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ASSESSMENT OF THE QUALITY ASSURANCE FUNCTION

GLOBAL PARTNERSHIP *for* EDUCATION

Cover Note

1. Introduction

1.1 The report *Assessment of the Quality Assurance Function* was finalized in September 2017. In fall 2018, the Global Partnership for Education (GPE) decided to post the report to the GPE website, and to revisit it regarding any changes or updates since the report was originally drafted. This follow-up summarizes what changes or shifts the consultant has been able to deduce through reading select documents and in discussions with the Quality Assurance (QA) Team.[1]

1.2 The final version of this report was submitted to GPE Leadership (Country Support Team, Chief Technical Officer and Finance) and the QA Team in September 2017. It was used for internal discussions among the recipients, where key messages were filtered through and used as the basis of discussions on specific topics between the Country Support Team (CST) Manager and the QA Team. It made some challenging recommendations in areas regarding broader structural shifts across all levels of GPE as well as proposing detailed changes to QA processes. Structural shifts included (i) areas of accountability; (ii) the roles of partners; (iii) the need for flexibility in programs as well as the use of the financing mechanisms (fixed and variable parts); and (iv) increased empowerment of the Secretariat vis-à-vis the Board of Directors. For the processes, the report focused on aligning GPE's QA reviews to the rant gents', implementing review meetings to improve accountability, continuing the peer review process, simplifying some reviews for countries and grant agents that had a strong track record for implementation, and strengthening the use and adaptation of the tools already developed. It further, at the specific request of the Chief Executive Officer, analyzed GPE's QA function vis-à-vis other organizations, in particular the Global Fund. The report also discussed how the QA process worked in *theory* versus *practice*.[2]

2. Shifts across GPE

Changes in the QA function are ongoing and continue to develop across structural and process areas of the QA system. This section summarizes the changes that have occurred.

2.1 Structural areas

(a) *Accountability.* According to the available information, there has been a moderate shift in the roles and accountabilities within GPE:

- At the Board level, there is more delegation to Board "committees."
- The CST has been restructured to include three regional managers who oversee Anglophone Africa, Francophone Africa and the rest of the world, which helps with program oversight for the CST Manager.
- New Terms of Reference (TOR) are being developed by the Secretariat with the assistance of the regional managers regarding Country Lead (CL) roles, responsibilities and accountabilities. The TOR will include the CL's roles and responsibilities in the context of the Effective Partnership Review and are expected to be completed in mid-2019.

(b) *The role of partners.* An "Effective Partnership Review" has been conducted on the respective roles and accountabilities of partners. It proposes many changes regarding the management of grants, their

[1] The discussions were with the QA Team only, not across the wider organization.

[2] Subsequent to submission of the report, the consultant had an opportunity to participate in a complex QAR II, and used lessons learned from that to pursue further discussions with the QA Team and CST on this subject.

development and the involvement of the beneficiary country early in the process in selecting grant agents who are appropriate to meet country objectives. It proposes shifting the role of the (although this is still under development). It also proposes to strengthen the input from the Local Education Group (LEG) as well as country-level decision-making. The intent is to improve the functioning of country-level processes, effectiveness and efficiency after consultations found inconsistencies in various LEGs' understanding of their role. It would significantly shift roles and responsibilities within GPE and is estimated to be finalized and agreed in calendar year 2019.

(c) *Flexibility.* There has been some streamlining of review processes for smaller grants (discussed under 2.2 below). For larger grants, the Secretariat has begun to have a more agile review system that aligns better with grant agents' own QA processes, in particular that of the World Bank. More could still be done to ensure the Grants and Performance Committee (GPC) and Board focus more on issues of compliance and risk rather than reviewing programs at a technical level already carried out by the Secretariat.

(d) *Empowerment*. The QA assessment made a strong case for delegation of responsibility from the Board and GPC to the Secretariat, and from CST management to the CLs. While there is evidence of delegation by allowing small grants to use a simplified review for approval by the GPC, the GPC still reviews larger projects at a detailed level that belies what their role should be. The GPC continues to highlight concerns and make recommendations at a technical level. This is extremely inefficient since it makes the Board presentation a two-step process. The GPC should review the reports of the quality assurance reviews (QARs) and assess the program documents for *compliance and potential risks*. They should then make a recommendation to the Board based on these elements.

2.2 QA processes

A few significant changes have occurred with regards to streamlining the QA process:

- Grants under US$5 million use a simplified process that allows GPC approval without going to the Board.
- The peer review and QAR processes have been simplified. The QA matrices have been revised; the report back to the client is shorter and more concise. There is less reliance on consultants for the final output.
- The Secretariat is piloting an abbreviated review process with the World Bank that piggybacks on the Bank's QA system instead of repeating meetings. They are engaged in a pilot with four countries of varying sized projects and financing mechanisms. The Bank sends its Concept Note or Project Appraisal Document (PAD) early so GPE can fully participate in meetings. This allows the Secretariat to be less focused on details and more on big picture GPE requirements (for example, alignment with the Education Sector Plan (ESP), selection of Grant Agent (GA) and Coordinating Agency (CA), and so on).
- An overall learning plan is being developed to foster common understanding and approach across the Secretariat in specific areas. It will include sessions in areas such as how to strengthen the ESP, domestic financing, and a Variable Part Guidance Note.
- Templates for each level of the QAR (I-III) have been revised. The responsibility for quality assurance at each phase is jointly owned between CST and QA staff and mediated though a review meeting chaired by Education, Policy and Performance (EPP) and CST management. Normally, the CL leads in drafting the report narrative with the review of quality standards led by QA. Consultant support is also drawn on. QA responsibilities at each QAR stage are as follows:

- QAR I: check the funding model requirements; whether the ESP has been appraised, alignment to ESP and GPE goals, benchmarks, domestic financing. Read the Concept Note and provide comments prior to the QAR I report being written. Review of QAR I document.
- QAR II: Assess the program using quality standards and the variable part guidance, assess implementation and fiduciary arrangements and complete the matrices. Highlight what could make the program stronger by QAR III.
- QAR III: Assess compliance against the program quality standards and support in preparing documentation for the GPC.

3. Moving forward

3.1 Some areas of improving the QA function have progressed well, including efforts to align the QA processes with Grant Agents' own (particularly with the World Bank, and beginning stages with UNICEF); streamlining the peer review process[3] to hold the Secretariat more accountable for input to the country; tailoring reviews depending on the size of the grant or past success/difficulties with grant implementation; and beginning to clarify and provide more guidance on the variable part of grants.

3.2 Two recommendations from the paper merit a more in-depth, strategic discussion among GPE's senior management: (i) the role of the GPC and Board vis-à-vis the QA process; and (ii) a review of the analysis of the Global Fund's QA systems (specifically requested to be undertaken by senior management). With regards to the role of the GPC and Board, it was suggested they focus on *compliance* and *risk*, not on analyzing technical issues in program documents that have already been addressed by the Secretariat. As for the Global Fund's QA system, much could be learned, particularly for the functioning and use of expertise by the Local Education Group as well as for the role of the Board. Adapting these two areas would have a significant impact on strengthening the quality of programs financed by GPE.

3.3 Finally, several assessments took place in GPE at the same time, with somewhat overlapping mandates. There were the Institutional Assessment (update), the HR Function Assessment and the QA Assessment. A holistic evaluation or cross-examination of these reports rather than looking at any one report on its own would help the Secretariat look at how to strengthen and streamline all the functions. Reacting to each report individually would only lead to smaller changes at the margin instead of helping GPE improve overall impact and efficiency. The current Effective Partnership Review touches on aspects of this assessment.

[3] In 2018, it was decided that since all Final Readiness Review (QAR III) reports are read by the CST manager and regional program manager, QA focal point, QA lead and often the Education Specialist. Additional peer reviewers are no longer a requirement, although the CST regional program manager may in some cases assign a peer reviewer if they feel that an additional reviewer is necessary.

Assessment of the Quality Assurance Function

1. Introduction

1.1 The Global Partnership for Education (GPE) Secretariat, at the urging of the Board of Directors and following several external studies, embarked on a concerted effort to develop a robust system to strengthen its quality assurance function. Under the leadership of the Chief Technical Officer (CTO), the Quality Assurance Team developed a broad array of tools and measures to apply to Education Sector Plans (ESPs) and Education Sector Program Implementation Grants (ESPIGs). Concerns about the instruments and their implementation led the CTO and Manager, Country Support Team (CST) to hire a consultant to review the quality assurance (QA) process.

1.2 The purpose of the consultancy was to (i) review the QA approach to understand its evolution, gaps and challenges; (ii) benchmark GPE's QA approach against other comparable organizations; and (iii) provide advice on ways to enhance the downstream QA of grants and plan development processes through a review of existing approaches to support sector policy dialogue and grant monitoring.[4] It was further agreed that the consultancy would examine, to the extent feasible in this phase, implications of how the QA process would function in a variety of environments (strong governments versus states affected by fragility and conflict, strong versus weak Local Education Groups [LEGs], and so on) or across different Grant Agents' own processes.

1.3 An inception note submitted December 21, 2016 included an initial diagnosis of the current QA system with two sets of observations: (i) those regarding specifics of how to strengthen and integrate the QA process to improve the overall quality of ESPs and ESPIGs; and (ii) structural issues within GPE that might be further hampering quality.

1.4 Some general observations with regard to integrating QA into GPE systems:

(a) GPE is one organization, not separate Country Support and Strategy, Policy and Performance (SPP) Teams, and messages about QA need to be consolidated internally before communicating with countries and Grant Agents.

(b) The importance of Grant Agents and their role was virtually ignored in previous external evaluations but is key to ensuring quality of programs and plans. Grant Agents, particularly the World Bank, have their own QA systems. Aligning GPE's QA process with Grant Agents' and reducing redundancy is essential.

(c) Sequencing matters, and no program that makes it to QAR III should be at risk of not being approved by the Secretariat, the Grants and Performance Committee (GPC) or the Board. There needs to be significantly more attention to upstream reviews.

(d) There is a lack of clarity of roles internally, especially that of the Country Lead (CL), between the CLs and QA Team, between the Secretariat and the Grant Agents (GAs), and of the GPC. The role of CLs vis-à-vis GA task leaders also needs attention and clearer definition.

