OPERATIONAL FRAMEWORK FOR EFFECTIVE SUPPORT IN FRAGILE AND CONFLICT-AFFECTED STATES

For Decision

1. PURPOSE

This paper seeks approval from the Board of Directors of the Operational Framework for Effective Support in Fragile and Conflict-Affected States contained in Annex 1 ("the Operational Framework").

2. RECOMMENDED DECISION

The Secretariat requests that the Board of Directors approves the following decision:

BOD/2013/05-XX — Operational Framework for Effective Support in Fragile and Conflict-Affected States: The Board of Directors approves the Operational Framework for Effective Support in Fragile and Conflict-Affected States set out in Annex 1 of BOD/2013/05 DOC 08.

3. EXECUTIVE SUMMARY

The Global Partnership's Commitment to Fragile and Conflict-Affected States

3.1 The Global Partnership for Education (the "Global Partnership" or "GPE") Strategic Plan 2012-2015 commits the Partnership to ensure that *Fragile and conflict-affected states [are] able to develop and implement their education plans*. The Strategic Plan frames the Global Partnership's engagement in fragile states. Concrete actions required to meet this commitment are listed in the Strategic Plan Implementation Plan. The proposed Operational Framework addresses the first action under Outcome 1.1 of the Implementation Plan, i.e. *More effective GPE support to fragile and conflict-affected states ("FCAS"): Develop and agree on an Operational Framework for FCAS*. As such,

the Operational Framework specifies the adjustments needed in GPE processes and modalities in order to provide continuous, effective support in fragile and conflict-affected states.

3.2 The Global Partnership has been in the forefront of advocacy for providing effective support to education in crisis and emergency situations, in particular through the launching of "Education Cannot Wait" on 12 September 2012 in collaboration with a number of GPE members.[1] Providing clear principles, modalities and options to guide the use of GPE resources in FCAS is an essential and urgent step towards meeting the Global Partnership's commitments.

The Global Partnership's Fragile and Conflict-Affected States Portfolio

3.3 Currently, 21 of the Global Partnership's 58 members are categorized as fragile. A total of US$ 820.4 million in grants have been allocated to 17 FCAS since 2003. Most of these have used a Supervising Entity ("SE") modality with the World Bank as SE. Until 2013, only four grants in FCAS used a Managing Entity ("ME") modality, generally with UNICEF as ME.[2] Among the 13 grants currently under consideration, five are in fragile states; four with an ME and one with a hybrid ME/SE modality.

Why adaptations in operational modalities and processes are needed

3.4 When reviewing Program Implementation Grant applications from developing country partners categorized as fragile, the Financial Advisory Committee ("FAC") has discussed extensively around the appropriate modality for a given context—sometimes questioning the use of a ME and emphasizing the need to move towards a SE; sometimes querying the use of the SE modality given the complexity of the context and/or the degree of instability. Without clarity on options, and without requirements for justifications to underpin the selected modality, the Secretariat has had minimal tools to help guide these choices at country level and the FAC and Board of Directors lack criteria and information for judging the appropriateness of the chosen modality in a consistent manner.

[1] The full list of participating organizations and countries includes the governments of Australia, Côte d'Ivoire, Denmark**,** Liberia, Niger, Norway, Qatar, Rwanda and the United Kingdom, as well as Comic Relief, Education International, the Global Campaign for Education, the Global Partnership for Education, the Inter-agency Network for Education in Emergencies, Pearson International, Plan International, Save the Children, UNESCO, UNICEF, UNOCHA, and the World Bank.
[2] In Chad, the ME role is split between UNICEF and UNESCO.

3.5 Since 2009, there have been five cases of coup d'états delaying the implementation of GPE Program Implementation Grants.[3] The lack of agreed adapted GPE processes has led to difficulties in responding in a timely manner when a situation changes from stable to unstable. In some cases, this has led to delays of one or more school years in GPE support when ensuring continuity in education support is more critical than ever. Fulfilment of the commitments made by the Global Partnership will depend on responding more effectively to fragile situations.

Overview of the proposed Operational Framework

3.6 The Operational Framework: (i) defines the situations that give rise to the application of adapted modalities and processes; (ii) provides basic principles for working in Fragile and Conflict-Affected States; (iii) discusses options, justifications and special considerations for the selection of modalities for program implementation; and (iv) sets out a step-by-step process for how to consider and carry out program revisions in situations where a context changes from stable to fragile.

