

DECEMBER 4-5, 2024 – MEETING OF THE BOARD OF DIRECTORS

EMIRATES OF DUBAI - BOD/2024-12 DOC 08 – FOR DECISION

GRANT AGENT SELECTION PROCESS

Please note: In accordance with the GPE Transparency Policy, documents are public only after their appraisal by the relevant governance instance. Governance officials may circulate documents to their constituency for consultation purposes, except for documents of a confidential nature.

Key issues for consideration:

- At its November 6 meeting, the Executive Committee welcomed the proposal of a standardized, transparent, and clear process. Committee members cautioned against adding further complexities that could cause delays and the need to clearly delineate the work of the independent consultant to safeguard against bias, the terms of reference for the role and associated costs.

Objective

1. The document requests the Board to consider a recommendation on the proposed changes to the grant agent selection process for system transformation grants for GPE2030.

Recommended decision

BOD/2024/12-XX – Grant Agent Selection Process: The Board of Directors:

1. Noting the importance of a transparent and equitable process to select grant agents that can best support partner countries to deliver on their system transformation priorities, approves the proposed revisions set out in Annex A of document BOD/2024/12 DOC 08 to strengthen the grant agent selection process.
2. Requests the Secretariat to develop the necessary procedures to operationalize the selection process for the selection of grant agents for GPE2030 allocations.
3. Further requests the Secretariat to ensure consultation, training, and relevant support is provided to stakeholders to ensure efficient application of the revised process.

Background and overview

1. The current grant agent selection process was designed as an open and transparent process to find the most suitable grant agent or combination of grant agents to support a partner country deliver on its system transformation priorities. The assumption was that organizations would put forward their candidacy for grant agent because they considered themselves to be well placed to support the partner country to deliver on its priorities.

2. [Guidelines for grant agent selection](#) have been gradually adapted towards a more standardized procedure, prescribing timelines, criteria, and the intervention of a selection committee with representatives of different in-country constituencies.
3. While most countries have been successful in selecting a grant agent through the current guidance, the process has been problematic in a not insignificant number of cases. This can cause tensions that can undermine the partnership at country level, and lead to delays in the selection of a grant agent and development of a program.
4. An independent assessment of the current grant agent selection process revealed several weaknesses and proposed a set of measures to tackle these challenges. Some of the short-term measures have already been implemented, notably the introduction of a Secretariat management review and decision in cases of concern. The introduction of this review process has managed to bring several selection processes to conclusion.
5. Looking beyond the short-term measures, the overall conclusion from the independent assessment was as follows: ***“In our opinion, an amended process will not resolve the numerous documented cases of inappropriate behavior. This issue must be addressed differently: by collaborating with government and agencies in the hope that they will all adhere to ethical standards, or by implementing a radical change in the process, such as instituting a procurement process or eliminating the aspect of competition. Or simply recognise that such activity is inescapable and enforce process standards, even if it means excluding certain agencies or even governments.”***
6. Based on the findings of the assessment, subsequent consultations and recent cases set out in Annex C, this document proposes further changes to the current grant agent selection process, namely for it to be replaced by a more standardized and rules-based process. This will include the development of a separate code of conduct as well as standardized templates and scoring criteria. The key revisions to the process are set out in Annex A. An independent consultant¹ will be contracted to review compliance with the process including government decision, and in the event of non-compliance will provide recommendations for Secretariat decision. For countries with an allocation of up to US\$5 million, the review by an independent consultant will only be done for disputed cases.
7. Additional criteria will be integrated to strengthen and improve consistency of the assessment of grant agent capacity and performance. In cases where more than one grant agent may be selected including where agencies apply as a consortium,

¹ This review could be entrusted to an independent consultant.

there will be standardized information required and clearer criteria developed to assess these arrangements.

