

Guidelines for Multiplier Education Sector Program Implementation Grant - Multiplier ESPIG

January 2019

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USEFUL RESOURCES

<p>Documents related specifically to Multiplier ESPIG</p>	<ul style="list-style-type: none"> • <u>Maximum Country Allocation from the Multiplier (MCAM) Expression of Interest Form</u> • <u>Multiplier ESPIG Application Form</u> • <u>Guidance to the Grants and Performance Committee for Evaluating the Expression of Interest</u>
<p>Other relevant documents</p>	<ul style="list-style-type: none"> • <u>Standard Selection Process for Grant Agents</u> • <u>ToR for Grant Agents</u> • <u>ESPIG Policy</u> • <u>Guidance on Division of Indicative Allocations for ESPIGs in Federal States</u> • <u>Funding Model Requirement Matrix</u> • <u>Operational Framework for Requirements and Incentives</u> • <u>ESPIG Annual Progress Report Template</u> • <u>ESPIG Completion Report Template <i>(forthcoming)</i></u>
<p>Other GPE grant guidelines</p>	<ul style="list-style-type: none"> • <u>ESPDG Guidelines</u> • <u>PDG Guidelines</u>
<p>Other documents referenced in these guidelines</p>	<ul style="list-style-type: none"> • <u>ToR for Coordinating Agencies</u> • <u>Conflict Resolution Procedures</u> • <u>Policies and Communications Protocol on Misuse of GPE Trust Fund</u> • <u>GPE/IIEP ESP Preparation Guidelines</u> • <u>GPE/IIEP ESP Appraisal Guidelines</u> • <u>GPE/IIEP TEP Preparation Guidelines</u> • <u>GPE/IIEP TEP Appraisal Guidelines</u>

All resources for GPE grants can be found on [GPE's website](#).

I. INTRODUCTION

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

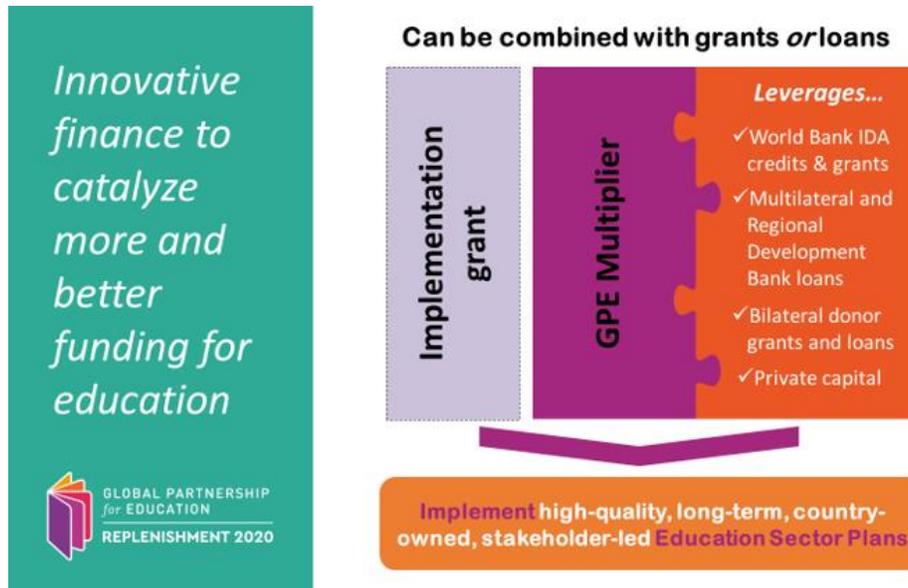
Funding through the Multiplier ESPIG builds on an evidence-based planning process and inclusive policy dialogue, and leverages financing of national priorities identified in the ESP/TEP endorsed by developing partners. The grant is designed for results-based financing by ensuring stronger quality standards for educational planning, programming and monitoring, and by providing specific incentives to focus resources on achieving improved performance in equity, efficiency and learning outcomes, and to go beyond past trends in these areas.