4. BACKGROUND

4.1 At the November 2012 meeting of the Board of Directors in Paris, France, the Secretariat presented a first proposal for this Operational Framework. In response, the Board approved one element of the proposed adaptations of GPE processes, namely the Guidelines for Accelerated Support in Emergency and Early Recovery Situations. However, it requested the Secretariat to work with interested Board representatives as a reference group to further develop the remaining elements of the Guidelines.

4.2 The reference group has worked in tandem with Thematic Working Group No. 1 for the Strategic Plan Implementation Plan, and some of the members have participated in both groups. The resulting Operational Framework is coherent with the Implementation Plan, responding in particular to its Outcome 1.1.

[3] Madagascar, Guinea, Mali, Guinea Bissau and Central African Republic

5. REASONS FOR RECOMMENDATION

5.1 Based on experiences gained over the past four years, it has become clear that certain adaptations in GPE principles, modalities and processes are needed in order to provide more effective and timely support to fragile and conflict-affected states. The experiences that have led to the adaptations proposed in the Operational Framework include the following (summarized in greater detail in Annex 2):

Modality adaptations when SE suspends activities

The 2009 political crisis in Madagascar gave rise to the first case of the Global Partnership using a Managing Entity. When the World Bank suspended its operations, shifting the GPE funds to direct management by UNICEF allowed critical support to continue in a context where resources to education had dropped dramatically. This was followed by Guinea adopting a hybrid ME (UNICEF) and SE modality (World Bank) in 2010. In these cases, aside from providing essential education support, continuity in GPE support provided leveraging for government accountability and for partners to continue to work in a coordinated manner.

The first ME experiences also provided two models for transitioning back to the SE modality: In Madagascar partners periodically reassessed the appropriateness of the ME modality as the context evolved, eventually turning back to an SE modality in 2013. In Guinea, a staggered approach was taken where some activities began with the ME in the shorter term and the SE re-launched other activities once the context permitted it.

Process and timing following coup d'états

With grants approved by the Board of Directors in December 2011, Guinea Bissau and Mali experienced coup d'états in early 2012, before their grant agreements with the SE had been signed. For a number of reasons, support to these two countries was delayed by more than a year. It is not possible to predict the future when a coup d'état happens, and development partners face difficult choices without clarity on what the context will look like from day to day, let alone in a month or a year. GPE processes need to take this into account while at the same time providing workable transitional solutions. The sequence of events in Mali and Guinea Bissau has given renewed emphasis to the need for an agreed process and clear options for adapting to instability and reducing program implementation delays.

The introduction of Accelerated Support

More recently, the Central African Republic (CAR) experienced a coup d'état shortly after submitting its application for a Program Implementation Grant in March 2013. With the Accelerated Support option, CAR may secure an initial portion of up to 20 percent of the grant for urgent activities while its Development Partners determine how to proceed with regard to the remaining grant. This is a significant improvement compared to similar situations in previous years.

What modalities are justified in which contexts?

Other developing country partners, including Chad, Comoros, Somalia and Zimbabwe, have selected to use a Managing Entity modality for various reasons including capacity gaps, insecurity, complex political contexts and donor policies preventing direct government support. In a number of other countries categorized as fragile, e.g. Afghanistan, Burundi and Sudan, the SE modality has been adopted. Justifications for modality choices are not always sufficiently clear in the program documentation. The risks involved when using an SE modality in fragile contexts are not always given due consideration; on the other hand, programs using an ME modality do not consistently include a strategy for transitioning to SE. The Secretariat lacks tools to guide modality decisions and the FAC and Board lack criteria to consistently assess their justification.

5.2 The Operational Framework will provide clear guidance to future situations such as those summarized above. It will make the principles for GPE engagement in FCAS explicit, provide clarity on modality options, and promote more effective, timely responses to ensure that support is provided in accordance with the Global Partnership's commitment to education in fragile contexts.

5.3 The proposed Operational Framework is the result of a close dialogue between the Secretariat and Board representatives and is aligned to the GPE Charter, the Strategic Plan 2012-2015 and its Implementation Plan, and the Policy on Time Frames for Grant Agreement Signing and Implementation and Procedures for Proposed Revisions to Implementation Grant Programs.[4]

[4] All of these documents are available on the GPE website under "Library".

