GRANT PORTFOLIO STATUS PRE-READ

BOARD MEETING

JUNE 7 AND 8, 2023

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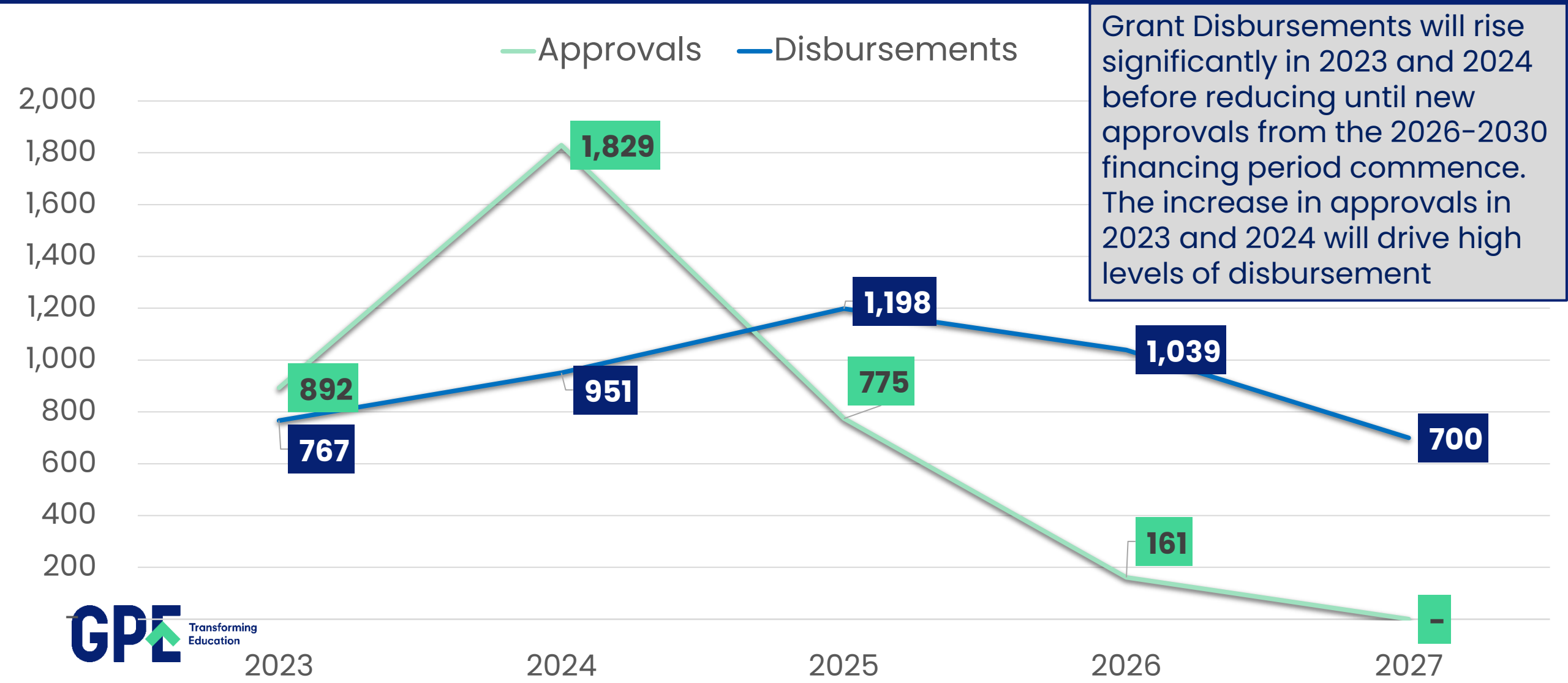
TOPICS

- Grant Approvals & Disbursements
- Grant Portfolio Overview
- System Transformation Grant Applications
- GPE Secretariat Actions to Accelerate the Application Process
- Grant Agent Diversification
- Analysis of Off-track Grants
- Update on Fragile and Conflict Affected States (FCAS)*
  - Country Summaries
    - Afghanistan
    - Myanmar
    - Syria
    - Ukraine
    - Sudan

*Note that the terminology currently used is Partner countries affected by fragility and conflict (PCFC)

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PROJECTED GRANT APPROVALS AND DISBURSEMENTS (USD MILLIONS)



Grant Disbursements will rise significantly in 2023 and 2024 before reducing until new approvals from the 2026-2030 financing period commence. The increase in approvals in 2023 and 2024 will drive high levels of disbursement

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GRANT PORTFOLIO OVERVIEW

Highlights:

- High number of closed grants includes final 33 COVID AFs, 9 regular AFs and 9 ESPIGs
- 39 countries have now accessed (part of) their system capacity grant allocation
- Approvals for 19 implementation grants, including 10 accelerated funding grants. These numbers will rise significantly in 2023.

