

GPE FUND GOVERNANCE

JUNE 2023

Fund Governance Document¹

The **Global Partnership for Education (GPE) Fund** (the “Trust Fund”) is a multilateral financing mechanism to support the work of the GPE, a global partnership of developing and donor countries and agencies, civil society organizations, members of the teaching profession, private foundations and the private sector, dedicated to transforming education in lower-income countries.

The purpose of the Trust Fund is to manage contributions in support of the “Eligible Activities” described in Section 1 as approved from time to time by the GPE Board of Directors (the “Board”). This Governance Document establishes the operating and decision-making procedures for the Trust Fund. In case of any conflicts, the provisions of the Charter of the GPE, as may be amended from time to time, shall supersede the provisions of this Trust Fund Governance Document.

Capitalized terms used hereinafter shall have the meanings ascribed to them below:

- (a) **“Activity” or “Activities”** means an activity, a set of activities, or a part thereof, to be financed with funds from the Trust Fund, as approved by the Board based upon a Proposal;
- (b) **“Agency Fees”** means the fees charged by a grant agent and agreed by the Board in order to assist in the defrayment of administrative and other costs incurred in connection with the management and administration of Cash Transfers;
- (c) **“Allocation”** means the portion of the Trust Fund funds that has been approved by the Board for allocation to Activities;
- (d) **“Board”** means the Board of Directors of the GPE, as described in the Charter;
- (e) **“Cash Transfer”** means the cash payment made to a grant agent under a Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum to IBRD for the approved Operating Expenses Budget;
- (f) **“Chair”** means the independent, non-voting Chair of the Board and the GPE as a whole, as described in the Charter;
- (g) **“Charter”** means the Charter of the GPE adopted by the Board which establishes the governance arrangements and roles and responsibilities of the partners in the GPE;

¹ As amended in November 2013 ([BOD/2013/11-06](#)), September 2021 ([FRC/2021/09-02](#)) and June 2023 ([FRC/NO/2023/06-02](#)).

- (h) **“Contribution”** means the funds provided and to be provided by a Contributor to the Trust Fund, as specified in the Contribution Agreement/Arrangement, and **“Contributions”** means the aggregate of all the funds provided and to be provided to the Trust Fund;
- (i) **“Contribution Agreement/Arrangement”** means any agreement or arrangement between the Trustee and a Contributor setting forth specific terms and conditions for the receipt and use of a Contribution;
- (j) **“Contributor”** means any country (including any ministry and agency thereof) or, if agreed by the Board and the Trustee, such other public or private entity that provides a Contribution;
- (k) **“Coordinating Agency”** means the agency or organization within the local education group responsible for coordinating members of the local education group and serving as a communications link with the Secretariat;
- (l) **“Partner Country”** means a country: (i) that receives Trust Fund funds from a grant agent through a Grant Agreement, or (ii) on whose behalf a grant agent implements an Activity;
- (m) **“Development Partners”** means donors and technical partners active in the local education group;
- (n) **“Donor Country Partner”** means a country represented in a donor country constituency of the Board as described in the Charter;
- (o) **“Education Sector Plan”** means a partner country’s national comprehensive education sector plan, endorsed by members of the local education group;
- (p) **“End Transfer Date”** means the last day on which transfers can be made from the Trust Fund as determined by the Board in consultation with the Trustee;
- (q) **“Financial Procedures Agreement/Arrangement”** means an agreement or arrangement between the Trustee and a grant agent (excluding IBRD) setting out the financial procedures pursuant to which the Trustee makes commitments and transfers funds from the Trust Fund to such Entity under terms that do not involve Trustee responsibility post-transfer;
- (r) **“Financial Procedures Memorandum”** means a memorandum between the Trustee and IBRD setting out the financial procedures pursuant to which the Trustee makes commitments and transfers funds from the Trust Fund to units of the IBRD for

each of: (i) the Operating Expenses Budget; and (ii) Activities for which the IBRD is acting as grant agent, under terms that do not involve Trustee responsibility post-transfer;