6. IMPLICATIONS FOR SECRETARIAT RESOURCES

The Operational Framework in itself will not require the hiring of new Secretariat staff, but effective engagement in Fragile and Conflict-Affected States will require greater support from the Country Support Team than is possible with the current number of countries per Country Lead. This underscores the need to further expand the Country Support Team to give each Country Lead a maximum of four to five countries, depending on the level of fragility in each country. A request for expansion of the Country Support Team is included in the Secretariat's request for an increase in its budget, which will be presented at the Board meeting in Brussels in May 2013.

7. NEXT STEPS

Following approval by the Board, the Operational Framework will be effective immediately for the preparation of new grant applications, as applicable, and existing grants where the situation changes from stable to unstable. Adjustments to the Country Level Process Guide in accordance with the Operational Framework will be completed and published as soon as possible and the Operational Framework will be posted on the GPE website.

ANNEX 1: OPERATIONAL FRAMEWORK FOR EFFECTIVE SUPPORT TO FRAGILE AND CONFLICT-AFFECTED STATES

1. INTRODUCTION

1.1 Background

It is imperative for the global community to provide greater and more effective support to education in fragile and conflict-affected states ("FCAS"), including emergency and early recovery situations, in order to achieve the Education for All goals and education MDGs. It is estimated that more than half of the world's out-of-school children live in countries affected by emergencies or in early recovery.[5]

The Global Partnership for Education (the "Global Partnership" or "GPE") Strategic Plan 2012-2015 therefore commits to ensuring that "Fragile and conflict-affected states [are] able to develop and implement their education plans". The Implementation Plan for the Strategic Plan includes three outcomes pertaining to fragile contexts: (i) more effective support to FCAS; (ii) greater alignment of funding and policy dialogue in FCAS; and (iii) mobilizing more funding for education in FCAS. The first of these is addressed by this Operational Framework, as well as through the planned expansion of the agencies that can serve as Supervising Entity ("SE") or Managing Entity ("ME") and the development of a community of practice among these partners. There should be emphasis on ensuring optimal national capacity building and, in cases where an ME modality is used, phased transition to strong, country-led implementation arrangements.

Although fragile contexts vary enormously in their characteristics, they present specific challenges in various forms and to different degrees. These include:

- ***Issues of governance***, which may include unrecognized governments, political instability, accountability issues and corruption, situations where governments prohibit access to segments of populations, politicization of aid agendas, situations where segments of the population are in conflict with each other, etc.
- ***Issues of capacity***, for example in terms of ability to collect and analyze data, make sound policy decisions, develop sector plans and implement and report on plans and programs. The level of development partner presence and capacity of Local Education Groups ("LEGs") may also vary.

[5] International Institute for Educational Planning (2010). Guidebook for planning in emergencies and reconstruction, UNESCO.

- ***Issues of security***, which can affect access to schools and communities and limit the implementation of sector programs as well as increase implementation costs. Insecurity can also expose schools, teachers and school children to violence and attacks.
- ***Issues around donor policies and coordination***, in terms of donors' ability to finance programs; donors' and implementers' ability to remain operational and work in a country as a whole or in parts of a country; and the existence of coordination mechanisms to ensure coherent, coordinated support.

All of these challenges present risks—political, fiduciary and other operational risks and in general, risks to the achievement of the intended results and impacts of Education Sector Plans and programs. Working in fragile and conflict-affected countries and situations requires accepting that risk is inevitable. Rather than seeking to avoid risk, it is particularly important to improve capabilities to mitigate and manage risks.

The Global Partnership's commitment to act in fragile contexts expressed in its Strategic Plan 2012-2015 requires that despite challenges and risks, the Global Partnership will provide support in a way that is efficient, consistent, and equitable. This will ensure, above all, that there is a continued commitment to achieve results for children. A key element of success will be that the Global Partnership's support is adjusted to the context and contributes to build capacity and to capitalize on the potential role of education in reducing conflict and building stability.

1.2 Objective

Within the broader scope of the Strategic Plan 2012-2015 and its Implementation Plan, this Operational Framework sets out specific adaptations to GPE processes in FCAS. The Operational Framework includes principles, modalities and procedures relating to Program Implementation Grant applications, as well as revisions to programs in response to fragile situations during implementation. The objective is to provide clear guidance to LEGs and Development Partner Groups ("DPGs", which include local development partners but not the local government) to ensure efficient support in these situations.

