such assessment may result in recommendations for changes to these terms of reference, replacement of the FAC Chair and/or individuals acting in the role of FAC member. In the case where a FAC member been assessed as not fulfilling his/her responsibilities, including failing to attend required meetings and discussions, the FAC Chair or the Chair of the Board of Directors, as appropriate may approach the affected constituency to provide them with an opportunity to present an alternative FAC member to represent the constituency/constituencies. The Board of Directors shall approve the replacement of the FAC Chair or any FAC member.

N. ROLE OF THE SECRETARIAT

1. **Role.** The Secretariat shall facilitate the work of the FAC, providing support to the FAC Chair and FAC members.

2. **Secretariat Focal Point.** The Secretariat will appoint one qualified individual to be the FAC focal point. The focal point will provide secretarial assistance and support to the FAC, support intra-constituency consultation processes when requested, attend FAC meetings, and assist the FAC Chair in preparing, facilitating and coordinating the work plan and meetings for the FAC. The Secretariat focal point will maintain an official list of all FAC members and their contact information.

3. **Attendance by Secretariat.** The Head of the Secretariat shall be invited to attend all FAC meetings. Other members of the Secretariat shall attend FAC meetings as approved by the FAC Chair.

ANNEX 3:



TERMS OF REFERENCE OF THE FINANCIAL ADVISORY COMMITTEE (as of June 2012)

A. COMPOSITION

1. **Size.** The Financial Advisory Committee ("FAC") shall consist of a maximum of 14 members (excluding the Chair).

2. **Skills.** Each FAC member shall have relevant skills/experience to fulfil the FAC's mandate, some examples of which include the following:

- knowledge of the Global Partnership for Education, its mission, vision and processes, as well as general policy issues in the field of education in developing countries
- experience in applying for or analyzing requests for funding and making recommendations
- experience in developing, managing or overseeing education programs in developing countries
- experience in/knowledge of managing country-level processes
- experience in participating in the governance structures of funding mechanisms
- experience in public expenditure analysis and/or funding civil society monitoring efforts of public expenditure
- knowledge of different costing tools, budget tracking and financing modalities

In addition, the FAC members and their organizations shall have the ability to make a significant time commitment to the work of the FAC (approximately 25 days a year) to fulfil the duties of the FAC.

3. **Representation of Board Constituencies**. Candidates for FAC membership shall include representatives from the following constituency categories represented on the Board of Directors:

- up to 5 representatives from donor countries;
- up to 5 representatives from developing country partners;
- up to 2 representatives from non-government partners (i.e. the 3 civil society constituencies or the private sector/private foundations); and
- up to 2 representatives from multilateral agencies.

Subject to paragraph H.3 below, there will be no more than one member from a single constituency on the FAC. A FAC member may represent up to two constituencies in their constituency category, in circumstances that such arrangements are negotiated by the constituencies and have advised the Chair of the Board of Directors.

4. **Alternates**. Each FAC member may put forward an Alternate with relevant skills from the constituency or constituencies that the FAC member represents, who may serve in his or her stead at any particular FAC meeting. The FAC member shall inform the Chair of the FAC in circumstances where he or she cannot attend a FAC meeting and his or her alternate will be attending in his or her place.

5. **Duty to Consult.** FAC members and Alternates, when serving in that capacity, should have an appropriate mandate, be sufficiently informed, briefed and empowered after consultation with his/her constituency so that he/she can contribute to the work of the FAC and accurately represent his/her constituency.

B. SELECTION OF MEMBERS AND TERMS OF SERVICE

1. **Nominations Process.** The Chair of the Board of Directors shall propose membership of the FAC, based on nominations made by constituencies of the Board of Directors as against the skills and time requirements listed in Section A above. In addition, if appropriate, priority will be given to nominees from constituencies that were not included as members in the previous membership of the FAC.

2. **Ratification by the Board of Directors.** The Chair of the Board of Directors shall present the FAC membership to the Board of Directors for its ratification.

3. **Terms of Service**. FAC membership shall be for two years from the commencement of service of a FAC member or until a successor has been appointed.