8. There are some situations where the process may not be applied. Where countries at the mid-term review (MTR) of the partnership compact decide to continue to focus on the same priority reform, building upon the actions supported by an existing program financed through GPE2025, they will be allowed to retain the existing grant agent and add their GPE2030 allocation as additional financing without the need to apply the full selection process. This option will be linked to specific parameters including demonstrating satisfactory program performance and absorption capacity, as set out in Annex B.
9. For multiplier grants, a co-financier will continue to be allowed to condition its contribution on serving as grant agent or on a certain agency serving as grant agent. As per current practice, the local education group should continue to consider the acceptability of this arrangement when the coordinating agency and government sign off on any new Multiplier expression of interest.
10. Finally, specific rules will be introduced to allow for more agile decision making for grant agent selection for accelerated funding, and for system capacity grants.

ANNEX A – Adaptations to current grant agent selection process

i. Reinforced guidance

A. Change guidelines to standard operating procedures.

Following the recommendation of the assessment, the guidelines will be transformed to **mandatory standard operating procedures**. The Secretariat will revise the language to leave no doubt that the process is to be strictly applied. Main features of the current process will be maintained, including an open call for expressions of interest with sufficient time for candidates to react, independent assessment of the candidacies by an inclusive selection committee representing the different constituencies, government decision in line with the standard selection process, and endorsement by the local education group.

B. Standardized templates.

To further reinforce and facilitate the process, the Secretariat will establish **standardized templates** for the expressions of interest, the scoring of proposals, and the subsequent selection report.

C. Criteria for selecting multiple grant agents.

As the consultant review flagged issues on the selection of more than one grant agent, the Secretariat will reinforce the language linking the decision to select multiple grant agents to clear criteria including sufficient justification that different agencies would have comparative advantages to support different elements of the program and (cost-) efficiency. The choice for multiple agencies would need to be reviewed by the independent consultant to ensure the selection is based upon an objective assessment of candidates in line with those pre-defined criteria.

In that respect, consortia which would submit a joined expression of interest would need to develop clearly in their expression of interest which agency would be responsible for what elements and clarify the comparative advantages based on which this is proposed. If a government would select the consortium, the independent consultant would review whether this decision to select multiple agencies, be it in a consortium, is in line with the pre-defined criteria.

D. Code of conduct

Finally, as the evaluation has raised concerning issues with behaviors during the process, the Secretariat will develop a code of conduct that will apply to all participants in the process.

ii. **Changes to the selection criteria**

Next to clarifying the existing criteria², the assessment recommended to better integrate grant agent capacity and performance in the selection decision. The Secretariat will make the following adaptations to the now standardized criteria:

- Grant agent in-country presence will be integrated in assessment of adequate support for program implementation, alongside capacity in education and gender equality and context-based support to implementation.
- Performance of the agency as GPE grant agent will be added as criterium. To that effect, the Secretariat will develop a matrix which informs on a number of variables on grant agent performance across the GPE portfolio. Such matrix will be made available to the selection committee to assess this criterium.

To better assess the technical capacity of candidates, expressions of interest will be required to include the agency's vision on the program. This will require extending the timeframe and transaction cost at selection stage but would provide greater clarity on the proposed way forward which could reduce the time needed to subsequently develop the program.

iii. **Oversight and support.**

For all grants above US\$5M, an independent consultant will review compliance of the process including government decision and will provide recommendations for Secretariat decision in the event of non-compliance. The independent consultant will need to review all elements of the process, including whether the government decision follows the recommendation of the selection committee. If the government disagrees with the recommendation of the selection committee, it must provide a written justification of its position. The independent consultants will then consider this disagreement on its merits and advise the Secretariat on whether there is cause for revisiting the recommended choice of grant agent. As applicable, the review will also include an assessment whether the choice for multiple agencies is based upon an objective assessment of candidates in line with the pre-defined criteria, even if those agencies have applied as consortium.

