

PROGRAM DEVELOPMENT GRANT [PDG] APPLICATION GUIDELINES

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I. Introduction

GPE's Strategic Plan 2020 supports the Sustainable Development Goal of ensuring inclusive and quality education for all by building stronger education systems for achieving improvements in education equity and learning. To this end, and closely linked to country commitment, performance, and nationally identified needs, the GPE fund¹ provides three types of grants that have specific purposes at different stages of the policy cycle: 1) Education Sector Plan Development Grant (ESP); 2) Program Development Grant (PDG); and 3) Education Sector Program Implementation Grant (ESPIG).

PDG's added value

The grant adds value to the ESPIG and/ or Multiplier ESPIG application process by allowing the grant agent to allocate technical resources for developing a program that meets GPE and grant agent quality standards, through a consultative process.

These guidelines explain the PDG, which through funding of up to US\$200,000 (US\$400,000 in exceptional cases) is intended to cover grant agents' expenses related to the preparation of the education program and supporting documents for the country's ESPIG and/ or Multiplier ESPIG application package.

The guidelines are primarily intended for the grant agent in charge of managing the PDG, but also for the developing country partner government leading the program development process. The guidelines are also intended to ensure the coordinating agency and the local education group have clarity

on expectations, roles and responsibilities. The guidelines describe the main features of the grant, provide step-by-step guidance in preparing the grant application and offer general guidance for managing the grant, while specifying the roles and responsibilities of the different stakeholders involved.

II. Features of the PDG

II.1 Purpose

The purpose of the PDG is to enable the grant agent (see II.2), working under the leadership of the government, to effectively develop and prepare a program that will support the implementation of the Education Sector Plan (ESP) or a Transitional Education Plan (TEP), depending on the specific country context, and which meets the criteria to be financed by the GPE through the ESPIG and/ or Multiplier ESPIG.

Deliverable of the PDG:

The expected deliverable of the PDG is the ESPIG and/ or Multiplier ESPIG application package, to be submitted to the Secretariat for its final Quality Assurance Review and further processing before being submitted to the Board for approval.

¹ The fund was launched in 2011 and replaced a number of previously existing funds, including the Catalytic Fund (CF) and the Education Program Development Fund (EPDF). The Board of Directors governs the fund and the World Bank is its Trustee.

The PDG is intended to help cover the costs incurred by the grant agent in connection with program development. PDG funds will therefore not be transferred to the national Government and the grant agent will work in accordance with its own internal administrative processes.

The program developed with support of the PDG is expected to support the implementation of the broad-reaching goals of the Global Partnership for Education, and must be based on a consultative process led by the Government in close collaboration with the grant agent and the coordinating agency, and with engagement of the local education group, according to an agreed process.

GPE's Strategic Goals		
<p>Goal 1: Improved and more equitable student learning outcomes through quality teaching and learning.</p> <p>Indicators:</p> <ul style="list-style-type: none"> • Improved learning outcomes at primary level • More children under 5 years developmentally on track in health, learning and psychosocial wellbeing. 	<p>Goal 2: Increased equity, gender equality and inclusion for all in a full cycle of quality education, targeting the poorest and most marginalized, including by gender, disability, ethnicity, and conflict or fragility.</p> <p>Indicators:</p> <ul style="list-style-type: none"> • Increased number of children in school supported by GPE • Improved primary and lower secondary completion rates, total and by gender • Increased pre-primary enrollment • Reduced out-of-school rates, total and by gender • Improved equity indicators in lower secondary completion rates (gender, geography and wealth). 	<p>Goal 3: Effective and efficient education systems delivering equitable quality educational services for all.</p> <p>Indicators:</p> <ul style="list-style-type: none"> • Increased public expenditure on education • Equitable allocation of teachers • Improved ratios of pupils to trained teachers • Reduced student dropout and repetition rates • Improved data reporting • Improved learning assessment systems.

II.2. Eligibility

All grant agents meeting grant agent minimum standards, approved by the government and endorsed by the DPs in the LEG - including civil society representation - are eligible to apply for a PDG (see II.6).