4. **Vacancies.** A vacancy in the FAC membership resulting from death, resignation, disqualification or other reason, shall be filled in the same manner in which the previous member was appointed. Individuals appointed to fill a vacancy in the FAC membership shall hold such position for the unexpired term of his or her predecessor.

C. CHAIR

1. **Skills.** In addition to the skills required of a FAC member, the FAC Chair shall have the following skills/experience:

- experience in chairing governance bodies in a diplomatic, non-biased way, reconciling many different inputs into a coherent recommendation, and facilitating agreement on the basis of consensus
- experience in corporate governance matters
- readiness to work with the Secretariat on a close basis
- readiness to report to the Board of Directors on a regular basis, including by attending face-to-face meetings of the Board of Directors

The FAC Chair and his/her organization shall have the ability to make a significant time commitment over and above that of a FAC member (approximately 45 days a year) to fulfil her/his duties.

2. **Term.** The FAC Chair shall serve for two years from the time of his/her appointment.

3. **Non-Voting.** The FAC Chair shall be a non-voting member of the FAC.

D. SELECTION OF THE CHAIR

1. **Identification of the Chair.** The Chair of the Board of Directors, in consultation with the relevant constituency, shall identify a qualified candidate to chair the FAC from amongst the FAC members based on nominations received from the constituencies of the Board of Directors and taking into account the skills and time commitments stated above. In the event that the Chair of the Board of Directors

determines that candidates from among the FAC do not adequately meet the requirements for the FAC Chair, the Chair of the Board of Directors may identify a FAC Chair from outside the FAC membership.

2. **FAC Approval.** The Chair of the Board of Directors shall present the identified candidate to the FAC membership for ratification.

3. **Vacancy.** A vacancy for the FAC Chair resulting from death, resignation, disqualification or other reason, shall be filled in the same manner in which the previous FAC Chair was appointed. Individuals appointed to fill a vacancy in the FAC Chair position shall hold such position for the unexpired term of his or her predecessor.

E. ROLES AND RESPONSIBILITIES

1. The FAC shall serve in an advisory role to the Board of Directors in the following areas. All decisions related to these areas shall be presented by the FAC Chair to the Board of Directors for decision:

(a) develop policies (including eligibility of countries) relating to the funding from Global Partnership for Education resources (including the Global Partnership for Education Fund, the Catalytic Fund and the Education Program Development Fund) for the following purposes:

i. Support to countries for the development and revisions of education plans and Global Partnership for Education program development; and

ii. Support to countries for implementation of education plans, including grants for countries that become ineligible for program implementation grants and performance incentives.

iii. The roles and responsibilities and accountabilities of Supervising Entities and Managing Entities (defined in the Global Partnership for Education Fund Governance Document as “Implementers”).

(b) Review proposals and make recommendations for allocations from the Global Partnership for Education resources to support implementation of education plans in eligible developing country partners.

(c) Review, on an annual basis, the indicative allocation list for program implementation grants approved by the Board of Directors and make recommendations for changes.

(d) Analyze country-level processes (application and implementation) for program implementation grants, as part of the FAC's general oversight function.

(e) Provide annual reports on the grant portfolio (including program implementation grants, education plan and program development grants and Global and Regional Activities), including disbursements, budgets and implementation progress and make recommendations on future funding priorities and strategies.

(f) Review quarterly financial reports and discuss, as needed.

(g) Review its terms of reference on an as-needed basis for the purpose of recommending any changes to the Board of Directors.

2. Other. The Board of Directors may delegate additional decision-making authority to the FAC or request the FAC to provide recommendations in additional areas.

F. MEETINGS

1. **Frequency of Meetings.** The FAC shall meet:

(a) annually, face-to-face, to review the status of the portfolio of Global Partnership grants (including program implementation grants, education plan development grants and GPE program development grants), and any other matters that the FAC Chair determines shall be placed on the agenda; and

(b) on an as-needed basis to review proposals for program implementation grants from Global Partnership for Education resources (a "Program Implementation Grant Proposal Review Meeting"); and

(c) at other times as determined by the FAC Chair.

