

FINAL DECISIONS

Consent Agenda Decisions

BOD/2018/06-01—December 5-7, 2017 Board Meeting Report: The Board of Directors approves the Report of the Meeting of the Board of Directors in Paris, France from December 5-7, 2017 as set out in BOD/2018/06 DOC 02 Annex 1.

BOD/2018/06-02—Trustee Budget: The Board of Directors approves of the estimated administrative expenses of US\$517,000 for trustee services for the period of July 1, 2018, to June 30, 2019 as set out in BOD/2018/06 DOC 02 Annex 2.

BOD/2018/06-03—GPE Multiplier Maximum Country Allocations: The Board of Directors approves the list of Maximum Country Allocations from the Multiplier (MCAMs) for the countries in the table below. The MCAs will remain valid for a period of one (1) year unless adjusted, and will be subject to the requirements of the Operational Framework for Requirements and Incentives in the GPE Funding Model (Funding Model). MCAMs are also subject to the requirements of the GPE Multiplier. For countries with an existing Maximum Country Allocation for an Education Program Implementation Grant (ESPIG), the amounts below under ‘Multiplier MCA’ are additional.

Country	ESPIG MCA	Multiplier MCA	Total MCA	Estimated Additional Co-Financing
<i>(All amounts in US\$ Millions)</i>				
Djibouti	5	5	10	16
Mauritania	6.8	5	11.8	25
Zambia	15.9	10	25.9	30
Total	27.7	20	47.7	71

BOD/2018/06-04—Operational Framework for Requirements and Incentives for the GPE Funding Model: The Board of Directors in reference to **BOD/2017/12-10-Resource Commitments by Developing Country Partners for Education Sector Program Implementation Grants** approves the revisions to the *Operational Framework for Requirements and Incentives in the GPE Funding Model* as set out in Annex 1 to BOD/2018/06 DOC 06, including a revised process for monitoring delivery on domestic financing commitments made by governments of developing country partners in fulfilment of the domestic financing requirement of the GPE funding model, and a revised policy for taking appropriate actions when these commitments are not met.

BOD/2018/06-05—Affirmative Vote and Multiplier Grants: The Board of Directors, in reference to BOD/2016/06-06-Decision Framework, extends the use of the Affirmative Vote to Multiplier allocations.

BOD/2018/06-06—Board and Committee Nominations: The Board of Directors:

1. Endorses the proposed adjustments to the nominations process as set out in BOD/2018/06 DOC 02 Annex 6.
2. Noting the need for knowledge transfer, endorses the proposal to enable the Board Chair to recommend the extension of terms of Committee chairs, in special circumstances, when priority projects extend beyond the current mandate.
3. Noting the need for knowledge transfer, endorses the proposal to enable Committee Chairs to recommend the extension of the term of its member to the relevant constituency category for their consideration.
4. Endorses the proposed timeline of September 15-November 15, 2018 for the call for nominations for the Board and its standing committees.

Non-Consent Agenda Decisions

BOD/2018/06-07—Management and Partnership Actions in response to the Results

Report: *The Board of Directors:*

- Reviews and concurs with the management and partnership actions for improvement outlined in BOD/2018/06-DOC 05
- Calls upon all partners to work to address key challenges according to their roles and responsibilities as outlined in this report.

BOD/2018/06-08: Reducing Transaction Costs and Improving Efficiency of Applications for ESPIGs: *The Board of Directors:*

1. Notes the importance of efficient processes and lowering transaction costs, particularly in the context of an anticipated significant increase in the number of grant applications.
2. Approves the approach proposed by the GPC for processing applications and approving allocations as set out in BOD/2018/06 DOC 06, including:
 - a. Allowing countries with a revised maximum country allocation resulting in an increase in grant funding to apply for the additional funds by submitting a proposal for a costed restructuring of the existing ESPIG.
 - b. Delegating authority to the Grants and Performance Committee to approve new ESPIGs and Costed Restructurings of up to US\$10 million
 - c. Encouraging countries with applications for ESPIGs or Costed Restructurings of US\$5 million or less to adopt a strong focus on results but allowing them to choose whether to adopt an ex-poste variable part.

