

# GUIDELINES FOR EDUCATION SECTOR PROGRAM IMPLEMENTATION GRANTS [ESPIG]

June 2021

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# I. INTRODUCTION

The ESPIG provides support to the implementation of national Education Sector Plans (ESPs) or Transitional Education Plans (TEPs)<sup>1</sup> to create stronger education systems capable of delivering improvements in equity and learning.

Funding through the ESPIG builds on an evidence-based planning process and inclusive policy dialogue, and leverages financing of national priorities identified in the ESP/TEP endorsed by developing partners. The grant is designed for results-based financing by ensuring stronger quality standards for educational planning, programming and monitoring, and by providing specific incentives to focus resources on achieving improved performance in equity, efficiency and learning outcomes, and to go beyond past trends in these areas. The grant application process and the grant monitoring modalities aim to add value to sector developments by enabling inclusive partnerships that engage governments, donors, civil society, teachers, philanthropy, and the private sector.

The ESPIG is intended to complement other funding sources. Applications therefore require evidence on the *complementarity* of GPE funds in relation to projected domestic financing by the government and financing from other external partners. It is also expected that work supported through the ESPIG be aligned with GPE's strategic goals, collectively supported by GPE partners and member countries.

**These guidelines** are primarily intended for the government, leading the application development process and grant implementation, and the ESPIG grant agent who has the responsibility of preparing the full ESPIG application package and administering the grant.<sup>2</sup> They are also intended for the coordinating agency whose role is to facilitate a collaborative process among all members of the local education group during program development and implementation to enable collective and aligned support to the government.

To help applicants prepare a successful ESPIG package, these guidelines introduce the main features of the grant and provide step by step guidance for the application process, including for the quality assurance steps designed to help ensure that the country meets the GPE funding requirements and that the proposal to be funded is robust and responds to expected quality standards.

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<sup>1</sup> A TEP may be suitable for countries where the education sector operates in a particularly challenging and complex context; for instance, when a country is affected by or emerging from conflict.

<sup>2</sup> See link to Terms of Reference for Grant Agent in the "Useful Resources" section of this document.

## II. FEATURES OF THE ESPIG

This section introduces the grant by explaining its key features, including purpose, eligibility, country allocations, requirements and incentives, eligible expenditures, modalities, duration and roles and responsibilities of key players.

### II.1 PURPOSE

The ESPIG provides funding<sup>3</sup> to contribute, together with domestic financing and other external aid, to the implementation of national Education Sector Plans (ESPs) or Transitional Education Plans (TEPs).

### II.2 COUNTRY ELIGIBILITY, MAXIMUM COUNTRY ALLOCATION, AND ELIGIBLE EXPENDITURES

All developing country partners that have received an official notification of an indicative Maximum Country Allocation (MCA),<sup>4</sup> approved by the Board, are *eligible* to apply for the ESPIG.<sup>5</sup> When an MCA is attributed to a country, the Secretariat communicates the notification to the government with copy to the local education group.

Requirements and incentives: The MCA consists of a **Fixed Part** (requirements-based) and a **Variable Part** (incentives-based),<sup>6</sup> making up 70 percent and 30 percent of the MCA respectively (see sections III.2.1 & III.2.2).

As stipulated in the [Operational Framework for Requirements and Incentives](#) approved in 2014, the fixed and variable portion of the maximum country allocation reflects the Global Partnership's historical commitment to have a positive leveraging effect on the development of national sector-wide policies, strategies and systems; with the understanding that these three elements are incontrovertible in the achievement of large-scale and sustainable education outcomes. The requirements call for evidence-based education sector plans that provide relevant and credible strategies to improve access and learning for all children. Education sector plans must be backed by strong government and development partner commitment to implement and finance the actions needed to achieve progress. Finally, in order to define and measure this progress, the requirements call for improved data strategies to provide essential information on the education sector in general and marginalized groups specifically, on learning outcomes, and on education financing. This will require the inclusion of data from outside the education system. The incentives incorporate the results-based financing concept but raises it to a sector level results-based approach to provide additional pull for change under the broad headings of equity, efficiency and learning outcomes.

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<sup>3</sup> GPE financing, including ESPIG funding, continues to focus on basic education, defined as pre-primary, primary, lower secondary education and second-chance learning. However, it is encouraged that GPE funds contribute to a wider pooled fund or budget support (sector or general). Moreover, where equitable learning outcomes are well advanced at basic education levels, it may be appropriate for GPE to provide additional investments in early childhood care or upper secondary education.

<sup>4</sup> The amount of the MCA is decided by the Board, guided by a needs-based allocation formula, progressively applied to all eligible developing country partners based on total funds available.

<sup>5</sup> Countries can agree to formally authorize a regional organization to facilitate, on their behalf, regional arrangements and engagements leading to the submission of a multi-country application to a GPE grant. The regional organization should send to the Secretariat a letter of intent to apply for a grant as well as a copy of the agreements to adopt such a multi-country approach.

<sup>6</sup> Given their small sizes, the entire allocations for eligible Small Island and Small Landlocked Developing States are "Fixed" and do not contain any "Variable" component ([BOD/2014/02 DOC 06 REV.1](#)). In general, for allocations US\$5 million or less, a country has the option to not include the Variable Part, except when the regular ESPIG amount is combined with a Multiplier allocation and the combined amount exceeds US\$5 million ([BOD/2018/12-05](#)).

Based on this, to access the Fixed Part of the allocation, developing country partners will need to fulfil a set of requirements related to the ESP/TEP, data and domestic/external financing. The requirements and incentives are described in Section III.2 and fully integrated in the step-by-step guidance for the application development process in Section III.3.

With the exception of the agency fees<sup>7</sup>, all other costs for the grant agent to perform its role, including all administrative oversight control within the program, are **financed from within the MCA**.<sup>8</sup> These costs should therefore be disclosed in the application form.

Eligible expenditures: ESPIG application must demonstrate that all expenditures to be financed are directly linked to the implementation of the ESP/TEP, and more specifically to the implementation of national priorities in pre-primary, primary, lower secondary education and second-chance learning. However, when part of pooled or budget support, GPE funds need not be limited to specific sub-sectors. Moreover, where equitable learning outcomes are well advanced at basic education levels, it may be appropriate for GPE to provide additional investments in early childhood care or upper secondary education.