There shall not be more than two face-to-face meetings of the FAC in any calendar year.

2. **Mode of Meeting.** FAC meetings other than the annual meeting described in paragraph F.1.(a) may be held face-to face, by video or teleconference or any other

electronic communication medium that allows a FAC member to follow and contribute to meeting discussions as they occur in real time. The FAC chair shall decide on the medium used for each meeting.

3. **Notice of Meetings.** The FAC Chair shall provide no less than:

(a) two months' notice for face-to-face meetings; and

(b) two weeks' notice for a meeting held by other means.

FAC meetings shall be convened at times that allow sufficient time to develop a written report of the FAC recommendations to the Board of Directors.

G. MODE OF OPERATION FOR PROGRAM IMPLEMENTATION GRANT PROPOSAL REVIEW MEETINGS

1. Documentation.

(a) The Secretariat shall provide to the FAC the following documents as soon as possible after submission to the Secretariat by the Local Education Groups:

i. The education plan of the relevant country;

ii. The appraisal by the Local Education Group of the education plan;

iii. The project documentation from the proposed Supervising Entity; and

iv. The proposal requesting an allocation from the Local Education Group.

(b) No later than two weeks prior to a Proposal Review meeting, the Secretariat shall provide to the FAC the Quality Assurance Review Report, which includes an assessment of whether the proposal is ready for review.

FAC members may request the Secretariat to provide additional information regarding a proposal no later than one week prior to a Program Implementation Grant Proposal Review Meeting.

2. **Recommendation Categories.** Following review of proposals, the FAC shall provide its recommendations to the Board of Directors, using the following categories:

(a) allocate full amount as requested.

(b) allocate reduced amount from the amount requested, with the reasons for the reduction.

(c) do not allocate with reasons, including, where appropriate, suggestions for revisions required prior to re-submission.

Recommendations for categories (a) and (b) above may include conditions for funding and other program management recommendations.

3. **Availability of Members of the Local Education Group.** The FAC Chair may request members of the Local Education Groups (LEGs) that have submitted proposals to be available to communicate with the FAC regarding the proposals. Communications with LEG members may occur in-person, by telephone or video-conference at the discretion of the FAC Chair.

4. **Attendance by Secretariat members.** Secretariat members with knowledge of the proposals being presented shall attend the relevant Program Implementation Grant Review Meeting to address technical questions.

5. **Delivery to the Board of Directors.** The FAC shall deliver its recommendations to the Board of Directors following a Program Implementation Grant Proposal Review Meeting, preferably at a face-to-face meeting of the Board of Directors. In exceptional circumstances, as determined by the FAC Chair, in consultation with the Chair of the Board of Directors, the FAC may deliver its recommendations to the Board of Directors at a meeting of the Board of Directors held by audio or video conference.

H. QUORUM AND ATTENDANCE AT MEETINGS

1. **Quorum.** The FAC may conduct business at a meeting only when a majority of the FAC members is present, whether in person, by teleconference, by video-conference or by any other electronic communication medium that allows a FAC member to follow and contribute to meeting discussions as they occur in real time.

2. **Attendance by Members.** Either the FAC member or his/her Alternate may attend FAC meetings to represent his/her constituency. In the event that one FAC member is representing two constituencies, his/her Alternate may also attend FAC meetings, but only the FAC member or the Alternate may speak on any one agenda item.

In cases where both attend, the FAC member and the Alternate from one constituency shall count as one member for the purposes of calculating a quorum.

3. **Chair's Constituency.** In order to permit the FAC Chair to chair meetings without prejudice, the Alternate FAC member from the Chair's constituency/ies may attend meetings and represent the interests of the constituency/ies.

4. **Observers.** Persons who wish to observe meetings of the FAC shall advise the FAC Chair in advance of the meeting. The FAC Chair may decide at his or her discretion whether to agree to attendance of an observer.

5. **Independent Experts**. The FAC Chair may request the advice of independent external experts to assist the FAC in its decisions. Input from an independent external expert shall be provided through a mechanism to be determined by the FAC Chair, which may include reporting directly to the FAC as a whole, or reporting through the FAC Chair.