1.3 Scope

The situations listed below will lead to consideration of adapted operational modalities. In the event any of these circumstances arise, the Secretariat will contact the Coordinating Agency ("CA") to call attention to the Operational Framework and facilitate discussion on whether adaptations should be made:

- Coup d'état or other unconstitutional government change
- Situations of large-scale violence or armed conflict within the country, including at sub-national levels in federal states, or across borders

- Situations where the international community has raised serious concerns involving human rights violations
- Large-scale emergencies as defined by United Nations Office for the Coordination of Humanitarian Assistance ("OCHA")
- Situation where corruption, lack of adherence to international conventions or other issues lead to donor suspension of aid
- Situations where low administrative capacity calls for a phased approach to supporting education sector activities while gradually building government capacity

The above criteria will draw on information from relevant international bodies including OCHA/Education Clusters, Transparency International and the United Nations Human Rights Council.

2. PRINCIPLES OF GPE ENGAGEMENT IN FRAGILE AND CONFLICT-AFFECTED STATES

2.1 Adaptations of Global Partnership Principles

Some of the Global Partnership's guiding principles as set out in the Charter need particular adaptations in fragile and conflict-affected states:

- **Country Ownership** *(Charter section 1.3.a)*: If a government is not able to take on the implementation of a GPE-financed program for capacity reasons or due to any of the situations listed under Section 1.3 above, the LEG or DPG may decide to move to a Managing Entity modality. The ME must optimize technical collaboration with the country's education administration in order to maximize institutional capacity building and the sustainability of interventions. Particular attention should be given to conflict analysis and to the "do no harm" principle.

- **Support linked to performance** *(GPE Charter section 1.3.c)*: FCAS will face greater challenges in achieving results in terms of improved education indicators. A phased approach will need to be taken in order to set achievable benchmarks with realistic timelines so that countries can gradually move towards improved results. In cases where situations change from stable to unstable and where education indicators may be in decline, children's right to quality education takes precedence over the need for countries to demonstrate overall progress on indicators, and support to limit the impact of crisis on education is vital.

- **Lower transaction costs** *(Charter section 1.3.d),* **development results and value for money** *(GPE Charter section 1.3.f)*: Ensuring results in FCAS often requires higher transaction costs than in stable contexts. Therefore, supervision allocations, agency fees and ME operational budgets may need to be adjusted based on a realistic assessment of

costs. In addition, support in these contexts will frequently require a greater involvement of the Secretariat.

2.2 OECD Principles for Good International Engagement in Fragile States and Situations

The Global Partnership adheres to the OECD's Principles for Good International Engagement in Fragile States and Situations, which provide a set of guidelines for actors involved in development co-operation, peace building, state building and security in fragile and conflict-affected states.

Two of these principles, alignment to local priorities and coordination among international actors, are inherent in the Global Partnership's processes and procedures and need no further elaboration in this Operational Framework. Additional measures that support the application of the OECD principles are found in Section 1.2 of the Implementation Plan for the Strategic Plan 2012-2015[6] and include commitment to:

- Engage in ongoing efforts to identify and agree on conflict analysis and resilience tools to support the development of conflict-sensitive Education Sector Plans ("ESPs") and transitional ESPs, with particular attention to guidance on actions needed in the education sector;
- Support countries to develop transitional ESPs when applicable and appropriate; and to work to develop full ESPs during the implementation of the transitional plans;
- Utilize the Inter-Agency Network for Education in Emergencies ("INEE") Minimum Standards and other tools including conflict analysis and resilience, as appropriate, in the development of transitional education sector plans; and
- Strengthen Education Cluster-LEG collaboration at country level.

Moreover, the Global Partnership's Guidelines for Education Sector Plan Preparation and Appraisal[7]support the OECD principles as follows:

- The Plan Preparation Guidelines emphasize that:
    - a credible ESP must be sensitive to the context and include an analysis of the vulnerabilities specific to a country, including conflicts, natural disasters, economic crises, etc., and that an ESP must address preparedness, prevention, and risk mitigation; and

[6] The OECD Guidelines include the following: 1. Take context as the starting point; 2. Ensure all activities do no harm; 3. Focus on state building as the central objective; 4. Prioritize prevention; 5. Recognize the links between political, security and development objectives; 6. Promote non-discrimination as a basis for inclusive and stable societies; 7. Align with local priorities in different ways and in different contexts; 8. Agree on practical coordination mechanisms between international actors; 9. Act fast ... but stay engaged long enough to give success a chance; 10. Avoid creating pockets of exclusion.

