GLOBAL PARTNERSHIP *for* EDUCATION

Principles Agreed for the Hosting MoU between the WB and GPE

Meeting of the Board of the Directors
Addis Ababa, Ethiopia, 18-19 November 2013

For Decision

The Board is requested to:

- endorse the principles which are agreed for the Hosting Memorandum of Understanding (MoU)
- delegate authority to the GPE CEO to complete negotiations with the World Bank to finalize and sign the Hosting MoU by 31 March 2014
- consult with GWG or its successor committee, the Governance, Ethics, Risk and Finance Committee, as soon as it is established, on the negotiations of the Hosting MoU as needed.

Background

- Independent review of "hosting arrangement" concluded in 2012 – Evans Report
- Board approved "Status Quo Plus" – Oct 2012
  - Improvements at both HQ and Country Levels
  - New hosting arrangements
- June 2013 – present: working on new arrangements



Status

- WB and GPE have agreed key principles
  - Fulfill requirements of the Status Quo Plus implementation plan
  - Several areas are pending
- The key principles will form the basis of the Hosting MoU
- Commitment to sign by March 31, 2014

Key Drivers

- Relationship between GPE and the WB is changing
  - Unit of HDN to independent partnership
- GPE interacts with multiple areas of the WB
  - How to leverage relationships ?
- GPE may need an independent entity alongside hosted relationship
- Setting precedent at time of significant change

Hosting Memorandum of Understanding

The Hosting MoU will address specific issues set out in the Status Quo Plus Implementation Plan

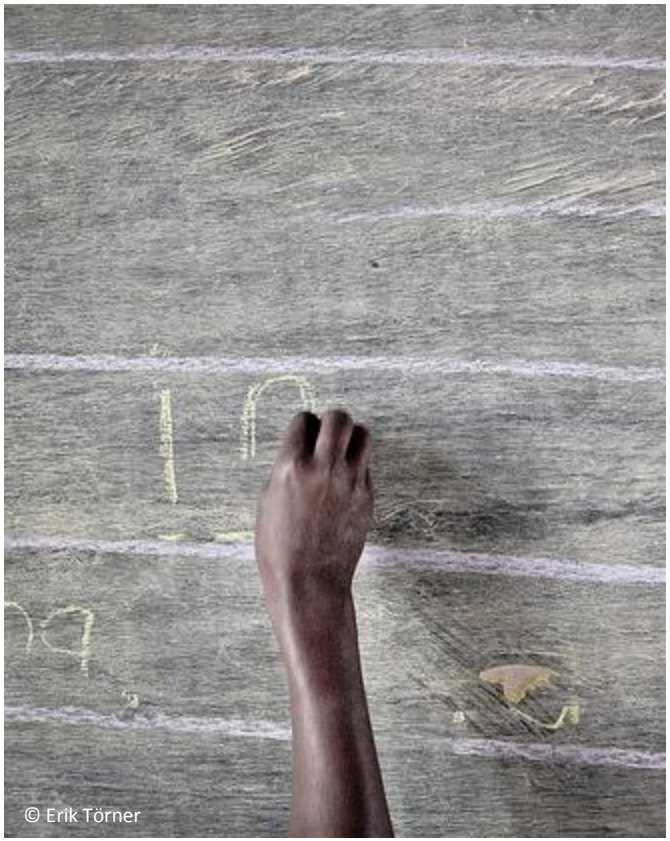
- Administrative and trust funds roles
- Provide a framework for managing the relationship

The role of the WB as Supervising or Managing Entity will be dealt with in a separate agreement.



Agreed Principles

- GPE Status
- GPE-WB Working Group
- Discretion and Responsibility
  - Human Resources
  - Performance Management
  - Procurement and IT
- Financial Coordination and Trustee Role
- Other matters
  - External affiliated entity



Key Principles Agreed for Hosting MoU

GPE Status:

- GPE is financially independent of WB.
- GPE Board approves Secretariat's annual objectives, outcomes, staffing, budget and work plan.


