CONSENT AGENDA

For Decision

1. STRATEGIC PURPOSE

1.1 The purpose of this paper is to clarify the meaning and purpose of a "consent agenda" and provide a brief summary of the consent agenda items at the June 14-15, 2016, Board meeting.

2. BACKGROUND

2.1 A consent agenda is a meeting practice whereby all routine and non-controversial decision items that do not require deliberation, and which are generally deemed to have consensus, are packaged as one agenda item without discussion. All the decisions packaged in the consent agenda are passed with a single vote. This allows the Board more time to focus on strategic matters that do require deliberation.

2.2 Should any one Board member feel that a specific item on the consent agenda warrants discussion before decision, that member can indicate so prior to the meeting or at the moment when the consent agenda is being presented by the chair for consideration. That specific item is then removed from the consent agenda for discussion and decision at a later stage in the meeting.

3. CONSENT AGENDA ITEMS

3.1 At this meeting, the following items are part of the consent agenda:

- **December 9-10, 2015, Board Meeting Report (BOD/2016/06 DOC 03)**. This summary of the previous face-to-face Board meeting was sent to the Board in February and no comments were received.
- **March 9, 2016, Board Meeting Report (BOD/2016/06 DOC 04)**. Similarly, this summary of the Board call in March on education in crises was sent to the Board in April and no comments were received.
- **Trustee Budget (BOD/2016/06 DOC 05)**. This is a routine budget request for the estimated administrative expenses in the new fiscal year of the World Bank acting as

trustee for the GPE Fund. The amount requested is US$399,000, less than last year by US$81,000.

- **Revised Financial Procedures Agreement (BOD/2016/06 DOC 10)**. The standard Financial Procedures Agreement (FPA) has been revised in accordance with the operational model reforms approved by the Board in October 2015. Revisions include:
  - *Contributor (Donor) Right to Conduct Verifications*. Contributors have the right to review or evaluate activities of the grant agent and must agree on scope of work and costs with the grant agent. Current language does not satisfy European Court of Auditors (ECA) requirements; as a result, the European Commission (EC) cannot contribute its pledge of €375 million to the GPE Fund. Alternative proposed language that allows contributors such as the EC to apply existing arrangements negotiated bilaterally with grant agents for reviews and verifications would satisfy the requirement and allow EC funds to be made into the GPE Fund, thus achieving significant administrative cost savings and significantly reducing GPE's liquidity risk. UNICEF raised concerns about the prospect of multiple reviews increasing burden on grant agents. The Governance, Ethics, Risk and Finance Committee (GERF) notes that this risk is low, based on past practice and language that requires contributors to endeavor to work jointly and to be responsible for costs.
  - *Recourse Against the Grant Agent for Breach or Unmet Condition*. Currently, the FPA with the Asian Development Bank provides that the grant agent be notified first of a breach or unmet condition and be given 30 days to remedy the situation before action is taken by the Board or contributors. It is proposed to adopt this approach for all FPAs, as it reflects practical reality and may remove an impediment to potential future grant agents becoming available.
  - *Exceptions to the Standard FPA*. Exceptions are sometimes unavoidable given the legal constraints of certain grant agents. Such exceptions, however, require Board approval if they have an impact on contributors' rights. The proposal is to discourage exceptions but, where necessary, to allow the Secretariat (with the agreement of the trustee) to approve changes that don't affect contributors' rights. For exceptions that do affect contributors' rights, the Secretariat will provide the GERF with delegated authority to approve while also maintaining Board members' right to have the issue dealt with by the full Board if necessary.
  - *Change in Terminology*. The terms "Supervising Entity" and "Managing Entity" will be replaced with "grant agent."

- *Consistency in Process for Cash Transfers from the GPE Fund*. The proposed adjustment for all cash requests from grant agents to be submitted to the Secretariat instead of directly to the trustee brings consistency to current arrangements and permits light review to ensure that GPE funds are not disbursed prior to need.
- *Frequency of Cash Requests*. The proposed change addresses an anomaly in the FPA wherein grant agents only submit a cash request once per year despite grants being approved throughout the year.

4. PLEASE CONTACT: Padraig Power (ppower@globalpartnership.org) for further information.