6. **Outgoing FAC Members.** In the event that an incumbent FAC member must be replaced permanently by a new FAC member, both the incoming and outgoing members may, with the written permission of the FAC Chair, attend one meeting together in order to facilitate the transition of membership.

7. **Funding.** The attendance of FAC members from developing country partner and civil society organizations from developing countries at FAC meetings shall be funded by Global Partnership for Education resources upon request of the relevant FAC member. The attendance of Alternate FAC members in addition to the FAC member and of observers shall not be funded by Global Partnership for Education resources. Funding shall be facilitated by the Secretariat and shall be included in the budget of the Secretariat work program approved by the Board of Directors. Funding for the attendance of all other FAC members shall be the responsibility of the FAC member.

I. DECISION-MAKING

1. **Consensus.** The FAC shall use its best efforts to reach all decisions and recommendations for decisions by the Board of Directors by consensus. If the FAC Chair believes there is a clear consensus, he or she shall restate the decision and declare that the FAC has reached consensus and made a decision or recommendation.

2. **Voting.** If all practical efforts by the FAC and the FAC Chair have not led to consensus, any member of the FAC may call for a vote. In order to pass, at least a majority of the FAC members present must vote affirmatively, with at least one vote from a donor partner country representative and one vote from a developing country representative.

J. REPORTING TO THE BOARD OF DIRECTORS

1. **Report at Board Meetings.** The FAC shall report to the Board of Directors at each of its face-to-face meetings on the deliberations and activities of the FAC since the previous face-to-face meeting of the Board of Directors. On an annual basis, this report shall include an assessment of the portfolio of program implementation grants funded by Global Partnership for Education resources.

2. **FAC Reports.** Reports of the FAC shall include draft decision language for consideration by the Board of Directors when appropriate. In cases where FAC recommendations are not made by a consensus of FAC members, the minority view should be included in the report. The FAC Chair shall provide FAC members of a draft of the report of the FAC for approval by the FAC prior to its delivery to the Board of Directors. The FAC Chair shall provide FAC members no less than two weeks for such approval.

K. WORKING GROUPS

The FAC Chair may establish working groups of the FAC that the Chair deems necessary to carry out the business of the FAC subject to consultation with the Chair of the Board of Directors. Such groups shall fulfill a specific function for a fixed duration under terms of reference approved by the FAC.

L. CONFLICTS OF INTEREST

1. **Application to FAC Members.** All FAC members, including the Chair, are subject to the Policy on Conflicts of Interest approved by the Board of Directors, as amended by the Board of Directors from time to time.

2. **FAC Chair Responsibilities.** The FAC Chair shall execute his or her responsibilities in compliance with the Policy on Conflicts of Interest as described therein.

M. ANNUAL ASSESSMENT

The Board of Directors shall conduct an annual assessment of the overall functioning of the FAC, in consultation with the FAC Chair. Such assessment may result in recommendations for changes to these terms of reference, replacement of the FAC Chair and/or individuals acting in the role of FAC member. In the case where a FAC member been assessed as not fulfilling his/her responsibilities, including failing to attend required meetings and discussions, the FAC Chair or the Chair of the Board of Directors, as appropriate may approach the affected constituency to provide them with an opportunity to present an alternative FAC member to represent the constituency/constituencies. The Board of Directors shall approve the replacement of the FAC Chair or any FAC member.

N. ROLE OF THE SECRETARIAT

1. **Role.** The Secretariat shall facilitate the work of the FAC, providing support to the FAC Chair and FAC members.

2. **Secretariat Focal Point.** The Secretariat will appoint one qualified individual to be the FAC focal point. The focal point will provide secretarial assistance and support to the FAC, support intra-constituency consultation processes when requested, attend FAC meetings, and assist the FAC Chair in preparing, facilitating and coordinating the work plan and meetings for the FAC. The Secretariat focal point will maintain an official list of all FAC members and their contact information.

3. **Attendance by Secretariat.** The Head of the Secretariat shall be invited to attend all FAC meetings. Other members of the Secretariat shall attend FAC meetings as approved by the FAC Chair.