No GPE funds can be used to support for-profit provision of core education services, including provision of services by internationally owned network (chain) schools, or part-internationally owned (majority or minority investment). However, in certain circumstances, exemptions may be considered. Exemptions may be granted to allow for bottom-up, community-derived networks and sole proprietor-owned schools that do not pay dividends. Such exemptions can only be considered as a last resort where there is no available public provision of core education services for marginalized populations and no alternatively available not-for-profit provision.<sup>9</sup>

## II.3 MODALITIES

The choice of the funding modality for the ESPIG support should be underpinned by the principles of aid effectiveness, and is made through the local education group based on existing fiduciary risks. **Budget support** is the preferred modality where conditions permit to allow for full use of country systems. In countries with an operational **joint financing** mechanism (pooled fund), GPE financing will be expected to co-fund. In other instances, **a project** in support of the ESP/TEP may be the appropriate option where a more aligned modality is not considered to be viable. In the last case, it is encouraged to envisage co-financing mechanism.

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<sup>7</sup> Agency fees: General agency fees are additional to the MCA, and determined by the grant agent's own internal regulations. They are paid to the agency's headquarters and relate to overhead costs and are typically used to assist in the defrayment of administrative and other costs incurred in connection with the management and administration of grant funds. These fees are pre-determined in the Financial Procedure Agreement (FPA) between the grant agent and the GPE Trustee.

<sup>8</sup> For grants approved prior to the second round of applications in 2016, these costs are referred to as 'supervision fees' and not budgeted within the program budget, but separately.

<sup>9</sup> See GPE private sector engagement strategy paper: <https://www.globalpartnership.org/content/private-sector-engagement-strategy-2019-2022>. See also the GPE Board paper on exceptional circumstances exemptions for the private sector engagement strategy: <https://www.globalpartnership.org/content/exceptional-circumstances-exemptions-private-sector-engagement-strategy-december-2019>.

The application must indicate which disbursements of budget support and/or a pooled fund and/or which components of a program will be financed through the fixed part of the grant, and how the components financed through the variable part will be integrated.<sup>10</sup>

## II.4 DURATION

The program implementation period is to be three to four years. The Variable Part can be disbursed:

- 1) concurrently with the Fixed Part *as part of* a three or four-year grant, or
- 2) as an additional phase of the program, *after* the Fixed Part is implemented (therefore as fourth and/or fifth-year disbursements).

The implementation period is indicated in the application form, as is the expected start date. It is expected that the program starts no later than six months after grant approval. A request for a later start date will need to include a strong rationale and justification.

The Grant Agent must notify the Secretariat<sup>11</sup> once the program has effectively started, marked by the occurrence of an event defined in the grant application. The GA must also notify the Secretariat when the grant agreement is signed, if applicable.

Any delay to the expected start date, the signing of the grant agreement (if applicable), or the grant closing date may be acceptable within the provisions of the *Policy on Education Sector Program Implementation Grants*. As stated in the Policy, such delays must also be communicated to the Secretariat.

## II.5 GRANT AGENTS

The responsibility for GPE grants is entrusted to Grant Agents. Grant Agents use their own policies and administrative procedures to develop and subsequently execute a grant implementation mechanism,<sup>12</sup> in conjunction with GPE guidelines and policies. ESPIG grant agents are selected through a transparent process, approved by the government and endorsed by the development partners in the local education group.<sup>13</sup>

In order to be able to exercise their fiduciary role, all Grant Agents must have a signed Financial Procedures Agreement (FPA) with the GPE Trustee. If a prospective or designated grant agent does not have a signed FPA it should initiate action by its Head Office to secure this. The signing of an FPA can in some instances involve protracted legal and administrative negotiations.<sup>14</sup>

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<sup>10</sup> A country can choose to integrate the components to be funded by the variable part in the original ESPIG application package OR submit a separate program document when it has been decided that the variable part can be disbursed (see Section III.4).

<sup>11</sup> The grant agent's communication to the Secretariat should be sent to the following email address: [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org), copying the country lead.

<sup>12</sup> Including the bilateral fiduciary agreement between the Grant Agent and the Government.

<sup>13</sup> For GPE's standard selection process for grant agents, see "Useful Resources" section of this Guideline.

<sup>14</sup> The following organizations are currently authorized to receive GPE funds in the capacity of grant agent: AFD (France), AsDB (Asian Development Bank), BTC (Belgium), Concern Worldwide, DFID, UNICEF, UNESCO, World Bank, SIDA (Sweden), SDC (Swiss), Save the Children (US and UK), Global Campaign for Education (for CSEF).

Appointed grant agents may apply for a program development grant to finance program and application preparation.<sup>15</sup> In countries with federal systems where there may be multiple 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 GPE program development grant. Where one grant agent is operating in several sub-national regions, only one program development grant will be given, unless a strong justification is provided to the Secretariat for the need for more than one grant.

## II.6 ROLES AND RESPONSIBILITIES

The roles and responsibilities vis-à-vis the ESPIG are embedded in the partnership compact of mutual accountabilities, and intended to enhance sector dialogue under government leadership and collaboration among all actors involved in education sector development and implementation.

Overall, the developing country partner takes the lead in identifying the ESPIG program scope and contents and in ensuring alignment with the ESP/TEP, while being strongly supported by the grant agent and by other development partners of the local education group, in particular the coordinating agency. The latter ensures that key milestones in the process go through consultation with the local education group to facilitate partner collaboration, including engagement of civil society organizations, and transparent and consensual program preparation. To facilitate this collaboration, the grant agent has the responsibility to duly and timely inform the coordinating agency on the key steps of program development.

The Secretariat accompanies the above through a clearly sequenced process and technical support. It stays engaged in country developments during implementation through the designated country lead who supports the grant agent in addressing any emerging issues, and in making sure that the implementation of the grant complies with GPE's policies and principles.

### **Conflict Resolution Procedures**

The multiplicity of viewpoints inherent in a multi-stakeholder partnership constitutes a strength, but may also lead to conflicting interests and opinions between key players. Conflicts may emerge in the negotiation of roles, responsibilities and decisions related to the grant development process; the choice of components, activities and design and delivery modalities of a GPE-financed program; or the selection of the grant agent.

