

# GUIDELINES FOR SYSTEM TRANSFORMATION GRANTS

**DRAFT**

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# 1. Introduction

## 1.1. Purpose of the grant

The primary purpose of the GPE grants for system transformation is to support partner countries to transform their education systems by making focused, evidence-based investments in programs that unblock system bottlenecks.<sup>1</sup> The grants were adopted as part of the GPE 2025 strategic plan,<sup>2</sup> and they are an evolution of the funding mechanism under the previous GPE strategic plan. The GPE grants for system transformation<sup>3</sup> will be used to support the implementation of a priority reform that a country and its partners have agreed upon.

These guidelines provide step-by-step guidance to apply for (1) the regular system transformation grant, (2) the GPE Multiplier grant after the development of a partnership compact, and (3) any combination of the regular system transformation grant, Multiplier grant, and Girls' Education Accelerator. Before starting the application process outlined in these guidelines, a country is expected to have developed a partnership compact.<sup>4</sup> The compact is a country-owned strategic framework that, among other things, sets out (a) the agreed priority reform, (b) the enabling factors needed to enable its implementation, (c) support from partners to implement it, and (d) the focus area for grant support from the Global Partnership for Education to implement the reform. The grant focus area, a subset of the broader priority reform, is approved by the GPE Board prior to program development. Specific guidelines are available to support governments and their partners in the local education group to develop the partnership compact.<sup>5</sup>

## 1.2. Allocation

Every eligible country has been notified of its allocations for the regular system transformation grant, the Multiplier, and the Girls' Education Accelerator (if applicable). For the **regular system transformation grant**, at the end of a country's partnership compact development process, the Board will decide whether the country can (a) apply for the indicative allocation (and in full) up front or (b) apply for a minimum portion (at least 60 percent) of the indicative allocation with the possibility of later accessing the top-up

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<sup>1</sup> An explanation of system transformation and the rationale for its adoption is provided in the *GPE Partnership Compact Development Guidelines*: <https://www.globalpartnership.org/content/partnership-compact-development-guidelines>.

<sup>2</sup> See *GPE 2025 Strategic Plan*: <https://www.globalpartnership.org/content/gpe-2025-strategic-plan>.

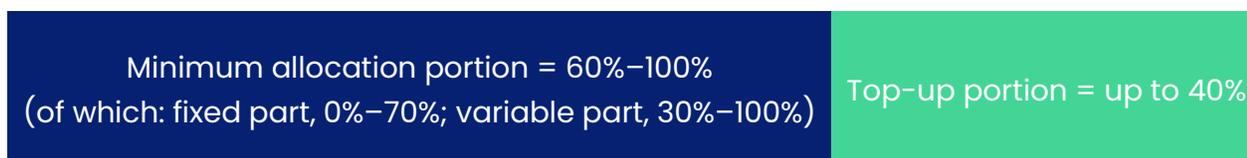
<sup>3</sup> GPE grants for system transformation include the regular system transformation grant, GPE Multiplier and Girls' Education Accelerator.

<sup>4</sup> Specific flexibility exists for certain category of countries applying for the GPE Multiplier as explained in section 2.3.

<sup>5</sup> See *Partnership Compact Development Guidelines*: <https://www.globalpartnership.org/content/partnership-compact-development-guidelines>.

portion (up to 40 percent) of the indicative allocation after specific results linked to the enabling factors have been achieved. **For the Multiplier and the Girls' Education Accelerator**, the Board will determine whether a country can apply for the full allocation (100 percent) or no allocation (0 percent). If the Board decides that part of the regular system transformation grant should be withheld, the indicative allocation is split into (a) a **base or minimum allocation** and (b) a **top-up allocation**, the withheld portion. As illustrated in figure 1, the base amount constitutes a minimal 60 percent of the indicative allocation, while the incentives-based top-up is up to 40 percent. In these cases, these guidelines address the process to access the base allocation.

**Figure 1.** Components of the system transformation grant



### 1.3. Eligible expenditures

In line with GPE's systems approach, an application for GPE grants must demonstrate that expenditures to be financed are directly linked to unblocking implementation challenges in the priority reform area identified in the partnership compact. In addition, expenditure should be related to the education subsectors supported by GPE 2025, that is, pre-primary, primary, secondary education, second-chance learning and addressing of relevant gender inequalities related to the priority reform area.

However, when GPE grants are part of sector-wide support mechanisms, GPE funds do not need to be specifically linked to the transformative priority area, nor limited to specific subsectors. In these cases, however, it will be important to provide assurances that the implementation challenges in the priority reform identified in the partnership compact are adequately financed and that implementation progress is monitored.

For applications seeking to use the Girls' Education Accelerator window, countries will determine specific interventions in alignment with the partnership compact to address barriers to access, completion and learning for girls. Interventions that can be financed by this window may cover programs/activities both within the education sector and in other related sectors such as health or social protection, if their impact links back to girls' education.

### Programs related to nonstate provision of education

- ▶ **Where GPE funding is used to support not-for-profit nonstate providers of core education services**, partner countries should either have actionable regulatory frameworks in place or under development. Where a regulatory framework does not exist, and where there is no existing financing to develop it, some GPE funds should be used to help establish the regulatory framework.
- ▶ **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. For further details, see the GPE private sector engagement [strategy](#),<sup>6</sup> and the exceptional circumstances exemptions for the private sector engagement [strategy](#).<sup>7</sup>
- ▶ **Request for exemptions** should be submitted to the Secretariat by the partner country government no later than during the communication of the program outline. It should be endorsed by the local education group and sent to [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org), copying the grant agent (if already selected), coordinating agency and GPE country team lead.