Overview of GPE Implementation Grants as of April 30, 2023^

	Approved	Active	Pending*	Closed
IMPLEMENTATION GRANTS (ESPIG, Multiplier, Acc. fundings[1], STG, and GEA)				
Number of grants	19	92	9	51
Value (US$ million)	241.4	2,292.5	180.5	582.5
*No. of FCAS** grants*	10	55	4	30
Value (US$ million)	174.3	1,359.0	142.2	383.6
SYSTEM CAPACITY GRANTS				
Number of grants	28[2]	36	0	3
Value (US$ million)	21.4[2]	28.1	0	0.5
No. of FCAS grants	11	15	0	1
Value (US$ million)	12.4	14.7	0	0.1

*Pending refers to grants that are approved but not active.

** Fragile and Conflict Affected States

^ **Note**: The table presents grants approved and closed between July 1, 2022, and April 30, 2023. It also presents grants active and pending as of April 30, 2023.

AF = Accelerated Fundings
ESPIG = Education Sector Plan Implementation Grant
GEA = Girls' Education Accelerator
STG = System Transformation Grant

SYSTEM TRANSFORMATION GRANT APPLICATIONS

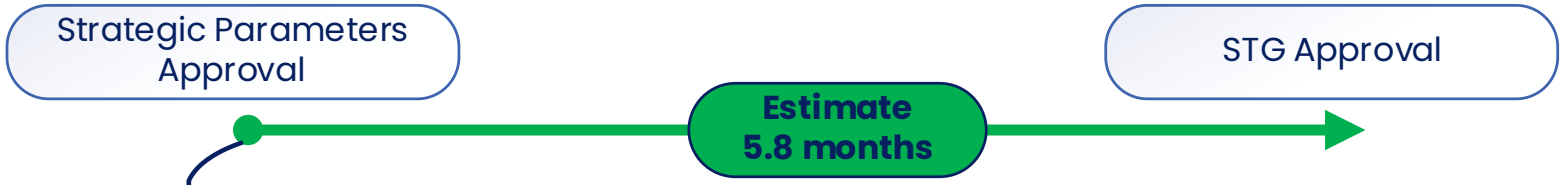
System Transformation Grant (STG) applications are expected to be approved within 7 to 9 months from the Board approved Strategic Parameters. **Timeline to date in line with targets.**

2 STGs are approved so far



Country	Cohort	Grant Agent
Kenya	1	World Bank
Nepal	1	World Bank

8 Strategic Parameters are approved as of April 30, 2023



Country	Cohort	Grant Agent
DRC	1	World Bank & Agence Française de Développement
Uganda	1	World Bank
Tajikistan	1	The Islamic Development Bank
Cambodia	2	UNICEF & UNESCO
Sierra Leone	2	UNICEF
Tanzania – Mainland	2	SIDA
Tanzania – Zanzibar	2	SIDA
Zimbabwe	2	UNICEF & CAMFED

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ACTIONS TAKEN TO ACCELERATE GRANT APPLICATIONS TIMELINE

- **Guidance on Grant Agent (GA) selection including timing**
  - New Guidance on GA selection was launched in May 2022 including quality control review
  - GA selection can now be launched once the draft compact is available and runs concurrently with finalization of the compact (saving of approx. 1 month in time)
- **Setting out timelines and expectations with GAs**
  - Secretariat meets with selected GA upstream to clarify quality standards for GPE funding and agree on a timeline for application submission.
  - Target to have Board approval within 7 to 9 months of Strategic Parameters. Current estimates show that we are in line with expected target.
- **Reduction in Quality Assurance (QA) process using a risk-based approach**
  - Number and scope of Quality Assurance Reviews depends on grant size and complexity.
  - Share quality standards and grant policies upstream at kick-off meeting.