The grant application process and the grant monitoring modalities aim to add value to sector developments by enabling inclusive partnerships that engage governments, donors, civil society, teachers, philanthropy, and the private sector. It is also expected that work supported through the Multiplier ESPIG be aligned with GPE's strategic goals, collectively supported by GPE partners and member countries.

The main difference from a regular ESPIG² is that accessing the Multiplier ESPIG requires countries to show that at least US\$3 in new and additional external funding for education has been mobilized for each US\$1 from the Multiplier ESPIG. The objective is to create an incentive to mobilize new and additional external finance for education. As shown in the graphic below, this funding can come from a wide range of sources: the Multiplier can work alongside grants from a private foundation, an impact bond, or a concessional loan from a bilateral donor or multilateral or regional development bank.

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

² Regular ESPIG refers to the existing Education Sector Program Implementation Grant provided by GPE. More information, see link to Regular ESPIG Guidelines in the "Useful Resources" section of this document.



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This requirement to show that at least US\$3 in new and additional external funding for education has been mobilized for each US\$1 from the Multiplier ESPIG impacts the grant agent selection process (see section III.3). In addition, eligibility for the Multiplier ESPIG is different from the regular ESPIG (see section II.2). Finally, there is an additional process to obtain an allocation (see section III.3). Otherwise, the Multiplier ESPIG is similar to a regular ESPIG as applications to the Multiplier must also meet GPE’s funding model requirements around credible education sector plans, domestic financing and data as well as ensure at least 30% of GPE funds are subject to GPE’s results-based funding approach. The *program* requirements for accessing both of these grants and related quality assurance processes are the same.

Some countries that are eligible for a regular ESPIG can receive funding from both a Multiplier ESPIG and regular ESPIG. Some countries are only eligible for the Multiplier ESPIG.

These guidelines are primarily intended for the government, leading the application development process and grant implementation, and the grant agent who has the responsibility of preparing the full application package and administering the grant.³ They are also intended for the coordinating agency whose role is to facilitate a collaborative process among all members of the local education group during program development and implementation to enable collective and aligned support to the government.

³ See link to Terms of Reference for Grant Agent in the “Useful Resources” section of this document.

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

II. FEATURES OF THE MULTIPLIER ESPIG

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

II.1 PURPOSE

The Multiplier ESPIG provides funding⁴ to contribute, together with domestic financing and other external aid, to the implementation of national Education Sector Plans (ESPs) or Transitional Education Plans (TEPs). In addition, it wants to create an additional incentive for external funders (particularly bilateral donors and MDBs) to ramp up the amount they invest.

II.2 COUNTRY ELIGIBILITY, MULTIPLIER ALLOCATION AND ELIGIBLE EXPENDITURES

The Multiplier ESPIG is accessible to the following categories of countries that are able to apply for funding in 2018 – 2020:

- a. regular ESPIG-eligible countries⁵ that are subject to the cap of US\$100 million.
- b. regular ESPIG-eligible countries that have an MCA allocation of less than US\$10 million.
- c. regular ESPIG-eligible countries that are classified as vulnerable Lower-Middle-Income Countries.
- d. non-regular ESPIG eligible countries that are approved as eligible for other forms of GPE funding.

When an expression of interest (see section III.3) is approved, the GPE Grants and Performance Committee (GPC) will provide a Maximum Country Allocation from the Multiplier (MCAM). The

⁴ GPE financing, including ESPIG funding, continues to focus on “basic education, defined as pre-primary, primary, lower secondary education and second-chance learning opportunities. However, it is encouraged that GPE funds contribute to a wider pooled fund or budget support (sector or general). Moreover, where equitable learning outcomes are well advanced at basic education levels, it may be appropriate for GPE to provide additional investments in early childhood care or upper secondary education” (GPE 2020: Improving Learning and Equity Through Stronger Education Systems).