BOD/2018/06-09–Effective Partnership Review: *The Board of Directors:*

1. Appreciates the report from Oxford Policy Management set out in BOD/2018/06 DOC 07A and agrees that a second phase of this study is not needed.
2. Agrees that specific actions are needed to further improve the effectiveness and efficiency of the GPE Operational Model at country level, including in particular the need to adapt better to country context and improve the approach to capacity-building of developing country partners.
3. Notes the Grants and Performance Committee's (GPC) conclusions on the draft report set out in BOD/2018/06 DOC 07B, including recognition that some of the recommendations are addressed in ongoing workstreams led by the GPC, the Finance and Risk Committee and the Strategy and Impact Committee. Requests the Secretariat to provide for the Board retreat in November 2018 an update on the relevant workstreams which are related to improving efficiency, effectiveness and reducing transaction costs.
4. Requests the GPC to develop a costed action plan by end July 2018 with clear actions and a timetable for Board approval, including:
 - a. In order to strengthen mutual accountability, a proposal to review and clarify roles, responsibilities, authorities, accountabilities, resourcing and risks at country level, resulting in revised terms of reference for key actors including Developing Country Partners, Grant Agents, Coordinating Agencies and the Secretariat Country Leads.

- b. A communication strategy to ensure GPE's goals, objectives, operating model and associated roles, responsibilities and accountabilities are well understood by all partners.
 - c. Actions that need to be taken forward following the institutional arrangements decision in December 2018.
5. Requests that the costed action plan clearly reflect how members of the Board, relevant committees, and their constituencies will be responsible for its implementation.

BOD/2018/06-10—Financing Options: *The Board of Directors:*

1. Requests the World Bank as Trustee to make the appropriate arrangements to introduce the Euro as a second Holding Currency of the GPE Fund, and agrees to provide euro grant allocations in addition to US dollars and further:
 - a. Notes there will be an increase in Trustee fees to be incorporated within the annual trustee budget request.
 - b. Delegates authority to the Secretariat in consultation with the Trustee to approve the necessary administrative changes to GPE's governance documents, donor contribution agreements, and financial procedures agreements to facilitate this approach.
 - c. Delegates authority to the Secretariat to instruct the Trustee as to which currency donor contributions should be held in/converted to and to authorize currency conversion from euro to dollar and vice versa to facilitate liquidity management.
 - d. Determines that the us dollar maximum country allocations or grant ceilings may be converted to euros upon request to the Secretariat, provided the notification has been received prior to submission of the grant application and with the agreement of the grant agent.
 - e. Agrees that the exchange rate used to determine the euro equivalent of a us dollar maximum country allocation or grant ceiling shall be the official world bank exchange rate in effect on the date the request is received by the Secretariat.
2. Agrees that in addition to investing GPE Funds in the existing model portfolios, that the Trustee is also authorized to invest GPE Funds in Model Portfolio 4 as outlined in BOD/2018/06 DOC 08 which includes investments in equities, based on the current practice of liquidity projections provided by the GPE Secretariat as part of quarterly trust fund rebalancing exercises.

3. Approves the new and/or revised maximum country allocations for education sector program implementation grants as set out in Annex 3. The allocation for these countries will remain valid through the final application round of 2020 unless otherwise adjusted by the Board, and will be subject to the requirements of the GPE funding model.

BOD/2018/06-11—Financing Options- KIX: *The Board of Directors*:

1. Confirms that the initial allocation of US\$60 million for the Knowledge and Innovation Exchange Mechanism be maintained over the period of 2018-2021. Given that targeted financing pledges of US \$1 million have been made to date, \$59 million will be made available from unrestricted funds.
2. Determines that it will consider an increase in the level of funding of approximately \$20 million based on a recommendation from SIC by June 2019 or as soon as possible thereafter to factor in initial progress with the implementation of KIX, demand for the mechanism, and confirmation from the FRC through the semi-annual financial forecast that there continues to be sufficient unallocated funds available to facilitate any increase.
3. Notes that the allocations for KIX are to facilitate the financing of 6 themes over three years, the Learning Exchange, the costs of the grant agent for the management of the thematic funding, and any related Secretariat administrative costs for the overall management of KIX (including the US1.5 million already approved).
4. Notes that the initial allocation for KIX is below the aspiration of reaching 5-6% of GPE's overall portfolio to support Knowledge and Innovation Exchange. The Secretariat is strongly encouraged to proactively seek to raise targeted financing that could be additional to bring overall financing for KIX closer to 5% of overall expenditures.