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ACTIONS TAKEN TO ACCELERATE THE APPLICATION PROCESS

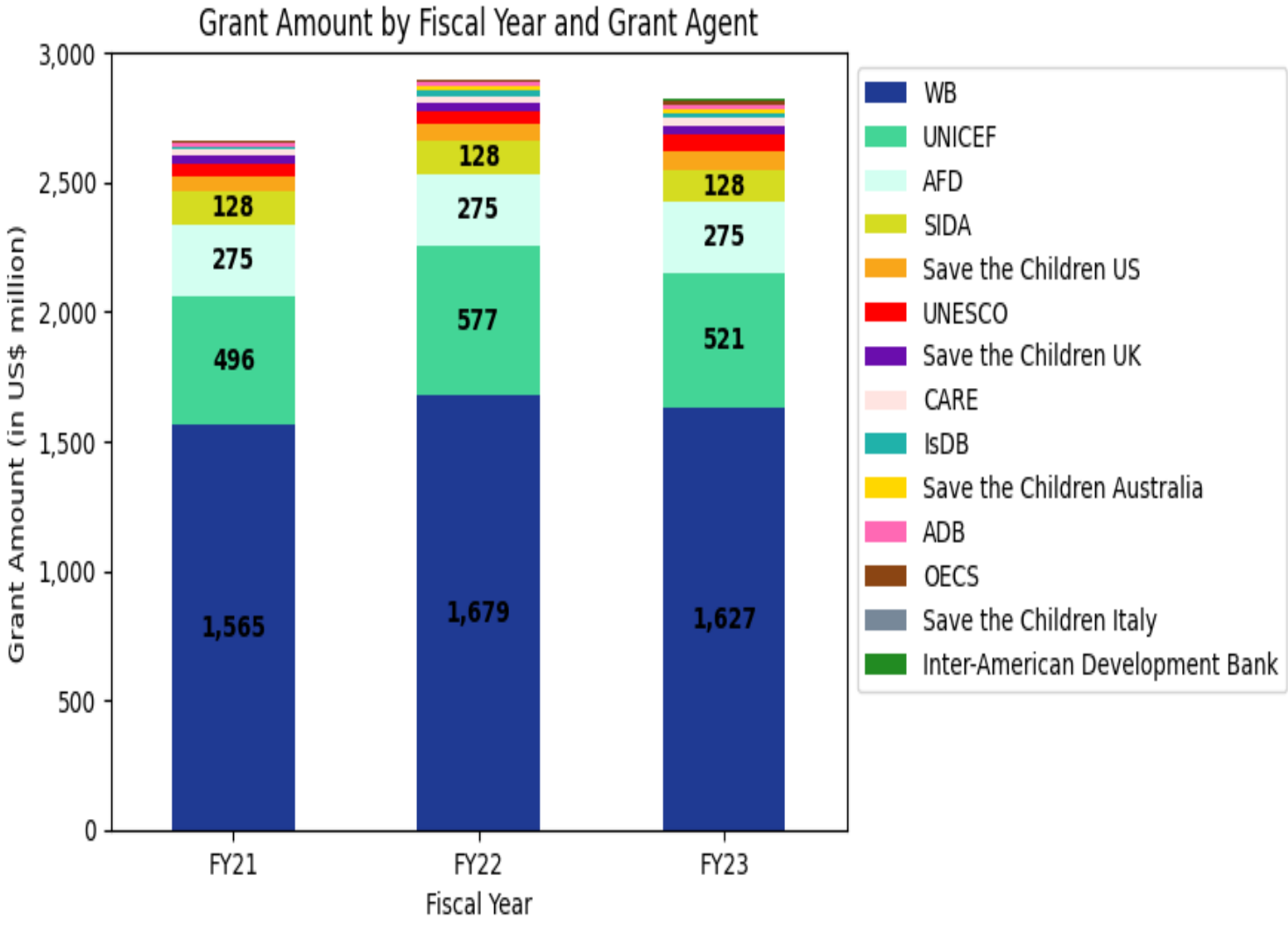
- **Variable Part**
  - Proposal to remove the mandatory variable part for GPE 2025 grants for Board consideration in June.
  - Proposal for simplifying restructuring of variable part in GPE 2020 grants for EXCO review in May
- **Universal grant application template**
  - Universal application template adapted to the GPE2025 operating model.
  - More user-friendly and designed to be used for multiple grant types.
  - Released in May 2023 and currently available on the GPE Website in multiple languages.
- **Accelerated funding application template**
  - Adapted from the universal application template; more user-friendly
  - Released in May 2023 and currently available on the GPE Website in multiple languages.