⁵ For more information on regular ESPIG-eligible countries, see link to Regular ESPIG Guidelines in the “Useful Resources” section of this document.

maximum MCAM is determined based on publicly-available data on a country's school-age population, as follows:

Allocation ceiling US\$	School-aged population
25 million	Over 10 million
15 million	Over 5 million up to and including 10 million
10 million	Over 1 million up to and including 5 million
5 million	Over 200,000 up to and including 1 million
1 million	Up to 200,000

In addition, allocations are tied to the US\$3 to US\$1 co-financing requirement. For example, a country that could apply for up to US\$25 million would therefore have to provide evidence of mobilizing an additional US\$75 million in external financing. If only \$60 million in external financing were available to co-finance with the GPE Funds, then that country would only be able to apply for US\$20 million from GPE to meet the ratio.

For regular ESPIG-eligible countries, the Multiplier allocation will be strictly additional to their Maximum Country Allocation (MCA). Regular ESPIG-eligible countries should normally apply for their regular ESPIG and Multiplier ESPIG at the same time. Decisions to apply at different dates for regular ESPIG or Multiplier ESPIG allocations, divide the regular ESPIG and Multiplier ESPIG between different programs and/or use different grant agents should be justified.

When an MCAM is secured from the Grants and Performance Committee, the Secretariat communicates the notification to the government with copy to the Local Education Group (LEG).

Requirements and incentives: The Multiplier allocation consists of a **Fixed Part** (requirements-based) and a **Variable Part** (incentives-based), making up to 70 percent and at least 30 percent of the Multiplier allocation respectively (see sections III.2.1 & III.2.2).

Variable Part Exemption

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

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

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

Except for agency fees,⁶ all other costs for the grant agent to perform its role, including all administrative oversight control within the program, are ***financed from within the multiplier allocation***. These costs should therefore be disclosed in the application form.

⁶ Agency fees: general agency fees are additional to the allocation, and determined by the grant agent's own internal regulations. They are paid to the agency's headquarters and relate to overhead costs and are typically used to assist in the defrayment of administrative and other costs incurred in connection with the management and administration of grant funds. These fees are pre-determined in the Financial Procedure Agreement (FPA) between the grant agent and the GPE Trustee.

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

II.3 MODALITIES

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

The application must indicate which disbursements of budget support and/or a pooled fund and/or which components of a program will be financed through the fixed part of the grant, and how the components financed through the variable part will be integrated.⁷

II.4 DURATION

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

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

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

⁷ A country can choose to integrate the components to be funded by the variable part in the original application package OR submit a separate program document when it has been decided that the variable part can be disbursed (see section III.4).

The grant agent must notify the Secretariat⁸ once the program has effectively started, marked by the occurrence of a project activity or an event defined in the grant application. The GA must also notify the Secretariat when the grant agreement is signed, if applicable.

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

II.5 GRANT AGENTS

The responsibility for GPE grants is entrusted to grant agents. Grant agents use their own policies and administrative procedures to develop and subsequently execute a grant implementation mechanism,⁹ in conjunction with GPE guidelines and policies. Multiplier ESPIG grant agents are selected through a transparent process, approved by the government and endorsed by the development partners in the local education group (see section III.3 for more details).

In order to be able to exercise their fiduciary role, all grant agents must have a signed Financial Procedures Agreement (FPA) with the GPE Trustee. If a prospective or designated grant agent does not have a signed FPA it should initiate action by its Head Office to secure this. The signing of an FPA can in some instances involve protracted legal and administrative negotiations.¹⁰

Appointed grant agents may apply for a program development grant to finance program and application preparation.¹¹ In countries with federal systems where there may be multiple Multiplier ESPIGs due to the existence of multiple education sector plans at the sub-national level, grant agents appointed at these levels may each apply for a GPE program development grant. Where one grant agent is operating in several sub-national regions, only one program development grant will be given, unless a strong justification is provided to the Secretariat for the need for more than one grant.

⁸ The grant agent's communication to the Secretariat should be sent to the following email address: gpe_grant_submission@globalpartnership.org, copying the country lead.

⁹ Including the bilateral fiduciary agreement between the Grant Agent and the Government.