## 1.4. Duration

The duration of GPE grants for system transformation should not exceed four years but may be shorter. If cofinancing a program with a longer duration, utilization of GPE grants should be linked to the first four years of implementation. Utilization of GPE grants should be prioritized in comparison with other sources of funding, including but not limited to those from the grant agent. If for any reason utilization of GPE grants cannot be prioritized, this should be clearly indicated in the application form. Request for extension of GPE grants may not be approved if other sources of funding have been prioritized without prior agreement.

The implementation period should be indicated in the application form, as should the expected start date. It is expected that the program starts as soon as possible after grant approval, and no later than six months. A request for a later start date will need to include a strong rationale and justification. The grant agent must notify the GPE Secretariat once the program has effectively started, marked by the occurrence of an event defined in the

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<sup>6</sup> *GPE Private Sector Engagement Strategy 2019–2022*: <https://www.globalpartnership.org/content/private-sector-engagement-strategy-2019-2022>.

<sup>7</sup> *Exceptional Circumstances Exemptions for the Private Sector Engagement Strategy*: <https://www.globalpartnership.org/content/exceptional-circumstances-exemptions-private-sector-engagement-strategy-december-2019>.

grant application. The grant agent 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 is only acceptable within the provisions of GPE grant policy.<sup>8</sup> As stated in the policy, permission to delay implementation must be requested from the Secretariat.

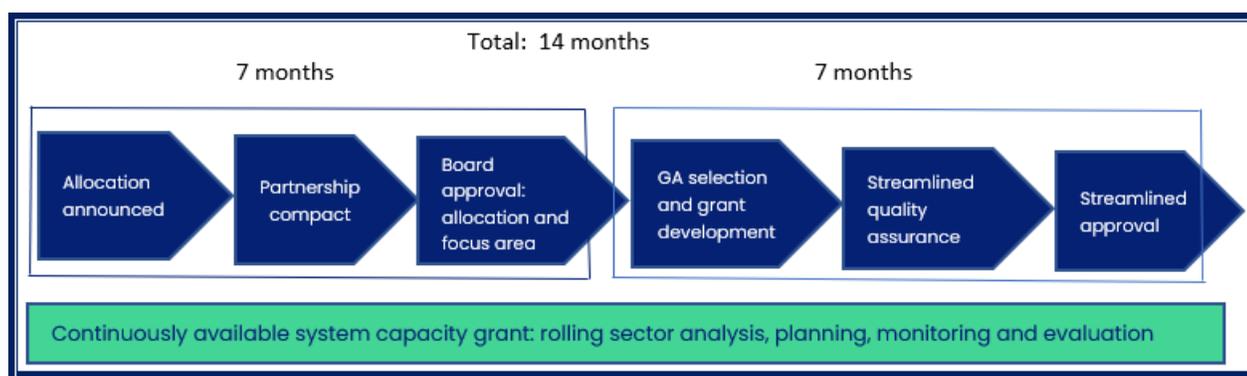
## 2. Application process

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

### 2.1. Overview of grant timeline

The process to obtain GPE grants for system transformation is expected to be completed within 14 months—from the time the Secretariat notifies the partner country about its allocation to the grant approval. Figure 2 illustrates key phases in this process. These guidelines focus on the seven-month application period, covering grant agent (GA) selection, grant development, streamlined quality assurance and approval.

**Figure 2.** System transformation grant timeline



### 2.2. Impact of the partnership compact

The development of the partnership compact is the key preparatory step for countries to access GPE grants. The GPE Board uses the partnership compact as background information to make an approval decision on the strategic focus and the amount of the

<sup>8</sup> The GPE grant policy is under development and will become available on the GPE website. The policy is an adaptation of the *Policy on Education Sector Program Implementation Grants*: <https://www.globalpartnership.org/content/policy-education-sector-program-implementation-grants>.

regular system transformation grant that can be accessed up front. More importantly, the compact identifies education system bottlenecks, including gender inequalities within the system, and mobilizes partners at the country level to make strategic choices to address them, including the strategic focus to be financed by the regular system transformation grant, the Multiplier grant, and the Girls' Education Accelerator.

Finally, through the assessment of the enabling factors as part of the compact development process, the government and its partners would have identified the most aligned funding modality appropriate in the context as well as opportunities that would be available for further alignment and/or harmonization.<sup>9</sup> These findings are expected to inform the implementation modality used for GPE grants.

### **2.3. GPE Multiplier grant**

A country can secure the Multiplier allocation by collaborating with partners to mobilize new external financing. GPE provides US\$1 in supplemental grant finance for each US\$3 in financing mobilized, up to a predetermined maximum per country.<sup>10</sup> (The ratio is 1 to 1 for financing from some foundations and the business community.) To secure the Multiplier allocation, the country will need to submit an expression of interest proving that additional external financing has been triggered by the Multiplier.

Some countries may have already submitted an expression of interest to secure a Multiplier allocation before developing a partnership compact. Others are encouraged to submit an expression of interest as soon as additional external financing becomes available. Separate guidelines are available to help eligible countries submit an expression of interest.<sup>11</sup>

The Multiplier is expected to target the focus areas identified in the partnership compact.<sup>12</sup> To facilitate alignment of external funding and minimize the fragmentation of assistance to education, GPE expects cofinancing to be integrated into the same programs and funding modalities as GPE funds. In cases where this is not feasible, a justification must be presented and it is still expected that the programs are complementary.