- (s) **“Global Partnership for Education (GPE)”** means the global partnership formerly known as the Education for All Fast Track Initiative, established in 2002, of developing and donor countries, agencies, civil society organizations, members of the teaching profession, the private sector and private foundations and other development stakeholders, with the aim of accelerating progress toward the Education for All goals;
- (t) **“Grant Agent”** means any organization approved by the Board, in consultation with the Trustee, to enter into a Financial Procedures Agreement or Financial Procedures Memorandum to receive Cash Transfers and implement Activities as approved by the Board, or to supervise an Activity;
- (u) **“Grant Agreement”** means an agreement or other arrangement entered into between a grant agent and a partner country or other entity in respect of an activity;
- (v) **“IBRD”** means the International Bank for Reconstruction and Development;
- (w) **“IDA”** means the International Development Association;
- (x) **“Local Education Group”** means the coordination mechanism that convenes the partner country government and development partners;
- (y) **“Multilateral Agency Partner”** means any multilateral agency represented in the multilateral agency constituencies of the Board as described in the Charter;
- (z) **“Operating Expenses Budget”** means the budget resources associated with delivery of the Chair and Secretariat’s roles as set out in the Charter;
- (aa) **“Proposal”** means any proposal submitted to the Board seeking Trust Funds for an Activity;
- (bb) **“Secretariat”** means the unit established within IBRD to support the work of the Board and GPE, as described in the Charter;
- (cc) **“Supervision Allocation”** means the portion of the Trust Fund allocated to a grant agent to offset costs associated with supervising an Activity, as approved by the Board at the time of approving an allocation to a grant agent;

- (dd) **Transitional Education Sector Plan**” means the plan endorsed by members of the local education group that prioritizes part of a partner country’s education system;
- (ee) **“Trustee”** means the IBRD serving in the capacity as the Trust Fund manager and providing a set of financial administration services as agreed with the Board and the Contributors;
- (ff) **“Trustee Budget”** means the administrative and other related costs incurred by the Trustee in connection with the performance of its financial administration services in support of the Trust Fund;
- (gg) **“Trust Fund”** means the trust fund entitled the “GPE Fund”;
- (hh) **“Trust Fund Governance Document”** means this document adopted by the Board, as may be amended from time to time in accordance with Section 8 of this document; and
- (ii) **“World Bank”** means IBRD and IDA.

Section 1. Eligible Activities; Targeted Program

- (a) The following activities are eligible for support from the Trust Fund:
- (i) **Country Level**
- Support for system capacity, including but not limited to the development/revision of a national Education Sector Plan or Transitional Education Sector Plan for a partner country;
 - Support for the development of applications for approved GPE grant mechanisms;
 - Support for implementation of activities focused on system transformation within the broader Education Sector Plan, Transitional Education Sector Plan or sector policy framework.
- (ii) **Global and Regional Level**
- Knowledge and/or practice gap-filling initiatives and programs that address the GPE’s priority thematic areas and enhance the capacity of partner countries to meet their education goals;
 - Activities enabling scale-up of identified evidence-based good practices relevant to theGPE; and
 - Activities focused on improving GPEaccountability including strengthening availability and quality of data.

(iii) **Other Costs**

- Operating Expenses Budget;
- Trustee Budget;
- Agency Fees;
- Supervision Allocations; and
- Any other activity approved by the Board.

(b) Within the framework of the Trust Fund, a targeted program with dedicated funding is established to provide assistance to the West Bank and Gaza (the “GPE West Bank and Gaza Program”), supported by a sub-account established by the Trustee under the Trust Fund. The arrangements to guide the GPE West Bank and Gaza Program and provide accountability are set out in Section 7 of this Trust Fund Governance Document.

Section 2. Governance and Organizational Structure

The governance and organizational structure of the Trust Fund includes the Board, the Secretariat, the Trustee, and the grant agents.

Section 3. Board of Directors

(i) Roles and Responsibilities

Pursuant to the Charter, the Board makes funding decisions for the Trust Fund, monitors Trust Fund utilization and ensures that the Trust Fund is being used in line with the objectives and policies of the GPE, upon recommendations of committees established by the Board as relevant. The Board may exercise its roles and responsibilities as set out in the Charter and such other functions as the Board may deem appropriate to fulfil the purposes of the Trust Fund, including, but not limited to the following:

- (a) developing and/or amending this Trust Fund Governance Document, the Charter or any other document setting out the governance of the GPE and the operating procedures of the Board and its committee(s);
- (b) approving, in consultation with the Trustee, all Contributors to the Trust Fund that are not countries (including any ministry and agencies thereof);
- (c) for Allocations in support of all country-level and global- and regional-level activities listed in Section 1. “Eligible Activities” above:
 - i. approving the eligibility and prioritization of partner countries and global and regional organizations to submit Proposals;
 - ii. approving new Allocations and canceling uncommitted Allocations and informing the Secretariat and Trustee thereof;