The *GPE Conflict Resolution Procedures* sets out steps for resolving such conflicts effectively, as it is paramount that such conflicts are addressed in a timely and constructive manner.<sup>16</sup>

<sup>15</sup> The grant agent can apply for a program development grant (PDG) to help cover its expenses for formulating the program and developing the ESPIG application package. Due to the purpose of the PDG, the funds will not be transferred to the government and the grant agent will work in accordance with its internal administrative processes. For details, see link to *Terms of Reference for GPE Grant Agents* in the see "Useful Resources" section of this Guideline.

<sup>16</sup> For details, see link to *GPE's Conflict Resolution Procedures* in the "Useful Resources" section of this document.

### III. ESPIG PROCESS

This section provides an overview of the ESPIG process and explains the application development, including the quality assurance mechanisms and support provided by the Secretariat.

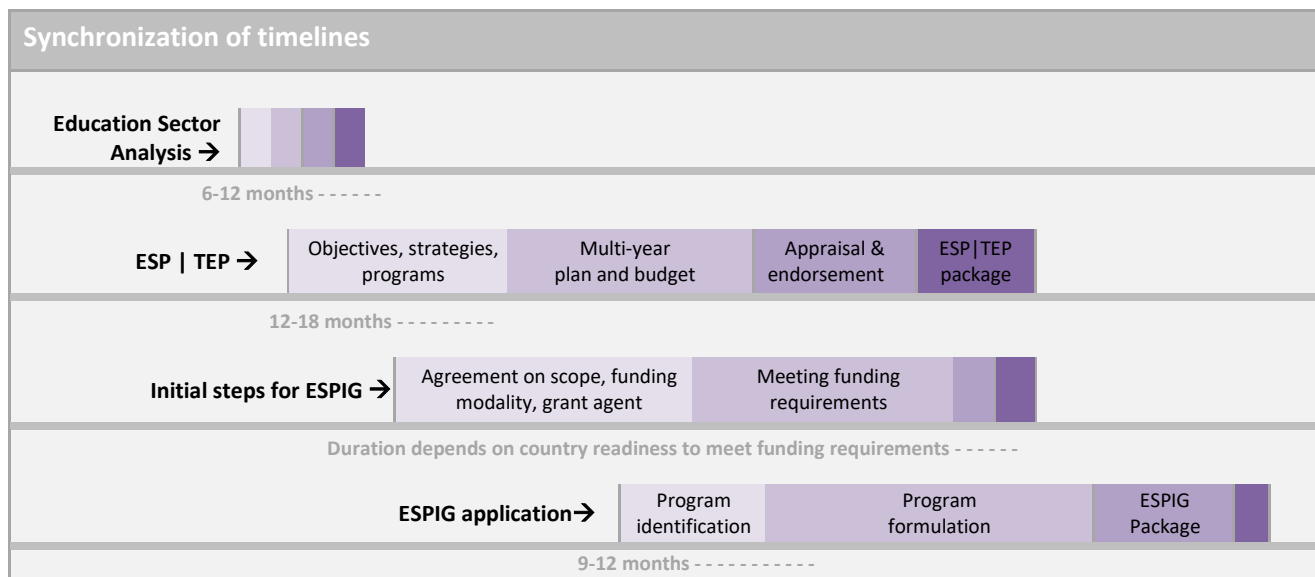
#### III.1 OVERVIEW

##### III.1.1 Timelines

The ESPIG process is designed to result in applications that are based on core education and financial data and consensus reached through inclusive coordination, and aligned with the goals and objectives of national ESP/TEPs. The duration of the ESPIG process varies from country to country, depending on the specific context, including whether the grant is based on a new ESP/TEP or a revision of an existing plan, whether it is a small or large grant, as well as the mechanisms for sector dialogue and the country’s general readiness to meet the funding requirements.

Since the application process must build on the nationally-owned ESP/TEP development or revision, the Secretariat will provide guidance on how the ESPIG application can best be synchronized with the national process (see also III.1.2). It is normally expected that there is only one application for the maximum country allocation. Decisions to apply for different parts of the MCA (for example fixed and variable) at different dates, dividing the ESPIG between different programs and/or the use of more than one grant agent should be justified.

As illustrated below, the identification of the program activities for ESPIG funding usually begins *after* the ESP/TEP’s objectives, strategies and programs have been developed and *prior* to the completion of the ESP/TEP multi-year action plan. The initial steps of the ESPIG process would therefore ideally begin prior to the conclusion of the work of the ESP/TEP package and overlap to some degree with the finalization of the national plan. In all cases, the program objectives should support and be driven by the ESP/TEP’s objectives and contents.