To maximize impact and minimize the overall transactions costs, countries are advised to

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<sup>9</sup> *Alignment* refers to the use of the partner country's institutions, human resources, procedures and tools as the mainstays for the implementation of external aid through the national budget process. Harmonization is the pooling of aid resources and financing agreement conditionalities to reduce fragmentation/transaction costs and improve efficiency.

<sup>10</sup> See the list of allocation per country: <https://www.globalpartnership.org/content/list-countries-and-grant-eligibility>.

<sup>11</sup> See *GPE Multiplier Operating Guidelines*: <https://www.globalpartnership.org/content/gpe-multiplier-operating-guidelines-2021-2025-draft>. See also *Guidance to Evaluate Expressions of Interest for the GPE Multiplier*: <https://www.globalpartnership.org/content/guidance-evaluate-expressions-interest-gpe-multiplier>.

<sup>12</sup> Except for cases where a country accesses its Multiplier allocation prior to developing a partnership compact.

apply for their Multiplier allocations at such a time that the grant can be programmed and implemented within the same program financed by the regular system transformation grant and/or Girls' Education Accelerator (where applicable). In some cases, countries may be unable to mobilize cofinancing partners at the time of the application for the regular system transformation grant. In these cases, countries can access the Multiplier grant separately. However, the Multiplier grant is normally expected to be added to the existing program financed by the regular system transformation grant.

#### **2.4. GPE Girls' Education Accelerator**

The Girls' Education Accelerator supports system transformation by addressing specific barriers to girls' education and acts as an incentive to the overall hardwiring of gender equality in the country processes. Eligibility for the Girls' Education Accelerator is limited to countries with the highest need, where girls lag furthest behind.<sup>13</sup>

The Girls' Education Accelerator has no specific set of approved activities. The grant can be used to finance activities both within the education sector and in other related sectors such as health or social protection, if their impact links back to girls' education. Both girls and boys can participate and benefit in activities financed by the Girls' Education Accelerator. However, the interventions must be designed to tackle key barriers to girls' education and set results on girls' education as their main objective.

The Girls' Education Accelerator leverages the existing grant processes. Access to the Girls' Education Accelerator is integrated into the application for the regular system transformation grant and/or the GPE Multiplier. This application should reflect a single coherent approach supported by GPE grants. Countries must identify which activities will be financed by this thematic window as part of their application.<sup>14</sup> Furthermore, the application also needs to discuss the theory of change linking the proposed activities to the key barriers affecting girls' education. The integration of girls' education into a coherent theory of change within the overall grant process follows the principles and the priority reform established in the partnership compact. The Operational Framework for the Girls' Education Accelerator<sup>15</sup> includes details on the rationale for this grant mechanism, the link between this thematic funding window and the hardwiring of gender equality, eligibility for this funding window, as well as examples of how to leverage the funds.

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<sup>13</sup> See the list of countries and grant eligibility: <https://www.globalpartnership.org/content/list-countries-and-grant-eligibility>.

<sup>14</sup> Exceptions can be made if the grant is used as part of a more aligned modality, such as budget support, which does not allow to specifically identify the activities financed.

<sup>15</sup> Available at <https://www.globalpartnership.org/content/operational-framework-girls-education-accelerator-draft>.

## 2.5. The grant application

There are five main steps in the application process:

1. Agreement on funding modality, grant agent and program outline, including variable part
2. Quality assurance review phases I and II<sup>16</sup>
3. Development and submission of the application package
4. Quality assurance review of the final application package
5. Grant approval decision

### Step 1. Agreement on funding modality, grant agent and program outline, including variable part

**Use of funding modality:** Based on the assessment of the enabling factors, and as part of the partnership compact development process, the government and its partners identify the most aligned modality available to channel the grants, as well as opportunities that could be available for further alignment and/or harmonization. If the assessment shows weaknesses with regard to alignment—where more aligned modalities are available in comparator countries—and a more aligned modality would not be available for current system transformation grants, the country could use the GPE system capacity grant to develop a pathway to alignment.<sup>17</sup> In addition, the GPE system capacity grant can be used to develop or reinforce a pooled funding mechanism.

**Selection of grant agent:** When the preferred modality has thus been defined, the government in consultation with the coordinating agency—if not a candidate for the role of the grant agent—will set out the criteria to select the grant agent as well as set up a selection committee. The criteria need to include (a) the capacity to support efficient implementation of the program within the focus area defined in the compact, (b) the ability to use the selected modality, (c) the ability to help the government to develop a program within six months after selection—it is encouraged to request the interested agencies to draft a program development timeline as part of their candidacy—and (d) administrative cost for delivery of the program. Subsequently, the government will request all members of the local education group to express their interest. This should be announced at a meeting of the local education group and followed up through a written communication to group members that provides sufficient time for interested partners to submit requested information.

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<sup>16</sup> It may include a concept note or early draft of the program document in certain circumstances.

<sup>17</sup> See *Guidelines for System Capacity Grant*: <https://www.globalpartnership.org/content/guidelines-system-capacity-grant>.