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GRANT AGENT DIVERSIFICATION

Highlights:

- The number of grant agents for implementation grants has increased but no major change in the overall grant agent distribution across the grant portfolio yet.
- There is a significant effort to increase the number of eligible grant agents.
  - 3 organizations were accredited in FY23 (Save the Children Italy, Aga Khan Foundation USA, and Save the Children Norway)
  - 4 organizations are in the process of being accredited (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Norwegian Refugee Council (NRC), Plan International Canada, and CAMFED International)



GRANT AGENT DIVERSIFICATION

- **Induction of new grant agents**

Newly accredited grants agents benefit from introductory webinars from May 2023 to ensure they're able to effectively support partner countries by providing them with relevant information and guidance on the role of grant agents in practice and on the GPE 2025 operating model.

Grants agents will also be able to access online e-learning training modules to be launched in June 2023 on: the GPE operating model, enabling factors assessment, partnership compact, different GPE grants, and gender equality.

- **Review of grant agent selection process**

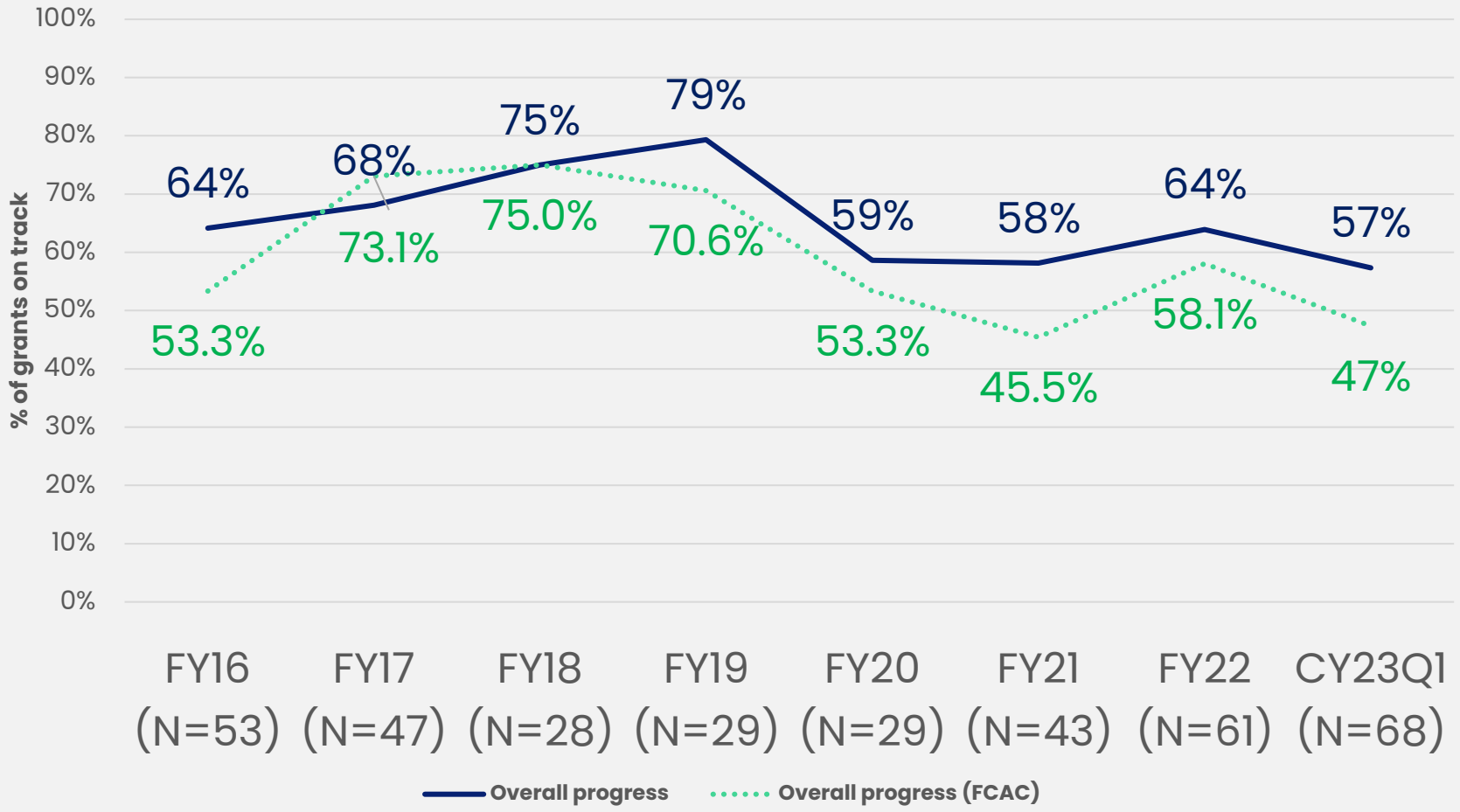
Independent review of the current grant agent selection process to be carried out shortly. Will also include interviews with organizations that weren't selected as grant agent or didn't nominate themselves to identify barriers