[4] In the end, the consultancy focused more on upstream QA processes during ESP and ESPIG development than downstream, in part owing to the need to quickly introduce and implement the peer review process and QA tools discussed below. Implications for downstream "supervision" should be discussed at length with the CST and external stakeholders.

Box 1. Integrating QA into the GPE systems

Diagnosis of impediments to improved QA:

- A significant focus on Board requests over partners and results.
- A lack of accountability: the Secretariat is not empowered to make decisions, which disempowers them and puts too much responsibility on the GPC and Board.
- Grant Agents are key to ensuring quality and results.
- A lack of clarity of roles internally, especially the role of the CL, between the CLs and QA Team, between the GPE Secretariat and the GAs, and of the GPC.
- The Secretariat needs to consolidate messages internally regarding QA before communicating with partners.

Some changes have already begun: (i) a peer review system has been instituted, including the application of the QA tools, which has deepened the quality enhancement and QA process; (ii) formal review and decision meetings are enhancing the accountability of the Secretariat and its management team, instead of relying on the CST manager; (iii) the QA tools are being applied systematically to ensure consistency; and (iv) discussions have begun with the World Bank and UNICEF on aligning QA processes.

Observations and recommendations have been divided into two categories: (i) structural shifts within GPE to facilitate quality improvements, and (ii) specific suggestions on strengthening the QA process to ensure better outcomes.

Structural shifts to improve QA:

- Shift more accountability to the Secretariat.
- Review the Terms of Reference (TOR) of the GPC and Board to focus more on strategy and attainment of GPE objectives.
- Refine and clarify the role of the CLs, in consultation with partners (especially GAs).
- Clarify the role of the Coordinating Agency (CA) and Local Education Group (LEG). Lessons can be learned from the Global Fund in this regard.

Improvements in the QA processes include the following:

- Aligning GPE's QA process with the grant agents' own processes. Where the GA does not have a well-defined QA process, one must be developed.
- Implementing a system of review and decision meetings that empower the Secretariat with decision-making authority and accountability (already begun).
- Continuing implementation of the peer review process that has started.
- Adapting the QA process to the context of each grant: low-risk, high-performing grants and countries may not require the same scrutiny as high-risk, low-performing entities.

GPE has much to learn from organizations such as the Global Fund. For example, the function of the Global Fund's Country Coordinating Mechanism (CCM) and assignment of responsibility to different partners relies on each organization's specific comparative advantage and strengths. The Global Fund also has the CCMs conduct annual self-evaluations and develop "improvement plans," from which the LEGs could benefit. However, there are clear distinctions in how the Global Fund and GPE engage in "partnerships" that preclude adoption of the Global Fund's "QA" (which they refer to as technical review) model of using a Technical Review Panel. Most importantly is GPE's use of Grant Agents and delegating to the GAs' own QA systems.

1.5 Structural issues highlighted in the inception note:

(e) There has been a strong upward focus on the Board instead of on the partner countries and Grant Agents who are responsible for design and implementation of the programs. The emphasis on the Board and the way the Board makes detailed demands of the Secretariat needs to shift to focus on the country and results.

(f) The Secretariat needs to be held more accountable for "decisions" at every stage of review. Board approval should focus on the broader strategic issues of effectiveness, compliance and contribution toward outcomes, not design or implementation.

(g) Conflict resolution systems are required internally in the Secretariat, across the Board and Secretariat, and most importantly between GPE and partners (especially Grant Agents).

(h) There is a need to realize that country contexts are fluid and that objectives change. The GPE should develop better guidelines for restructuring and reallocation of grant funds that focuses on the broader objectives of equity, improved learning outcomes and efficiency.

1.6 In short, the inception note suggested it was important to look at the QA *processes* as much as the new instruments. Internally at GPE, what was required most was better teamwork within the Secretariat, a clearer definition of roles within the Secretariat as well as across GPE (GPC and Board), and more accountability/decision-making authority on the part of the Secretariat. Externally, there must be acknowledgement of the importance of the Grant Agents and their centrality to grant design and implementation, and an increased effort to align GPE's QA reviews to the Grant Agents' own internal reviews. Finally, the inception note asserted that if the Secretariat instated a credible and decisive QA review process using (and/or adapting) all its tools, the Secretariat's opinions and decisions would be trusted more by the Board.

1.7 Subsequent to finalizing the inception note, the TOR for this consultancy were adjusted to meet specific priorities. These included (i) providing a clearer definition of the various review meetings as per (e) above, to include input to guidelines the QA Team were producing and ensuring the processes aligned with the QA tools; (ii) engaging in at least one QA review as a case study to observe the QA tools and review process; (iii) continuing work on aligning the GPE review meetings to the grant agents' processes (World Bank and UNICEF); and (iv) benchmarking the GPE QA processes against another large-scale, grant-giving organization such as the Global Fund.

1.8 Consequent to finalizing the TOR, the consultant identified a need to analyze the use and potential impact of the Education Sector Analysis (ESA) as a key input into high quality Education Sector Plans. The ESAs are a rich collection of data, undertaken with a wide array of country-based stakeholders, but little is done to utilize the information. An analysis of the contribution of the ESA and how to harness its potential was added to the TOR (see Appendix A).

2. Progress against the TOR

2.1 Detailed notes on the review meetings and QA process were prepared regarding each stage of review: ESP, QAR I, QAR II and QAR III. The notes were used by the QA Team to inform the guidelines they prepared for the peer review teams, CST Manager and CTO. Implementation of these guidelines began in March with the formal review meetings.

2.2 The consultant took part in the preliminary review of the draft Final Readiness Review (FRR) for Lesotho. Using the draft review guidelines, the peer review team commented on the document, a QA Team member applied the QA tools and the consultant drafted a note that analyzed the FRR write-up from both a technical and strategic perspective. Recommendations were consolidated and provided during the review meeting for revisions.

2.3 Work continued on aligning Grant Agent QA processes with GPE's. Some level of agreement in principle has been reached with the Director of Education at the World Bank, but details regarding how to maximize GPE's contribution from its strategic perspective will need to be worked out. There is broad agreement on the need to reduce redundancy and increase participation of CST staff at the Bank's review and decision meetings. *It is important for staff at GPE to realize that more needs to be done: Sitting in on the Project Concept Note (PCN) or decision meeting does not carry enough weight unless a specific role has been assigned to them. That role is to, as the financier, ensure that the project or program will meet GPE's strategic objectives.* GPE will have to further ensure they receive the packages for the meetings with enough time to conduct its full QA review before the Bank's review or decision meetings. A key input to the decision meeting would be to ensure the QAR II recommendations are fully documented, addressed and included in the Bank's Minutes of the Meeting.

2.4 Discussions began on UNICEF's QA system, but it has not been fully analyzed. In large part, this is due to the decentralized nature of the organization's standard practice, which emphasizes autonomy at the country level, and which they apply to managing GPE ESPIGs. Without explicit internal guidelines from UNICEF or the GPE, they rely heavily on the country-level Chief of Education and the Head or Deputy Head of Office. Officials at UNICEF headquarters are interested in thinking through how to develop a more disciplined and consistent approach to QA for GPE grants, and understand that the real agenda is to make sure GPE finances better and more successful projects. The GPE Secretariat (CST and QA) will want to work with UNICEF on deciding what is feasible for bringing more objective reviews and quality assurance procedures into place, their timing, and institutionalizing it across the organization.

2.5 An in-depth analysis of the Global Fund's QA process was undertaken to see if GPE might benefit from their system, especially if GPE grows as anticipated over the next several years (see Appendix B). The hypothesis was that the Global Fund's Technical Review Panel (TRP), an external panel that is the first point of contact when submitting a contract/application, would be significantly more technical and objective than the GPE's QA process. Careful analysis of the two systems found this hypothesis to be not true. In fact, aside from the upstream review by the TRP, the Global Fund's internal processing of grant packages—as related to QA—does not differ substantially from GPE's process. After the initial TRP review, both organizations use internal teams and expertise to conduct reviews. Both have the country teams (leads) consult with other units for "sign-off." Differences in QA come at the end: The Global Fund has an internal committee of Secretariat senior managers (the Grant Approvals Committee, or GAC) certify grants as "disbursement-ready," while GPE sends grants first to the GPC, a Board committee. Furthermore, GPE and the Global Fund have key differences in how they do business, especially in the use of Grant Agents and the timing of the reviews, which may preclude GPE using an up-front TRP-type practice.

2.6 Despite the differences, there are many lessons to learn from the way the Global Fund engages in grant-giving and its use of external expertise. These are discussed in Section VI below.

3. Change is in the air: Six months of moving forward

3.1 Since November 2016, when the consultancy began, there have been several changes in the QA process and its impact.

3.2 *Enhancement and effective use of peer review teams, including QA.* Since March, peer review teams from across the organization have been set up for every upcoming ESP/TSP and ESPIG, which will follow each output from beginning to end. These teams are balanced to bring critical skills required by the specific plan or project. Guidelines have been developed about how the CLs and peer review team interact and when the QA tools are applied, complete with timelines, meeting agendas and outputs. This has not only strengthened QA but also helped shift emphasis from analysis of grants to an upstream focus on strategic areas of ESPs and how grants support them.

3.3 *Review and decision meetings.* The inception note highlighted the need for clear review and decisions by the Secretariat at each stage of the QA process (that is, ESPs and all three QARs). Previously, documents were loosely reviewed by available peers, received a final review by the CST Manager, and filtered up the system. This had several negative implications: (i) the documents and grants were not systematically assessed by all the necessary internal expertise, only what was immediately available; (ii) it put undue pressure on an individual manager as a single arbiter of quality, but (iii) simultaneously did not hold the broader Secretariat accountable for overall performance or attainment of strategic goals; and (iv) gave too much discretionary decision-making authority to the GPC and the Board.[5] These review meetings (QAR I and II) and decision meetings (QAR III) signal to the Board, the Grant Agents, partner countries and Local Education Groups that the Secretariat is accountable and taking its role seriously and more systematically. It instills more trust in the products and should begin to help minimize micromanagement from above, as well as recognition by partner countries, Coordinating Agencies (CAs), LEGs and Grant Agents of the need to follow protocol.