In a given context, it may be appropriate to have more than one grant agent. This option can be discussed in the dialogue leading to consensus and selection of the grant agent (see *Standard Selection for Grant Agents*). Should the local education group decide to select different grant agents for the PDG, ESPIG and/ or Multiplier ESPIG, such decision must be justified. Also, in countries with federal systems where there may be multiple ESPIGs or Multiplier ESPIGs due to the existence of multiple education sector plans at the sub-national level, grant agents appointed at these levels may each apply for a PDG. Where one grant agent is operating in several subnational regions, only one PDG will be given, unless a strong justification is provided to the Secretariat explaining the need for more than one grant.

II.3 Amount

The PDG has a standard allocation of US\$200,000. On an exceptional basis, grant agents can request up to US\$400,000 with justification. The amount requested should be substantiated in the program objectives, work plan, activities to be undertaken and activity costs. Any request for an allocation above US\$200,000 must demonstrate why the country requires additional effort and resources to develop the program.

In case of a joint program, it is expected that the program development costs be distributed among different funding sources, and thus that the requested amount would not reach the PDG ceiling. Likewise, if the application for a PDG constitutes additional financing for an existing program or pooled fund, it is also expected that the requested amount be reduced.

II.4 Activities

The PDG finances activities, goods, or services needed for the development of an education program and other documentation needed for the ESPIG and/ or Multiplier ESPIG application package in the specific country context. Sample activities include:

- Stakeholder consultations
- Analytical work, such as needs and capacity assessments, context-specific risk assessments, gender and fragility analyses
- Fiduciary assessment or any technical appraisal that can help illustrate implementation readiness and inform program design
- Knowledge exchange and dissemination
- Preliminary designs for infrastructure
- Development of implementation manuals, preparation of procurement processes, etc.

II.5 Duration

The duration of the activities financed through the PDG is estimated to be between 12 and 15 months. This period should include preparation of the draft ESPIG and/ or Multiplier ESPIG program and GPE's Quality Assurance Review of the draft program documentation, which is carried out prior to the final readiness review (see Step 1 below). It may also include preparatory activities to ensure timely ESPIG and/ or Multiplier ESPIG effectiveness and implementation.

The official start and end dates of the PDG are specified in the Secretariat's approval letter sent to the grant agent upon the allocation decision. The start date is usually the same date as the letter, while the end date is determined based on the application and ESPIG and/ or Multiplier ESPIG approval and effectiveness timeline.

II.6 PDG grant agent

Terms of reference for GPE grant agents

Outline the operational framework of grant agents, focusing specifically on:

- Overall objectives entrusted to grant agents
- Expected minimum standards for financial management, institutional capacity, fiduciary oversight
- Selection criteria and process
- Roles and responsibilities in relation to each grant
- Financial procedures agreement, needed to receive transferred funds from the Trustee

GPE grants are transferred to the country level through grant agents, designated to receive transferred funds and to be accountable for the use of these resources. The grant agent for the PDG is expected to be the same as the agency selected for the ESPIG and/ or Multiplier ESPIG. However, if as a result of peculiar circumstances or contexts the local education group decides to select different grant agents for the PDG and ESPIG and/ or Multiplier ESPIG, such decision must be justified, and the standard process (see *Standard Process for Selection of Grant Agents*) must be adhered to.

To receive transferred funds, the grant agent must meet GPE's minimum standards for grant agents and have a financial procedures agreement with the Trustee of the GPE.² If this is not already in place, the grant agent should initiate action to secure an agreement with expediency. If a financial procedures agreement already exists, the transfer of resources for both the PDG and the ESPIG will be greatly accelerated.

II.7 Roles and responsibilities

Mutual accountabilities and basic functions

GPE aims to enhance dialogue and collaboration among all actors involved in education sector development and implementation. It works through existing coordination mechanisms, which it seeks to strengthen, and assigns roles and responsibilities through mutually agreed processes.

- **The GPE Charter** outlines the composition, roles and responsibilities of all GPE key players, describing the commitment implied in signing the GPE Compact in terms of mutual accountability.
- **How GPE Works in Partner Countries** summarizes the basic functions of all GPE key players in relation to country-level grant processes, which are further specified in the individual grant guidelines.