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% OF ON-TRACK GRANTS PROGRESS OVER THE YEARS

Highlights:

- The on-track grant percentage has decreased (64 to 57%), dropping to below the level at the start of the COVID crisis.
- Decrease mainly driven by slow start up of a large number of grants approved during COVID
- Similar decrease for FCAS* where only 47% of grants are considered on-track, remaining above the level in fiscal year 2021.



*Note that the terminology currently used is partner countries affected by fragility and conflict (PCFC)

RECURRING REASONS FOR OFF-TRACK GRANTS

- **Slow start of programs** due to:
  - Legal delays between grant agents and governments/implementation partners
  - Setting up of project implementation units

- **Political instability and/or absence of political consensus on key reforms**
- **Procurement delays**
- **Difficulty to mobilize local expertise and qualified teacher trainers**
- **Natural disasters**
- **Conflict and insecurity**
- **Difficulties to meet variable part targets in time**

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% OF ON-TRACK GRANTS PROGRESS OVER THE YEARS

- **6 previously off-track grants are back on track since June 2022** thanks to continued dialogue with governments and grants agent on corrective actions : Cabo Verde, Guinea, Mali, Nepal, Rwanda Sierra Leone, and Vanuatu. Significant actions are underway to address remaining off-track grants



EXAMPLES OF OFF-TRACK GRANTS THAT ARE NOW BACK ON TRACK

- **Sierra Leone:** Approved in 2018 with core activities delivered to date and 95% Variable Part achieved and disbursed. Closing as planned in August 2023. The Ministry of Education took several measures, including the appointment of a full-time program coordinator to follow up on activities, which lead to increased utilization of funds.

- **Guinea:** Approved in 2020, After a slow start, the Education Sector Pooled Fund is picking up speed. Commitment rates have significantly increased since 2022. The funding mechanism aligned on national procedures is gaining maturity, ministries' mastery of public finance procedures is increasing, improved annual planning, increased de-concentration of funds to subnational levels.

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UPDATE ON FRAGILE AND CONFLICT AFFECTED STATES

The Operational framework approved in May 2022 guides GPE's work in FCAS

Options for adapted support:

1. Modify activities/ implementation modalities within the current GPE-funded program
2. Accelerated funding from an outstanding allocation
3. Reallocate GPE funds to different program with same or different grant agent.

Overview data on Fragile and Conflict Affected States (FACS)* as of March 31, 2023

	Active	Off-Track	On Track
IMPLEMENTATION GRANTS (ESPIG, MLT, STG, GEA, but excluding Acc. fundings)			
No. Of FACS grants	38	20	18
% of portfolio(no of grants)	55.9%	52.6%	47.4%
Value (US$ million)	1,189.8	563.9	626.0
% of portfolio (value)	57.5%	47.4%	52.6%
SYSTEM CAPACITY GRANTS (SCG)			
No of FACS grants	14	N/A	N/A
% of portfolio (no of grants)	42.4%	N/A	N/A
Value (US$ million)	14.2	N/A	N/A
% of portfolio (value)	53.0%	N/A	N/A

*Note that the terminology currently used is Partner countries affected by fragility and conflict (PCFC)