Any selection of a grant agent prior to this public call for interest will not be considered as final by GPE.<sup>18</sup> Candidates should be asked to present their expressions of interest to the government, with the local education group informed in this process, responding to the defined criteria. Based on the expressions of interest, an inclusive selection committee should propose a grant agent for decision by the government. This decision should be presented for endorsement by the local education group, including development partners and civil society organizations, preferably by consensus.<sup>19</sup> If one or more development partners raise concerns with the process, recourse can be made to GPE's Conflict Resolution Procedures.<sup>20</sup> The Secretariat will produce a quality assurance report on the grant agent selection to assess whether due process has been followed.

Further guidance is provided in the Selection Process for Grant Agents<sup>21</sup> and based on the Terms of Reference for Grant Agents.<sup>22</sup>

### **Grant agent accreditation**

To be able to exercise their role, all grant agents must be accredited and have a signed financial procedures agreement with the GPE trustee. If a prospective or designated grant agent has not been accredited and/or does not have a signed agreement, the government and the relevant agency should inquire about its eligibility. If eligible and selected, the agency should immediately contact the GPE Secretariat to initiate action for accreditation, involve its head office to secure this and subsequently sign the agreement. This process will run in parallel to the development of the grant application and should not delay it if actions are taken in due time.

### **Justification for multiple grant agents**

Normally, a country would select one grant agent for system transformation grants. Decisions to have more than one grant agent and/or to divide the grants between different entities are possible but should be justified. One justification would be (cost-) efficiency. For example, implementation arrangements where grant agents use other agencies—that are also eligible to be a grant agent—as implementing partners (who in turn may further subgrant) can absorb significant amount of funds as overheads and administration costs and slow down implementation. Where more than one grant agent is used, GPE will provide direct grants to each grant agent, but coordination arrangements between the entities should be clearly described in the proposal(s), including any interdependencies that may impact implementation.

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<sup>18</sup> The only exception is when an expression of interest for the GPE Multiplier is submitted before the (draft) partnership compact, and the cofinancier conditions its resources on the use of a specific grant agent to develop the joint program. However, even in that case the government will still need to organize a separate grant agent selection process for the regular system transformation grant after the compact process.

<sup>19</sup> The term *endorse* or endorsement in all GPE documentation means to offer public support. It does not imply formal approval or decision making. It is important to ensure that the selection process, key steps and final decision are documented. Minutes of the local education group meeting during which the selected grant agent was endorsed should be communicated to the GPE Secretariat.

<sup>20</sup> Available at <https://www.globalpartnership.org/content/conflict-resolution-procedures>.

<sup>21</sup> Available at <https://www.globalpartnership.org/content/standard-selection-process-grant-agents>.

<sup>22</sup> Available at <https://www.globalpartnership.org/content/terms-reference-gpe-grant-agents-espig>.

**Program development timeline:** Either as part of the grant agent selection or immediately after having been selected, the grant agent prepares a program development timeline. The grant agent may apply for a program development grant to finance program and application preparation.<sup>23</sup>

The program development timeline needs to be in line with the timeline set out at the grant agent selection stage. Once the grant agent has been selected, the timeline needs to be confirmed with the government and discussed with the Secretariat to streamline the quality assurance reviews (see step 2 below). The grant agent shares the timeline with the local education group to ensure continued collaborative decision making. The timeline includes specific moments for consultation with the local education group. Consultation is different from endorsement, as it is not limited to submitting a document to the local education group for their approval. **The program development timeline is expected to be established within four weeks after grant agent selection.** Changes to the timeline will need to be communicated immediately to the local education group and the Secretariat.

**The program outline:** The grant agent in close collaboration with and under the leadership of the government prepares a written outline for the program to be funded based on the focus area identified in the partnership compact and approved by the Board. In line with the systems approach, the program outline should demonstrate an effective use of diagnostics and targeted deployment of resources to unblock key bottlenecks in the delivery of education. The program outline is expected **to be developed within two months of the selection of grant agent.** The outline is shared with the local education group, which is invited to provide feedback within a reasonable time frame. In principle, a period of 10 business days is considered to be reasonable. As the program development will continue after the finalization of the program outline, the feedback from the local education group can be requested on a finalized program outline and thus be considered for the actual program development. The outline will also be shared with the Secretariat.<sup>24</sup>

The program outline is expected to include (a) program objectives, (b) proposed components and key interventions (high level) that mainstream gender accompanied by (high-level) theory of change/results chain,<sup>25</sup> (c) key results and indicators, and (d) an overview of implementation arrangements.

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<sup>23</sup> For details, see *Program Development Grant Application Guidelines*: <https://www.globalpartnership.org/content/global-partnership-education-program-development-grant-guidelines>.

<sup>24</sup> Other important information expected to be shared along with the program outline includes the selection of currency—for countries that elect to access their grant in euros in lieu of US dollars. See annex 1 for details on selection of currency.

<sup>25</sup> The results chain should be grounded in experience and evidence (plus root cause analysis) and linked to an indicative budget. The indicative budget should include program subcomponents and estimated grant agent implementation support costs.

## Disability inclusion in system transformation grants

GPE partner countries increasingly prioritize inclusive education for children with disabilities in their education policy and planning. Whether or not inclusion is chosen as a priority reform, it is important to consider whether activities supported through grants are designed in inclusive ways or exclude children with disabilities.

Governments and their grant agents will be asked to consider whether all planned components are inclusive of children with disabilities during the preparation of system transformation grants. This will be assessed as part of the quality assurance process.