Status - Review Meetings

Step	Reports reviewed	Countries/ States
ESP|TEP comments	4	South Sudan, Madagascar, Djibouti, Comoros
QAR 1	7	Puntland, Gambia (P), Afghanistan, Zanzibar, Somaliland, Burkina Faso Guinea Bissau, Sierra Leone (P)
QAR 2	3	Puntland, Cambodia, Liberia
QAR 3	3	Lesotho, Puntland, Liberia
Accelerated Funding	1	Somaliland

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Source: GPE QA presentation to the Board, June 6-7, 2017.

[5] It is the opinion of this consultant that the GPC and Board should retain a strategic, global focus and not be expected to examine details of program design and implementation, unless there is a substantial technical or reputational risk to a specific program.

3.4 *Use of QA tools during the peer review, review meeting and decision meeting processes.* GPE management had requested that QA processes be strengthened for consistency, yet there was considerable resistance to using the tools that were developed over the course of fiscal years 2015-17. However, this has improved with the enhanced composition of the peer review teams. Now the QA tools are more actively used for the review meeting at each stage of QAR I, QAR II and QAR III. The reason for the increasing acceptance of these tools has not been investigated. One assumption is that the peer review teams bring a wealth of technical and implementation expertise to the discussion so that the QA instruments are seen as only one part of a larger process. Prior to this, they were viewed as dominant "policing" tools.

3.5 *Alignment of QA processes with Grant Agents' own reviews.* Grant Agents have their own internal processing and review systems, some of which are more rigorous than others. The largest GA, the World Bank, has clear reviews with detailed TOR at the Concept Note, Appraisal and Board submission stages. These align well with GPE's QAR I, II and III. Practically speaking, it is not feasible for GPE to comment retroactively on a concept note or appraisal package once the respective PCN review or decision meeting has taken place with the Bank's Senior Management. Therefore, if GPE's QAR I is not completed prior to the review meeting, it will be too late to bring GPE's strategic and technical concerns to bear. In recent years, the CLs were invited in an informal capacity to the PCN meetings, but this did not fully empower them to influence decisions of the meeting, particularly if they hadn't received the full set of documents early enough for comprehensive analysis. For example, if there were strategic issues related to GPE's Strategic Plan 2016-2020, or if the proposed program was not aligned with the Education Sector Plan, the participating staff's input might not have been given the weight needed by the Manager/Director conducting the meeting.

3.6 Discussions with the Bank have now shifted to how GPE can be a full participant in the meetings as peer reviewers with a stake in the design of the program. *This will require a change in business processes in both the Bank and GPE*: all relevant documents for each level of review will have to be received by GPE in time to engage in their full-scale QA review. The Bank (via the client country and, when required, the LEG) needs to ensure the full package is available at least two weeks in advance of the review or decision meeting, and the GPE team needs to apply all relevant procedures to its review, including application of the QA tools.

> *"Things are starting to change as a result of these review or decision meetings: there have been documents sent back to country teams for clarifications, additions, and even outright re-writes. This never happened before that I had seen, and it's a good thing."*
>
> *—GPE staff member*

4. Lessons

4.1 *Lessons from other organizations*. As mentioned above, an in-depth analysis of the Global Fund's review process was undertaken to garner lessons for GPE, both in its current structure and in looking toward the future. While there are similarities in the way the organizations base investments on National Plans, use local coordinating mechanisms and target funds to countries in greatest need, there are significant differences:

(a) Use of Grant Agents compared to Principle Recipients (PR): GPE delegates design and implementation to the GAs and relies on their Team Leaders and systems. PRs can be from a variety of organizations, with more than one within a country, and most commonly use the Global Fund's centralized procurement and fiduciary systems. Global Fund staff oversee development and implementation of the programs, working with the Country Coordination Mechanism (CCM).

(b) Partnerships: The GPE emphasizes partnership as the role all players have of working in a coordinated manner. The Global Fund distinguishes partnership roles based on the expected contribution: (i) implementing partners (which are the PRs); (ii) private and nongovernmental organization (NGO) partners (financing, knowledge, governance, advocacy); and (iii) technical and developmental partners (technical expertise and assistance, resource mobilization, supporting country coordination, monitoring and evaluation). There are lessons with regard to how the LEG functions in the way the Global Fund differentiates from among the various skills "partners" can bring to the table.

(c) Country-level coordination: The Global Fund's CCMs have broader representation than LEGs; they go through a process of both self-assessment and assessment by the Global Fund annually, develop "improvement plans" and have access to funds for technical and implementation support. GPE could look at this model for strengthening the LEGs. See more on this under Section VI (Recommendations).

(d) The timing and purpose of QA reviews: (which the Global Fund refers to as Technical Reviews). The key element of quality assurance for the Global Fund is the evaluation of each request for technical merit and strategic focus by an independent group of experts, the TRP, at the time of the initial application for funds. The TRP receives the funding application from the country and a briefing note prepared by the relevant Country Team on key contextual issues. Subsequent to the input from the TRP, the Country Team designs the program. The negotiated grant is then reviewed by an inter-agency committee, which examines the disbursement readiness of the grant and may recommend the grant for Board approval. The in-country CCM endorses any funding requests before they can be submitted to the Global Fund for approval. The Grants Approvals Committee (GAC), comprised of Secretariat Management, approves the grant before going sending it to the Board.

(e) Role of country lead versus Global Fund's country team: GPE staff interact with the GA on program design, but the Global Fund staff are actively involved with the PR and CCM as they design the program together. Because the GPE grant proposals are developed by governments with the assistance of GAs, the GPE effectively delegates to the GAs own processes.

(f) GPC versus GAC: Another important distinction between GPE and the Global Fund is the final clearance prior to submitting grant applications to the Board. The GAC is composed of

senior management of the Secretariat, not representatives from the Board members' organizations. Their review and endorsement of the applications is assumed to be thorough, technically appropriate and programmatically implementable. The Global Fund considers GAC-approved grants to be "disbursement-ready." The GPC, on the other hand, is made up of individuals from the organizations that are on the Board, and are seen to be representing the Board's interests. The difference is subtle but important: the GAC is assumed to have the knowledge and capacity to make decisions on behalf of the Global Fund and is accountable for these decisions. The GAC is empowered by the Global Fund Board, which then endorses their conclusions.

4.2 After examining GPE's QA function, the nature of the "partnership" in GPE and other grant-making institutions' processes, one key lesson emerges: GPE has highly distinctive features that affect control over quality, especially when comparing it to other organizations. The most unique characteristic is the use of GAs and their QA systems for developing and implementing programs. This relationship is the heart of the "P" for partnership in GPE, but the Grant Agents' presence limits the extent to which GPE can have a direct input into the QA process. GPE CLs do not design or supervise projects; the QA functions of the GAs are used. Redundancies between the GA's and GPE's QA systems will not improve outputs or outcomes, yet the GPE must be accountable to its donors.

4.3 Furthermore, the GPE Secretariat is not empowered to make decisions about sending ESPs and grants to the Board like the Global Fund's GAC. This diminishes empowerment and accountability.

4.4 That said, there are lessons to learn. *First and foremost is certifying that all GAs have strong internal QA functions and systems for ensuring quality*. If they do not, then GPE should be able to work with them to develop systems that will result in quality programs. This can mirror GPE's stages of reviews for draft ESPs and all three QARs. To date, it appears that the World Bank has a system that more readily aligns to the GPE's. Other GAs will need to become more systematic and less decentralized in conducting QA reviews.

4.5 Other lessons can be garnered in more and targeted use of external expertise at the right points in time, the functioning of the local coordination mechanism and in the participation of the broader Global Fund Secretariat in the QA (Technical Review) function. These are discussed in the sections below.

5. Further formal changes required

5.1 GPE will need to continue pursuing two levels of changes to sustain and deepen the QA function, as noted in the inception note: **(a)** structural or "big picture" shifts in policies and practices that impede functioning; and **(b)** specific improvements or tweaks to the QA tools and internal systems to bring more depth and nuance to the process.

Structural shifts

5.2 *Relationship with Grant Agents*. Ultimately, the Board needs to accept that the current structure fundamentally delegates substantial accountabilities to the GAs and their QA processes.[6] The question is how to maximize the Secretariat's input. A good start has been made in discussions with the World Bank with regard to aligning QA reviews at the PCN and Appraisal stages. More needs to be done to ensure

[6] As the GPE expands, it would be worth examining the use of Grant Agents vis-à-vis other models of grant making. This important question is not in the purview of this consultancy.

improving business practice that allows GPE to get documentation far enough in advance of meetings to engage in GPE's own internal QA reviews. With regard to other GAs and as mentioned in Section IV above, GPE is well within its rights to require every GA to align concrete review and decision points at which they would share documentation to engage in a consistent and objective QA review.

5.3 *Role of the GPC and accountability of the Secretariat*. The Secretariat passes reports at various stages of reviews to the GPC for their in-depth review and analysis, which detracts from accountability of the Secretariat to achieving GPE's objectives. Should the GPC really be reviewing all the unding odality atrices? Detailed QAR I documentation? As the Secretariat becomes more accountable for the quality of plans and programs using the peer review and QA tools, the TOR for the GPC should change from conducting detailed reviews to focusing on *compliance* and *progress toward GPE's strategic objectives*. There should be less detailed work and more strategic focus on the part of the GPC moving forward if the Secretariat is doing their job. The Global Fund's GAC could provide a model of how to shift from Board Committee (GPC) "approvals" or signals to the Board to the Secretariat's. Consideration of potential changes to the GPC TOR is included in Section VI below.

5.4 *Role of the Country Leads.* Given the centrality of the GAs, the role of the CL needs to be carefully examined. First, Task Team Leaders (or equivalent) are responsible for design and implementation of programs. Thus, the CL provides less technical or implementation support, and instead assists with GPE's processes, compliance and ensuring alignment with the GPE strategy. This creates a tension in the role of the CL, since for the most part, they view themselves as technical and/or implementation specialists.[7] Other possibilities to enhance their assistance are for the CLs to (i) ensure the ESPIGs are aligned with the ESPs, (ii) oversee the assessments of how the LEGs function, (iii) monitor the involvement of a wide array of stakeholders, and (iv) help the LEG generate resources to support its own functioning. The role of the CL needs to be clarified and agreed upon with GAs.