BOD/2018/06-12—Financing Options- ASA: *The Board of Directors*:

1. Confirms that the initial allocations of US\$60 million for the Advocacy and Social Accountability Mechanism be maintained over the period of 2018-2021.
2. Determines that it will consider an increase in the level of funding of approximately \$10 million based on a recommendation from SIC by June 2019 or as soon as possible thereafter to factor in initial progress with the implementation of ASA, demand for the mechanism, and confirmation from the FRC through the semi-annual financial forecast that there continues to be sufficient unallocated funds available to facilitate any increase.

3. Notes that the allocations for ASA is to facilitate the financing of the three operational components of ASA; as well as the administrative costs of grant agent management of ASA funding and the costs of learning partners that are contracted to support ASA grantees.

BOD/2018/06-13- GPE Multiplier: Options for Scaling Up, Eligibility, Allocation Model, and Improving Operations: *The Board of Directors decides to:*

1. Scale up the GPE Multiplier's resources in accordance with Option 2 set out in Section 6 of BOD/2018/06 DOC 09 and enable countries to apply throughout the 2018-2020 period.
2. Adjust eligibility to access the GPE Multiplier to those countries included as per Option 1 set out in Section 8 of BOD/2018/06 DOC 09 and adjust Maximum Country Allocations from the GPE Multiplier to match those in Model B set out in Section 8.
3. Integrate the proposed process modifications into its operations as set out in Section 9 to improve efficiency and effectiveness, including delegating authority to the Grants and Performance Committee to approve Maximum Country Allocations for the Multiplier based on Board-approved eligibility criteria and allocation model
4. Regularly update the FRC and Board regarding progress operationalizing the Multiplier including information on additionality, and drawdown of resources.

BOD/2018/06-14 - Charter Amendment

The Board of Director approves the following amendment to clause 4.3.3 of the Charter as follows: The Chair is selected by the Board through an open competitive process. Ordinarily, the Board will appoint the Chair for an initial three-year term and would maintain the option of extending for a second three-year term following a performance review process. In exceptional circumstances, the Board may extend for a third term of up to three years if it so determines that doing so is in the best interests of GPE.

BOD/2018/06-15- Term of GPE Board Chair:

In accordance with BOD/2018/06-14 (Charter Amendment), the Board elects to a further extension of the Chair, Julia Gillard, from March 1, 2019 to February 28, 2021, noting the exceptional circumstances relating to the critical nature of the Board's consideration of GPE's long – term institutional arrangements and the importance of ensuring continuity of leadership and support as the Board prepares for the next strategic plan and replenishment. The Board also notes the exceptional performance of the Chair during the successive terms of service.

BOD/2018/06-16—2018-2019 GPE Priorities for CEO Performance Feedback:

The Board of Directors:

Endorses the proposed GPE Priorities as attached in BOD/2018/06 DOC 10 Annex 1 as the basis for the CEO feedback in 2018-19.

BOD/2018/06-17 – Strategic Plan Implementation Plan and Secretariat Work Plan and Budget: July 2018 – June 2019: *The Board of Directors:*

1. Endorses the Implementation Plan detailing work underway or to be completed to deliver on GPE 2020 and beyond as set out in Annex 1 to BOD/2018/06/DOC 11
2. Notes that the Implementation Plan will continue to be updated annually as informed by progress toward the goals and objectives in GPE's Strategic Plan and Results Report.
3. Approves an incremental amount of US\$37,166,000 to fund the FY19 Operating Expenses Budget as set out in BOD/2018/06 DOC 11 for the period July 1, 2018 – June 30, 2019 including US\$2,251,000 for the third-year budget of the Monitoring & Evaluation Strategy.
4. Authorizes the GPE Secretariat to carryover any unspent FY18 funds related to the second-year budget of the Monitoring & Evaluation Strategy (M&E) into FY19.
5. Noting that there would be no increase in the overall headcount from the current Board approved levels agrees that:
 - based on the analysis of the lessons learned from the replenishment campaign that four existing term limited positions previously approved as part of the replenishment surge be integrated into the ongoing regular headcount of the Secretariat to continue advocacy and resource mobilization efforts as part of the current replenishment period and to prepare for the next replenishment campaign.
 - based on the decision to integrate the Knowledge and Good Practice Exchange initiatives on learning assessments, early learning, and gender through related themes under the Knowledge and Innovation Exchange mechanism, the three existing staff positions previously approved under those initiatives and financed through targeted contributions may be integrated into the regular headcount of the Secretariat once targeted funding for those positions has been fully utilized.