For some activities, it might not be relevant to consider disability inclusion. Where this is the case, grant agents will be asked to provide a brief rationale within the grant application, in consultation with the government and local education group. This rationale should set out why disability inclusion is not relevant to a particular activity. As part of the design process, partners could reflect on government policy and any global commitments on inclusion made by the government or its grant agent, such as those made at the Global Disability Summit.<sup>26</sup>

If the grants include a variable part, the outline should propose the strategy to which the variable part financing is linked, along with proposed indicators and targets (which should be an integral part of the overarching program theory of change/results chain).

### The variable part

- ▶ The variable part of a system transformation grant and/or GPE Multiplier should be designed as results-based financing, with funds disbursed only after a pre-agreed set of results have been achieved and verified.
- ▶ Variable part strategy, indicators and targets should be fully aligned to the focus area of the grants.
- ▶ Process, output and intermediate outcome indicators may be proposed, and they should be grounded in a clear and convincing results chain linking activities and outputs to expected outcomes.
- ▶ The number of indicators proposed may vary based on the size of the grant and/or whether milestone targets are used.
- ▶ Where applicable, the variable part will constitute at least 30 percent of the grant allocation. However, up to 100 percent of the approved allocations may be programmed as results-based financing, depending on country capacity and appetite for results-based funding, as determined at the country level.

### Variable part exemption

- ▶ The top-up portion of the regular system transformation grant is exempt from the variable part.
- ▶ If the base allocation of the regular system transformation grant is combined with a Multiplier grant and/or the Girls' Education Accelerator and the total grant amount is at or above \$15 million, the minimum 30 percent variable part is applied to the combined amount.
- ▶ In grants for which the allocation is below \$15 million, programming a share of the grant as variable part is not required. As an exception, countries listed in annex 4 are exempted from the variable part even if the grant amount exceeds \$15 million. See annex 3 for detailed criteria for variable part exemption.

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<sup>26</sup> <https://www.globaldisabilitysummit.org/>.

The Secretariat will only provide feedback on the program outline after the government and grant agent have completed consultation with the local education group.

## Step 2. Quality assurance review phases I and II

The program development timeline needs to be discussed with the Secretariat during a kickoff meeting to streamline the quality assurance review (QAR) phases. This allows for the reviews to be most efficient and effective for the program and context. Several options of quality assurance support can be discussed at this time and requested at later stages to allow for the most appropriate support by the Secretariat.

At a minimum, for any program to be financed by GPE with a combined grant amount above \$10 million, the program outline will need to be submitted for Quality Assurance Review Phase I (QAR I), while those above \$50 million will, in addition, need a QAR II (or full quality assurance review). For grants up to \$10 million, it can be agreed that no program outline is submitted, which means that assessment by the Secretariat is limited to quality assurance at application stage (see step 4 below).

A full quality assurance review will also be expected for regional applications, as well as other highly complex or innovative approaches. Outside those parameters, partner countries are encouraged to discuss whether additional quality assurance support would be appropriate. This can also be catered to by specific sections of the QAR II, such as budget and grant agent costs, monitoring, fiduciary arrangements and additional review of elements related to the variable part (specifics on targets and their verification arrangements).

During the kickoff meeting, the GPE quality assurance standards will be communicated to the grant agent with a checklist so that the government and grant agent are aware of them and could do a self-check of GPE standards, which can be submitted to GPE at the time of application.

**Quality assurance review of the program outline (QAR I):** This involves technical assessment of the program outline by the Secretariat to facilitate a robust and relevant program design for the grant and in compliance with relevant GPE policies. The assessment is organized in the form of a desk review and normally **completed within two to three weeks**, according to the application development timeline. The Secretariat reviews the extent to which the program is aligned with the focus areas and interventions outlined in the partnership compact. The review includes the following:

**A. Review of the program outline** against three of the seven program quality standards:

- › Program design
- › Sustainability
- › Aid effectiveness

**B. Assessment of the variable part** against one of four criteria:

- › Adequacy of proposed strategies

See annex 2 for a full list of the program quality standards.

The Secretariat compiles the conclusions of the review into a quality assurance review report, including the observations on the variable part, and shares it with the grant agent, the partner country government and the coordinating agency. It is expected that the recommendations will be discussed within the local education group and considered in the finalization of the grant application package to ensure a successful submission.

**Quality assurance review of draft program document and application (QAR II):** In cases where a QAR II is needed, the grant agent shares the draft program document and application form with the Secretariat. The Secretariat assess the program using a set of seven criteria outlined in the GPE grant quality standards: (1) program design, (2) program budget, (3) monitoring and evaluation, (4) implementation arrangements and readiness, (5) risk identification and mitigation measures, (6) sustainability, and (7) aid effectiveness. In addition, the review will examine whether the program design has given adequate consideration to the GPE policy on sexual exploitation, abuse and harassment (see section 3.2). Finally, four criteria are used to assess the variable part: (1) adequacy of proposed strategies, (2) adequacy of indicators and targets, (3) reliability of means of verification, and (4) pricing and disbursement mechanism. The Secretariat will also examine the extent to which the issues raised in QAR I have been addressed in order to ensure the preparation of a robust and relevant set of interventions.

The Secretariat compiles the conclusions of the review into a QAR II report and shares it with the grant agent, the partner country and the coordinating agency. It is expected that the QAR II recommendations will be discussed within the local education group and considered in the finalization of the grant application package to ensure a successful submission.