² Current guidelines have 5 criteria: (i) the ability to use the most aligned funding modality available and appropriate in the context; (ii) the capacity to support efficient implementation of the program within the focus area defined in the partnership compact; (iii) the capacity for technical expertise in gender equality and education; (iv) 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 (v) administrative cost for delivery of the program.

If any interested partners, including candidates, have concerns about the selection committee's recommendation, the partner should formally inform the Secretariat within 2 weeks of the announcement of the government decision. This information will be shared with the independent consultant to be considered in its review of the process. For countries with an allocation of up to US\$ 5 million, the review by an independent consultant will only be done for such disputed cases.

The Secretariat is mandated to provide **technical assistance** to reinforce capacity of the selection committees on specific matters, such for assessing the administrative cost for delivery of the program, as it requires more in-depth knowledge to compare some financial factors in the expressions of interest submitted. While developing this additional support, the Secretariat will duly consider resource implications.

iv. Exceptions

For multiplier grants, a co-financier will continue to be allowed to condition its contribution on serving as grant agent or on a certain agency serving as grant agent. In such cases, the above process will be waived. As per current practice, the local education group should continue to consider the acceptability of this arrangement when the coordinating agency and government sign off on any new Multiplier expression of interest.

For system capacity grants, the government will be allowed to opt for a direct selection of the grant agent, after consultation with the coordinating agency and the Secretariat. This option will be linked to specific criteria such as the opportunity to build upon the existing support provided by an agency, the size of the grant and the urgent need for support and needs to be endorsed by the local education group.

For accelerated funding grants, the government will be allowed to shorten the timelines of the grant agent selection process, after consultation with the coordinating agency and the Secretariat, in order to allow for a swifter response to the emergency as needed. For the same reason, the government can also limit the expression to already accredited agencies.

The above process may also be modified based on the outcome of the mid-term review of the partnership compact. This is described in Annex B.

Annex B – Impact of Mid-Term review on grant agent selection

At the mid-term review (MTR) of the partnership compact, countries will assess progress on the agreed priority reform, and on that basis decide the pathway forward. A document setting out proposed strategic parameters for GPE 2030 is shared with the Board (BOD-2024-12 DOC 11).

Some countries may decide to continue to focus on the same priority reform, building upon the actions supported by the program financed through GPE2025 and thus prefer to use the GPE2030 resources as additional financing to that program.

These countries will be allowed to continue to work with the existing grant agent without requiring a new selection process. The GPE2030 grant allocation can be programmed as additional financing to the existing GPE2025 program, provided the following conditions are met:

- a. Mid-term review concludes to maintain the priority reform.
- b. Government with endorsement of the local education group considers that current program positively contributes to the priority reform, AND that the priority reform could best be further strengthened through the next GPE grant by providing additional financing to the same program.
- c. The program is positively rated, including on implementation, that absorptive capacity is demonstrated with at least 50% of grant funds utilized, and the grant agent agrees to program the new funds as additional financing through the existing program.

Mid-term review concludes to maintain the priority reform. At the mid-term review of their partnership compact, countries will assess progress on the identified priority reform, and on that basis decide the pathway forward. This assessment will include a proposal on the use of GPE2030 resources which will be presented to the GPE Board for approval. Adding those GPE resources to the existing program will thus only be envisaged if that program is aligned with the GPE Board decision. That would in principle be the case when the priority reform would be maintained.

Government with endorsement of the local education group considers that current program positively contributes to the priority reform, AND that the priority reform could best be further strengthened through the next GPE grant by providing additional financing to the same program. Within the GPE [implementation grant policy](#), “government and grant agent are expected to periodically share with the local education group any policy-related issues from the program implementation relative to supported areas. Reporting on grant performance is expected to be learning-oriented and to seek further opportunities for improvement to achieve system transformation.” As the policy indicates,

this country-level reporting is expected to be useful for the local education group members during the partnership compact mid-term review, as it can help inform assessment on the priority reform, as well as how the GPE financed program has contributed. If the latter assessment is positive, government and the local education group would be requested to consider whether achievement of the priority reform could be best served by providing additional financing under GPE2030 through the same program and grant agent.