¹⁰ The following organizations are currently authorized to receive GPE funds in the capacity of grant agent: AFD (France), AsDB (Asian Development Bank), BTC (Belgium), Concern Worldwide, DFID, UNICEF, UNESCO, World Bank, SIDA (Sweden), SDC (Swiss), Save the Children (US and UK), Global Campaign for Education (for CSEF).

¹¹ The grant agent can apply for a program development grant (PDG) to help cover its expenses for formulating the program and developing the application package. Due to the purpose of the PDG, the funds will not be transferred to the government and the grant agent will work in accordance with its internal administrative processes. For details, see link to Terms of Reference for GPE Grant Agents in the see "Useful Resources" section of this Guideline.

II.6 ROLES AND RESPONSIBILITIES

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

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

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

Conflict Resolution Procedures

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

The *GPE Conflict Resolution Procedures* sets out steps for resolving such conflicts effectively, as it is paramount that such conflicts are addressed in a timely and constructive manner.¹²

¹² For details, see link to GPE's Conflict Resolution Procedures in the "Useful Resources" section of this document.

III. MULTIPLIER ESPIG PROCESS

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

III.1 OVERVIEW

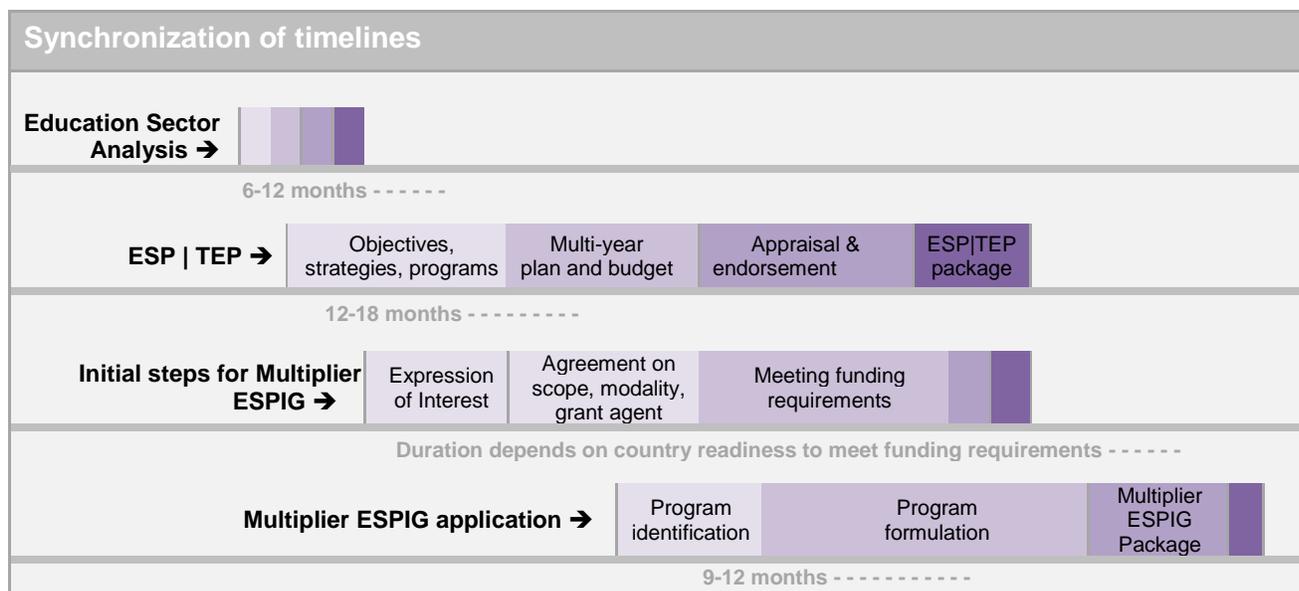
III.1.1 Timelines

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

Since the application process must build on the nationally-owned ESP/TEP development or revision, the Secretariat will provide guidance on how the Multiplier ESPIG application can best be synchronized with the national process (see also III.1.2).