Continued work on the QA function

5.5 *QA instruments.* Generally speaking, the tools developed for QA purposes are adequate to the task and an important step in providing clear and consistent messages to partner countries on ESPs and ESPIGs. They align to the different stages of review, are consistent with GPE objectives and policies, and embed knowledge of "good practice" with regards to plan and program design. There are some minor issues, such as questions that delve too deeply into areas not directly related to the plans or grants. For example, there are questions in QAR I regarding the capacity of the GA that are not appropriate to the QAR I assessment. By the time QAR I takes place, it is too late to assess the GA. This requires a separate assessment that needs to be done when the LEG confirms the GA. As the tools are increasingly applied, the QA Team will need to monitor their efficacy, review regularly and adapt them over time.

5.6 A few adaptations to the tools could be undertaken quickly to reflect changes that have already taken place internally:

- The QA tools still refer to the sign-off for ESPs, QARs and so on by an individual CST or SPP Manager. This should change to the use of review and decision meetings for sign-off instead.

[7] A recent HR review determined that the CLs come from various organizational backgrounds, which leads to their not having a uniform understanding of their role. As part of the ongoing HR process, the Secretariat is working to define the role better, including in relation to the GA role.

- The review and decision meetings also *de facto* change the approach to the GPC, which should be reflected in the tools. The Secretariat is assuming responsibility for the quality of the documents, not just reviewing and filtering up the ladder to the Board. The Secretariat should provide the GPC with summary reports, not full sets of documentation for their clearance. This shift is contingent on changing the TOR of the GPC as discussed in paragraph 5.3 above.

5.7 *Quality assurance versus quality enhancement*. There is a distinct difference between *quality enhancement* and *quality assurance*. The peer review teams are helpful for quality enhancement with regards to analyzing technical and implementation aspects of programs, as well as whether program will help meet the objectives of the ESP. The QA tools should be seen as a separate, objective measure and should be applied by a dedicated person or team. The QA Team, consisting of only four employees/consultants (three full time, one part time), is not staffed to manage the load. More people (including consultants) should be trained specifically on QA and the application of these tools.

5.8 *The importance of the Education Sector Analysis*. In 2014, the GPE formalized the requirement for an Education Sector Analysis to be conducted while developing the ESP. The ESA uses country-based, participatory processes to collate existing data, help identify what information is lacking, and get a shared understanding among stakeholders of the status of the sector. However, after preparing and submitting it, neither the Partner Country nor the GPE CLs have been guided on how to utilize it to any real effect. This consultancy drafted a note on how to strengthen the use and impact of the ESA, highlighting that its value will be greatly enhanced if it is analyzed and used for its intended purpose: establishing a baseline of data and information on which the ESP will be built. This includes (i) measuring progress against the previous ESP goals and targets, (ii) highlighting strengths and weaknesses of the data, (iii) identifying any crucial gaps in information, and (iv) identifying any emerging challenges in the education sector. It is critical that before embarking on the ESP itself, the existing data underpinning the ESA be analyzed for quality, relevance, extent of coverage and gaps in the available information.

5.9 The note proposes how all stakeholders from the country level to the Secretariat could make better use of the ESA to improve ESPs and Program Grants to support them. It recommends two new steps: (i) that the draft ESA be reviewed and assessed by external consultants of international stature (national or international individuals or team) prior to submission to the GPE Secretariat by the CA; and (ii) the Secretariat CST and QA Teams review the ESA more thoroughly on receipt.

6. Moving forward and recommendations

6.1 To summarize the findings and recommendations:

(a) ***Working with Grant Agents, raising expectations.*** This document has thoroughly discussed the fact that the Grant Agents are central to the GPE's current model of the GPE. At the same time, it is important for the GPE to hold Grant Agents accountable to process and protocol. Implementation of an improved QA function is about the GPE Secretariat making a concerted effort to strengthen QA processes and raise expectations of itself as well as stakeholders. As GPE formalizes an enhanced QA process, it is reasonable to expect others to adhere to it, as well, if they would like to become GAs. There are two ways to ensure this include:

i. Improve the selection criteria for becoming Grant Agents. This would include committing to a series of submissions at the concept, appraisal and pre-Board stages, demonstrating on-the-ground capacity, ability to provide broad monitoring and evaluation (M&E) and

implementation support for the country-level actors by a central office, and dedicated resources to support the team.

ii. Coordinated reviews with the GA would only be conducted when all relevant documents are submitted, including the draft ESP, full ESP, funding modality matrices, Concept Notes (for those GAs which do not have one), etc. If QAR I is aligned with the PCN stage, do not conduct the PCN/QAR I review until everything has been received.

(b) ***QAR I needs to be redefined*****.** At present, it is seen as a "process" that takes place anywhere from one to six months. The documentation required is varied and can be collected over time. However, the actual QA *review* needs to be a discreet event that takes place only when all the documentation is received—that is, the draft ESP, Funding Modalities Matrix, a Concept Note of some sort, and so on. This needs to become a definitive decision point where the partner country and GA have clear guidance on how to move forward to develop the ESPIG project.

(c) ***Use the whole Secretariat for QA and review.*** CLs have worked in isolation with occasional input into their reviews of ESPs and ESPIGs. The peer review system brings with it assistance from primarily CST and Planning. But this could go one step further: Develop full project or country teams. Country teams would include a leader, relevant technical skills, and assigned staff from Finance, M&E, Risk Assessments, Operations and other program areas. Use of expertise from other units within GPE for peer review at strategic points would alleviate some of the pressure on CLs' time and should not be expensive. This should not duplicate the work of the GA if the GA has those skills (for example, the World Bank and DFID).

(d) ***Clarify role of the LEG.*** The LEG's role is for endorsing plans and proposed grants, and broader program consultation, but ultimate responsibility rests with the GA. There are times that LEGs or LEG members try to use their "seat at the table" to impose an agenda specific to the organization they represent instead. There are acknowledged strong and weak LEGs and this needs to be regularly assessed. The Global Fund CCMs offer a good model for consideration. First, their CCMs conduct an annual self-assessment system and develop "improvement plans." This would allow for checks and balances regarding technical and power dynamics in the LEG. Second, in the Global Fund, the "partners" all have a specific role: They do not just endorse (or refuse to endorse) plans and programs. For example, private sector and NGO partners assist with financing, local knowledge, governance and advocacy; technical or developmental partners provide technical expertise, assistance, resource mobilization, M&E and support the Country Coordinating Mechanism. Giving organizations represented on the LEG concrete tasks and responsibilities could reduce the tensions that arise.

(e) ***Refine the level of QA processing required*****.** Not all ESPs or ESPIGs require the same level of QA review. A matrix could be developed that distinguishes levels of review (that is, light, medium, full) that helps tailor the review based on a number of criteria, including size, level of risk, past performance, strength of the GA and LEG, and the current political/economic situation, among others. Other organizations have this differentiated strategy for review, including the World Bank and the Global Fund, from which GPE might benefit.

(f) **Linked to the above, review GA's QA procedures and map out any redundancies.** If a GA does a full risk assessment, GPE does not need to duplicate it. If a GA's economic analysis is sound, it does not need to be re-assessed. Focus full reviews on a GA's documents that do not have the capacity for the array of fiduciary and legal assessments.

(g) ***GPC to revise its TOR.*** **As discussed above, as the strength of the QA function grows, the GPC can shift focus to *compliance with policies, risk assessment and achievement of GPE 2020 strategic targets.*** At present, the GPC is similar to a peer review, examining documents from a technical as well as compliance perspective. This could be elevated to look at "big picture" aspects of the GPE portfolio and broader targets. A lesson from the Global Fund is that pre-Board approval comes from within the ranks of senior management of its Secretariat (Grants Approval Committee), not a committee. The GPC could review the broader program and develop reports to the Board that reflect wider trends instead of detailed program numbers. They could identify higher risk programs that need more Board attention. If the Board would be willing to delegate more authority to the GPC, they could furthermore take responsibility for conditional "approval" of grants that are low-risk, low investment (say, up to US$5-10 million) from countries and Grant Agents with a strong track record. This would add value to the GPC's contribution to the efforts of the Board to monitor progress, and alleviate pressure on the Board for large numbers of program approvals as the program expands.

(h) ***Conflict resolution system*****.** There needs to be a formal conflict resolution system for issues that arise, particularly between GAs and the Secretariat, as well as among the LEGs, GAs and GPE. Issues raised during consultations include disagreements between GAs and the Secretariat on program matters such as project components and restructuring, issues between LEGs and GAs, conflicts between the roles of CLs versus GA Team Leaders, and so on.

(i) ***Expand the continued monitoring of and reporting on the review and QA function*****.** The SPP team has already begun to monitor the review and QA functions on a small scale. For example, ESP appraisals are undertaken by third-party consultants (trained by GPE and the International Institute for Educational Planning [IIEP]). The QA Team has been monitoring the quality of these appraisals and is now able to provide feedback as well as identify strong and weak appraisers. This monitoring could be taken a step further: The QA Team could compile a separate annual report to present to the Board about the quality of all documents that come under review by the QA function. The team could develop an outline of what this would entail.

(j) ***Train and develop a roster of consultants to assist with Secretariat reviews.*** The detailed review and decision meetings will require more human resources than available within the Secretariat. In the beginning, the Secretariat will need to outsource review expertise for both quality enhancement and quality assurance. Like the Global Fund does with its TRP and iInter-aAgency rReviews, the Secretariat could begin including at least one or more external experts on the peer review team and QA Team.

(k) ***QA tools*** **should be revised to reflect changes already made.**

6.2 As all of these recommendations move forward, the role and TOR of the Board would also need to be examined more closely. It will be worth considering, as mentioned in paragraph 6.1(g) above, if the Board can delegate more authority for approval of smaller, low-risk grants or grants to high-performing countries.

6.3 Finally, concerns were raised by a variety of stakeholders regarding the variable component of ESPIGs. The concerns arose when asked about the complexity of program design, by having two different financing mechanisms within one grant. Responses fell into three groups: (i) some believe that the variable component helps focus discussion on larger policy objectives; (ii) many respondents (within GPE and among partners) felt they did not have enough information on how the financing mechanism of disbursing against achievement of policy objectives – or Disbursements-linked Indicators (DLIs) works; and (iii) some

believe that having two disbursement mechanisms within one project/grant hampers both design and implementation.