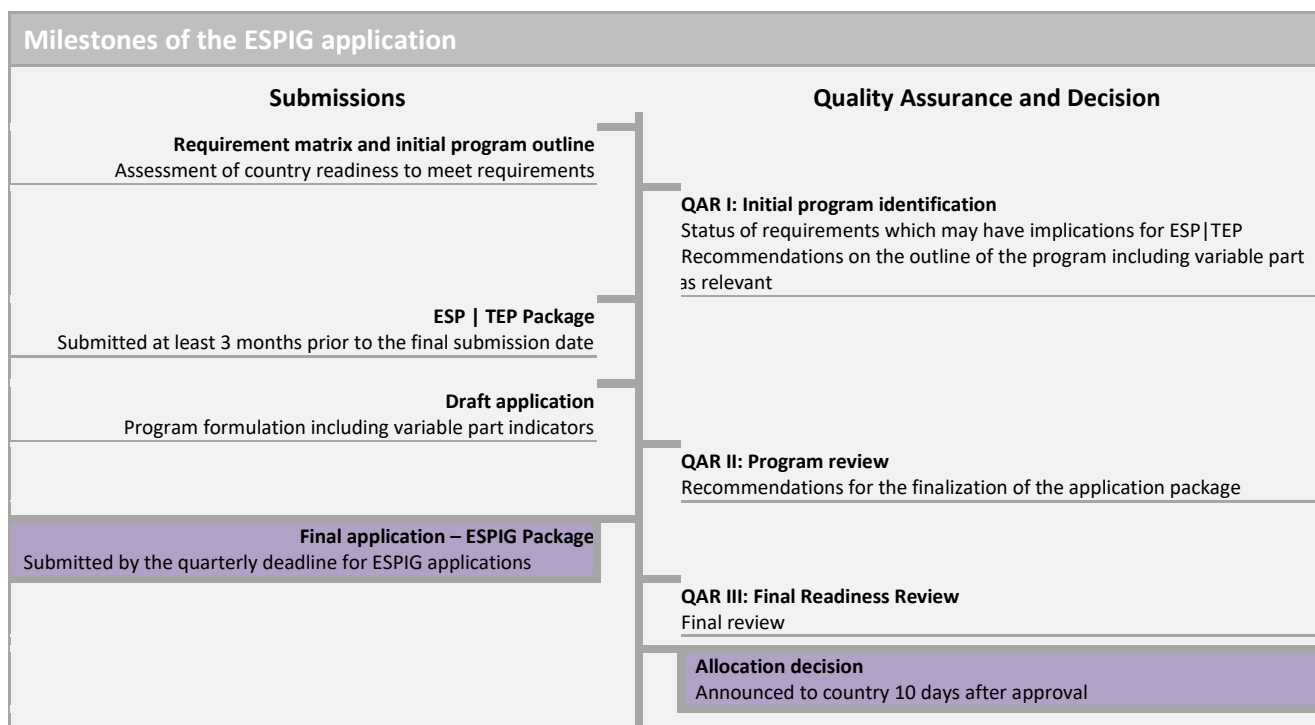


### III.1.2 Quality assurance support and sequencing

For each ESPIG application, the Secretariat accompanies the program and application development process on a continuous basis and as needed. The designated Secretariat country lead works with the local education group and in particular the Ministry, coordinating agency and the grant agent to ensure and facilitate the preparation of high quality applications that support and are aligned with country processes and GPE’s guiding policies and principles.

The support of the Secretariat is underpinned by a three-phased Quality Assurance Review (QAR) process that provides the milestones of the application process, as follows:

QAR Phase I:	Review of requirements for the fixed part and initial program outline
QAR Phase II:	Review of the draft program & proposal for the variable part
QAR Phase III:	Final readiness review



The quality assurance reviews are sequenced to fit an ESPIG submission date, communicated by the Secretariat<sup>17</sup> together with the dates for the intermediary submissions leading to the final ESPIG application. From the outset, the local education group needs to make a sensible and realistic scoping and assessment to build these phases into the broader timeline of the ESP/TEP development process.

To facilitate the adaptation of the ESPIG application process to the ESP/TEP process, the following section focuses first on the elements of the application that relate to the funding requirements and incentives and have implications

<sup>17</sup> The Secretariat communicates the ESPIG application submission dates, as soon as dates are set for meetings of the Grant and Performance Committee and the Board.

for the ESP/TEP, broader sector dialogue, financing and monitoring, and then describes the actual application and program development process step by step, including the QAR process.

## III.2 MEETING THE REQUIREMENTS TO ACCESS THE MCA

### III.2.1 Assessment of country readiness to fulfil the requirements to access the Fixed Part

Prior to embarking on the process of developing an ESPIG application, the government in consultation with the coordinating agency should notify the Secretariat of the country's intent to apply, in order to agree on a broad timeline leading to the final application submission.<sup>18</sup> Upon receipt of the notification, the Secretariat invites the local education group to assess the country's readiness to fulfil the three requirements by the time of the estimated application submission. The Secretariat will provide a tool - Fixed Part Requirements Matrix - to guide the assessment and the identification of any existing gaps to meet the funding requirements. This information is reviewed and supplemented by the Secretariat during the application process as part of QAR I.

#### **Three requirements for country readiness to access the MCA**

1. An independently appraised and endorsed quality ESP/TEP<sup>19</sup>

The purpose of this requirement is to ensure that education aid, including from the GPE, (i) is based on a solid, nationally owned analysis of the challenges of delivering quality basic education to all boys and girls, including those from marginalized groups, and (ii) builds institutional capacity to deliver education services equitably and efficiently.

2. Evidence of commitment to finance the endorsed ESP/TEP, including both government commitment and development partners' commitment.

The purpose of this requirement is to promote mutual accountability among GPE partners for progress towards access to quality education for all children. This requirement therefore has two elements: (i) government commitment and (b) development partners' commitment.

3. Availability of critical data and evidence for data planning, budgeting, managing, monitoring and accountability or alternatively, a strategy to develop capacity to produce and effectively use critical data. The requirement is divided into three sub-components concerning the availability of:

- a) An education sector analysis
- b) Basic financial and education data
- c) A system or mechanisms to monitor learning outcomes.

The purpose of this requirement is to contribute to improving data as a tool to diagnose, draw evidence from education needs and challenges, develop relevant, appropriate sector strategies and track progress towards realistic targets.

<sup>18</sup> This notification should be sent to the following email address, copying the country lead:  
[gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org).

<sup>19</sup> See III.2.3 for the list of full ESP/TEP package.

### III.2.2 Equity, efficiency, and learning outcomes strategies to access the Variable Part

To apply for the Variable Part of the MCA the developing country partner in consultation with the local education group identifies existing or new priority policies and strategies for 1) *equity*, 2) *efficiency* and 3) *learning outcomes*, from which actions and indicators to access the Variable Part will be chosen. The indicators selected must be core indicators of the ESP, reflecting progress on key strategies and policies designed to drive overall progress in the sector and incentivize the unlocking of key sector bottlenecks. Context and capacity will impact the suitability of indicators and payment modalities, and therefore indicators may be process, output, or outcome-related. Process and output level indicators should be accompanied by a robust theory of change to demonstrate how these will lead to the desired outcomes for the sector. Best practice is to integrate the identification of the policies and strategies and related indicators into the ESP/TEP development or revision, but alternatively, a specific identification process can be undertaken.

The documentation should indicate *when* and *how* it will be assessed if actions have been completed and indicators reached in a timely manner, including the *means of verification*, for example through third party monitoring. The Secretariat will review the information for the Variable Part during QAR II.

#### **Additional requirements to access the Variable Part**

Meeting the requirements for the incentive-based part of the MCA model requires identification of at least one indicator in each of the dimensions of Equity, Efficiency and Learning Outcomes.

Depending on the country context and capacity levels, the indicators can be process, outcome or output-related, while the identified targets should demonstrate an achievable stretch and go beyond a mere continuation of current trends.