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

In addition, the Multiplier ESPIG requires an expression of interest to obtain an allocation. It is encouraged to submit an expression of interest when the process to develop or revise the ESP is defined and additional financing identified. The Secretariat accepts Expression of Interest on a rolling basis. EOIs are assessed during an internal Review Meeting, after which they may be presented to GPE's Grants and Performance Committee for approval through a no-objection procedure. For more complex cases, an audio-call or in-person meeting may be organized. The GPC's decision can normally be provided within six weeks after submission of the EOI.

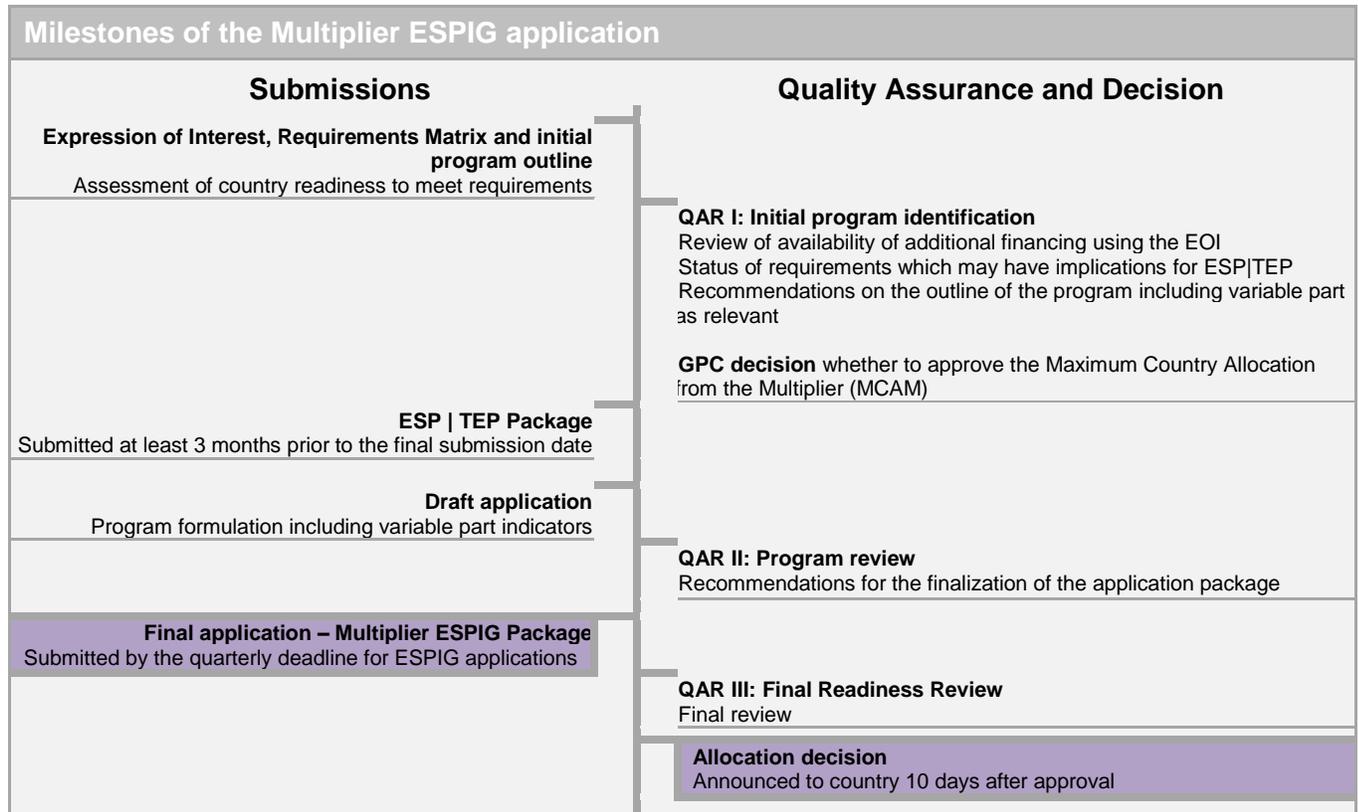


III.1.2 Quality assurance support and sequencing

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

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

- | | |
|----------------|---|
| QAR Phase I: | Review of Multiplier expression of interest (EOI) requirements for the fixed part and initial program outline |
| QAR Phase II: | Review of the draft program & proposal for the variable part |
| QAR Phase III: | Final Readiness review |



