SEPTEMBER 15, 2022

BOARD OF DIRECTORS

DECISION VIA AFFIRMATIVE VOTE

INITIAL ALLOCATION AND STRATEGIC PARAMETERS FOR SYSTEM TRANSFORMATION GRANT TO UGANDA

<table>
<tr><th>Reference</th><th>Decision</th></tr>
<tr><td>BOD/AV/2022/09-02</td><td>
Initial Allocation and Strategic Parameters for a System Transformation Grant to Uganda:

The Board of Directors:

1. Notes the assessment of the provisional Independent Technical Advisory Panel on enabling factors for system transformation in the Republic of Uganda, including those considered high priority, as set out in Annex 3.
2. Notes the Secretariat's assessment set out in Annex 2 of the strategic parameters of the Uganda Partnership Compact in Annex 4.
3. Invites Uganda to submit an application of up to US$112,500,000 for a system transformation grant in reference to FRC/2021/09-01, in accordance with the strategic parameters for GPE support as set out in Table 1.
4. Approves Uganda's proposed top-up triggers (actions and targets as well as the associated amounts) for accessing the additional allocation.

Table 1-Application Summary and Secretariat Allocation Recommendations
<table>
<tr><th colspan="3">(All amounts in US$)</th></tr>
<tr><td>a.</td><td>System Transformation Grant Indicative Allocation</td><td>162,500,000</td></tr>
<tr><td>b.</td><td>Secretariat Recommended Initial Allocation – 69.23%</td><td>112,500,000</td></tr>
<tr><td>c.</td><td>Additional Allocation (top-up funding) - 30.77%</td><td>50,000,000</td></tr>
<tr><td>d.</td><td colspan="2">High Priority Enabling Factors and Conditions for Accessing Additional Allocation (by December 31, 2024):
▪ Data and Evidence
○ Result 1: Functional Education Management Information System: a functional EMIS with EMIS policy approved, annual</td></tr>
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		census conducted, and annual statistics published ($15 million) ▪ Volume, Equity, and Efficiency of Domestic Public Expenditure on Education o Result 2: [Increase education's share to] 19% of the domestic financing excluding debt: domestic financing increased by two percentage-points from current 17% to 19% ($25 million) o Result 3: Develop and implement the capitation grant formula for primary sub-sector: capitation grant at least maintained at UGX 20,000 in the compact period for primary level and equitable capitation grant formula approved ($10 million)
	e.	**Focus Area and Other Strategic Parameters for GPE Funding:** ▪ Quality Foundations for Learning