In the context of the variable part of the funding model, the three dimensions are referred to as follows:

<b>Equity</b>	<b>Efficiency</b>	<b>Learning outcomes</b>
Refers to <u>addressing disparities</u> in education access, quality and learning outcomes, including gender, income, region-based and other disparities. If lack of data is a problem to address disparities, efforts to obtain such data should be made and alternative assessment indicators should be used.	This is defined in relation to access, quality and learning outcomes, as the ratio of outcomes versus resources for these dimensions. One example would be the ratio of school life expectancy (the average level of effective schooling attained by the population) compared to spending (percentage of GDP for education), indicating how many years of effective schooling a country's public expenditure is able to buy. But other dimensions of efficiency with regard to access and quality can be developed, depending on the availability of data. The absence of data to develop assessments and indicators on efficiency would have to be addressed in the same way as for equity.	Refers here to actions to improve learning outcomes, incentivizing strategies to manage and remedy learning issues. Funds would be linked to results in the form of improvements in student learning (e.g. percentage of students achieving literacy or numeracy standards as defined by the country), or to proxy outputs linked with an evidence-based theory of change to improve learning (e.g. number of instructional hours; availability of instructional materials; textbook ratios for reading and math; percentage of qualified teachers, etc.).

Normally, the variable part is disbursed after targets on the selected indicators have been reached (*ex-post approach*). In exceptional circumstances, when the ex-post approach is not feasible, the developing country partner in consultation with the local education group can request an *ex-ante approach*. Under this approach, the variable part of the grant allocation is agreed based on a country's plan to undertake policy initiatives to drive progress in the three areas of equity, efficiency and learning outcomes as part of the ESP/TEP, but before results are available. Since this approach reduces the incentivizing effect, as the approval of the total allocation occurs *prior* to implementation, it is accepted only in very exceptional cases, primarily where the context is fragile, capacity and the availability of funding are low, and educational needs are critical in the short term.

The request for an ex-ante approach must be pre-approved in order for the final application to be considered, and should therefore be submitted to the Secretariat no later than together with the documents for QAR II. The justification must clearly address: (1) the selected strategies on equity, efficiency and learning outcomes that would lead to the ex-ante release of the variable tranche; (2) a clear justification for why the release of the full tranche would be required within the original three or four-year period of the grant and could not be added as an add-on tranche. The justification must include evidence of the additionality of GPE funds; and (3) a budgeted plan for improving national systems to facilitate more aligned education support in the medium-term. Program Implementation Grant funds may be programmed to finance this plan. The Secretariat reviews whether proper justification has been provided and transmits the request to the Grant and Performance Committee for consideration.<sup>20</sup>

Countries accessing an MCA amount of US\$5 million or less have the option to choose whether to include a Variable Part. It is highly encouraged that such application reflects a strong focus on results, regardless of the approach chosen. However, if the MCA is combined with a Multiplier allocation and the total grant amount exceeds US\$5 million, the standard 30 percent Variable Part is applied to the combined amount.

In cases where a country has previously accessed up to 20 percent of its MCA through the accelerated funding mechanism, the Variable Part applies to the remaining MCA amount. If the remaining amount is US\$5 million or less, the country has the option to choose whether to include a Variable Part.

### III.2.3 Submission of the full ESP/TEP package

As the ESPIG application should be fully based on and driven by a finalized ESP/TEP, approved by the government and endorsed by development partners, the full ESP/TEP package should be made available to the Secretariat no later than three months prior to the submission date of the final ESPIG application (see III.1).<sup>21</sup>

To ensure that the ESP/TEP responds to expected quality standards, GPE expects that its development and revision process would have followed a participatory process involving the local education group and included an independent appraisal of the ESP/TEP before its finalization, as described in the *GPE/IIEP ESP/TEP Preparation Guidelines and the GPE/IIEP ESP/TEP Appraisal Guidelines*.<sup>22</sup> It is recommended that the appraisal report of the

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<sup>20</sup> The Grants and Performance Committee is one of the four standing committees established by the Board to make recommendations and track progress on the portfolio of country-level grants awarded from GPE resources.

<sup>21</sup> The package should be submitted via the following email: [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org), copying the GPE country lead.

<sup>22</sup> For ESP/TEP preparation and appraisal guidelines, see the corresponding links provided in the "Useful Resources" section of this document.

ESP/TEP be available at least two months prior to the submission of the *ESP/TEP package* to the Secretariat, to enable the local education group to address the appraisal's recommendations.

The full ESP/TEP package consists of:

- The ESP/TEP, including a costed multi-year implementation plan that covers at least the first two years of the grant cycle.
- Final appraisal report of the ESP/TEP, conducted by independent reviewer(s) and commissioned by the development partners of the local education group.
- Appraisal memo, established as a follow-up to the appraisal report, providing a brief summary of how the recommendations were addressed prior to the endorsement of the final ESP/TEP and how the recommendations for the medium and longer term will be addressed;
- The government's approval of the ESP/TEP, including its commitment to finance the plan.
- Endorsement letter by the development partners, including commitment to finance the ESP/TEP.

### III.3 GRANT APPLICATION PROCESS

#### Step 1: Agreement of funding modality, scope of work, grant agent, and selection of currency<sup>23</sup>

The local education group provides a forum to ensure that this initial step unfolds as part of the broader sector dialogue, and that tasks are completed and decisions are taken in a transparent manner. The coordinating agency plays a key role in facilitating a constructive dialogue throughout the application process.

Use of funding modality: As part of the broader sector dialogue, the local education group determines the most appropriate way to channel the ESPIG to the education sector, balancing risks with the need to optimize capacity development and country ownership. Best practice is to include this discussion within the ESP/TEP development process and determine whether the conditions are in place for greater use of country systems and for developing more aligned funding mechanisms.<sup>24</sup>

Scoping of program: Based on a general discussion within the local education group, the government identifies the overall scope of work to be funded through the ESPIG, in alignment with the ESP/TEP and a mapping of funding needs, duly considering gender equality. This is not applicable if the ESPIG is disbursed through budget support or a pooled fund, which directly supports the whole ESP/TEP. When mapping out funding needs, it is important for the government to take into consideration the principle outlined in section II.2 of these guidelines, that no GPE funds can be used to support for-profit provision of core education services, unless in certain exceptional circumstances. Should

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<sup>23</sup> The option to select currency only applies to grants approved after January 1, 2019, including grant applications submitted in November 2018.