For the PDG, the grant agent assumes overall responsibility for the entire grant cycle, from the grant application to delivery of expected outputs. It is the responsibility of the grant agent to ensure that a gender equality perspective is taken into consideration when developing the program with the government and local education group. The grant agent's roles and responsibilities, like those of other key players vis-à-vis the PDG, are summarized in the table below, for mutual accountabilities, and further described in the step-by-step guidance.

² A financial procedures agreement is any agreement or arrangement established between the Trustee of the GPE fund, the World Bank, and the organization or agency that has been nominated as grant agent.

Roles and Responsibilities in relation to the PDG

Developing country partner	<ul style="list-style-type: none"> Leads the development of the ESPIG and/ or Multiplier ESPIG program that is being prepared with GPE support. Signs off on the grant agent's request for the PDG, before the grant agent submits the application to the Secretariat.
Grant agent	<ul style="list-style-type: none"> Ensures that a financial procedures agreement is in place to channel the PDG funds, once approved, and manages the funds, including any sub-contracting. Develops the PDG application in consultation with the Government. Responsible for ensuring that gender equality perspective is taken into consideration when developing the program with the government and local education group. Works with the coordinating agency to ensure that all LEG members are consulted on the ESPIG and/ or Multiplier ESPIG application process and informed on the PDG application, including on timelines relative to ESP preparation and issues that may adversely affect implementation. Submits the PDG application to the Secretariat after sign-off by Government and CA. Prepares the ESPIG and/ or Multiplier ESPIG program document under the leadership of the Government. Monitors activities in line with its own internal processes and policies and the GPE quality assurance process, requesting revisions if necessary in line with the PDG guidelines. Reports on the use of the PDG through a grant completion report.
Coordinating agency	<ul style="list-style-type: none"> Documents the process of the grant agent selection and ensures that the Secretariat is informed. Fosters open and inclusive communication within the local education group on the grant development process, in particular relative to the ESP preparation process and cohesion between ESPIG and/ or Multiplier ESPIG and ESP. Signs the PDG application, confirming it has ensured that members of the local education group have been consulted on the organization of the ESPIG and/ or Multiplier ESPIG application process and are informed of the content of the PDG proposal. Communicates in writing to the Secretariat any concerns about the timing and/or the content of the proposal at the time of PDG application submission. Works with the grant agent to ensure that the local education group is updated regularly and has all necessary information to contribute to the ESPIG and/ or Multiplier ESPIG program development process.
Local education group	<ul style="list-style-type: none"> Provides a forum for dialogue and consultation in an advisory function.
Secretariat	<ul style="list-style-type: none"> Quality assures the PDG application and implementation, especially through 1) an initial in-country visit, 2) screening of the grant application, and 3) general and technical guidance during the program development process. Verifies that the application is complete, approves it through the CEO or Country Support Team Manager by delegated authority and notifies the Trustee of the GPE Fund to transfer funds. Sends approval letter to the grant agent with copy to the CA for distribution to the LEG, specifying official start and end dates.

- Acknowledges receipt of the PDG completion report and processes it for the annual Portfolio Review by the GPE Board.
- Distills good practices for cross-country sharing as relevant.

III. Grant Application Process

Step 1: Identification of activities, timeline, and selection of currency³

The grant agent is eligible to apply for the PDG as soon as it has been approved by the government and endorsed by the DPs in the LEG. The grant agent, in consultation with the Government, identifies the activities to be funded through the PDG. In consultation with the LEG, the grant agent determines how the ESPIG and/ or Multiplier ESPIG program development process will take place to ensure a collaborative and inclusive approach. The grant agent designs the PDG application around the agreed process, including any activities required by its own processes.

As part of Phase 1 of the Quality Assurance Review, the Secretariat usually arranges an in-country mission to support discussions with the local education group around the potential use of ESPIG and/ or Multiplier ESPIG resources and the country's readiness to fulfill GPE funding requirements. A critical part of this discussion is the extent to which the grant is aligned to ESP priorities, the degree to which GPE priorities are being addressed in-country, and how the program being developed through the PDG will further support these priorities.