[7]Developed in collaboration with the UNESCO International Institute for Educational Planning (IIEP)

- education sector analysis should include data on marginalized groups: girls, children with disabilities or children living in extreme poverty, working children, and so on;

- The Appraisal Guidelines ask whether:
  - the education sector analysis identifies the vulnerability of the education system to political, economic, social, and environmental risks and whether a vulnerability analysis has been conducted;
  - the proposed strategies mitigate the vulnerability of the education system to political, social, and environmental impacts as identified in the sector analysis; and
  - targets are set for each of the marginalized and at-risk groups identified (such as underserved communities, girls, the poor, children with disabilities, orphans, children in hard to reach communities, ethnic minorities, refugee and internally displaced populations, and children affected by HIV and AIDS), and whether the ESP includes a strategy to ensure equity in the provision of basic inputs across these groups, including targeted fiscal transfers as appropriate.

3. MODALITIES FOR PROGRAM IMPLEMENTATION IN FRAGILE CONTEXTS

3.1 Justification for Adapted Modalities

Fragile contexts comprise a range of specific situations where the standard implementation modality used by the Global Partnership for its Program Implementation Grants—the Supervising Entity[8]—may not be the most appropriate. Several factors have to be taken into consideration to well understand the possible implications of using only the SE modality in fragile contexts:

- In SE modality, the implementation of GPE-financed programs relies primarily on the developing country partner's capacity. Lack of national capacity is an impediment to the timely implementation of the activities. In addition, low capacity can limit activities to parts of the country where capacity is higher, which can increase disparities.
- In FCAS with political tensions and/or conflict, governments may not be able, willing or committed to work with certain categories of the population. In some cases, the government may not control the full national territory, and thus is not able to provide support in areas out of their control. These are sensitive issues that may be particularly difficult to discuss with governments. In these environments, working only in SE mode could mean that certain categories of the population cannot be reached.
- In contexts of significant political instability or conflict, the SE may have to suspend activities. The continuity of support, which is critical to limit the impact of crises on education, cannot be guaranteed with this modality as the only option.

[8]The SE mode can take several forms (project, Pool fund, budget support), but the main distinction from the ME mode is that the funding is channeled entirely through the government and its administrative systems through a Grant Agreement.

- In countries with unrecognized governments it can be unfeasible to work in SE mode. In addition to issues of capacity and stability, it may be unrealistic to expect that the unrecognized government can commit in a legal and operational sense to the program's goals, objectives and implementation, often negotiated with a previous government.

The above constraints involve substantial risks. Failing to adequately address the risks may fuel tensions and political disputes.

If the SE modality is the default modality in fragile contexts, it can be difficult and highly sensitive to negotiate an approach more fit to the context. As a result, the LEG may decide to proceed using an SE modality in contexts where better results and support to more stable and consistent education sector development could be obtained through a more flexible approach.

3.2 FCAS Modality Options

For the reasons outlined above, the LEG or DPG should consider three options in FCAS:

(i) Continuing support through a SE, providing clear justification for doing so;
(ii) Adopting a hybrid approach with part of the activities being implemented by the government using a SE modality and part of the activities being implemented using an ME modality; or
(iii) Adopting an ME modality for all activities being financed by the Program Implementation Grant.

Option (ii) can either involve the same agency playing a dual role as ME and SE, or two different agencies taking on these roles. The selection of the option and agency or agencies taking on the role as SE or ME should pay particular attention to the agency's ability to operate in the context and provide capacity building and rapid scale-up of support.

Regardless of which option is chosen, LEGs or DPGs should clearly explain implementation arrangements in the Program Document submitted to the Global Partnership, making it clear: (i) how the selected modality responds to the operational context; (ii) what implementation arrangements and risk-mitigating measures will be adopted to enable effective implementation for optimal progress towards the program objectives; (iii) what monitoring mechanisms will be in place to adjust to evolving circumstances; and (iv) what strategies will be pursued to progressively transition towards greater alignment and use of government systems.

3.3 Special Considerations when Adopting the SE Modality in FCAS

In countries where there is a substantial risk of fragility or instability, the development of Program Implementation Grant applications using a SE modality should include contingency

plans to determine in advance what strategy will be adopted in the event of instability, drawing on the options listed above.

3.4 Special considerations when adopting the ME modality

The ME modality does not involve entering into a Grant Agreement on the basis of which a government implements the activities. Rather, an eligible entity manages a Program Implementation Grant directly. Implementation arrangements can include any combination of direct implementation, channelling some funds through government accounts and sub-contracting civil society organizations or other non-government partners.

