JUNE 9, 2021

BOARD OF DIRECTORS

DECISION VIA AFFIRMATIVE VOTE

ALLOCATION FOR AN ESPIG AND MULTIPLIER GRANT TO ZAMBIA

Reference	Decisions
BOD/2021/06-05	**Allocation for an Education Sector Program Implementation Grant and Multiplier Grant to Zambia:** The Board of Directors with respect to the application submitted in January 2021: 1. Notes compliance with the requirements for accessing the fixed part of the maximum country allocation (MCA) for an education sector program implementation grant, as described in the application and summarized and assessed in Annex B to BOD/2021/05 DOC 18. 2. Notes compliance with meeting the requirements for accessing the variable part of the MCA and approves the indicators on Equity, Efficiency, and Learning and their means of verification as described in the application and assessed in Annex B to BOD/2021/05 DOC 18. 3. Notes compliance with the requirements of co-financing, additionality, and debt sustainability for accessing the maximum country allocation for a multiplier grant, as described in the application and assessed in Annex B to BOD/2021/05 DOC 18.

4. Approves an allocation from GPE trust funds for an ESPIG and Multiplier grant, as described in the application submitted and summarized in Table 1 in BOD/2021/06-05 4 (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) Secretariat recommendations for funding, including (all amounts in US$):

Table 1 Application Summary and Secretariat Allocation Recommendations:

Zambia		
a.	ESPIG Maximum Country Allocation	29,836,000
b.	Multiplier Maximum Country Allocation	10,000,000
c.	Fixed Part	27,836,000
d.	Variable Part	12,000,000
e.	Allocation Requested (100%)	39,836,000[1]
f.	**Allocation Recommended by Secretariat**	**39,836,000**
g.	Grant Agent	World Bank
h.	Agency Fee % - Amount	1.75% - 697,130
i.	Period	3 years and 10.5 month
j.	Expected Start Date	August 16, 2021
k.	Variable Part Disbursement Modality	Ex-post
l.	Funding Source	GPE Fund

5. Requests the Trustee to withhold the transfer of the Multiplier funds (US$10,000,000) until the condition set out in Annex A has been met.
6. Requests the Secretariat to:
   a) Include in its notification of grant approval to Zambia the observations, requests for report-back and condition set out in Annex A.

[1] Includes US$826,146 for the cost of the grant agent to perform its roles and responsibilities.

	b) Include an update on the requested report backs and condition in the annual Grant Status Report in accordance with the specified timeline.

Annex A – Secretariat Observations, Report-Backs and Condition

Zambia	
Observations	The Secretariat finds the proposed program to be highly relevant in the country context, well aligned to the Education and Skills Sector Plan (ESSP) 2017-2021, and complementary to the programs of development partners active in the education sector. The Variable Part focuses on key sector results in pre-school education and their transformational nature is clear. The Secretariat notes the impact of the pandemic on education systems and invites the Government and the grant agent, in consultation with the local education group, 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 grant agent* The grant agent is requested to report back in year one of program implementation on the baseline and targets not established at the time of application submission. *For the government* The government is requested to provide a report-back on the finalization of the Education and Skills Sector Plan (ESSP) 2021-2025.
Condition	Prior to the transfer of Multiplier grant funds (US$10,000,000), the Secretariat requests the government of Zambia sign and submit the financing agreement for the Zambia Education Enhancement Project Additional Financing (ZEEP AF).