Selection of currency: Applicants can elect to access the PDG grant in euro, in lieu of the dollar. The decision to apply in euro should be made by the GA in consultation with the government and the local education group. It has to be communicated to the GPE Secretariat (copying the CA). The conversion of the grant amount from the dollar to euro will be based on the prevailing exchange rate at the World Bank as of the date the Secretariat receives the official application.

³ The option to select currency only applies to grants approved after January 1, 2019.

The ESPIG/Multiplier ESPIG Quality Assurance Review – in a snapshot

GPE’s Quality Assurance Review (QAR) ensures that the grant process and budget are in line with the GPE guidelines and principles. It serves to address challenges and flag breaches of process or difficulties as early on as possible in the process.

The submission of the PDG application will happen during Phase 1, while the deliverable of the PDG—the ESPIG and/ or Multiplier ESPIG application package—will precede the Final Readiness Review (Phase 3).

QAR Phase 1: Program Identification Consultation

Includes usually an in-country visit by the Secretariat to support discussions with the local education group on the country’s readiness to fulfill the funding requirements for grant. QAR Phase 1 also reviews the process by which the grant agent was selected. The Secretariat prepares a QAR Phase 1 report, summarizing its recommendations for the subsequent process.

PDG application

QAR Phase 2: Program Review

Includes a technical review of the draft program document (and supporting documents) by the Secretariat through desk review, examining program design; budget and costs; results framework; M&E; implementation arrangements; risk identification and mitigation; sustainability; and aid effectiveness. It results in a QAR Phase 2 report with recommendations to be discussed within the local education group in view of its finalization.

PDG completion

QAR Phase 3: Final Readiness Review

Includes an overall review of the ESPIG or Multiplier ESPIG application package by the Secretariat and results in a QAR Phase III report, detailing the extent to which the issues raised in Phase II have been addressed and assessing the readiness of the program for implementation within the specific country context. Together with the complete application package, this is submitted to GPE’s Grants and Performance Committee (GPC), which makes recommendations to the Board for a decision about allocation.

During the planning process, the grant agent and the Secretariat also agree on a timeline for subsequent phases of the Quality Assurance Review, thereby sequencing PDG activities towards developing the education program for ESPIG and/ or Multiplier ESPIG funding and making other documentation that is required for the application package ready for the Final Readiness Review.

The above decisions regarding the PDG and the timeline for the Quality Assurance Review will frame the contents of the PDG application.

Step 2: Development of the PDG application

PDG application templates

The grant agent should use the [PDG Application Form](#) and the [PDG Budget Template](#) (see page iv), which are the only documents required for the PDG application. If the grant agent wishes to share additional documents for consideration, it can attach them to the application.

While the Government leads the development of the program to support the implementation of the education plan, the grant agent assumes overall responsibility for the PDG process and develops the PDG application in consultation with the Government and the local education group. The following information is to be provided in the PDG application:

General information:

- Name and contacts of the grant agent, partner Ministry representative, and the coordinating agency representative.

Brief narratives on:

- The context and justification of the need for the PDG.
- The overall approach and process for developing the proposed ESPIG and/ or Multiplier ESPIG financed program, including:
 - Whether the grant development timeline ensures the ESPIG will be driven by the ESP and not vice versa;
 - Whether the grant will finance an aligned, pooled or stand-alone program;
 - The expected scope and depth of collaboration with the Government, ensuring capacity building through joint program preparation; and
 - Key milestones in the grant process for consultation with the local education group.
- Context-specific risks that may affect the fulfillment of the planned ESPIG and/ or Multiplier ESPIG grant development activities.
- The grant agent's internal procedures for grant administration and its added value in terms of financial, technical and/or other strengths.

Objectives and activities:

- Objectives and short description of each activity;
- Schedule for all activities, taking into account the ESP preparation process and the ESPIG Quality Assurance Review process; and
- Budget for the activities, including requested GPE budget and co-financing.