<sup>24</sup> Underpinned by the principles of aid effectiveness, GPE anticipates that the local education group will use the following order of preference when choosing a modality for ESPIG support: budget support (general or sector), pooled funding; and stand-alone project.

it seek to apply for an exemption, the government, with endorsement from the LEG, should signal initial intent to the GPE Secretariat and ensure to apply the process as described in the exemption policy.<sup>25</sup>

Selection of grant agent: The local education group also selects a grant agent, following the specific guidance provided in the *Standard Selection Process for Grant Agents* and based on the *ToR for Grant Agents*, outlining the grant agent's expected roles and responsibilities in relation to the government and in-country partners, the GPE Trustee, and the Secretariat.

**Justification for multiple grant agent selection**

It is normally expected that there is only one application for the maximum country allocation. Decisions to apply for different parts of the MCA (for example fixed and variable) at different dates, dividing the ESPIG between different programs and/or the use of more than one grant agent should be justified.

Safeguards against sexual exploitation, abuse and harassment: in preparing the grant programs, the grant agent should take into consideration GPE's policy on Sexual Exploitation, Abuse and Harassment (SEAH).<sup>26</sup> The policy is aimed at ensuring that there are adequate safeguards against sexual exploitation, abuse, harassment, and related misconducts in the implementation of programs funded by GPE. Grant agents are expected to follow their own SEAH policies and procedures, however, the grant application will include questionnaires that seek to ensure that:

- i) the grant agent has considered SEAH risk that is induced or exacerbated by the GPE grant,
- ii) if SEAH risk is identified, details of risk assessment and proposed mitigation measures are provided, and
- iii) if SEAH risk is not relevant for the GPE grant, reasons for this conclusion are provided.

When an SEAH incident occurs in the implementation of a GPE funded program, the grant agent is required to notify the GPE Secretariat immediately. The notification should be sent to the GPE Secretariat country team lead, copying [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org). Such incidents should also be included in the periodic progress report.

Selection of currency: Applicants can elect to access the implementation grant in euro, in lieu of the dollar.<sup>27</sup> The decision to apply in euro should be made by the government and the GA in consultation with the local education group. It has to be formally communicated by the government and the GA to the GPE Secretariat (copying the CA). It is highly encouraged that the decision regarding currency choice is at an early stage in the application process and, in any case, has to be communicated no later than during the QAR 2. 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 notification from the government and GA. This exchange rate and total grant amount in euro will be communicated by the Secretariat in an e-mail response to the notification received from the government

<sup>25</sup> For the exemption policy, see GPE Board paper on "Exceptional circumstances exemptions for the private sector engagement strategy," available at: <https://www.globalpartnership.org/content/exceptional-circumstances-exemptions-private-sector-engagement-strategy-december-2019>.

<sup>26</sup> See GPE Policy on Protection from Sexual, Exploitation, Abuse, and Harassment: <https://www.globalpartnership.org/content/decision-protection-sexual-exploitation-abuse-and-harassment-may-2021>.

<sup>27</sup> The option to select currency only applies to grants approved **after** January 1, 2019, including ESPIG grant applications submitted in November 2018.

and GA. Once sent, the GA will have three business days to rescind the request for the euro allocation. After the close of the third business day, the euro allocation will be locked and the grant amount in euro and other relevant information will be included in a confirmation letter that will be sent by the Secretariat in response to the notification from the government and the GA.

If the implementable grant amount<sup>28</sup> is in euro, the supervision allocation may either be taken in euro or US dollar (USD). If the supervision allocation is in euro, the value will be deducted from the allocation as it is with a USD allocation. However, if the GA elects to have the supervision allocation in USD, it will be the USD value of the maximum country allocation prior to the conversion to euro. Once the deduction is made, the remaining grant amount will be converted into euro.

## Step 2: Program identification

Once selected, the grant agent prepares a written outline for the program to be funded following its own processes, and based on the identified scope of work and timeline agreed within the local education group and synchronized with the ESP/TEP process. After sharing the outline with the local education group to ensure continued collaborative decision-making and consistency with the scope identified prior to grant agent selection, it is sent to the Secretariat for QAR review.<sup>29</sup>

### QAR I - Review of program identification

QAR Phase I accompanies and supports the activities of the program identification and transparent, collaborative decision making about the use of GPE funds. It often includes one or more in-country mission (s) from the Secretariat to discuss within the local education group the country's readiness to fulfil the requirements for the fixed part, the possible areas of program components and preferably work for the variable part (i.e. possible strategies/indicators for equity, efficiency and learning outcomes).

For all countries applying for an ESPIG, the Secretariat systematically reviews the following during QAR I:

#### 1. Country readiness to fulfil the requirements by the time of the ESPIG application submission:

- An endorsed quality ESP/TEP
- Commitment to financing the ESP/TEP
- Availability of core education and financial data or a strategy to obtain data.

The above is based on the local education group's assessment of the country's readiness to meet the fixed part requirements, as well as additional data collection on financing, data strategy and learning assessments

#### 2. Program outline and program identification process in relation to

- Links between ESP/TEP and the scope of work for the proposed ESPIG.
- Eligibility of expenditures and alignment with the GPE's goals and objectives
- Program financing modalities
- The collaborative decision-making process around the selection of the grant agent and the use of the GPE Program Implementation Grant resources.

In fragile and post-conflict environments, QAR I looks at the extent to which the proposed scope of work takes into account the transition into a full ESP

<sup>28</sup> Refers to the grant amount excluding supervision allocation.

<sup>29</sup> It should be sent to the following email address: [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org), copying the GPE country lead.

The Secretariat compiles the conclusions of the review into a **QAR I report**, including observations of the Grant and Performance Committee on the requirements, and shares the report with the grant agent, the ministry focal point and the coordinating agency. It is expected that the QAR I recommendations will be discussed within the local education group and taken into consideration in the preparation of the draft program document and the draft ESPIG application.