The quality assurance reviews are sequenced to fit a Multiplier ESPIG submission date, communicated by the Secretariat¹³ together with the dates for the intermediary submissions leading to the final application. From the outset, the local education group needs to make a sensible and realistic scoping and assessment to build these phases into the broader timeline of the ESP/TEP development process.

To facilitate the adaptation of the application process to the ESP/TEP process, the following section focuses first on the elements of the application that relate to the funding requirements and incentives and have implications for the ESP/TEP, broader sector dialogue, financing and monitoring, and then describes the actual application and program development process step by step, including the QAR process.

¹³ The Secretariat communicates the Multiplier ESPIG application submission dates, as soon as dates are set for meetings of the Grants and Performance Committee and the Board.

III.2 MEETING THE REQUIREMENTS TO ACCESS THE MULTIPLIER ALLOCATION

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

When considering to submit an expression of interest to obtain the Multiplier allocation, the government in consultation with the coordinating agency should notify the Secretariat of the country's intent to apply, in order to agree on a broad timeline leading to the final application submission.¹⁴ Upon receipt of the notification, the Secretariat invites the local education group to assess the country's readiness to fulfil the three requirements by the time of the estimated application submission.

The Secretariat will provide a tool - *Fixed Part Requirements Matrix* - to guide the assessment and the identification of any existing gaps to meet the funding requirements. This information is reviewed by GPC as part of the expression of interest (see III.3 step 1).

Three requirements for country readiness to access the Multiplier Allocation

1. An independently appraised and endorsed quality ESP/TEP¹⁵

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

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

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

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

- a) An education sector analysis
- b) Basic financial and education data

¹⁴ This notification should be sent to the following email address, copying the country lead:
gpe_grant_submission@globalpartnership.org.

¹⁵ See III.2.3 for the list of full ESP/TEP package.

c) A system or mechanisms to monitor learning outcomes.

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

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

At least 30% of the Multiplier allocation should be linked to achievement of sector-wide results focused on learning, equity, and efficient and effective systems. The country could opt to make the entire program (i.e., GPE resources and other external financing) follow GPE's results-based model.

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

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

Additional requirements to access the Variable Part

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

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

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

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

The variable part is disbursed after targets on the selected indicators have been reached (*ex-post approach*).

III.2.3 Submission of the full ESP/TEP package

As the Multiplier ESPIG application should be fully based on and driven by a finalized ESP/TEP, approved by the government and endorsed by development partners, the full ESP/TEP package should be made available to the Secretariat no later than three months prior to the submission date of the final Multiplier ESPIG application (see III.1).¹⁶

To ensure that the ESP/TEP responds to expected quality standards, GPE expects that its development and revision process would have followed a participatory process involving the local education group and included an independent appraisal of the ESP/TEP before its finalization, as described in the *GPE/IIEP ESP/TEP Preparation Guidelines and the GPE/IIEP ESP/TEP Appraisal Guidelines*.¹⁷ It is recommended that the appraisal report of the ESP/TEP be available at least two months prior to the submission of the *ESP/TEP package* to the Secretariat, to enable the local education group to address the appraisal's recommendations.

The full ESP/TEP package consists of:

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

¹⁶ The package should be submitted via the following email: gpe_grant_submission@globalpartnership.org, copying the GPE country lead.

¹⁷ For ESP/TEP preparation and appraisal guidelines, see the corresponding links provided in the "Useful Resources" section of this document.