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FCAS STATUS UPDATE- AFGHANISTAN

1. Despite the Taliban takeover, UNICEF, as grant agent, continued implementation of **COVID 19 Accelerated funding** and it closed December 2021 achieving most of its objectives, and,
2. UNICEF as grant agent of the **accelerated funding** adapted it to changing circumstances, with an additional resources made available from GPE 2025 allocation – closed December 2022 achieving its objectives.
3. World Bank canceled program which was co-financed through **Education Sector Program Implementation Grant**. The development partner group has reallocated those resources, with US$ 2 million allocated as a cost extension to the accelerated funding and a US$10 million-dollar program to support textbooks with a focus on girls approved, implemented and due to be closed on July 31, 2023. For remaining US$ 109 million, two applications, with UNICEF and SAVE as grant agents, are in review by the Development Partner Group and expected by the secretariat in June 2023.
4. A system capacity grant for US$ 3 million, with UNESCO as grant agent was approved in April 2023.

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FCAS STATUS UPDATE - MYANMAR

1. **ESPIG Reprogramming ($50M out of $73.7M)**: Proposed program was reviewed by GPE secretariat and submitted to the Board for approval in May 2023. Program supports the most vulnerable children in the conflict-affected states. UNESCO (10M), UNICEF(20M) and Save the children (20M) will serve as grant agents replacing World Bank

2. **ESPIG (remaining $23.7M)**: Secretariat has requested written correspondence from the World Bank as GA on the status of the remaining ESPIG funds ($23.7M).

3. **Implementation of the accelerated funding grant** with UNICEF ($8.6M) and Save the Children ($6M) as grant agents is going well. As of February 2023, utilization rate was about 80% for UNICEF and 67% for Save the children. Some of the targets have already been achieved. Program will close in August 2023.

4. **COVID-19 accelerated funding ($11m)**, with UNICEF as grant agent, closed in Dec. 2022.

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FCAS STATUS UPDATE - SYRIA

1. On February 24th, CEO approved **US$ 3.75 million** Accelerated funding (20 percent of STG allocation) to support education earthquake emergency response in Syria with UNICEF and Save the Children as Grant Agents. This is in addition of **US$ 1.87 million** reprogramed by UNICEF under the current ESPIG.

2. On March 3rd, GPE Board approved use of the remaining 80 percent of System Transformation Grant (**US $ 15 million**) as accelerated funding to support medium-term response to education earthquake emergency response in Syria. It is anticipated that the application will be presented to the Board in June 2023.

3. GPE funding is aligned with the **ECW's funded First Emergency Response** and as per the needs identified in the **UN's Flash Appeal** in February 2023. GPE funds are also aligned with **donor's redlines** and as per GPE Board decision of December 2019.

4. Education Dialogue Forum (EDF) has recently been reactivated with USAID taking role as the Coordinating Agency.

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FCAS STATUS UPDATE - UKRAINE

1. Application for accelerated funding of US$ 25.55 million (out of its US$40 million Multiplier allocation) was approved by the Board in April. With Microsoft and Google as co-financers, UNESCO and UNICEF as Grant Agents.
2. The Board also approved that additional funding from the Multiplier (up to US$14.45 million) if unlocked could be accessed as accelerated funding, once co-financing is mobilized.
3. ECW Multi-Year Resilience Program is used as GPE framework for the remaining allocation
4. Several interest co-financiers are exploring opportunities to provide additional financing to unlock the remaining Multiplier funds.

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FCAS STATUS UPDATE - SUDAN

1. World Bank agreed to close **COVID 19 AF financed program**, and refund unused resources which were reallocated to a program with UNICEF as grant agent – closed in December 2022

2. Program financed by **Education Sector Program Implementation Grant** has been paused since 2021. Before current escalation of violence, Developing Partners Group discussed preparing change in modalities to implement activities through third parties, and to reallocate 10 million uncommitted resources as **accelerated funding** for new program, in addition to request US$ 10 million accelerated funding from GPE 2025 allocation.

3. As of May 12, Accelerated funding processes paused due to active conflict. Education Cluster met May 10 for initial coordination of response, focused on humanitarian needs.

4. Secretariat currently engaging with development partners to identify needs and ensure support can be quickly and appropriately reprogrammed

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