Much more could be done to ensure this innovation is effective:

- Provide more in-depth training to a cross section of stakeholders (GPE CLs, GAs, government officials and LEG members) on the selection of indicators, how they are linked to strategies and policies, and how to measure them.
- During project preparation, ensure the implementing authority (most often government, but sometimes a non–World Bank entity) has the capacity to monitor both investment and policy-based disbursements at the same time.
- During implementation, consider having a third party — either financed by the ESPIG or from within the LEG — monitor the evidence for justification of disbursements.
- Learn from the Global Fund model and consider having separate grants for each component to alleviate the confusion of measurement and differing disbursements mechanisms. If separated into two grants, it would be possible to have two different Grant Agents to ensure the variable component is managed by an entity with institutional experience of implementing DLIs or results-based financing.

To avoid affecting the overall quality of broader grant implementation, and eventually portfolio performance, it is recommended that some analysis be done on the impact of the variable component, its impact on the overall quality of the portfolio, and whether it truly helps achieve the intended outcomes.

7. Conclusion

7.1 The QA function consultancy was engaged because of difficulties in implementing the new QA tools the Secretariat had developed over two years. These QA instruments and processes are now moving ahead at a rapid pace, and are generally adequate to the task. In the end, the instruments and how to implement them with more objectivity were not the real issue. These tools and the QA process can be tweaked as lessons are learned through experience. The issues were communication, getting systems in place, becoming accountable and demonstrating the capacity for objectivity. Steps have been taken in each of these areas. More needs to be done, but feedback to date shows that both the Secretariat and the QA function already have more credibility.

7.2 The peer review and QA systems being put in place require significant time as well as both human and financial resources. It is already placing addition burdens on the CLs who act as each other's peer reviewers, and is stretching the understaffed QA Team. This needs to be explicitly addressed for the present scope of the program, and for the future as GPE expands. One option is to develop a certified pool of consultants to help with the process. Another is to look at longer-term staffing needs to see if there is justification for additional internal staff who would participate in the QA process. The benefits of using a pool of known consultants are flexibility and (potentially) lower cost. It would also bring some objectivity to the process such as seen in the TRP of the Global Fund. The cons would be how to ensure their availability when documents do not arrive on a set schedule, and that consultants require time to manage. Using in-house capacity only also has pros and cons: (i) a level of objectivity is diminished, (ii) it is potentially expensive, and (iii) it runs the risk of becoming an additional layer of inefficiency such as was

seen in the very large QA function (over 200 staff) in the Africa Region of the World Bank. This will need to be analyzed in the context of an HR strategy.

7.3 Finally, a looming question remains: should GPE use a completely external entity for the QA function similar to the way the Global Fund engages the TRP? At the moment, and because of the reliance on Grant Agents, this is not feasible: GPE cannot bring an external panel in to tell the GAs how to prepare a plan or project. It defies the definition of partnership as it exists in GPE. However, this report highlights a few ways to bring in some external expertise to the process, such as developing rosters of expertise for the peer review and QA Teams. Moving forward, if GPE brings program preparation into the Secretariat as seen at the Global Fund, this nexus of Country Team, local coordinating mechanism and the Principle Recipient would be worth consideration.

7.4 Quality improvements require all players to bring integrity and discipline to the process. The new internal review systems will help GPE. Applying the QA instruments will help with quality and assessing risk of programs. What will ensure even more progress is discipline: the discipline to keep using and improving the review process and tools, and more discipline by the Grant Agents to adapt the business practice to support quality for both their institutions and GPE.

Appendix A. Education Sector Analysis: Making the most of it

I. Introduction

GPE funding has, since its beginning, been based on a country-led and developed Education Sector Plan (ESP). Over the years, the GPE Secretariat and partners provided guidance on the content and structure of the ESPs. In 2012, the GPE Board requested that client countries and the Local Education Groups (LEG) conduct and submit an Education Sector Analysis (ESA) prior to developing the ESP. This has become standard practice, yet the ESA's potential and use have been undervalued.

ESAs contain essential information on existing data; trends in all areas of education spending, enrollments, and learning; progress against targets and plans; and more. They also provide essential information on areas where data is lacking, thus pointing to how to improve sector planning, monitoring and evaluation.

Currently, ESAs are developed by collecting data, sharing progress in the sector and collating the information into a report. After the ESA is finalized, it is shared at a meeting among the government, the agency supporting the government (most commonly a Grant Agent (GA) that is managing an Education Sector Plan Development Grant—ESPDG—on its behalf), and the LEG. The country Coordinating Agency (CA) then submits it to the Secretariat, which reviews the document, acknowledges receipt and puts it on file.

The value of the ESA will be greatly enhanced if it is analyzed and used for its intended purpose: establishing a baseline of data and information on which the ESP will be built. This includes (i) measuring progress against the previous ESP goals and targets, (ii) highlighting strengths and weaknesses of the data, (iii) identifying any crucial gaps in information, and (iv) identifying any emerging needs in the education sector. It is critical that before embarking on the ESP itself, the existing data underpinning the ESA be analyzed for quality, relevance, extent of coverage and gaps in the available information.

This note proposes how all stakeholders—from the country level to the Secretariat—could make better use of the ESA to improve ESPs and program grants to support them. It recommends two new steps: (i) the draft ESA be reviewed and assessed by external consultants of international stature (national or international individuals or team) prior to submission to the Secretariat by the CA; and (ii) the Secretariat Country Support Team (CST) and Quality Assurance (QA) Team review the ESA more thoroughly on receipt.

2. Objective

The objective is to improve the quality and use of the data underpinning the ESA prior to drafting the ESP.

3. Responsibilities

Country level: The responsibility for assessing the quality of the ESA should remain with the country and LEG at the time of its finalization. Currently, the report is drafted and submitted, but little in-depth analysis of the quality of the ESA has been conducted. Details are in Section IV below.

Secretariat: The CST and QA Team in the Secretariat will review the process of developing the ESA, the quality of the report and the consultant's report.

4. Proposed Process

(a) Collect and present data at a local-level meeting. Meeting provides feedback. (Government, GA, others as requested. Meeting comprises all local-level stakeholders.)

(b) Complete the first draft of the ESA report. The final chapter of the ESA report should identify how the ESA will inform the ESP: progress in the sector against goals, strengths and weaknesses of

existing data, and gaps in information that will be required for the ESP. (Government, GA, others as requested)

(c) A member of the LEG or CA hires a consultant of international stature (can be national or international individuals or team) to review and assess the data, background research and other documentation for quality, relevance, timeliness. The consultants draft a brief report that provides feedback on each of these areas, and provides guidance to finalizing the ESA report. (External consultants)

(d) Finalize the ESA for circulation with the consultant's report to all local-level stakeholders. (Government, GA)

(e) Hold a meeting to validate the finalized ESA. (Government, GA, CA, LEG)

(f) Submit the ESA and consultant's report to the Secretariat with a cover letter confirming the quality of the ESA report. (CA)

(g) Secretariat to review the process undertaken to develop the ESA and reports. Provide feedback if necessary. Acknowledge receipt and place on file when finalized. (CST and QA)

5. Conclusion

It is not necessarily true that a good ESP will lead to a good program. It is likewise not necessarily true that a good ESA will lead to a good ESP. It is, however, impossible to have a good ESP without a solid basis for analysis. That mandates ensuring a good ESA has been conducted and lessons from it are fully analyzed before embarking on drafting the ESP.

Moving forward, the Secretariat would do the following:

- Circulate this document to Secretariat staff for discussion.
- Draft a letter based on this document for stakeholders.
- Develop a *sample* TOR for the consultants to be recruited that the hiring agency can use for guidance.
- Develop a *sample* outline of the consultant's report and CA cover letter (I strongly suggest not having another template for this.)

Appendix B. Global Fund quality assurance process

1. Introduction

1.1 The Global Fund was established in 2002 as a partnership among governments, civil society, the private sector and people with the diseases it aims to eradicate. As of 2015, it had raised US$33 billion, and by July 2016 had disbursed US$30.7 billion. Operating expenses in 2015 were US$298 million, or about 2.3 percent of grants under management. Like GPE, the Global Fund relies on a National Strategic lan for funding eligibility. [1] The funding allocation model has been refined over the years to give additional weight to lower income countries with a higher burden of disease, in combination with an assessment of capacity to implement programs (see Appendix D for the link to the allocation methodology).

1.2 This document will briefly summarize the funding process and steps with a particular focus on (what GPE calls) quality assurance.[2] It will only briefly describe the process from eligibility to application to provide context, then detail those technical review processes of evaluating the proposals and capacity of the implementing entity.

2. Funding Cycle Overview

2.1 *Eligibility*. Country eligibility for funding is determined by the burden of disease and economic conditions of each country, and is designed to optimize investment for the most vulnerable populations affected. It looks at the country's income classification and the burden of each disease. Eligibility does not guarantee an allocation of funds: the Eligibility List identifies which components (TB, HIV and Malaria) may be eligible but does not allocate.

2.2 *Allocations.* Country allocations are made in three-year tranches for all countries on the Eligibility List. They are based on a National Plan, evaluation of the burden of each disease the Global Fund finances (that is, HIV, TB and Malaria), the status of the health system and overall available financing. Allocations are made for each disease deemed eligible in the respective country. For example, in the 2014-2016 tranche, Madagascar received an allocation of US$17.2 million for HIV, US$10.6 million for TB and US$84.6 million for Malaria. For the same tranche, Algeria was allocated US$6.5 million for only HIV.

2.3 In 2017, the methodology for allocating funds was refined. According to the Global Fund website, "Country allocations are calculated using a formula that is predominantly based on a country's disease burden and economic capacity, and are refined to account for important contextual factors through a transparent and accountable qualitative adjustment process."

2.4 The allocations are indicative: the Country Coordination Mechanism can reallocate funds from between or among the respective diseases, as well as to support strengthening the health system (see below) with justification to the Global Fund. An additional application can be made to a separate fund for a grant to assist with transitioning out of grant funding and sustainability.

[1] For the Global Fund, if a country does not have a National Strategic Plan, an application for funding can be submitted based on an investment case.

[2] The Global Fund does not refer to the technical review process as "quality assurance." QA in their terminology refers to mostly "health product–related" processes. They use the terms "access to funding," "funding request and grant negotiation process," "technical review of funding requests," and so on.