III.3 GRANT APPLICATION PROCESS

Step 1: Expression of Interest to obtain a Multiplier allocation

To obtain a Multiplier allocation, a country needs to submit an expression of interest form to set out how it is likely to meet the criteria for accessing the GPE Multiplier.¹⁸ Since accessing the Multiplier ESPIG requires countries to show that at least US\$3 in new and additional external funding for education has been mobilized for each US\$1 from the Multiplier ESPIG, the countries are asked to list the external resources that are likely to be mobilized.

In addition, they will need to submit the Requirement Matrix (see section III.2) to allow for an assessment of the likelihood that they will be able to fulfill requirements with regards to the credible ESP, domestic financing and availability of data. Finally, the countries will need to indicate whether or not more than the required 30% of the Multiplier allocation and other co-financing will be disbursed in accordance of GPE's results-based model.

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

Use of funding modality: As part of the broader sector dialogue, the local education group determines the most appropriate way to channel the Multiplier ESPIG to the education sector, balancing risks with the need to optimize capacity development and country ownership. Best practice is to include this discussion within the ESP/TEP development process and determine whether the conditions are in place for greater use of country systems and for developing more aligned funding mechanisms.¹⁹

Scoping of program: Based on a general discussion within the local education group, the government identifies the overall scope of work to be funded through the Multiplier ESPIG, in alignment with the ESP/TEP and a mapping of funding needs. This is not applicable if the Multiplier ESPIG is disbursed through budget support or a pooled fund, which directly supports the whole ESP/TEP.

Selection of grant agent: The local education group also selects a grant agent, following the specific guidance provided in the *Standard Selection Process for Grant Agents* and based on the *ToR for*

¹⁸ The Secretariat accepts Expression of Interest (EOI) to access the GPE Multiplier on a rolling basis.

¹⁹ Underpinned by the principles of aid effectiveness, GPE anticipates that the local education group will use the following order of preference when choosing a modality for ESPIG support: budget support (general or sector), pooled funding; and stand-alone project.

Grant Agents, outlining the grant agent’s expected roles and responsibilities in relation to the government and in-country partners, the GPE Trustee, and the Secretariat.

However, since obtaining a Multiplier allocation is dependent on sources of co-financing, the requirements of the potential external financing partners will need to be considered. This means that when multiple external financing partners are available, the grant agent selection process would take into account the additional funding that could be mobilized. If the external financing partner(s) indicate a restriction on potential grant agents, the local education group will be requested to assess whether the restriction allows for the selection of an agency that can support successful implementation of activities within the defined scope of work and using an appropriate funding modality.

Expressions of interest will be assessed by the Secretariat for their likelihood to achieve the funding model requirements in 2018– 2020, as well as on the additionality of the co-funding and debt sustainability, based on the criteria indicated in the box below.

<p>Additionality</p>	<p>The US\$3 in external funding mobilized for each US\$1 provided from the Multiplier is unlikely to have been mobilized or mobilized as quickly for education if Multiplier funding were not available.</p> <p>Because there is no clear counterfactual (“What would have happened if the GPE Multiplier were not available”), the evaluation of additionality should be based on a negative definition: an instrument is <i>not</i> additional if it is announced, agreed, committed, or disbursed strictly independently of the GPE Multiplier. If there is a clear and reasonable narrative relating increased resource mobilization to the Multiplier, the new external resources should be regarded as additional.</p>
<p>Co-financing</p>	<p>The volume of additional funding to be mobilized by the country. This funding does not have to be disbursed or formally committed at the time of the EOI, but should be credible and likely to be mobilized.</p> <p>The clearest evidence of co-financing is funding:</p> <ul style="list-style-type: none"> • delivered through the same modality as GPE funding in a single program (typically with the same grant agent), or • delivered through a common funding mechanism in support of the education sector plan such as a pooled fund (in which case the grant agent may be different from the partner providing the co-financing).

