GRANT REPORTING AND BOARD OVERSIGHT OF GRANT PERFORMANCE

Please note: Board documents are deliberative in nature and, in accordance with the GPE Transparency Policy, are considered public documents only after their appraisal by the Board. It is understood that constituencies will circulate Board documents among their members prior to Board consideration for consultation purposes.

Recommended by: Grants and Performance Committee

Committee Consideration:

- The GPC agrees with the proposed reporting mechanisms and will review their usefulness in time with any resulting adjustments in the context of streamlining information and minimizing transaction cost. The GPC further encourages the Board to better use existing reports on performance such as the Grant Performance Review, the Results Report, and grant evaluations and welcomes further improvement in the area of analysis provided in these documents.

Board Policy Reference: BOD/2019/06-15—Effective Partnership Roll-Out

1. Objective

1.1 The Board is informed of the proposed grant monitoring and reporting mechanisms agreed between the GPC and the Secretariat.

2. Background

2.1 In June 2019, the Board approved an Accountability Matrix (Annex B2 to BOD/2019/06 DOC 05) specifying the roles, expectations and reporting relationships of GPE partners in relationship to GPE grants and the partnership. The matrix requires the Board to track the programmatic and financial performance of grants to ensure resources are being used in line with GPE's strategic plans. The Board requested the GPC to present an update in December on ways that the Board can effectively carry out its grant performance oversight role.

2.2 The Board-approved terms of reference for the GPC include that the GPC track progress on the performance and results of all grants to ensure compliance with the Board's approval of the grants and any applicable GPE policies. This includes analyzing and providing advice on and review the Secretariat's annual report to the Board on grant performance, including, where relevant, recommendations for any action needed to address portfolio or grant-specific performance issues identified.

2.3 In fulfilment of this mandate, the GPC oversees the submission to the Board of an annual Grant Performance Report (formerly Portfolio Review) that provides an overview of the country-level grant portfolio and GPC recommendations for strengthening grants performance. With GPC concurrence, the scope of the report was narrowed to focus on access to funding and grant performance.

2.4 Going forward, the Grant Performance Report will be supplemented with a short mid-year update on grants at risk of underperforming, including an update on their status, expected performance and measures taken to address critical issues. In preparing the update, the Secretariat will be informed by semi-annual portfolio reviews with each grant agent, as specified by the Effective Partnership Roll-Out. The update will enable the GPC to better track program performance and inform the Board of issues compromising grant performance.

2.5 The mid-year update will be in addition to the suite of performance reporting (Annex A to GPC/2019/10 DOC 14) and the Secretariat's other Board and committee reporting requirements. Together, these reports are major workload drivers for the Secretariat. The Secretariat will continue to work with the GPC on ways to consolidate or reduce the number or length of these reports.

2.6 The GPC trusts that the reporting mechanism will enable the Board to effectively carry out its role in overseeing grant implementation and performance. The additional reporting requirements were weighed against the Board's direction to improve the efficiency of Secretariat operations.

ANNEX A: Proposed Grant Monitoring and Reporting Mechanisms

The reporting structure below indicates for each mechanism whether it is new or existing, and what the purpose of the mechanism is vis-à-vis roles and responsibilities of the Secretariat, GPC and the Board in grant performance (the latter oversees the general performance of the grant portfolio and makes related strategic decisions and ensures that the Secretariat and GPC are performing their respective oversight roles and bring critical issues identified to the Board's attention for information and/or action).

- **Grant Performance Report (existing)** (formerly Annual Portfolio Review)
  Purpose: Enables Board through GPC to keep an overview of the performance of the grant portfolio as a whole and to identify at-risk grants.
  - ✓ Provides overview of active grants; specific analysis on disbursements and implementation progress.
  - ✓ Identifies delayed grants from an implementation and disbursement perspective; provides additional information on the causes of the delays.
  - ✓ Includes an update on grants previously identified as delayed.
  - ✓ Is informed by data compiled from grant agent progress reports with additional information from the Secretariat.
  - ✓ Includes GPC observations on the findings in the Grant Performance Report.

- **Mid-Year Updates to GPC on specific grants (new)**
  Purpose: Enables GPC to monitor at-risk grants, and to identify critical issues that should be raised to Board level.
  - ✓ Based on the Grant Performance report, GPC systematically identifies delayed grants for a special mid-year update.
  - ✓ Secretariat informs the identified countries and discusses with the respective grant agents during the scheduled biannual grant agent meeting.
  - ✓ Grant agents provide a mid-year update on the delayed grants identified, indicating which measures have been taken and how the situation has evolved or is expected to evolve.
  - ✓ Secretariat presents updates during the April GPC meeting.
  - ✓ GPC may escalate issues to the Board.
    Provides timely information on delayed grants.

Grants Status Update (existing)

Purpose: Keeps GPC informed of key grant milestones and decisions on grant revisions delegated to the Secretariat.

- ✓ Includes quarterly updates on grant agreement signing, grant effective dates, non-minor revisions approved by the Secretariat, and disbursement of variable part installments. Updates occur in conjunction with face-t0-face GPC meetings and are distributed for information only.

- **Grant application form documents grant agent accountabilities associated with agency fees (new, EPR decision)**

  Purpose: Provides clarity on expectations from grant agents, against which performance can be assessed.

  - ✓ Includes responsibilities in the areas of implementation, monitoring, technical assistance.
  - ✓ Facilitates Secretariat monitoring vis-à-vis grants agents, and will clarify accountability during bi-annual meetings and mid-year updates on delayed grants

- **Results Report (new for GPC)**

  Purpose: Provides Board and GPC with strategic information on grant performance and outcomes to enable learning and evidence-based decision making.

  - ✓ During the June GPC meeting, the grant performance chapter of the Results Report is discussed and includes an overview of achievements and disbursements related to the variable part which provides an opportunity to look at performance from that perspective.
  - ✓ Provides an opportunity to discuss the aggregate results in grant performance and areas for improvement.

- **Grant Report-Backs (existing)**

  Purpose: Allows Board and GPE to monitor that their conditions and recommendations relative to grant approvals are followed through.

  - ✓ Report-backs will continue to be reported on via the Grant Performance Report.
  - ✓ Provides timely information on significant issues to the Committee.

- **Timely information on GPE website (new)**

  Purpose: Allows Board and GPC to access grant information on an ongoing basis

- ✓ In addition to the Grant Performance Review, the Secretariat will share timely information via the GPE website.