The ME modality should be kept flexible and follow the principles cited in Section 2 above. Specifically,

- Programs using an ME modality must be aligned to an endorsed education sector plan or transitional education sector plan or, in the case of Accelerated Funding in Emergency and Early Recovery Situations, an emergency needs assessment.
- The ME is required to optimize collaboration with the ministry in charge of education and to develop national capacity.
- The ME modality requires the same level of inclusiveness and transparency in the development of programs and implementation and monitoring of activities as the SE modality.
- A phased implementation approach should be used, adjusting implementation to the actual capacity of the ministry and gradually transferring implementation to the ministry as appropriate. The LEG or DPG should define the criteria and process for transitional management of GPE funded programs from the ME and non-government implementing agencies to government and local institutions, and increasing capacity of civil society organizations and other non-government partners (Ref. GPE Strategic Plan Implementation Plan Section 1.1).

In contexts where the ME modality is used, the fiduciary risk is managed by the ME for all of the program activities including the use of pool funds, activities to strengthen the capacity of the ministry, activities implemented by ministry offices, as well as direct project-implemented activities.

4. PROGRAM REVISIONS RESULTING FROM SITUATIONS OF FRAGILITY

When a Program Implementation Grant has already been approved by the Board of Directors, whether or not a Grant Agreement between the SE and government has been signed, and the context changes from (relative) stability to instability, such as when there is a coup d'état or

conflict breaks out, there must be flexibility to revise programs to changing circumstances, including the modality of support and the content of programs.

The following procedures will be applied in these situations:

(i) Notification: If an emergency situation leads a SE or ME to suspend activities in a country in accordance with its own regulations, the SE or ME will inform the LEG or DPG and the Secretariat in writing within 24 hours. Upon such notification, this process will become applicable immediately (if not already applicable) and the FAC and Board of Directors will be informed accordingly.

(ii) Communication with countries under suspension: From the moment of the notification of suspension, Secretariat communications to the country may be directed through the Coordinating Agency to the DPG rather than the LEG. The DPG will determine the extent to which formal or informal communications are advisable with current authorities.

(iii) Assessment period: For a period of no less than two and no more than four weeks following the notification, the DPG (or LEG where feasible) will monitor the situation in the country to determine if there is a reasonable likelihood of stabilization. No decision will be taken regarding grant signature (in cases where a Grant Agreement has not already been signed), program revision or other program implementation or monitoring activities during this period. The Secretariat will engage in discussions with the DPG (or LEG where feasible) about possible alternative arrangements for program implementation.

(iv) Determination of appropriate course of action: At the end of the assessment period, the DPG (or LEG where feasible) will agree whether the previously approved program can be implemented as planned, or whether restructuring or redesigning the approved program is necessary. The following options apply:

a. In the event that the previously approved program was to be implemented in SE mode, the other Options listed in Section 3.2 above must be considered. If appropriate, the DPG (or LEG where feasible) may present a rationale for maintaining a SE mode and relying on national financial management systems.

b. If the DPG (or the LEG where feasible) has determined that the program needs to be revised, the Secretariat will work with the DPG (or the LEG where feasible) to develop a timeline for revision that is reasonable given the context and will inform the

Financial Advisory Committee ("FAC") and the Board of Directors of the new timeline to enable a revised recommendation and approval of the revisions.

c. A program may be redesigned and remain under the SE mode, following the instructions in section *a* above, **or** may be redesigned and moved to a ME mode either under the existing SE partner or a different agency. Alternatively, a hybrid modality may be adopted using a mix of SE and ME modes, either under the same agency or with two different agencies. In either case, the *Policy on Time Frames for Grant Agreement signing and implementation and procedures for proposed revisions to implementation grant programs* (the "Policy on Revisions") will apply. Anticipated timelines under the Policy on Revisions may be abbreviated upon agreement of the FAC Chair and Chair of the Board of Directors.

d. In all cases, due attention will be given to existing Grant Agreements and the legal commitments incurred by the SE or ME prior to the emergency situation.

e. If a Grant Agreement has not been signed, the Policy on Revisions will apply, meaning that any revision will need to be finalized before the six month deadline with a three month extension upon request, to sign the Grant Agreement. In the event a Grant Agreement has not been signed within this nine-month interval, the allocation will be cancelled and a new application will need to be prepared and submitted.

5. ACCELERATED FUNDING FOR EMERGENCY AND EARLY RECOVERY SITUATIONS

In cases where an allocation has not yet been approved by the Board of Directors, or where the Country will need to reapply because of case 4.e above, the country may apply for up to 20 percent of the indicative allocation provided by the Needs and Performance Framework, using the *Guidelines for Accelerated Funding in Emergency and Early Recovery Situations.* The remaining allocation may then be applied for using the normal application procedure.