Step 3: Endorsements and submission

Before the grant agent submits the application to the Secretariat, the partner Ministry signs off on the grant agent's request for a PDG, while the coordinating agency also signs the application confirming that the local education group is informed of PDG contents and has been consulted in the ESPIG and/ or Multiplier ESPIG development timeline and process. The CA informs the Secretariat if it has any concerns about the application process and timeline. The Secretariat will acknowledge receipt of the application and further process it.

Submission of application

A PDG application can be submitted anytime throughout the calendar year. The grant agent should send the completed application form and budget to gpe_grant_submission@globalpartnership.org with copy to the GPE country lead and the coordinating agency.

Step 4: Screening

Upon receipt of the application, the Secretariat will carry out an initial assessment. It will have 10 working days to complete an initial review and notify the grant agent, with copy to the coordinating agency, in case there are any points needing clarification. In carrying out the review, the Secretariat will determine whether the grant application meets the eligibility criteria, and is reasonable in its budget and timeframe.

Critical aspects of the PDG application

- **Participation:** Are there indications that the selection of the grant agent has followed the recommended standard process, and that there has been sufficient consultation in identifying the scope of PDG activities?
- **Strategic focus:** Will the activities described appropriately contribute to the preparation of the program for GPE financing? Are any critical areas not included in the activities? If so, is there sufficient reason to believe that the missing areas would be addressed during preparation?
- **Feasibility:** Are the activities described appropriately sequenced for the successful development of the program for GPE financing? Does the grant agent have the required financial management, technical and operational capacities?
- **Budget:** Are the budget and timeline for completing the activities described reasonable? If the budget exceeds \$US200,000, is the proposed increase justified?
- **Risk assessment:** Are there any risks to carrying out the activities outlined against the timeline detailed, and if so, what mitigation measures are included?

If the Secretariat has serious questions or concerns related to the content of the application, it will return the application with written comments to the grant agent, with copy to the coordinating agency. The grant agent, in consultation with the Government and local education group, will have the opportunity to address the Secretariat's concerns, if necessary, before resubmitting the application.

Step 5: Approval

After the initial screening, the Secretariat's grant application review committee - composed of a cross-team of technical, policy and financial experts - reviews the application, making sure that the PDG grant process and budget are in line with the GPE guidelines, and makes recommendations to GPE's Country Support Team

Minimum standards and protocol

- **The Terms of Reference for Grant Agents** outline the minimum standards for administering GPE grants, who are entrusted to follow their own policies and procedures, including those related to audit; eligible expenditures; employment and supervision of consultants and procurement; and fiduciary oversight, comprising continued support and corrective action to ensure effective implementation.
- **The GPE Policy on Misuse of Trust Funds** should be followed in the event of suspected misuse of funds, in addition to the grant agent's own internal procedures and processes in this regard.

Manager for further allocation decision. In the event of politically sensitive or high risk situations, the Manager will raise the approval to CEO level. The Secretariat's decision will be communicated to the grant agent within three days of the decision, with copy to the coordinating agency for further distribution to the LEG.

Where an application has failed to address concerns raised during the screening stage, or where the Secretariat's grant application review committee raises significant new concerns, the Secretariat may ask for additional clarifications. Should the Secretariat decide not to approve the application, it will provide written comments outlining why the application was not approved.

Timeframe for application processing

If no clarifications are needed, the application will be processed within four weeks upon receipt, and the Secretariat's decision will be communicated to the grant agent with copy to the coordinating agency.

Upon approval, the Secretariat will request that the Trustee process a transfer of funds to the grant agent, where a financial procedures agreement already exists. Where no financial procedures agreement is pre-existing, the Secretariat will continue working with the grant agent to develop one (see II.3).

IV. Grant administration and monitoring

IV.1 General Management

The grant agent is responsible for monitoring the implementation of the PDG and will use its own monitoring system to ensure that high-quality work is carried out in a timely fashion. This includes financial management and monitoring in accordance with the agency's own policies and processes.

The grant agent may, at its discretion, subcontract program activities to other entities. The Secretariat encourages grant agents to source domestic or regional expertise as relevant and appropriate in order to foster local or regional capacity development. Contracting relationships will be the sole responsibility of the grant agent.