Due to the time difference between approval of the strategic parameters and the effective start of the program, it is possible that the timing of midterm review of the partnership compact is too early to conclude this assessment. In such cases, government and local education group can postpone this assessment. As most programs have an evaluation moment at or around midterm of implementation, this moment could be used to decide whether the current program contributes sufficiently to the priority reform to justify a decision to provide additional financing under GPE2030 through the same program and grant agent.

The program is positively rated, including on implementation, that absorptive capacity is demonstrated with at least 50% of grant funds utilized, and the grant agent agrees to program the new funds as additional financing through the existing program. An important input into the assessment of the contribution of the program to the priority reform will be the rating provided by the grant agent on the program. A negative evaluation by the grant agent would block this option. In addition, the grant agent may indicate that while the program itself is considered positive, it would not be advising/available to allocate the next GPE grant through the same program.

An additional element to consider is implementation progress, as while activities may be considered to positively contribute to the priority reform, speed of implementation can be slow. As this may point to low absorption capacity, additional financing will in principle not be provided to programs with a substantial utilization lag.³ In addition, programs need to have utilized at least 50% of its GPE grant resources before being eligible to new funding.

³ A substantial utilization lag refers to programs whereby the proportion of grant period elapsed exceeds the proportion of funds utilized by more than 25 percentage points.

Annex C. Grant agent selection – DCEO decisions

1. Revised guidelines

The [grant agent selection guidelines](#) were updated in May 2024 to clarify the steps that will be taken to resolve disagreements or complaints about a country’s grant agent selection process or decision. The updates are summarized below.

Complaints from partners

If any interested partners, including candidates, have concerns about the selection committee's recommendation, the partner should formally inform the Secretariat and request a review within 2 weeks of the announcement of the government decision. If the Secretariat deems the concerns justified, the Secretariat will review the selection process. In such instances, the Secretariat will form an internal technical review committee of managers, independent of the country team, which will make a recommendation to the Deputy Chief Executive Officer for final decision on whether there is cause for revisiting the recommended choice of grant agent.

Selection Decision

If the government disagrees with the recommendation of the selection committee, it must provide a written justification of its position to the Secretariat. The Secretariat will then consider this disagreement on its merits and decide on whether there is cause for revisiting the recommended choice of grant agent. The Secretariat will form an internal technical review committee of managers, independent of the country team, which will make a recommendation to the Deputy Chief Executive Officer for final decision on whether there is cause for revisiting the recommended choice of grant agent. During this review, which would take up to 2 weeks, the process will be paused.

Cases

a. Complaints from partners

Afghanistan

- UNICEF requested a Secretariat review of the grant agent selection process in Afghanistan. In its request, UNICEF indicates that it had raised questions regarding the process and outcome of the GPE Systems Transformation Grant (STG) grant agent determination for Afghanistan and formally requested that the secretariat registers its disagreement on the grant agent selection process and activates an internal technical review.
- UNICEF had shared with the Secretariat the list of questions it had raised to the coordinating agencies “to understand the selection process and procedural

elements and receive technical feedback”. These questions related to the composition of the grant agent selection committee, the selection process as well as to the actual selection of the grant agents.

- The coordinating agencies shared the answers prepared by the selection committee to these questions, as well as those raised by other agencies
- The Secretariat has reviewed the answers provided by the selection committee and considers them to sufficiently respond to the questions raised by UNICEF, as well as by other members. It also reinforces the due diligence by the committee to apply GPE’s process.
- The Secretariat thus concluded the concerns raised by UNICEF with respect to the selection process and recommendations are not sufficient to justify a further technical review by GPE management, and deemed the matter closed.
- It has commenced work with the selected grant agents to further advance the grant application process.