2.5 In addition to country allocations, there is US$800 million available for "catalytic investments," comprising matching funds from partners for activities of strategic importance, but not included in the country grants.

2.6 *Country Coordination Mechanisms*. The Country Coordination Mechanism (CCM) is a national committee that oversees and submits all applications for funding to the Global Fund. It comprises representatives from government, multi- and bilateral agencies, nongovernment organizations, the private sector, civil society, technical partners and people affected by the diseases. They coordinate development of national requests for funding, nominate Principal Recipients (PRs), monitor implementation, approve reprogramming requests, and ensure consistency between Global Fund grants and other investments in national programs.

2.7 The CCMs conduct Global Fund–specific dialogue with all stakeholders, including input from technical and development partners. They agree on the split of program allocations and have the flexibility to reallocate between eligible diseases, as well as to investments in developing sustainable health systems.[3] The CCM agrees on the proposed program split before submission of the first application in a funding cycle. Subsequently, they are responsible for informing the Global Fund of any revisions to the split along with its rationale.

2.8 CCMs carry out an annual assessment of their performance and transparency using an Eligibility and Performance Assessment tool. Depending on past performance and determination by their Global Fund portfolio manager, there are three levels of assessment: (i) standard (includes receiving technical assistance for the assessment, interviews with stakeholders and an improvement plan), (ii) light, and (iii) superlight. The light and superlight levels only require the self-assessment and improvement plan; they do not require interviews with stakeholders.

2.9 The overarching principle guiding the oversight of grants by the CCM is to ensure that "financial and human resources are being used efficiently and effectively for the benefit of the country."[4] In short, they look at the "big picture" of grant implementation, while the PR manages the details. Local agents assist the Global Fund with third-party verification since the Global Fund has no presence at the country level (See Figure B.1 for the CCM Grant Monitoring Tool).

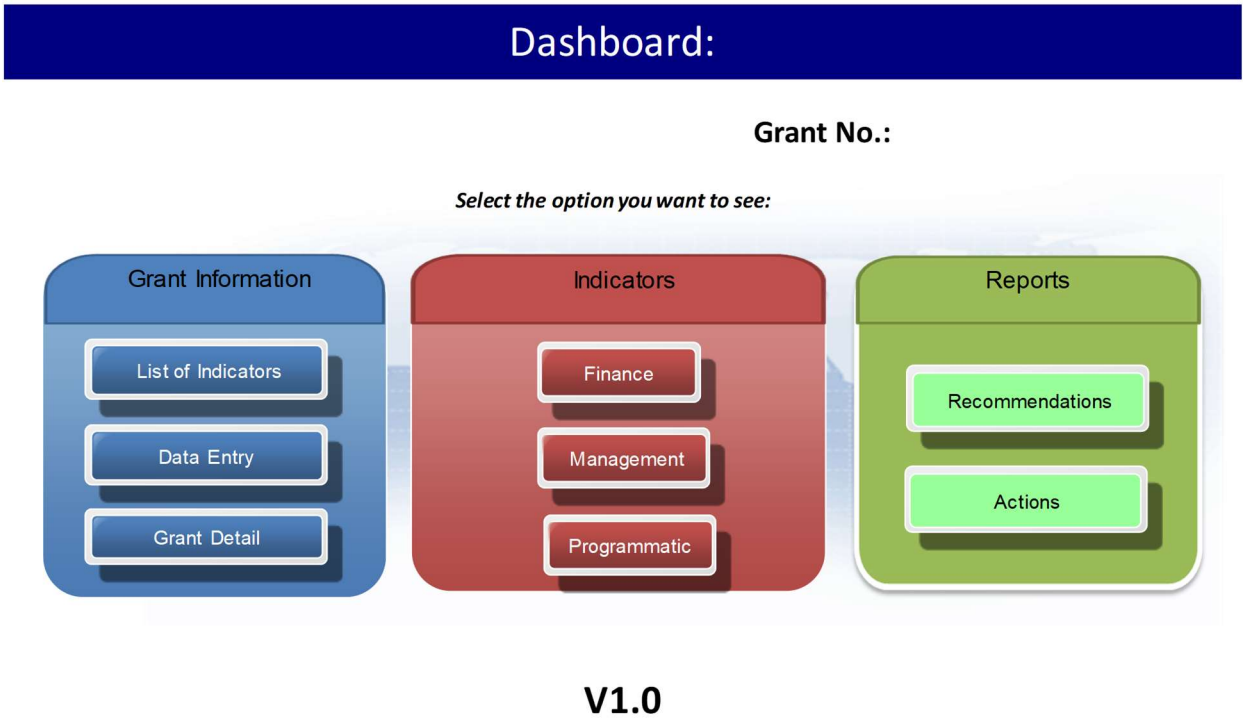
2.10 *Funding cycle.* Upon receiving the country allocation and confirming the National Strategy, the CCM and all stakeholders involved in the disease response begin a country dialogue on how to invest the available funds. The CCM selects the Principal Recipient(s) through a transparent selection process, and they begin developing the funding request(s) with the PR, CCM and Global Fund staff. The process is as follows:

- Funding request: Requests are submitted through the CCM either separately for each program or jointly as a package. It can include investments for other areas of Global Fund financing such as sustainable health systems or resilience (transition) funds.

[3] The CCM looks at sustainability of systems; however, Global Fund allocations for this purpose do not necessarily have to be applied for separately unless there is a stand-alone project. The Global Fund encourages countries to bundle the sustainable health systems requests into one application, whether for a particular disease or "systems" application.

[4] https://www.theglobalfund.org/en/country-coordinating-mechanism/oversight/.

Figure B.1. CCM Grant Monitoring Tool (in Excel format)



Source: The Global Fund website.

- Review: Funding requests go to the Technical Review Panel (TRP), an independent body engaged by the Global Fund (see Section III below). The TRP reviews the preliminary request and requests for reprogramming according to the Global Fund's strategic priorities and within the country context for technical merit, potential impact and more. The TRP either makes suggestions for revisions or proposes that the grant proposal goes through for grant-making or implementation.

- Grant-making: After review by the TRP—with subsequent input from the Grant Approvals Committee—the request moves to the grant-making stage where the details of the program and its implementation are worked out among the CCM, Global Fund staff, PR and stakeholders. Grant-making is defined as "the process of translating the funding request, including recommendations from the Technical Review Panel, into disbursement-ready grants for the Global Fund Board approval."[5] The process generally takes approximately three months.

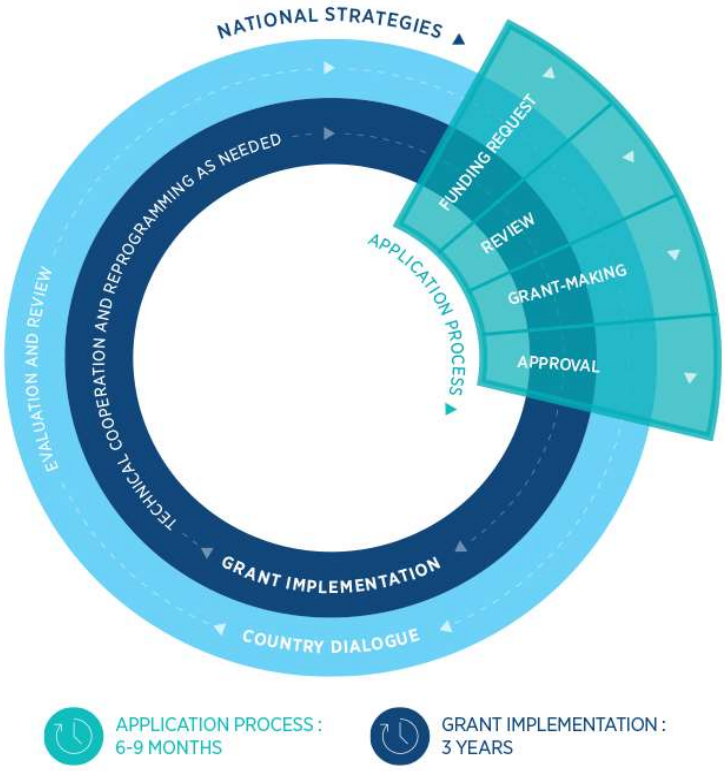
The Principal Recipient is formally assessed by the Global Fund, and they work to put together budgets and work plans. As of the 2017-2019 funding cycle, also undertaken during this process are (i) a Capacity Assessment Tool for all new PRs and PRs who have not implemented the proposed components; (ii) Audit Arrangements, which must be submitted to the Global Fund within three months of grant approval; and (iii) a revised Performance Framework for Focused Countries. The latter was developed to support the new "differentiated approach," where countries focused on a narrower set of activities will have a

[5] Global Fund Handbook, p 14.

reduced number of indicators and tracking measures to monitor grants, with support focusing more on implementation.

Prior to sending the final package for approval, the Global Fund country team conducts its own internal review and sign-off processes. The sign-off is differentiated based on the substance of the grant, but at a minimum, it involves the officer of each technical team (that is, Finance, Legal, M&E, Health Product). The Risk Team also has a 48-hour "no objection" window. Where feasible, disease and human rights advisers are also involved.

Figure B.2. Global Fund funding cycle



Source: Global Fund website.

- Grant approval: There are two stages of grant approval: the Grant Approvals Committee (GAC) and the Board.
    - The GAC is comprised of senior Global Fund managers and representatives from technical, bilateral and multilateral partners who meet once a month. They assess the grants' readiness for implementation, set the upper limit of grant funding based on the TRP's recommendations, and review the final grant packages before recommending them for Board approval.

- After the GAC review and recommendation, the grants are considered "disbursement-ready" and sent to the Board for final approval. Once approved, the grant is signed and the first disbursement is made to the Principal Recipient.

3.The actors: Technical Review Panel, Local Agents, and Technical Evaluation Reference Group

Technical Review Panel

3.1 *Composition.* The Technical Review Panel is an independent team of experts hired by the Global Fund's Strategy Committee in the areas of HIV, TB, Malaria, health systems, human rights and gender, sustainable financing and transition, and cross-cutting development issues. The individuals on the panel serve a maximum of four years, and each year approximately a proportion of the existing panel rotates in or out.
3.2 *Terms of Reference.* The TRP is responsible for three areas: (i) reviewing funding requests; (ii) serving in an advisory capacity; and (iii) reporting on lessons learned to inform strategy, policy and operations. For this note, the first area regarding funding requests is most relevant.