### Step 3: Development of the draft application

#### **Program document and ESPIG application form**

The grant agent should develop the full program document and budget for the ESPIG funding in separate documents, according to the grant agent's own processes, and complement it with the template provided - *ESPIG Application Form* – required for the application package to provide additional information.

Taking into consideration the agreed scope of work, technical decisions and the recommendations of QAR I, the grant agent under the leadership of the government is responsible for developing the application package according to the agreed process. The grant agent shares the draft program document with the LEG, and invites the coordinating agency and other LEG members (according to the agreed process) to provide feedback on the draft at an appropriate stage aligned with its internal review process.

The draft application consists of the following documents:

- ✓ Draft ESPIG Application Form
- ✓ Latest evidence of domestic resource mobilization (applicable if the version previously submitted has changed)
- ✓ Draft program document prepared for GPE funding, or other appropriate documents for budget support or pooled funds
- ✓ Latest report on implementation or completion of previous grant where applicable
- ✓ Joint financing agreement,<sup>30</sup> where available, and
- ✓ Any other supporting documents.

Additionally, at this stage, if the developing country partner intends to apply for the Variable Part, the package submitted for the Secretariat's review should also include:

- ✓ A description of the strategies to access the Variable Part of the MCA
- ✓ Related actions, indicators, targets and a results chain
- ✓ Information on when and how it will be assessed if actions haven been completed and indicators reached in a timely manner, including the means of verification

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<sup>30</sup> In case of sector budget support or pooled funding, it may be sufficient to provide the Memorandum of Understanding (MOU) for budget-support to which the GPE grant will contribute, or the Joint Financing Agreement or funding document for pooled funds, together with the grant agent's fiduciary risk assessment.



- ✓ Which disbursements of budget support and/or a pooled fund and/or which components and activities will be financed through the Variable Part; and
- ✓ If relevant, justification for applying for an *ex-ante approach* for pre-approval

**Submission of draft application - For QAR II**

The grant agent, copying the government, coordinating agency, and GPE country lead, should submit the **draft** ESPIG application package to the Secretariat at the following address [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org) by the set deadline.

## QAR II - Review of draft program

The QAR Phase II is a technical assessment of the draft program, to facilitate the preparation of a robust and relevant set of interventions with the potential to achieve key results in the sector. Organized in the form of a desk review, and normally completed within a period of three to four weeks according to the ESPIG application development timeline, the Secretariat reviews the extent to which the issues raised in QAR Phase I have been addressed. The review includes the following:

1. Quality standards and technical soundness of the draft program using a quality standards methodology to identify gaps in relation to:

- Program design, budget<sup>31</sup> and costs
- Results framework
- Monitoring and evaluation
- Modalities and implementation arrangements
- Risk identification and mitigation
- Sustainability and
- Aid effectiveness

2. The justification for the variable part as outlined in the draft proposal and whether the selected policies and strategies are technically sound in relation to:

- Alignment to ESP/TEP
- Relevant to equity, efficiency and learning outcomes
- Transformative effect
- Adequacy of indicators and targets
- Reliability of means of verification
- Disbursement modalities

The Secretariat compiles the conclusions of the review into a **QAR II report**, including the observations of the Grant and Performance Committee (on the Variable Part) and shares it with the grant agent, the developing country partner and the coordinating agency.

It is expected that the QAR II recommendations will be discussed within the local education group and taken into consideration in the finalization of the ESPIG application package to ensure a successful submission.

<sup>31</sup> The budget should be sufficiently detailed to enable an assessment of value for money.

## Step 4: Finalization and submission of the application package

Based on the inputs and recommendations provided in the QAR II report, the grant agent, in close collaboration with the government and in consultation with the local education group, reviews and finalizes the ESPIG application package. The finalized application consists of:

### Required documents:

- ✓ ESPIG Application Form<sup>32</sup>
- ✓ Latest evidence of domestic resource mobilization, where applicable<sup>33</sup>
- ✓ Program document prepared for ESPIG funding or other appropriate documents for budget support or pooled funds<sup>34</sup>
- ✓ QAR Phase II memo (brief summary of how the QAR II recommendations have been addressed in the final application package)
- ✓ Latest report on implementation or completion of ongoing/previous grant, where applicable.

### Supporting documents:

- ✓ ESP/TEP package<sup>35</sup>
- ✓ ESP Annual Implementation Report, as available
- ✓ Joint sector review reports for the past two to three years, as available.
- ✓ Draft grant agreement, where applicable and if available.

The government should validate the completed application, the development partners should endorse it, as should the grant agent, before its submission by the coordinating agency with copy to the government and grant agent to the Secretariat. The coordinating agency should work with the government and grant agent to identify individuals who need to be copied on the submission in order to facilitate country-level processes. The coordinating agency also ensures that the submitted application package is shared with all members of the local education group.

### **Submission of final application package - For QAR III**

The coordinating agency submits the final ESPIG application package to the Secretariat at the following address [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org) by the set deadline, copying the ministry focal point, GPE country lead, and the grant agent who have previously signed off on the application.

<sup>32</sup> Note that, in a federal system, it may be necessary to present national data and data by State. In such a case, it will be necessary to duplicate the relevant pages in the ESPIG Application Form for each State (see also the link to Guidance on division of indicative allocations for program implementation grants in federal states, available in the “Useful Resources” section of this document).

<sup>33</sup> This is applicable if the version of the domestic financing spreadsheet initially submitted during the Quality Assurance Review process has changed. The template is available on the GPE website at: <http://www.globalpartnership.org/content/funding-model-requirement-matrix-domestic-financing-annex>.

<sup>34</sup> For a sector budget support or pooled funding to the whole ESP, it can be sufficient to provide the Memorandum of Understanding (MOU) for budget support to which the GPE grant will contribute; namely the Joint Financing Agreement or funding document of pooled funds, together with a fiduciary risk assessment by the grant agent.

<sup>35</sup> The ESP/TEP package will normally have been sent to the Secretariat three months in advance of the ESPIG submission date (see section III.1.1).

### QAR III - Final readiness review

The Secretariat verifies that the application package is complete and then proceeds with QAR III as its final review of the application, preparing the necessary documentation for the final review and approval.

In QAR Phase III, the Secretariat determines whether:

- The application package has taken into consideration the Secretariat's QAR Phase I and Phase II comments and recommendations and that quality standards are met.
- Sufficient information on the requirements for accessing the grant have been submitted, including whether the recommendations from the appraisal report on the ESP/TEP have been taken into consideration.