- iii. approving the grant agent for each Proposal, in consultation with the Trustee;
 - iv. deciding, in consultation with the Trustee and the grant agents, on the requirements for the content of and frequency for the periodic financial reports to be provided by a grant agent for an Allocation and for the portfolio of Allocations of the grant agent;
 - v. deciding, in consultation with the grant agents on the requirements for the content of and frequency for the implementation reports to be provided by a grant agent to the Board through the Secretariat for an Allocation and for the portfolio of allocations of the grant agent;
 - vi. reviewing the financial and implementation reports referred to in paragraphs iv. and v. above, as consolidated by the Secretariat;
 - vii. deciding and informing the Secretariat, after consultation with the relevant grant agent, to direct the Trustee to: (A) withhold transfers of the Trust Fund funds to a grant agent pursuant to a Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum; and/or (B) require the grant agent to promptly return funds to the Trustee or to the dedicated account or accounts established by the grant agent to administer Cash Transfers. The Board may make this decision in the event that the grant agent has used Cash Transfers in a manner inconsistent with the terms of the corresponding Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum or the applicable decisions of the Board; and
 - viii. recommending to cancel funding for all or part of an Activity for reasons, but not limited to, the reasons set forth in paragraph vii above, and informing the Secretariat and the Trustee thereof;
- (d) approving Allocations for the Operating Expenses Budget;
 - (e) approving the Trustee Budget on an annual basis;
 - (f) authorizing the Trustee to carry out foreign exchange transactions in accordance with Trustee's policies and procedures for a period of two years. The Board of Directors may extend its authorization for the Trustee to carry out foreign exchange transactions beyond the two-year pilot;
 - (g) approving any new Eligible Activities in addition to the activities listed in Section 1 above; and
 - (h) determining the End Transfer Date in consultation with the Trustee and determining when to cease making Allocations from the Trust Fund.

(ii) Composition and Voting Rights

The composition of the Board shall be governed by the relevant provisions of the Charter, as may be amended from time to time in accordance with its terms. The Board will establish its own procedures for decision-making and voting rights of the members.

The Board may delegate its responsibilities and decision-making authority over the Trust Fund to a committee of the Board, the Secretariat or to any other entity by means of a decision in writing approved by the Board in accordance with the terms of the Charter.

(iii) Committees

The Board may establish committees to assist it in its work from time to time. The terms of reference of any committee may be amended or rescinded by the Board from time to time.

(iv) Chair

The role of the Chair is set out in the Charter, as may be amended from time to time. The Chair shall work with the Secretariat to prepare Proposals for the Chair-related expenses in the Operating Expenses Budget on an annual basis for the approval of the Board.

Section 4. Secretariat

The Secretariat supports the work of the GPE and the Board. The Secretariat is housed in offices of the World Bank and comprises a team of professional and administrative staff employed by the World Bank.

The responsibilities of the Secretariat are set out in the Charter. In addition, the Secretariat shall have the following responsibilities with regard to the Trust Fund:

- (a) receiving Proposals for review by the Board and/or any committees established by the Board;
- (b) reviewing and approving funding proposals based on any relevant delegated authority from the Board;
- (c) confirming that Proposals contain the necessary information for review by the Board or committees established by the Board, as appropriate;
- (d) notifying the Trustee of Proposals and associated Allocations as approved by the Board or Secretariat CEO;
- (e) organizing meetings of the Board and committees thereof in connection with approval of Allocations;
- (f) drafting and circulating minutes of the Board and committees thereof in connection with approval of Allocations;
- (g) providing public information on the Trust Fund activities on the GPE website;
- (h) providing guidance to local education groups, coordinating agencies, and grant agents on the processes and requirements for Proposals;

- (i) receiving and consolidating annual implementation results reports from grant agents in a format approved by the Board, for distribution to the Board and the Contributors;
- (j) collaborating with the Trustee to ensure that the Trustee has all the information necessary to carry out its responsibilities;
- (k) preparing Proposals for the Operating Expenses Budget for the approval of the Board; and
- (l) performing any other functions assigned to it by a decision of the Board.

Section 5. Trustee

- (a) The IBRD will serve as Trustee for the Trust Fund.
- (b) The Trustee will establish the Trust Fund to receive Contributions, and will hold in trust, and administer the funds, assets and receipts that constitute the Trust Fund, pursuant to the terms of the Contribution Agreements.
- (c) The Trustee, shall: (i) agree, in addition to the Board, to any Contributor to the Trust Fund that is not a country (or ministry or agency thereof); and (ii) be consulted by the Board on its approval of the grant agent for each Activity.
- (d) The Trustee shall enter into Financial Procedures Agreements/Arrangements or a Financial Procedures Memorandum, as appropriate, with grant agents.
- (e) The Trustee shall enter into foreign exchange transaction agreements, in accordance with the decisions of the Board.
- (f) The Trustee will, subject to the availability of applicable funds held in the Trust Fund as determined by the Trustee and subject to the terms of the Contribution Agreements, commit, transfer and/or use the Trust Fund funds for any purpose approved and in the amount allocated by the Board, in accordance with the terms of this Trust Fund Governance Document and the Contribution Agreements/Arrangements. Commitments and transfers of the Trust Fund funds to the grant agents will be made pursuant to the applicable Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum.
- (g) Upon the transfer of such funds to the relevant grant agent, the Trustee shall have no responsibility, fiduciary or otherwise, for the use of these funds including to the grant agent, the Contributors or the Board.
- (h) The Trustee will require and accept from the grant agents certain periodic financial reports, as decided by the Board and agreed between the Trustee and the grant agent.
- (i) The Trustee will provide to the Board regular reports on the financial status of the Trust Fund, as set forth in the Contribution Agreements.