ANNEX 2: CASE STUDIES

Case 1: Coup d'état followed by Suspension of activity by Supervising Entity

Madagascar, 2009

Madagascar experienced an unconstitutional change in government and SE suspension of support after a grant had been approved but before the grant agreement with the SE had been signed. The DPG considered alternatives to working through a SE. Since UNICEF was fully operational despite the political crisis, the DPGs prepared a request to the GPE proposing full management of an initial transfer of US$ 15 million by UNICEF for the first year of implementation. The request included a proposal for priority activities designed to minimize the impact of the crisis on the education system, drawn directly from the previously approved Program Document. The request included a reduction in the overall grant from US$ 85.1 to US$ 64 million, taking into account lost absorption capacity and implementation time, while suggesting that further monitoring of the situation would determine the modality for release of the remaining grant. When approved in November 2009, this request led to the first case where a Managing Entity was put in charge of GPE funds.

In close consultation with the DPG, UNICEF determined appropriate implementation arrangements, including channelling some funds (teacher salaries and school grants) through the education system with new safeguards, as well as direct implementation by UNICEF and through non-State partners including UN agencies and NGOs. This included collaboration for some of the activities with the same Project Implementation Unit ("PIU") that had been used during the previous grant with the World Bank as SE. For instance, the PIU ensured the transfer of school grants through a special account. The PIU also provided technical support to review justification documents for the payment of teacher salaries, although these did not go through the PIU account. UNICEF and PIU teams worked closely together to ensure optimal management of all activities.

The approval of the release of the remaining funds was conditioned on the presentation by the LEG of an agreed revised plan for the use of the funds. This led to a study of the state of implementation of the endorsed Education Sector Plan and agreement with the Ministry of Education on necessary adjustments. A second request based on this plan, still with UNICEF as ME, was submitted to the GPE in July 2010 and was approved by the Board of Directors. This was the basis for the release of the remaining funds over the following two years. The GPE funds were used for leveraging with the Government to secure community teacher salary payments, school grants and the return to the Ministry of Education of misused vehicles procured with previous GPE (FTI) funds.

In 2013, Madagascar is moving back to a SE modality with the World Bank as SE, although there is not yet a constitutionally elected government in the country. With GPE support, a transitional education plan has been developed to put education sector development back on track. The program submitted to the Global Partnership for approval includes a component on a broadly consultative process to develop a consensual education sector plan over the next three-year period. The program continues to involve some sub-contracting of UN agencies for the implementation of certain activities, as government capacity has been heavily impacted by four years of political and economic crisis.

Guinea, 2008

Guinea's first GPE application was approved for US$ 117.8 million in 2008 with the World Bank as SE, and a grant agreement was signed in July 2008. However the grant was not made effective as it had not fulfilled all the effectiveness conditions. These were met in December 2008 and coincided with the time of the *coup d'état*. The World Bank suspended operations in keeping with its Operational Guideline 7.30 (Dealing with de facto Governments).

In 2009 the country fell into arrears in the reimbursement of its loans from the World Bank. In May 2010, the program was restructured, and the allocation was reduced to US$ 64 million. UNICEF was selected as ME to manage part of the program (US$ 24 million) while the World Bank continued as SE for a separate part of the program (US$ 40 million). There have been significant implementation delays for both parts of the program due to the internal unstable context. Both SE and ME have signalled their plans to extend activities through December 31, 2013. Since the grant was part of a pooled fund with AFD (which had not suspended its operations), the sector continued to benefit from some minimal support during the crisis.

There was a long gap in GPE support between the coup in December 2008 and the start-up of activities, first with UNICEF in September 2010 and then with the World Bank in June 2011. The Secretariat did not have in place a strategy for rapidly re-engaging in a de facto government context where the SE had suspended operations. Having both an ME and SE in Guinea has made it possible to assess the strengths and weaknesses of the different strategies.

Guinea-Bissau, 2012

The Board of Directors approved a grant of US$ 12 million in November 2011 with the World Bank as SE. On 12 April 2012, there was a *coup d'état*, and the World Bank suspended operations in keeping with its Operational Guideline 7.30 (Dealing with de facto Governments). No Grant Agreement had been signed at the time. After a series of discussions between members of the DPG, the Secretariat and the World Bank, the DPG decided to move the entire grant to ME modality with UNICEF as ME.

