GLOBAL PARTNERSHIP for EDUCATION

Board of Directors
Decision via Affirmative Vote
August 8, 2019

Final Decision

BOD/2019/08-01–Allocation for the Costed Restructuring of the Education Sector Program Implementation Grant (ESPIG) to Burkina Faso (Additional Financing): The Board of Directors, in reference to BOD/2017/12-08-Allocation for an ESPIG to Burkina Faso, and with respect to the application for a costed restructuring submitted in the second round of 2019:

1. Notes compliance with the requirements for accessing the fixed part of the additional maximum country allocation (MCA), as described in the application and assessed in Annex B to BOD/2019/07 DOC 01 in accordance with Board decision BOD/2018/06-08 on the quality assurance process for applications seeking to access additional MCAs.
2. Notes compliance with the incentives for accessing the variable part of the additional MCA and approves the proposed additions and revisions to the indicators and targets on Equity, Efficiency, and Learning, as described in the application and assessed in Annex B to BOD/2019/07 DOC 01.
3. Approves an allocation from GPE trust funds for the costed restructuring of the ESPIG, as described in the application submitted and summarized in Table 1 in decision BOD/2019/08-01 3 (c), subject to:
   a. Availability of funds.
   b. Board decision BOD/2012/11-04 on commitment of trust funds for ESPIGs in annual installments.
   c. GPC recommendations for funding, including (all amounts in US$):

Table 1 Application Summary and GPC Allocation Recommendations for the Costed Restructuring of an ESPIG in US$:

Burkina Faso		
a.	Additional Maximum Country Allocation	21,200,000
b.	Allocation Requested (100%)	21,200,000[1]
c.	Fixed Part Requested	14,840,000
d.	Variable Part Requested	6,360,000
e.	**Allocation Recommended by GPC**	**21,200,000**
f.	Grant Agent	Agence Française de Développement
g.	Agency Fee % - Amount	4.89 % - 1,036,275
h.	Period	Four years and 17 days
i.	Expected Start Date	December 15, 2019

[1] Includes US$500,000 for the cost of the grant agent to perform its roles and responsibilities.

j.	Variable Part Disbursement Modality	Ex-post
k.	Funding Source	GPE Fund

5. With regard to the variable part of the allocation, requests the Trustee to withhold the transfer of variable part funds until the condition set out in Annex A to BOD/2019/07 DOC 01 has been met.
6. Requests the Secretariat to:
    a. Include in its notification of grant approval to Burkina Faso the condition, observations, and requests for report-back on the program as recommended by the Grants and Performance Committee and set out in Annex A to BOD/2019/07 DOC 01.
    b. Include an update on the issues listed as "condition" and "report-back" in the annual Portfolio Review in accordance with the specified timeline.

ANNEX A – GPC OBSERVATIONS, REPORT-BACKS, AND CONDITIONS

Burkina Faso	
Observations	The Committee appreciates Burkina Faso's strategic and aligned multi-donor financing and funding instrument, which addresses long-standing challenges in national budget allocation, governance, and service delivery at scale. The additional financing application maintains the focus on systems strengthening, with continued public financial management reforms for improved decentralization of resources to service delivery units. The new variable part brings an improved focus on critical aspects of service delivery, including teaching practices in the first two critical years of primary. The Committee takes note that the share of the recurrent education budget allocated to primary is significantly above the required benchmark of 45 percent, largely due to an increase in public sector salaries in 2018. While the budgetary commitment to primary education is acknowledged, there is a concern with the resulting imbalance in domestic resource allocation, specifically reduced scope for investment in other sub-sectors, which may distort the education sector as a whole. This concern includes the scope for investment in pre-primary education. The Committee encourages country-level partners to continue to regularly review this impact and encourages the government to rebalance allocations in line with the education sector plan. The Committee appreciates that the main learning indicator and targets focusing on changing teaching practices in the classroom in the first two years of primary are ambitious but recognizes that it will be challenging to achieve the targets. As indicated in the program document, a number of critical steps will need to be taken to make the variable part strategy fully operational, including development of required tools and verification processes. The Committee encourages the government and country-level partners to make sure that these steps are undertaken in line with the proposed calendar. The Committee asks the Secretariat to monitor this with the grant agent and the country-level partners.
Report-Backs	The Committee notes that several requested issues for report-back were included with the 2017 grant approval. Those pertaining to the variable part indicators related to the equity dimension are no longer considered relevant in light of the revisions included in the additional financing application and the Committee therefore withdraws these. The Committee proposes to update and streamline the remaining report-back requests in order to increase efficiency and reduce transaction costs and avoid fragmentation of information. It requests the government to include updates on these in its regular annual reporting framework, specifically on: ▪ Monitoring of the national budget's education sub-sector allocations and expenditure. ▪ Continued implementation of the reforms pertaining to the decentralization of resources to front-line education services, introduced as part of the 2017 operational manual of the common fund and its capacity building support.

	▪ Monitoring of the implementation of the variable part strategies, with a particular focus on the new learning indicator outcomes targeting in-service teacher training and classroom observations. The Committee requests the Secretariat to provide an update on these issues to the Committee in the first half of 2020 (after the government's annual performance report for FY 2019). The Committee will then determine whether further updates on the report-backs are required.
Conditions	The Committee notes an issue on the payment scheme for the main results indicator for the variable part related to the efficiency dimension: in its current configuration a 50 percent pay-out (of US$222,375) could be made if the indicator target in 2020 deviates by 0.5 percent, which for that particular year would mean no movement from the 2019 baseline. Prior to the transfer by the Trustee of grant funds related to the variable part, this anomaly, only pertaining to year 2020, needs to be rectified so that no pay-out, even partial, can be made if there is no movement on the 2020 indicator target from its 2019 baseline. Accordingly, the Committee requests the grant agent to submit a revised pay-out proposal. The Secretariat will review the revised pay-out scheme and, once deemed satisfactory, authorize the transfer of variable part grant funds.