3.3 According to the TOR, the TRP is "responsible for assessing the strategic focus, technical soundness and potential for impact of funding requests in accordance with the Global Fund strategy and any subsequent guidance from the Board."[6] They are responsible for ensuring the Global Fund investments will have impact and are aligned with the Global Fund strategy. The TRP reviews new proposals.

3.4 The TRP meets approximately three to four times a year for a week each time. They receive the applications ahead of time to review independently or remotely prior to the meetings. The size and composition of each panel depends on the complexity of the proposal. They review each proposal on its own merit, and to the extent possible, look at the country context related to the Global Fund's target areas, as well as the broader policy and financial context of the country.

3.5 The TRP has significant authority to provide recommendations and guidance on (i) the distribution of funds across the three Global Fund–supported diseases, other cross-cutting areas and health systems strengthening; (ii) prioritizing among competing requests within a country program; and (iii) adjustments on the technical approach of a funding request if needed to align with the Global Fund strategy. Most critically, they may also do the following:

- Identify issues and actions that need to be addressed during the grant-making process or implementation.
- Recommend removing specific elements, changing strategic focus, prioritization and financing as appropriate.
- Request clarifications or actions on specific technical aspects that would require support from the Global Fund's technical partners to align with good practice.
- Request another iteration of the application for resubmission.

3.6 The TRP provides feedback to the CCM and applicants regarding the quality of the fund request and a rationale for any recommended changes to the application. The feedback also goes to the GAC prior to entering the grant-making phase. Based on the feedback and recommendations, the Secretariat determines levels of financing. Should the funding request require another iteration, the GAC would again request input from the TRP on the revised submission.

[6] TRP TOR, updated 2016.

3.7 According to a Global Fund staff member, if the TRP recommends the grant-making process moves forward, "the Country Team at the Secretariat engages with in-country stakeholders to begin the process of negotiating the grant documents (for example, budget, performance framework, and implementation arrangements), and to address the comments made by the TRP. The TRP comments are classified into various categories according to (i) whether they need to be concluded prior to GAC or during grant implementation and (ii) whether they need to be cleared by the Country Team, TRP or GAC. The Country Team only re-engages with the TRP if the follow-up on the recommendations needs to be cleared by them. Otherwise, it uses its own judgment to determine whether the recommendation has been fulfilled or it presents the actions planned/completed to the GAC."[7]

3.8 The TOR provide clear guidance on the TRP's membership, governance, ethics and conflict of interest, and review methodologies. The TRP Chair also engages with the Strategy Committee and the Board in clearly defined ways, at times reporting to the Board directly. Any discussions directly with the Board or the Strategy Committee are sent in a report to the Strategy Committee, which is then included in the Strategy Committee's report to the Board.

3.9 *Membership and costs*. The TRP is headed by a Chair and two Vice-Chairs. Members include 15 experts in each disease for a total of 45, as well as Human Rights and Gender (29), Resilient and Sustainable Systems for Health (8), and Strategic Investment and Sustainable Financing (8). There are three to four weeklong meetings annually, and members work remotely prior to finalizing their reviews. An honorarium of US$700/day is paid to each, in addition to all associated costs of travel and per diem.

Local Fund Agents

3.10 Local Fund Agents are independent in-country organizations that work with the country teams in the Secretariat and serve as the "eyes and ears on the ground" for the Global Fund. They conduct monitoring and evaluation before, during and after grant implementation. They are an essential part of grant monitoring and fiduciary compliance, but they are not part of the design and implementation, and do not provide technical assistance. Most important, they do not speak on behalf of the Global Fund or make decisions.

3.11 According to the Global Fund website, their responsibilities include (i) assessing the capacity of the Principal Recipient, such as their previous track record, effectiveness of internal controls and systems, and reviewing proposed grant budget, work plan and related documents; (ii) reviewing the progress of the grant and the appropriate use of funds, such as requests for renewed funding and visiting sites to verify results and data quality; and (iii) advising the Global Fund on activities related to the closing of a grant and any possible risks.

3.12 Local Fund Agents (LFAs) are recruited competitively and commonly engaged in four-year contracts.

Technical Evaluation Reference Group

3.13 *Role and TOR.* The Technical Evaluation Reference Group (TERG) is an independent body that reports directly to the Board. It is responsible for evaluating the Global Fund's business model, investments and impact through commissioned independent evaluations; it also serves a learning and advisory function. It does not directly review grant applications or the grant-making process, but the evaluations feed into a cycle of feedback of lessons learned. The TERG further advises the Secretariat on all aspects of monitoring and evaluation (M&E), including approaches, good practice, reporting procedures and so on.

[7] Quoted from an email exchange.

3.14 *Composition.* The TERG is made up of 19 members, 13 of whom are voting members serving in their personal capacity; one non-voting member each from UNAIDS, Roll Back Malaria, Stop TB Partnership and GAVI Alliance; the monitoring and evaluation focal point of the Strategy Committee; and the TERG focal point in the Secretariat. Other experts from the World Health Organization (WHO) and the World Bank may be invited to meetings on a needs-basis.

4.Comparison with GPE

4.1 The Global Fund and the Global Partnership for Education have similar intent in how they work. Both rely on country-based mechanisms (the Country Coordination Mechanism and Local Education Group respectively), base their investment proposals on a National Strategic Plan, and target funds to countries in greatest need. Furthermore, except for the upstream review by the TRP, the internal sign-off processes are quite similar: They rely on internal technical specialists and representatives from Finance, Legal and M&E staff, and allow the Risk Team a 48-hour "no objection" window.

4.2 Despite these similarities, the differences between the two are significant in the way they design and implement program funds, work with technical partners and provide technical assistance, review for quality, and their M&E function:

- Grant Agent versus *Principal Recipient*: The most significant difference between GPE and the Global Fund is the use of Grant Agents (GA) compared to Principal Recipients. GAs are predominantly the World Bank and UNICEF, with a growing number of programs being managed by others such as the Asian Development Bank, DFID, Save the Children and so on. PRs can be from a variety of organizations ranging from government, national and international NGOs, local organizations or the private sector. GPE delegates to the GA, using their systems for program design, managing fiduciary aspects of the program, disbursement, implementation reporting and M&E. The Global Fund has its own contractual obligations with regards to procurement and other fiduciary matters with which the country teams—comprising Global Fund staff, the CCMs and PR—must comply. Global Fund staff have direct contact with the PRs and a role in design, supervision and monitoring of the programs under implementation.

- Partnerships: The focus of the "partnership" at GPE strongly emphasizes the role of all players in its programs working in a coordinated manner, particularly at the local level: developing country partners, donors, civil society organizations (CSOs), international organizations, private sector and foundations, and youth. The Global Fund also has a local organizing mechanism (see next bullet point), but it distinguishes partnership roles based on the expected contribution: (i) Implementing Partners (PRs), (ii) private and NGO partners (financing, knowledge, governance, advocacy), and (iii) technical and developmental partners (technical expertise and assistance, resource mobilization, supporting country coordination, M&E). In some cases there may be overlap—for example, a development partner could be the PR. Each partner brings to the table specific expertise directly related to its role on individual projects.

- *Local Education Group* versus CCM: Both the LEG and CCM are led by government and comprise a wide array of local representation from among donors, international and national NGOs and other stakeholders. The GPE's LEG mechanism is co-chaired by a Coordinating Agency (CA). By GPE's own admission, the LEGs tend to be weaker on CSO and recipient representation, with only a few exceptions.[8] The Global Fund's CCMs have clear and universal TOR, and while there is a CCM chair

[8] http://www.globalpartnership.org/content/local-education-groups-keystone-success.

(who could be from government, civil society, NGO or other organization), all members are responsible for decision-making. The CCMs are evaluated every year for transparency, openness, inclusiveness and technical ability. They develop improvement plans, and weaker CCMs may request technical or other facilitation support. There are no Grant Agents or Coordinating Agencies, which changes the power structure and/or dynamics. Some LEGs have developed TOR locally, but they are generally not monitored for quality.

- Timing and purpose of QA reviews: As discussed above, the key element of quality assurance for the Global Fund is the evaluation of each request for technical merit and strategic focus by an independent group of experts, the TRP. The TRP receives the funding application from the country and a briefing note prepared by the relevant country team on key contextual issues. Subsequent to the input from the TRP, which can include recommendations for changes or moving forward on the grant with guidance, the country team designs the program. The negotiated grant is then reviewed by an inter-agency committee, which examines the disbursement readiness of the grant and may recommend the grant for Board approval. The in-country CCM endorses any funding requests before they can be submitted to the Global Fund. This differs significantly from the GPE process.

- Role of Country Lead versus Global Fund country team: GPE staff interact with the GA on program design, but the Global Fund staff are actively involved with the PR and CCM as they design the program together. Because the GPE grant proposals are developed by governments with the assistance of GAs, GPE effectively delegates to the GAs own processes. This mean the CL provides less technical or implementation support; rather, it assists with GPE's processes, compliance and ensuring alignment with the GPE strategy. This creates a tension in the role of the CL, since for the most part, they view themselves as technical and/or implementation specialists.

  For the Global Fund, the country team (Global Fund point person, PR, CCM) actually develops the program details. They provide guidance on program design, levels of financing, implementation modalities. Once the proposed grant passes the TRP review, the country team engages in an extensive grant negotiation process in which the precise performance framework, budget and implementation arrangements of the grant are negotiated. If the proposed PR is a new recipient, the country team also commissions a thorough capacity assessment in all technical fields and may budget funds for addressing various capacity gaps both in the national program and in the PR. *This is not possible for GPE CLs because of the use of Grant Agents.*

- GPC versus GAC: Another important distinction between GPE and the Global Fund is the role of the final clearance prior to submitting grant applications to the Board. The Grant Approvals Committee is composed of senior management of the Secretariat, not representatives from the Board. Their review and endorsement of the applications is assumed to be thorough, technically appropriate, and programmatically implementable. The Global Fund considers GAC-approved grants to be "disbursement-ready." The Grants and Performance Committee, on the other hand, is made up of individuals from the organizations that are on the Board, and are seen to be representing the Board's interests. The difference is subtle but important: the GAC is assumed to have the knowledge and capacity to make decisions on behalf of the Global Fund and are accountable for these decisions. They are empowered by the Global Fund Board, which then endorses their conclusions. The GPE Secretariat, on the other hand, passes the grant applications to the GPC, which reviews them on technical as well as compliance merit. This, if the GPE Secretariat has done their job well, is redundant. The GPE Board should consider delegating authority to its Secretariat and only having applications reviewed for compliance and contributions to the broader GPE Strategic Plan.