BOD/2018/06-18- Institutional Arrangements: *The Board of Directors:*

1. Expresses its appreciation to the World Bank for the role it has and continues to play as Trustee, Grant Agent, and administrative host to the Secretariat during a period of significant growth and change for GPE.
2. Recognizes that GPE's current institutional arrangements must be considered in the context of ensuring GPE has the operational capability it needs to meet the ambition of GPE2020 and beyond. Therefore, with a view to making a decision by December 2018 requests:
 - a. The Board Chair to convene an ad hoc group comprised of the Board Vice-Chair, and one Board or Alternate member representing each of the Donor, Civil Society/PS/PF, and Developing Country Partner constituency categories.
 - b. The ad hoc group with the support of a suitably qualified expert and taking into account the offer from the World Bank to submit a proposal clarifying hosting parameters for GPE will:
 - convey to the World Bank, GPE's potential future directions, required capabilities, and desired governance arrangements to enable the World Bank to produce a fully informed best offer regarding GPE's continued hosting arrangement.
 - liaise with the World Bank to explore the potential for any hybrid model that could include establishing a separate legal entity for GPE while retaining some or all of the hosting relationship.
 - provide an analysis of the World Bank's best offer to the Board
 - provide an analysis of the alternative option to establish a separate legal personality for GPE, and to transition the Secretariat's hosting relationship with the World Bank to one that is directly accountable to the GPE Board.
3. The Board suggests that the funding, procurement, and contract management of the above work be provided by a GPE partner to maximize independence. In the event that an external funding source is not identified by 30th June 2018, or the procurement process is not feasible within the desired November 2018 deadline, the Board Chair may authorize the GPE Secretariat to facilitate the procurement process and fund it from the operating expenses budget.
4. The Secretariat to contract a suitably qualified external firm(s) to develop and submit a detailed assessment of required actions and costs for the Board's consideration in the event that the Board takes a decision to establish a separate legal entity.

5. The TORs and timelines of both studies should be agreed by the ad hoc group, and communicated to the Board to allow for a short period of consultation.
6. The findings of the studies should be communicated to the Board simultaneously and in time for the November 2018 Board retreat.

BOD/2018/06-19—Risk Management Report: *The Board of Directors*:

1. Endorses the changes to the Risk Matrix, including update on current mitigations actions and addition of future mitigation actions, revisions to the overall score of some risks, and update on risk wording, as presented in BOD/2018/6 DOC 13.
2. Requests the Secretariat to commence implementation of the recommendations arising from the external review of risk management based on existing resources and capacity and to report to the FRC on progress at its next meeting.

BOD/2018/06-20—Splitting of the PS/PF Seat: *The Board of Directors*:

1. Recognizes and values the role the Private Sector has played in the GPE partnership and can continue to play.
2. Requests the GEC to:
 - a. Further explore the addition of a Private Sector constituency as the 20th constituency to the GPE Board of Directors, comprised of a Board Member and Alternate Board Member, with an effective date of January 1, 2019.
 - b. Identify the implications of a proposed addition of a Private Sector constituency on Board and Committee structures and consequential changes to relevant policies and procedures, including constituency categories and Committee composition, in order to successfully incorporate a Private Sector constituency into GPE governance while maintaining the Partnership's balanced decision-making structures and processes.
 - c. In coordination with the development of the Private Sector Engagement Strategy, develop expectations of Private Sector representatives, including elements such as financial or in-kind contributions to GPE, and criteria of eligibility of inclusion in a potential Private Sector constituency.
 - d. Report their recommendations on these matters back to the Board for decision in December 2018, with an effective date of January 1, 2019.
3. Requests the Secretariat to update the procedures for the upcoming nomination and election of Board Members, Committee Chairs, and Committee Members to include the potential addition of a Private Sector constituency, and the Board Chair to indicate to the

existing Private Sector/Foundations constituency the need to prepare for upcoming elections in light of such.

4. Notes that a comprehensive and open constituency review will be completed in time for the 2020-21 Board and Committee terms and that this review should consider a broad range of options to further strengthen the partnership.