UNICEF developed a program proposal that did not change the components of the program but adapted implementation arrangements to the changed situation. The capacity development sub-component of the project was postponed out of partners' concern that these would benefit an illegitimate government. This proposal was submitted to the GPE for consideration by the FAC. The proposal was approved by the Board of Directors on 4 September 2012. However, start-up of activities was held up by the lack of a Financial Procedures Agreement, demonstrating the importance of having such agreements in place with MEs in order to facilitate efficient response.

Case 2: Coup d'état without suspension of donor support

Mali, 2012

A grant in the amount of US$ 41.7 million was approved by the Board of Directors in November 2011, using a Budget Support modality. On 22 March 2012, the Government of Mali was overthrown by a military junta and the constitution was suspended. Roughly 65 percent of the country was quickly occupied by various rebel groups as the junta-led Malian military withdrew rapidly in disarray. Development Partners suspended programs that worked directly with the Malian government, including the sector budget support program modality used by three major donors. Since that time, a transitional government has been set up, with a goal of returning the country to constitutional government after elections in July 2013.

At the time of the coup, the SE (World Bank) was nearing completion of negotiations for the signing of a Grant Agreement for the allocation that had been approved by the GPE Board of Directors. The Development Partner Group ("DPG") decided to hold off on any decision about revising the program approach until an assessment could be done of the new country context. In a July 2012 videoconference with the Secretariat, the DPG discussed three options for the program in Mali: (i) continuing with the budgetary support modality; (ii) developing a project with the same SE to replace the approved program; or (iii) using an ME modality for an emergency project intervention. The DPG opted for the second option, and the SE lifted its suspension in August.

Since the deadline for signing the Grant Agreement had passed, and because the context required substantial changes from the original budget support modality, a new grant application had to be developed. The new program underwent the Quality Assurance Review process and was submitted for Board approval on 5 December 2012. The GPE program was approved by the Board on 7 February 2013. As of this writing (April 2013), the program has a projected activity start date of late May 2013.

Case 3: Low government absorption capacity

Chad, 2012

When preparing the application for its first Program Implementation Grant, the Ministry of Education, in consultation with the DPG, chose the managing entity mode using two agencies (UNICEF and UNESCO) as MEs. The choice was based on the following:

(i) a weak national procurement system and high fiduciary risk had prevented donors from effectively implementing projects. All the projects that were being implemented through the government systems at that time had been delayed for several years;

(ii) the institutional capacity of the Government was weak and required strong support from partners; and

(iii) at the same time, the country's transitional education sector plan had put an important emphasis on increasing service delivery, especially to the most marginalized children.

This approach requires close collaboration between the two MEs in order to ensure overall program coherence.

Somalia, 2013

In July 2012, the (then Transitional) Federal Government of Somalia joined the Global Partnership as a federal state. Somalia's education sector is divided into three main administrations, the Ministries of Education of Somaliland (MoE Somaliland), Puntland (MoE Puntland) and the Central South Zone (CSZ), where each ministry functions independently and with its own education agenda.

Until now, major development partners, including the EU, DFID, USAID and the UN agencies, have mainly been based outside the country, channelling education sector funding through NGO's. Working through a SE mode was not considered possible in Somalia given the complex political and security situation. The LEG therefore decided on an ME modality, with UNICEF playing the role as ME. Separate applications for Program Implementation Grants were submitted by Somaliland and Puntland in March 2013. The proposed implementation arrangements are aligned with the country system to the extent possible, but most activities will be implemented by UNICEF.

Multi-year funding and a gradually increased level of confidence in the management systems of the ministries means that the GPE funding will hopefully assist in moving away from the fragmented project-based approach that has so far hampered sustainable development in the education sector in Somaliland and Puntland.

Case 4: Addressing insecurity and political issues at sub-national levels

Sudan, 2012

Sudan joined the GPE in 2012 through the endorsement of a Transitional ESP, the Interim Basic Education Plan. Soon after the conflict ended, the World Bank had implemented a relatively successful Multi Donor Trust Fund project in four states in Sudan. Based on this experience, the government and the LEG selected the World Bank to be the SE for the country's first GPE Program Implementation Grant of US$ 77 million.

The project, approved in 2012, will be implemented in nine states. This group of states includes some of the Darfur states, where conflict was ongoing at the time of the program preparation. To enable effective implementation in these parts of the country, the SE has indicated that it will subcontract appropriate non-government partners for program implementation in the event this will be necessary.