The Secretariat compiles the findings of the final readiness review into a QAR III report for further processing.

Should the Secretariat determine that the application submitted does not meet the minimum standards, it will inform the coordinating agency of these findings. The coordinating agency will inform the local education group who can subsequently indicate to maintain or revise the application, with the possibility to retract and resubmit at a later application round.

### Step 5: Approval decision

In line with delegated authority from the Board, the Chief Executive Officer (CEO) of GPE will approve an ESPIG amount<sup>36</sup> US\$10 million or less (or its equivalent in Euros) plus agency fees.<sup>37</sup>

For an amount over US\$10 million and up to US\$25 million, the Secretariat will share the findings of its final readiness review (QAR III) with the GPC for further review and approval decision. The Secretariat may also refer a grant amount US\$10 million or less to GPC for decision if the application requires further deliberation/ exceptions.

Any amount over US\$25 million will be recommended to the Board for further review and decision. For all grants, the approving entity (CEO, GPC, or the Board) will examine the findings of QAR III and make a decision based on whether the ESPIG application represents a good investment for GPE that would strengthen the education system and lead to improved outcomes in equity, efficiency and learning in the particular country context.

The grant approval, together with the expected timeframe for commencement of program implementation, is communicated to the Minister of Finance and Minister of Education, with copy to the grant agent and the coordinating agency within ten business days after the approval decision (approval date). The communication includes the approval decision on:

- Grant amount and duration
- Amount of the variable part along with the actions and indicators that will be the basis for its release and its disbursement modality (ex-post or ex-ante, if applied for)
- Designation of the grant agent
- Additional conditions or requirements for funding

<sup>36</sup> This includes Multiplier grant, Accelerated Financing and Additional Financing. Also, the grant amount considered in the delegation is based on the total value of a country's application at one time. For example, if a country submits an application for a US\$10 million ESPIG together with an application for a US\$5 million Multiplier grant, GPC approval is required as the total value exceeds US\$10 million.

<sup>37</sup> See BOD/2019/12-10, available at: <https://www.globalpartnership.org/sites/default/files/2019-12-gpe-board-decisions-rev.pdf>.

- Observations and report-back items, where appropriate.

The application package is considered an integral part of GPE’s approval. Any changes to any of these documents after submission to GPE should follow the *ESPIG Policy* regarding revision. This includes any changes to the program documents during the grant agent’s internal approval process.

**Disclosure of ESPIG documents**

In line with its transparency policy, GPE publishes all approved ESPIG applications and program documents on its website under country pages of developing country partners, as well as the all Joint Sector Review reports or aide memoirs, unless objected by the individual country.

In case a decision is made not to approve the application, the country can re-submit an ESPIG application in a following round of ESPIG submissions or as indicated in the decision, as long as the period for its MCA has not passed.

### **III.4 APPROVAL OF THE USE OF ADDITIONAL PROGRAM DOCUMENT ON THE VARIABLE PART**

**Option for planning the variable part**

This section applies only when the variable part of the grant is not integrated in budget support or pooled funding, nor integrated in the original application package.

A country can choose to integrate the components or activities to be funded by the variable part in the original application package OR submit a separate program document when it has been decided that the variable part can be disbursed. In the latter case, the program concerning the use of the variable part can either be integrated in the request for the next ESPIG, in which case the above grant application process should be followed, or it can be proposed as an additional phase to the existing program funded through the ESPIG, in which case the Secretariat provides a shortened QAR II on this additional program document, which should be submitted no later than two months before submission of the finalized application package for the use of the variable part.

Finalized application package for the variable part: Based on the inputs from QAR II, the government and the grant agent, in consultation with the local education group, finalize the application package, which should consist of the following documents:

- ✓ Program document prepared for GPE funding for the variable part
- ✓ QAR Phase II memo (brief summary of how the QAR recommendations have been addressed in the application package)
- ✓ Latest report on the implementation of the ESPIG (fixed part); and
- ✓ Joint Sector Review reports for the past two to three years, as available.

As with a regular application, the coordinating agency with copy to the grant agent and the government submits the application package to the Secretariat, following endorsement by the development partners.

## Annex 1

### USEFUL RESOURCES

Documents related specifically to ESPIG	<ul style="list-style-type: none"><li>• <a href="#">ESPIG Application Form</a></li><li>• <a href="#">ESPIG Annual Progress Report Template</a></li><li>• <a href="#">ESPIG Completion Report Template (<i>forthcoming</i>)</a></li><li>• <a href="#">Standard Selection Process for Grant Agents</a></li><li>• <a href="#">Grant Agents Minimum Standards</a></li><li>• <a href="#">ESPIG Policy</a></li><li>• <a href="#">Private Sector Engagement Strategy</a></li><li>• <a href="#">Exceptional Circumstances Exemption for Private Sector</a></li><li>• <a href="#">Guidance on Division of Indicative Allocations for ESPIGs in Federal States</a></li><li>• <a href="#">Funding Model Requirement Matrix</a></li><li>• <a href="#">Operational Framework for Requirements and Incentives</a></li></ul>
Other GPE grant guidelines	<ul style="list-style-type: none"><li>• <a href="#">ESPDG Guidelines</a></li><li>• <a href="#">PDG Guidelines</a></li></ul>
Other documents referenced in these guidelines	<ul style="list-style-type: none"><li>• <a href="#">ToR for ESPIG Grant Agents</a></li><li>• <a href="#">ToR for ESPDG Grant Agents</a></li><li>• <a href="#">ToR for Coordinating Agencies</a></li><li>• <a href="#">Conflict Resolution Procedures</a></li><li>• <a href="#">Policies and Communications Protocol on Misuse of GPE Trust Fund</a></li><li>• <a href="#">Policy on Protection from Sexual Exploitation, Abuse, and Harassment</a></li><li>• <a href="#">GPE/IIEP ESP Preparation Guidelines</a></li><li>• <a href="#">GPE/IIEP ESP Appraisal Guidelines</a></li><li>• <a href="#">GPE/IIEP TEP Preparation Guidelines</a></li><li>• <a href="#">GPE/IIEP TEP Appraisal Guidelines</a></li></ul>

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