Board of Directors
Decision via Affirmative Vote
May 19, 2020

Final Decision

BOD/2020/05-02–Allocation for an Education Sector Program Implementation Grant to Guinea: The Board of Directors with respect to the application submitted in the first round of 2020:

1. Notes compliance with the requirements for accessing the fixed part of the maximum country allocation (MCA) as described in the application and summarized and assessed in Annex B to BOD/2020/04 DOC 01.

2. Notes partial compliance with meeting the requirements for accessing the variable part of the MCA and approves the indicators on Equity and Learning and their means of verification as described in the application and assessed in Annex B to BOD/2020/04 DOC 01. Requests Guinea to submit a revised application for the Efficiency dimension that meets the condition set out in Annex A.

3. Approves an allocation from GPE trust funds for an ESPIG, as described in the application submitted and summarized in Table 1 in BOD/2020/05-02 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 EURO**):

Table 1: Guinea		
a.	ESPIG Maximum Country Allocation	34,030,000
b.	Fixed Part	23,820,000
c.	Variable Part	10,210,000
d.	Allocation Requested (100%)	34,030,000
e.	**Allocation Recommended by GPC**	**34,030,000**
f.	Grant Agent	Agence française de développement (AFD)
g.	Agency Fee % - Amount	4% - 1,361,200
h.	Period	4 years and 4 months
i.	Expected Start Date	September 1, 2020

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

4. Requests the Trustee to withhold the transfer of variable part funds related to the Efficiency indicator (€2,042,000) until the condition set out in Annex A to BOD/2020/05 DOC 01 has been met.
5. Requests the Secretariat to:
   a. Include in its notification of grant approval to Guinea the observations, requests for report-back and conditions as recommended by the Grants and Performance Committee and set out in Annex A to BOD/2020/05 DOC 01.
   b. Include an update on the issues listed as "report back" and "condition" in the annual Grant Performance Report in accordance with the specified timeline.

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

Guinea	
Observations	The Committee appreciates Guinea's strategic and aligned funding instrument, which reflects constructive dialogue between the government and its partners, and puts the country on a track to more efficient collaboration in the future, fostering further alignment on national systems in the first phase of the 10-year ESP and in subsequent phases. Regarding the requirement on the share of domestic financing allocated to the education sector and to primary education, the Committee duly notes the government's commitment to reach the benchmarks of 20 and 45 percent and strongly encourages it to meet them at the earliest opportunity. The Committee notes the relatively low level of ambition in some of the variable part indicators on equity, and recommends that the Local Education Group (LEG) reflect further on the remaining obstacles to achieving equity in the remote areas of the country so as to ensure that children in these areas will have equitable access to quality education by the end of the ESP period. The Committee notes the impact of the pandemic on education systems. The Committee invites the government and the grant agent, in consultation with the LEG, to consider adapting the proposed program to emerging issues, notably impact on children learning as a result of school closures, as needed. Other adaptations to consider could relate to mitigation measures on potential delays or other constraints that the pandemic may have on program implementation including, if necessary, a modification of indicator targets.

Report-Backs	*For the government:* The Committee notes the equity challenges in Guinea, particularly gender-specific obstacles to education, which are prevalent in the country. The Committee requests the government, supported by the development partners, in the context of close monitoring of the ESP's progress to address gender equality, to provide an annual update in the context of the ESP annual implementation report. The update should indicate whether the pace of implementation will be sufficient to close the equity gap as per the ESP's universal access to primary education target or whether additional measures are needed. The Committee notes that the trend of domestic financing allocated to the education sector has fluctuated and even declined over the medium term and that it is projected to reach the 20 percent benchmark by the end of the 10-year ESP, in 2029. The Committee also notes that the share of domestic financing allocated to primary education does not currently reach 45 percent, although the projections show the government's commitment to reach this benchmark during the grant implementation period. Under these circumstances, the Committee requests that the government via its annual ESP implementation report, provide an update on sector domestic budget expenditures including specific information on primary education spending. The Committee also requests an update as soon as the local government expenditures have been fully incorporated into the regular sector expenditure tracking. Considering the share of domestic financing allocated to primary education and the equity issues, including the number of out-of-school children at the primary level, the Committee requests the government, via the annual ESP implementation report, provide an update on the share of the grant funding that has been spent on basic education compared to the other sub-sectors, as well as the amount of FCE/BAS funding spent in support of the ESP's efforts to meet the needs of out-of-school children. *For the Coordinating Agency:* The Committee notes the importance of (i) the monitoring of education spending in the strengthened sector performance monitoring, and (ii) the inclusion in the annual ESP implementation report of technical and financial information on the implementation of all the activities approved in the annual ESP action plan for a given year. The Committee requests that the coordinating agency provide an annual update on the efforts provided by the development partners to support the government's efforts in these areas.

Conditions	The Committee notes that, although the proposed indicators under the efficiency dimension of the variable part are relevant, they are specific to the funding provided through the FCE/BAS as opposed to the overall financing of the national budget. The proposed indicators therefore present unique risks of an unintentional promotion of a displacement effect whereby national budget resources would be reserved for central ministry expenditures while the FCA/BAS would cover the regional and deconcentrated level of spending. Prior to the transfer of variable part funds related to the Efficiency dimension, the Committee requests the country to submit a revised application and program document including revised FCE/BAS indicators that focus on the national budget or, alternatively, complement or replace them with one or more other strategies and indicators of efficiency that more fully reflect a sector approach with an appropriate level of ambition and are linked to the theory of change presented in the application. The Secretariat will review the information received and determine if it is satisfactory in order to release the funds.