**Safeguards against sexual exploitation, abuse and harassment in GPE-funded programs**

In preparing the grant programs, the grant agent should consider GPE's policy on sexual exploitation, abuse and harassment (SEAH).<sup>27</sup> The policy aims to ensure that there are adequate safeguards against sexual exploitation, abuse, harassment and related misconducts in the implementation of programs

<sup>27</sup> See *Policy on Protection from Sexual Exploitation, Abuse and Harassment*:

<https://www.globalpartnership.org/content/policy-protection-sexual-exploitation-abuse-and-harassment-may-2021>.

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:

- › The grant agent has considered SEAH risks that are induced or exacerbated by the GPE grant;
- › If SEAH risks are identified, then details of risk assessment and proposed mitigation measures are provided; and
- › If SEAH risks are not relevant for the GPE grant, then reasons for this conclusion are provided.

### Step 3. Development and submission of the application package

#### Program document and grant application form

The grant agent should develop the program document and budget for the grant in separate documents, according to the grant agent's own processes, and complement it with the template—[application form](#)<sup>28</sup>—required for the application package to provide additional information. The budget should be in spreadsheet format, structured into components, subcomponents and activities, and should contain the unit cost and quantities for each activity (lump sums are not acceptable).<sup>29</sup>

Taking into consideration the partnership compact and based on the inputs and recommendations in the quality assurance review of the draft program outline, the grant agent under the leadership of the government, and in consultation with the local education group, develops the application package according to the agreed process. **The application package is expected to be developed within six months after selection of the grant agent.**

The grant agent shares the draft program document with the local education group and invites the coordinating agency and other members of the group (according to the agreed process) to provide feedback on the draft at an appropriate stage as indicated in the proposed timeline. In crisis-affected countries, it is recommended that representatives of humanitarian education coordination mechanisms<sup>30</sup> are also invited to provide feedback.

The final application package consists of the following documents:

- › Grant application form<sup>31</sup>

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<sup>28</sup> Available at <https://www.globalpartnership.org/content/system-transformation-grants-application-form>.

<sup>29</sup> An optional budget template is available on GPE website: <https://www.globalpartnership.org/content/budget-template-system-transformation-grant>.

<sup>30</sup> Education cluster, education in emergencies working group and/or refugee education working group.

<sup>31</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 grant application form for each state (see also the link to guidance on division of indicative allocations for grants in federal states: <https://www.globalpartnership.org/content/guidance-division-indicative-allocations-program-implementation-grants-federal-states>).

- › Program document and budget prepared for the grant, or other appropriate documents for budget support or pooled funds<sup>32</sup>
- › Latest report on implementation or completion of ongoing/previous grant, if not yet submitted
- › Any other supporting documents

The government and grant agent should validate the completed application. The development partners and civil society organizations should endorse it before its submission by the coordinating agency to the Secretariat, copying the government and the grant agent. The coordinating agency works 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**

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

### **Step 4. Quality assurance review of the final application (QAR III)**

Upon receiving the final application, the Secretariat verifies that the application package is complete and then proceeds with its final quality assurance review of the application, preparing the necessary documentation for the final approval decision.

The grant will be assessed based on the system transformation grants' quality standards, which include whether gender equality is sufficiently addressed. This assessment also includes an evaluation of the grant's potential for system transformation. The full quality assurance standards can be found in annex 2. Further guidance related to the variable part can be found in annex 3.

The Secretariat compiles the findings of the final review for further processing. Should the Secretariat determine that the application does not meet the minimum standards, it will inform the government, copying the coordinating agency and the grant agent. The government can subsequently indicate to maintain or revise the application, with the possibility to retract and resubmit.

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<sup>32</sup> For sector budget support or pooled funding, it can be sufficient to provide the memorandum of understanding 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.

## Step 5. Grant approval decision

The Chief Executive Officer (CEO) of GPE will review and make the approval decision on grants up to \$10 million<sup>33</sup> (or its equivalent in euros) plus agency fees.<sup>34</sup> The CEO may refer to the Board for decision if the grant application requires further deliberation/exceptions.

Any amount over \$10 million will be recommended to the Board for further review and decision. For all grants, the approving entity (the CEO or the Board) will examine the findings of the quality assurance review and decide whether the application represents a good investment for GPE that would support education system transformation.

The grant approval, together with the expected time frame for commencement of program implementation, is communicated to the minister of finance and minister of education, copying the grant agent and the coordinating agency, **within 10 business days after the approval decision (approval date)**. The communication includes the approval decision on the following:

- › 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
- › Designation of the grant agent

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 GPE grant policy regarding revision. This includes any changes to the program documents during the grant agent's internal approval process.

### Disclosure of grant documents

In line with its transparency policy, GPE publishes all approved grant applications and program documents on its website under country pages, as well as the joint sector review reports or aide memoires, unless the individual country objects.

If a decision is made not to approve the application, the country can reapply, depending on the decision, and as long as the allocation period has not passed.<sup>35</sup>

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<sup>33</sup> This includes the regular system transformation grant, Multiplier grant and Girls' Education Accelerator. 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 applies for a \$10 million regular system transformation grant together with an application for a \$5 million Multiplier grant, Board approval is required as the total value exceeds \$10 million.

<sup>34</sup> See "Meeting of the Board of Directors," December 10–12, 2019, Nairobi, <https://www.globalpartnership.org/sites/default/files/2019-12-gpe-board-decisions-rev.pdf>.

<sup>35</sup> Validity period of the allocation is stated in the indicative allocation notification sent to countries.