5.Lessons Learned

5.1 *Lesson 1.* The presence and use of GAs limits the extent to which GPE can have direct input to the QA process. The basic trust fund agreements of the World Bank and any funding partners clearly state that the World Bank's processes will be used, and that funders are not allowed to "supervise" the Bank. This means that using the Bank's (or other GAs) own systems precludes having an up-front, TRP-style panel to provide concrete guidance. The only way this could occur would be for GPE to negotiate with the Bank or other GA the direct participation of a third-party panel. However, there are steps that can be taken to introduce the concept of a third-party review such as the TRP:

(i) Engage a pool of consultants who are technically sound and understand program implementation to serve as early, upstream reviewers to provide concrete proposals for program design prior to the Project Concept Note (PCN).

(ii) Work with the Grant Agents to align their review processes with GPE's, which mandates an upstream technical review prior to the PCN stage (with the Bank) or other early review meeting.

5.2 *Lesson 2.* Become more accountable and empower the GPE Secretariat Management Team to have final say on the readiness of Grant Proposals. Since this consultancy began and proposed instituting a system of internal review and decision meetings, more attention has been paid to both quality enhancement (through peer reviews) and QA (applying the QA tools through weekly meetings). As more higher-level positions are advertised and filled, this can be extended to forming a GAC-like structure for determining grant readiness.

5.3 *Lesson 3.* Change the role of the GPC. As the GPE Secretariat strengthens its review meeting (QAR I) and decision meeting (QAR II) processes, and if GPE Management takes the lead on the final readiness review in the same way as the Global Fund's GAC, the GPC could become a Board Committee that reviews grant proposals *strictly for compliance with GPE standards and in the context of meeting the broader GPE 2020 strategy objectives.*

5.4 *Lesson 4.* One complaint about the quality of GPE grants has been the common occurrence of overloaded "Christmas Tree" projects. The Global Fund has a very specific set of activities it will finance: TB, malaria, HIV, system strengthening and equity. The types of activities and inputs are varied, but all relate to these areas. This allows the Global Fund to focus on documented good practice. GPE could consider restricting investments into specific inputs and processes known to improve basic education, equity and learning outcomes in a very broad sense, such as textbooks (and their development), training, ECD, hygiene and sanitation facilities, system strengthening and monitoring, nutrition and inclusive practices, among others. What the investments or indicators might include would need to be negotiated with implementing partners.

5.5 *Lesson 5.* Work with the Board and Implementing partners to reexamine the role and TOR of the Board.

6. Conclusion

6.1 The Global Fund and Global Partnership for Education have equally complex and ambitious goals. There are, however, significant differences in the way they are structured, how they as institutions interact with the countries, and most crucially their working relationships with implementing partners, or Grant Agents. These differences have a direct impact on how GPE staff, particularly Country Leads, interact with the grants GPE provides. The technical review (or quality assurance for GPE) takes place very early in the grant-making process. After the early application submission by the Technical Review Panel,

the Global Fund staff/country teams directly negotiate grant interventions, budgets and implementation arrangements at the country level. The CLs serve as GPE focal points and provide guidance, but the actual work on program design takes place between the country and the Grant Agent.

It is important to note that aside from the upstream review by the TRP, the Global Fund's internal processing of grant packages—as related to quality assurance—does not differ substantially from GPE's process. Both use internal teams and expertise for review. Both have the Country Team (Leads) consult with other units for sign-off.

The most significant difference is that prior to final Board clearance, the Global Fund sends the packages to the Grant Approvals Committee, composed of Global Fund Management (and perhaps a few external experts) who are accountable to the overall quality of the programs. The GAC approves the packages as "disbursement-ready." The Global Fund Board then authorizes the fully approved packages.

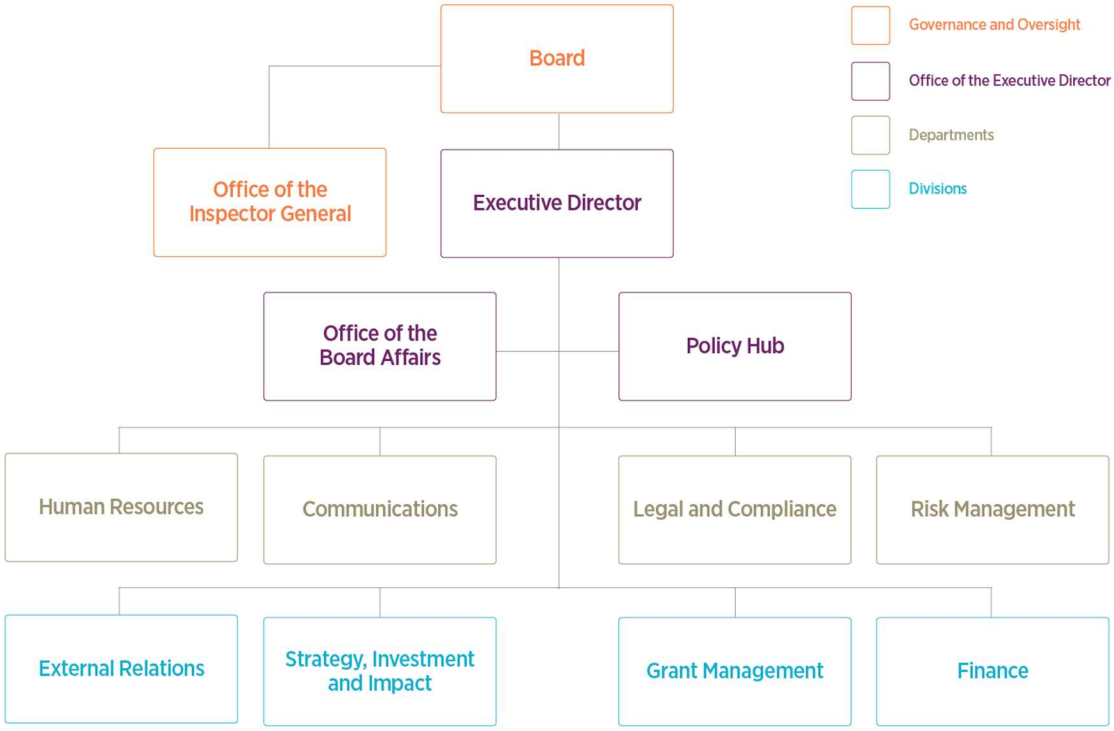
GPE, however, reviews packages and sends them to the GPC, which conducts an additional review. Neither GPE Management nor the GPC have "approving authority" or accountability. The Board then has a set of "recommendations," with which it may or may not agree. This potentially leads to unnecessary and excessive deliberation by the Board on individual grants and too little trust in the Secretariat's processing. There needs to be more separation of Secretariat and Board functions so that the CEO is accountable and the Board resumes its broader oversight function for authorizing compliant grants that contribute to the GPE strategic objectives.

There are ways in which GPE could benefit from the experience of the Global Fund technical review process:

- In the short run, the Secretariat could negotiate with Grant Agents to include an upstream technical review (prior to the PCN) by an agreed third-party group of consultants with expertise in programs and implementation.

- In the long run, GPE will need to shift two practices: (i) changing the role of GPE Management to include a body similar to the GAC, and (ii) redefining the role of the Country Leads. With regard to the first point, the Secretariat needs to work with the Board to get their agreement to empower the Secretariat with decision-making—not "recommending"—responsibilities and accountabilities, including for technical quality of programs. As for the CLs, their role currently falls between being a technical or program specialist and an administrator of sorts. The Grant Agents' own specialists have direct responsibility for the quality of the proposed programs. This strips the CL's role with regard to the technical integrity of the grants since it is not appropriate for them to "supervise" or manage the GAs. They become responsible more for guidance on process/steps than for direct technical input. This needs to be examined with the GAs.

Appendix C. Organizational structure of the Global Fund



Source: Global Fund website.

A. Committees to the Board

- Audit and Finance
- Ethics and Governance
- Strategy Committee

B. Executive Committees (under the Executive Director)

Management Executive Committee: Headed by the executive director, this committee reviews operational matters, prepares issues or decisions for presentation to the Global Fund Board and develops policy.

Grant Approvals Committee: This committee makes funding recommendations to the Board.

Policy Committee: Chaired by the executive director, this committee develops recommendations for changes in policy related to the operations of the Global Fund.

Operational Risk Committee: Headed by the chief risk officer, this committee evaluates risk within the Global Fund grant portfolio and also manages the process of recovering funds from implementers where necessary.

Executive Grant Management Committee: This committee oversees grant management and the development of operational policies and approaches to support the work of implementing countries.

Appendix D. Related Global Fund links

Global Fund Allocation Methodology:
https://www.theglobalfund.org/media/2627/oig_gf-oig-15-010_report_en.pdf

2017-2019 Funding Cycle:
https://www.theglobalfund.org/media/4772/fundingmodel_2017cycle_faq_en.pdf

The Global Fund's Grant-making Process:
https://www.theglobalfund.org/media/2644/oig_gf-oig-16-003_report_en.pdf

Technical Review Panel TOR:
https://www.theglobalfund.org/media/3048/trp_technicalreviewpanel_tor_en.pdf

Technical Review Panel Member Profile 2017-2019:
https://www.theglobalfund.org/media/3102/trp_member_profile_en.pdf

Technical Evaluation Reference Group TOR:
https://www.theglobalfund.org/media/3023/terg_terg_tor_en.pdf

Technical Evaluation Reference Group Recruitment Strategy:
https://www.theglobalfund.org/media/3022/terg_recruitment_strategy_en.pdf

Local Fund Agents Guidelines and Tools:
https://www.theglobalfund.org/en/lfa/guidelines-tools/

Monitoring and Evaluation Framework:
https://www.theglobalfund.org/en/monitoring-evaluation/