Lao PDR

- UNICEF requested a Secretariat review of the grant agent selection process in Lao PDR. In its request, UNICEF raised questions regarding the selection committee proceedings and the scoring for certain criteria.
- The review examined the selection process, including the documentation provided by the selection committee, government and UNICEF.
- The review concluded that proceedings of the selection committee and its scoring was done in a transparent manner, and that there is no indication that concerns raised on capacity of panel members or proceedings are substantiated, or that alleged issues with scoring impacted the outcome.
- The Secretariat thus concluded that it had no objection to the selection committee’s recommendation to the government to select Save the Children as grant agent for the STG.
- The government has subsequently confirmed Save the Children as grant agent, and this selection has been endorsed by the local education group.

b. Selection decision

South Sudan

- South Sudan’s Ministry of General Education and Instruction decided to opt for the second-ranked grant agent, UNICEF, whereas the recommendation of the selection committee was to select Save the Children.

- From the arguments put forward by the government to justify the selection of the candidate ranked second by the selection committee, the Secretariat found two to be justified, namely the consideration of capacity and cost.
- The Secretariat found that in the submitted documentation there was insufficient information available to determine which of the two highest ranked organizations would be able to operate with the best capacity at the lowest cost. The Secretariat's decision was for the selection committee to reopen its assessments of UNICEF and Save the Children, as the two top-ranked candidates, to ensure elements of cost and capacity were carefully considered.
- The selection committee reopened the selection process to look more closely at elements of cost and capacity which were put forward by the government. On that basis, the selection committee changed its ranking, proposing UNICEF for the System Transformation Grant, but Save the Children Norway for the Girls Education Accelerator and the System Capacity grant, Reason for splitting the GEA is that UNICEF didn't include this in their proposal. The government confirmed this selection which has been endorsed by the LEG.

Burkina Faso

- Burkina Faso's Ministry of Education decided to opt for World Bank (WB) as the grant agent for its System Transformation Grant (STG). The selection committee did not recommend World Bank on the grounds that even though their candidacy was excellent, the WB could not guarantee use of the pooled fund, the modality agreed within the compact and part of the selection criteria.
- The Ministry decided to retain the WB on the basis that the WB was the sole applicant and fully capable of performing the grant agent role. It further noted there was no indication of any additional partner being available through the process, and that it did not want to be at risk of losing GPE funds by not resolving the matter of who would be grant agent in time.
- The Secretariat review considered that the arguments put forward by the government to justify the selection of the World Bank are found to be reasonable given the circumstances. The Secretariat thus had no objection to the decision of the government to select the World Bank as grant agent for the STG, being the sole applicant and having the capacity to perform the role.

Cameroon

- Cameroon's Ministry of Basic Education decided to opt for both the UNESCO-UNICEF consortium and AFD as grant agents. This decision was different from the selection committee's recommendation to opt for the UNESCO-UNICEF consortium as the GA, to which it had attributed the highest points rating.

- The Secretariat review considered the selection process including the documentation of the chain of events, the analysis and recommendation provided by the selection committee, and the justification provided by the Ministry of Basic Education for its decision.
- The reasons provided for the choice to add AFD as co-grant agents can be summarized as follows: AFD's constructive role as a strategic partner over several decades towards education outputs and results, including technical support and successful financial contributions through sector budget support. It further mentions that adding AFD would contribute to creating synergies in the implementation of the priority reform in Cameroun
- The Secretariat review concluded that the explanations provided for selecting AFD as an additional grant agent to the ones recommended by the selection committee were insufficient. GPE partners, especially those active in local education groups, are already expected to uphold GPE principles of collaboration and coordination. Further, all partners are expected to align their value addition to the priority reform set out in the partnership compact irrespective of whether they're grant agent. The value added of having an additional grant agent was not clearly demonstrated and this was an important factor considering such arrangements could increase transactions and may negatively impact efficiency of implementation.
- The government has moved forward with the consortium of UNESCO and UNICEF as grant agents.