

BOARD OF DIRECTORS

DECISION VIA AFFIRMATIVE VOTE

ALLOCATION FOR AN ESPIG TO ETHIOPIA

Reference	Decision
BOD/2020/12-02	<p>Allocation for an Education Sector Program Implementation Grant to Ethiopia</p> <p>The Board of Directors with respect to the application submitted in the third round of 2020:</p> <ol style="list-style-type: none">1. Notes compliance with the requirements for accessing the fixed part of the maximum country allocation (MCA) for an education sector program implementation grant (ESPIG), as described in the application and summarized and assessed in BOD/2020/11 DOC 02.2. Notes compliance with meeting the requirements for accessing the variable part of the combined MCA and approves the indicators on Equity, Efficiency, and Learning and their means of verification as described in the application and assessed in BOD/2020/11 DOC 02.3. Approves an allocation from GPE trust funds for an ESPIG, as described in the application submitted and summarized in Table 1 in BOD/2020/12-02 3 (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. GPC recommendations for funding, including (all amounts in US\$):

Table 1- Application Summary and GPC Allocation Recommendations for an ESPIG:

Ethiopia		
a.	ESPIG Maximum Country Allocation	125,000,000
b.	Fixed Part	87,500,000
c.	Variable Part	37,500,000
d.	Allocation Requested (100%)	125,000,000 ¹
e.	Allocation Recommended by GPC	125,000,000
f.	Grant Agent	World Bank
g.	Agency Fee % - Amount	1.75% - 2,187,500
h.	Period	3 years, 4 months and 10
i.	Expected Start Date	February 26, 2021
j.	Variable Part Disbursement Modality	Ex-post
k.	Funding Source	GPE Fund

- 3. Requests the Secretariat to:
 - a. Include in its notification of grant approval to Ethiopia the observations and requests for report-back set out in Annex A.
 - b. Include an update on the issues listed as report back in Annex A in the annual Grant Status Report in accordance with the specified timeline.

¹ Includes US\$2,500,000 for the cost of the grant agent to perform its roles and responsibilities.

Annex A – GPC Observations and Report-Backs

Ethiopia	
Observations	<p>The Committee commends the comprehensive consultative process followed for developing the application, which also shows the strong coordination between the ministry of education and development partners in Ethiopia.</p> <p>Further, the equity focus of the program, especially through expanding pre-primary class, scaling up inclusive education, and expansion of primary and middle schools in disadvantaged areas, is fully aligned with GPE priorities.</p> <p>At the same time, the Committee encourages the country to ensure sustainability of ICT/ EdTech interventions by adequately evaluating the activities before system-wide rollout, integration of refugee children into schools, and to monitor enrolment of out-of-school children.</p> <p>The Committee appreciates past progress made in increasing the share of the recurrent budget allocated to primary education, and the commitment made to make further progress and reach 45 percent within the lifetime of the program. The Committee further acknowledges the government’s historically strong financial commitment to education expenditure. Given the decline in the education expenditure as share of the public spending (excluding debt) projection for the next three years, the Committee strongly reiterates the importance of maintaining the level of education expenditure to ensure sustainable sector outcomes.</p> <p>The Committee also notes the impact of the pandemic on education systems and invites the government and the grant agent, in consultation with the LEG, 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.</p>
Report-Backs	<p><i>For the government:</i></p> <p>The Committee is pleased to learn about the joint sector review (JSR) held in 2019 and requests the government to further conduct JSRs, at least annually, and strengthen the preparation of the next JSR, building on the 2019 JSR. The Committee looks forward to receiving JSR reports in the future.</p> <p>With regard to the commitment made to allocate 45 percent of the recurrent education budget to primary education within the lifetime of the grant, the Committee requests the government to provide progress updates towards the commitment via annual reports.</p>

For the grant agent:

In the context of the importance of gender equality in education, the Committee requests the grant agent to conduct a comprehensive gender analysis for the program and report back to the Committee at the end of the first year of implementation.