- (j) The Trustee will prepare a Proposal for the Trustee Budget on an annual basis for the approval of the Board.
- (k) The Trustee will be accountable to the Board for the performance of its functions.
- (l) The Trustee will collaborate with the Secretariat to ensure that the Board has all the information necessary to carry out its responsibilities.

Section 6. Grant Agents

A grant agent may be appointed for a country-level activity or for a global or regional activity described in Section 1 (a)(i) and (ii) above. For a country-level activity, the grant agent is proposed by the Government, endorsed by the local education group and is subject to approval by the Board in consultation with the Trustee.

- (a) Where the grant agent is supervising an Activity, it will be responsible for:
 - (i) appraising the Proposal of the partner country for Activities in support of implementation of its Education Sector Plan or Transitional Education Sector Plan or other eligible education sector actions, with consideration for alignment of the Proposal with such plan, country and sector circumstances and capacity concerns, according to the grant agent's own policies and procedures;
 - (ii) entering into a Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum, as appropriate, with the Trustee;
 - (iii) entering into Grant Agreements with the selected recipients, including but not limited to, partner countries and/or other organizations that will implement the Activities;
 - (iv) using Cash Transfers and supervising Activities carried out therewith in accordance with: (i) its own policies and procedures including those related to audit, eligible expenditures, employment and supervision of consultants, and the procurement of goods and works and its framework to combat fraud and corruption; and (ii) the applicable decisions of the Board, including the purpose for which the specific Allocations have been approved by the Board;
 - (v) maintaining books, records, documents and other evidence in accordance with its usual accounting procedures to sufficiently substantiate the use of the Cash Transfers;
 - (vi) providing certain periodic financial reports for both individual Allocations and for the portfolio of Allocations of the grant agent, as decided by the Board and agreed with the Trustee; and
 - (vii) providing certain periodic implementation reports for both individual Allocations and for the portfolio of Allocations of the grant agent, as

approved by the Board.

- (b) Where the grant agent is implementing an Activity, a grant agent will be responsible for:
- (i) using the Cash Transfers and supporting the timely and effective delivery of the Activities carried out therewith in accordance with: (i) its own policies and procedures including those related to audit, eligible expenditures, employment and supervision of consultants and the procurement of goods and works and its framework to combat fraud and corruption; and (ii) the applicable decisions of the Board, including the purpose for which the specific Allocations have been approved by the Board;
 - (ii) entering into a Financial Procedures Agreement/Arrangement or Financial Procedures Memorandum, as appropriate, with the Trustee;
 - (iii) maintaining books, records, documents and other evidence in accordance with its usual accounting procedures to sufficiently substantiate the use of the Cash Transfers;
 - (iv) providing certain periodic financial reports for both individual Allocations and for the portfolio of Allocations of the grant agent, as decided by the Board and agreed with the Trustee; and
 - (v) providing of certain periodic implementation reports for Allocations of the grant agent, as approved by the Board.

Section 7. GPE West Bank and Gaza Program

- (a) The Trustee will establish a Sub-Account under the Trust Fund to (i) support the GPE West Bank and Gaza Program, (ii) receive Contributions designated for the GPE West Bank and Gaza Program and (iii) hold in trust and administer the funds, assets and receipts that constitute the Sub-Account, pursuant to the terms of the Contribution Agreements. The Trustee will, subject to the availability of funds in the Sub-Account as determined by the Trustee and subject to the terms of the Contributions Agreements, commit, transfer and/or use the Sub-Account funds for any purpose approved and in the amount allocated by the Board, in accordance with this Trust Fund Governance Document and the Contribution Agreements. Upon the transfer of such funds to the relevant grant agent, the Trustee shall have no responsibility, fiduciary or otherwise, for the use of these funds, including to the grant agent, the Contributors or the Board. The Trustee will provide to the Board regular reports on the financial status of the Sub-Account.

- (b) In accordance with the terms of the Contribution Agreements, a Contributor may choose to provide funding to the GPE West Bank and Gaza Program. The Contributor will designate in its Contribution Agreement that its funding will be contributed to the GPE West Bank and Gaza Program.
- (c) Except as specified in Section 7 (a) and (b), the procedures outlined in all other Sections of this document shall be applicable to the GPE West Bank and Gaza program.

Section 8. Amendments

This Trust Fund Governance Document may be amended by agreement of the Board, in accordance with the provisions of the Charter.