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Key Principles Agreed for Hosting MoU

Establishment of a GPE/WB Working Group:

- Serve as a planning, coordination and issue-identification body.
- Coordinate future activities including innovative financing, collaborative media and results' reporting activities, risk assessment and management, review of partnering relationship and any other matters.

Key Principles Agreed for Hosting MoU

Greater Discretion and Responsibility:

- CEO and Secretariat provided more flexibility with regard to human resources, performance management, procurement and IT in exchange for
- Greater GPE responsibility, both functional and legal, including potential financial obligations to the WB.

Key Principles Agreed for Hosting MoU

Financial Coordination and Trustee Role:

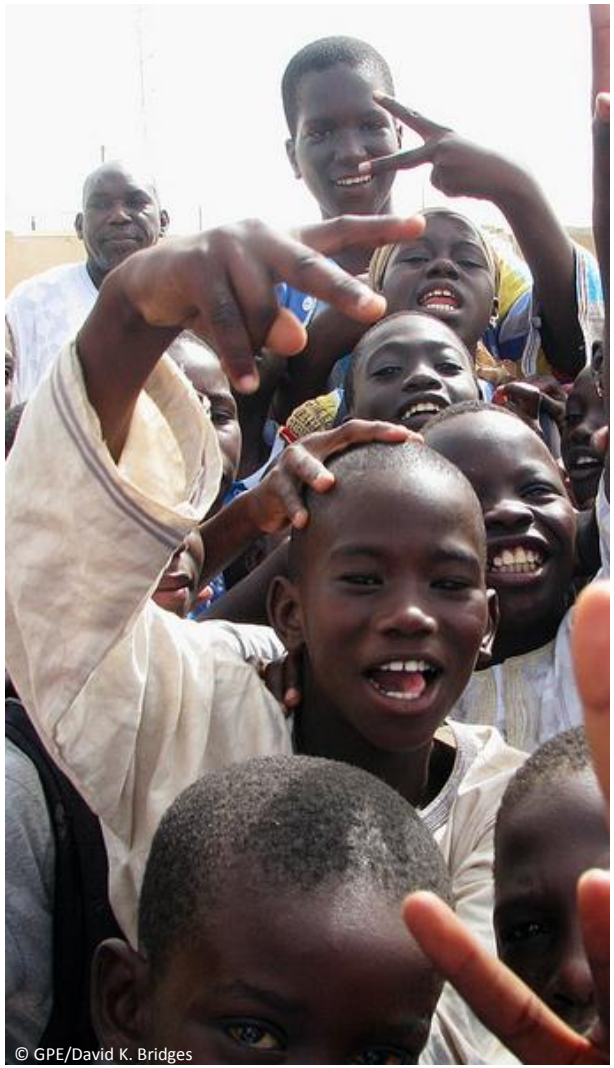
- GPE and WB will jointly negotiate and approve
  - agreements for in-bound funding or outbound disbursements
  - Financial Procedure Agreements with non-WB GPE program implementing agencies
- GPE CEO will sign all FPAs on behalf of GPE along with WB
- WB and GPE will collaborate to leverage funding for GPE through innovative financing instruments including private sector engagement.

Financial Implications

- Trust Fund services based on 10 year old fee structure.
  - will need to be reviewed.
- Dedicated WB internal support to be priced – and provided at WB cost recovery rates.
- Hold harmless/Indemnity may require the creation by GPE of a reserve to cover potential liabilities.



Next Steps


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- GPE CEO will finalize negotiations on Hosting MoU in consultation with GWG or its successor; and
- GPE CEO will sign Hosting MoU on behalf of GPE no later than 31 March 2014.

Decisions Requested

- Endorses the principles which are agreed to for the Hosting MoU ("Hosting MoU") contained in BOD/2013/11 DOC 09;

- Delegates authority to the CEO of the Global Partnership for Education to complete negotiations with the World Bank to finalize and sign the Hosting MoU based on these principles, by 31 March 2014; and

- Requests the CEO to consult with the GPE Governance Working Group, or its successor, the Governance, Ethics, Risk and Finance committee, as soon as it is established, on the negotiations of the Hosting MoU as needed.



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