## 3. Grant management, monitoring and learning

### 3.1. Grant agent responsibility

The grant agent works closely with the government within a government-led planning process, engages in policy dialogue, provides technical support as needed and supports the government to prepare a high-quality grant application. The grant agent is responsible for ensuring that high-quality work is carried out in accordance with (a) its own policies and procedures, (b) the application approved by GPE, (c) the applicable GPE policies and guidelines, and (d) the financial procedures agreement.

In general, a key role of the grant agent is to work closely with the government to ensure full leadership and ownership of the programs supported by GPE grants. It is also key for the grant agent to work 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 timeline and application process.

In addition, through monitoring the grant, the grant agent is expected to detect issues that may arise during implementation as early as possible and to resolve them. If there are delays or issues that may adversely affect the quality and timing of the implementation, 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 is being done or considered to mitigate the impact of delays and to ensure that the grant is effective and implementation is completed on time.

#### **Grant agents and protocol for GPE visibility**

The grant agent will jointly develop and distribute with GPE visibility materials for nontechnical audiences, such as press releases, photo and video packages and beneficiary profiles. Communications materials including but not limited to press releases, web stories, reports, photos and videos about the grant program will clearly reference GPE funding and comply with GPE branding guidelines.<sup>36</sup> The grant agent commits to facilitating an introduction of relevant counterparts to GPE's communications team to jointly promote the visibility of the grant. The grant agent should also help identify any stories of impact of the GPE program on beneficiaries that could be shared with the GPE Secretariat for media and publicity purposes. These stories will be featured on GPE communications materials and platforms, with attribution to the provider.

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<sup>36</sup> See *GPE Protocol for Communications and Media Outreach Related to GPE Grants and Programs in Partner Countries*: <https://www.globalpartnership.org/content/protocol-media-outreach-gpe-partner-countries>.

## 3.2. Risk mitigation

### 3.2.1. Misuse of funds

As for all types of grants, GPE has a zero-tolerance policy regarding misuse of GPE Fund resources. In the event of suspected or actual misuse, 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 policy in this regard.<sup>37</sup> The notification should be sent to the Secretariat country team lead, copying [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org).

System transformation grants must be audited annually,<sup>38</sup> and application requests should include provision for annual external audits. In line with GPE grant policy,<sup>39</sup> grant agents are required to submit audit reports and management letters to the Secretariat.

#### **Zero-tolerance policy**

The Policy and Communications Protocol on Misuse of GPE Trust Funds<sup>40</sup> should be followed in the event of misuse of funds, in addition to the grant agent's own internal procedures and processes in this regard.

### 3.2.2. Safeguards against sexual exploitation, abuse and harassment

In line with GPE's policy on sexual exploitation, abuse and harassment (SEAH), when an SEAH incident occurs in the implementation of a GPE-funded program, the grant agent is required to notify the Secretariat immediately. The notification should be sent to the country team lead, copying [gpe\\_grant\\_submission@globalpartnership.org](mailto:gpe_grant_submission@globalpartnership.org).

#### **Upcoming updates to the guidelines**

Please note that additional details on grant monitoring, including revision and reporting, will be provided in the next update to these guidelines. This update will also include information about progress and completion report templates.

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<sup>37</sup> See *Policy and Communications Protocol on Misuse of GPE Trust Funds*:

<http://www.globalpartnership.org/content/policy-and-communications-protocol-misuse-gpe-trust-funds>.

<sup>38</sup> United Nations entities are exempt from annual audit requirements due to their single audit principle. Nonetheless, copies of audit reports and management letters should be shared with the Secretariat whenever Harmonized Approach to Cash Transfers (HACT) audits are commissioned exclusively for GPE grants.

<sup>39</sup> The GPE grant policy is under development. It is an adaptation of the *Policy on Education Sector Program Implementation Grants*: <https://www.globalpartnership.org/content/policy-education-sector-program-implementation-grants>.

<sup>40</sup> Available at <https://www.globalpartnership.org/content/policy-and-communications-protocol-misuse-gpe-trust-funds>.

## Annex 1. Selection of currency

**Applicants can elect to access grants in euros in lieu of US dollars.** The decision to apply in euros should be made by the government and the grant agent in consultation with the local education group. It has to be formally communicated by the government and the grant agent to the GPE Secretariat (copying the coordinating agency). It is highly encouraged that the decision regarding currency choice be made at an early stage in the application process and, in any case, it has to be communicated no later than during the communication of the program outline and timeline to the Secretariat by the grant agent.

The conversion of the grant amount from US dollars to euros 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 grant agent. This exchange rate and total grant amount in euros will be communicated by the Secretariat in an email response to the notification received from the government and the grant agent. Once sent, the grant agent 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 euros 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 grant agent.

If the implementable grant amount (that is, excluding supervision allocation) is in euros, the supervision allocation may either be taken in euros or US dollars. If the supervision allocation is in euros, the value will be deducted from the allocation as it is with a US dollar allocation. However, if the grant agent elects to have the supervision allocation in US dollars, it will be the US dollar value of the country allocation prior to the conversion to euros. Once the deduction is made, the remaining grant amount will be converted into euros.