A basic principle of grant monitoring is to detect issues that may arise during implementation as early as possible and resolve them. If there are delays or issues that may adversely affect the quality and timing of the work, it is the responsibility of the grant agent to inform the Secretariat and the local education group. In doing so, the grant agent should also include an explanation of what the grant agent is doing to mitigate the impact of delays and to ensure that the grant will be completed in a timely manner.

In general, a key role of the grant agent during implementation is to work closely with the government to ensure ownership of the program in the ESPIG or Multiplier ESPIG, and with the coordinating agency to ensure that the local education group is consulted and regularly informed on the status of activities, including any delays in the work plan.

IV.2 Revisions

The grant agent may make minor revisions to the grant activities, provided that the adjustments to the grant budget are limited - **less than 20 percent of the grant amount** - and are in line with the objectives of the grant. The grant agent must inform the Secretariat of these adjustments as part of the grant completion report.

For revisions that affect the grant budget to a larger extent - **in excess of 20 percent of the grant amount** - the grant agent should first ensure that the local education group is aware of the change through notification of the coordinating agency, and then submit the request to the Secretariat, documenting the rationale for the change and the amounts involved. The Secretariat will consider the change and either issue a no-objection to the proposed changes or will inform the grant agent if the changes are not acceptable.

If a country wishes to extend activities beyond the timeframe indicated in the original application, the grant agent should prepare a request in consultation with the local education group. Extensions will be limited to one six-month period, unless exceptional circumstances are demonstrated.

The Secretariat will consider the request and either issue a no-objection to the proposed changes or will inform the grant agent if the changes are not acceptable. Should it decide not to approve the request, it will provide written comments outlining its rationale.

Submission of revisions

The grant agent should submit requests for revisions to the Secretariat with copy to the country lead, using the following address: gpe_grant_submission@globalpartnership.org.

IV.3 Risks mitigation

As with all types of grants, GPE has a policy of zero tolerance when it comes to misuse of GPE trust fund resources. In the event that misuse does occur, the grant agent's internal processes for dealing with such issues will apply, including procedures to reclaim any misused funds, if applicable. The grant agent should also immediately inform the Secretariat, in writing, of any concerns regarding misuse of funds and remedial actions taken by the grant agent to mitigate the impact on the program in line with the *GPE Policies and Communications Protocol on Misuse of GPE Trust Funds*.

IV.4 Completion

As mentioned under II.1, the main deliverable of the PDG is the final ESPIG and/ or Multiplier ESPIG application package. However, the grant may cover some initial ESPIG or Multiplier ESPIG program preparation activities.

In case the ESPIG or Multiplier application is rejected by the Board and must be resubmitted, the resubmitted application is treated as a new application and the grant agent is entitled to apply for a new PDG. It is expected that much of the work would have been completed under the previous PDG, and any application would need to fully explain how the new work under consideration would contribute to addressing the weaknesses identified as reasons for the non-approval of the initial PDG application.

IV.5 Reporting

The grant agents are requested to submit the grant's final financial statements to the GPE Secretariat as stipulated in the Financial Procedures Agreement (usually within six months). Any unspent funds at the close of the grant should be reported to the Secretariat, and to the GPE Trustee by an authorized signatory using the relevant annex outlined in the Financial Procedures Agreement. The Secretariat and the Trustee for the GPE fund will liaise with the grant agent for further details on how the unspent funds will be returned.

Annex 1

USEFUL DOCUMENTS	
Other documents related to the PDG package	<ul style="list-style-type: none">• PDG Application Form• PDG Budget Template (Excel)
Documents referenced in these guidelines	<ul style="list-style-type: none">• How GPE Works in Partner Countries• Terms of Reference for Grant Agents• Standard Selection Process for Grant Agents Regular ESPIG Guidelines• Multiplier ESPIG Guidelines• Policy and Communications Protocol on Misuse of GPE Trust Funds
Other relevant documents	<ul style="list-style-type: none">• GPE Charter• GPE Fund Governance• Terms of Reference for Coordinating Agencies

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