## Annex 2. Program quality standards

The Secretariat conducts a quality assurance review of system transformation grant applications against seven program quality standards:

1. Program design
2. Program budget
3. Monitoring and evaluation
4. Implementation arrangements and readiness
5. Risk identification and mitigation measures
6. Sustainability
7. Aid effectiveness

In addition, four criteria are used to assess the variable part:

1. Adequacy of proposed strategies
2. Adequacy of indicators and targets
3. Reliability of means of verification
4. Pricing and disbursement

## Annex 3. Variable part guidance

The variable part has shown promise in focusing country policy dialogue and results measurement on sector priorities, incentivizing implementation, and maintaining focus on prioritized strategies over the medium term within a framework that allows strategy prioritization and key program design choices to be made at the country level.

However, to function well, a results-based financing approach often requires additional work and specific expertise during the program design phase, especially in the areas of indicator selection and design, development of disbursement rules and means of verification.

### General guidance and assessment criteria

Variable part indicators and targets should be fully aligned to the focus area of the system transformation grant and linked to implementation of a specific strategy (or set of strategies) that are the focus of the grant program.<sup>41</sup>

Please note, if the grant includes a Girls' Education Accelerator, the variable part must set at least one indicator/target linked to girls' education. This translates to one of the strategies included with the variable part having a focus on barriers to girls' education.

The variable part is assessed using four criteria:<sup>42</sup>

- › **Adequacy of proposed strategies:** The variable part should be fully aligned to (and integrated with) the focus area of the system transformation grant. The variable part should be designed to incentivize strategy implementation and further the system transformation efforts of the grant, with proposed indicators and targets integrated into a clear and convincing results chain showing how inputs, processes and outputs are expected to lead to intermediate outcomes and outcomes.
- › **Adequacy of indicators and targets:** Proposed indicators and targets may be at the process, output, intermediate outcome or outcome level and should act as sound proxies of strategy implementation and progress toward the system transformation objective of the overarching grant. Indicators should be measurable. Proposed targets should reflect both realism and ambition. Results

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<sup>41</sup> In system transformation grants that support pooled funds and budget support, the same approach and criteria for the variable part apply.

<sup>42</sup> Detailed assessment questions used for variable part criteria are available on the GPE website.

that can be fully achieved through use of financing from the fixed part of the grant are not a good fit for the variable part.

- › **Reliability of means of verification:** Process and means of verification for the attainment of results should be fully described, appropriate and reliable.
- › **Pricing and disbursement:** Indicator pricing is clear and reasonable and disbursement rules are clear. The disbursement mechanism should be clearly described and adequate.

### Design guidance<sup>43</sup>

Several recent studies and reviews on use of results-based financing at the system level in education suggest some guidance that can be considered when designing programs that use RBF approaches.

- › Seek to make use of the potential advantages of an RBF approach that can “focus attention” on specific policy priorities and desired results, focus attention on regular/annual measurement of prioritized results, and, depending on the design,<sup>44</sup> incentivize implementation at different system levels directed toward attainment of prioritized results.
- › Be mindful of the limitations of an RBF approach: program components linked to RBF may require additional time and expertise to design; select indicators with care, including to consider potential adverse incentives that could be created when prioritizing certain results (these include risks of weakening data systems or inadvertently promoting inequity); and consider the risk of grant restructuring and nondisbursement of financing.
- › Carefully attend to the task of indicator selection, target setting and disbursement rules. Try to identify indicators and targets that are a good fit with the objectives of the strategy, an RBF approach and the country context. Consider the potential value of process, milestone and service delivery indicators, which can add clarity to results chains and be strategically placed to overcome key bottlenecks and/or incentivize annual reporting on progress.

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<sup>43</sup> L. J. D. Lee and O. Medina, *Results-Based Financing in Education: Learning from What Works* (Washington, DC: World Bank Group, 2019). See also GPE, *An Early Stage Review of Country Program Designs and Implementation Experiences with GPE's Variable Part Financing Mechanism (2015–2019)* (Washington, DC: GPE, 2020); C. Dom et al., *Results-Based Financing in the Education Sector: Country-Level Analysis*, final synthesis report (Oxford, England: Mokoro, 2021).

<sup>44</sup> In the design phase, it may be useful to consider who needs to act to support progress toward a desired result. Is RBF an appropriate intervention in the given context/theory of change? If so, at what level should the financial incentive be placed?

## Annex 4. Variable part exemptions

Based on the evidence from the variable part under the 2015–2020 funding model, GPE has adopted an approach whereby a small number of **countries are exempted up front from the variable part**. These countries have been determined based on the Country Policy and Institutional Assessment (CPIA) from the World Bank, specifically the assessment on public sector management and institutions. This area of the assessment includes factors such as the quality of budgetary and financial management, the quality of public administration and transparency in the public sector.

A country is exempt if its score is below the average for fragile and conflict-affected countries. Additionally, the **country needs to be classified as affected by fragility or conflict to be exempt from the variable part**, given the rationale of this exemption is to further differentiate among fragile contexts. The list of GPE partner countries affected by fragility and conflict is available [here](#).<sup>45</sup>

As of the beginning of 2021, this approach exempts the following countries from the variable part:

1. Afghanistan
2. Burundi
3. Central African Republic
4. Chad
5. Comoros
6. Democratic Republic of Congo
7. Eritrea
8. Guinea-Bissau
9. Haiti
10. Somalia
11. South Sudan
12. Sudan
13. Syria<sup>46</sup>
14. Timor-Leste
15. Yemen

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<sup>45</sup> <https://www.globalpartnership.org/content/list-gpe-partner-countries-affected-fragility-and-conflict>.

<sup>46</sup> Though the CPIA scores for Syria are not published, GPE works under the assumption that the country is also exempt from the variable part due to very low capacity.

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