	<p>In cases where the modality of the co-financing is not through (or, if not confirmed at the time of the EOI, is not likely to be through) the same program or funding mechanism, the EOI should justify the choice (or expected choice) of modality. In particular, the EOI should explain why a different program/funding mechanism needs to be used. In addition, the EOI should indicate the scope of work to be funded by the additional financing. This should be complementary to the envisaged program to be funded by the Multiplier. (For example, by financing similar activities in different regions or for different grades). Finally, it should confirm there is a low risk that the stated co-financing will not be mobilized.</p> <p>Regarding sectoral allocation, in principle co-financing should be allocated towards sub-sectors that are consistent with GPE’s Strategic Plan, specifically “basic education, defined as pre-primary, primary, lower secondary education and second-chance learning opportunities. Where equitable learning outcomes are well advanced at basic education levels, it may be appropriate for GPE to provide additional investments in early childhood care or upper secondary education” (GPE 2020: Improving Learning and Equity Through Stronger Education Systems).</p>
<p>Debt sustainability</p>	<p>In some cases, the external funding may be in the form of a (concessional) loan. In these cases, the co-financing should be consistent with the terms of both the IMF’s Debt Limits Policy (DLP) and the World Bank Group’s Non-Concessional Borrowing Policy (NCBP), as applicable. The Expression of Interest form requests that countries submitting an application confirm that co-financing is consistent with the NCBP and DLP. The Secretariat will review this confirmation, and include its review in the Summary Note provided to the Grants and Performance Committee.</p>

Expressions of interest will be submitted to the Grants and Performance Committee (GPC), which will decide whether to provide a Multiplier allocation (MCAM) based on Board-approved eligibility criteria and allocation model.

An approved expression of interest secures an MCAM for one (1) year, during which an application can be submitted. If a country is unable to apply within that timeframe, it can request an extension of up to one year, by providing an update on (1) progress towards funding model requirements, (2) the

status of program development, including timeline going forward, and (3) on the additional financing. The extension request will be reviewed by the GPC.

Step 2: Program identification and selection of currency²⁰

Once selected, the grant agent prepares a written outline for the program to be funded following its own processes, and based on the identified scope of work and timeline agreed within the local education group and synchronized with the ESP/TEP process. After sharing the outline with the local education group to ensure continued collaborative decision-making and consistency with the scope identified prior to grant agent selection, it is sent to the Secretariat for QAR review.²¹

Selection of currency: Applicants can elect to access the implementation grant in euro, in lieu of the dollar.²² The decision to apply in euro should be made by the government and the GA in consultation with the local education group. It has to be formally communicated by the government and the GA to the GPE Secretariat (copying the CA). It is highly encouraged that the decision regarding currency choice is at an early stage in the application process, and in any case has to be communicated no later than during the QAR 2. The conversion of the grant amount from the dollar to euro will be based on the prevailing exchange rate at the World Bank as of the date the Secretariat receives the official notification from the government and GA. This exchange rate and total grant amount in euro will be communicated by the Secretariat in an e-mail response to the notification received from the government and GA. Once sent, the GA will have three business days to rescind the request for the euro allocation. After the close of the third business day, the euro allocation will be locked and the grant amount in euro and other relevant information will be included in a confirmation letter that will be sent by the Secretariat in response to the notification from the government and the GA.

If the implementable grant amount²³ is in euro, the supervision allocation may either be taken in euro or US dollar (USD). If the supervision allocation is in euro, the value will be deducted from the allocation as it is with a USD allocation. However, if the GA elects to have the supervision allocation in USD, it will be the USD value of the maximum country allocation prior to the conversion to euro. Once the deduction is made, the remaining grant amount will be converted into euro.

²⁰ The option to select currency only applies to grants approved **after** January 1, 2019, including applications submitted in November 2018.

²¹ It should be sent to the following email address: gpe_grant_submission@globalpartnership.org, copying the GPE country lead.

²² Only applicable to grants approved after January 1, 2019, including grant applications submitted in November 2018.

²³ Refers to the grant amount excluding supervision allocation.

QAR I - Review of program identification

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

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

1. Country readiness to fulfil the requirements

by the time of the application submission:

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

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

2. Program outline and program identification process in relation to

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

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

In addition, the Secretariat will verify whether there is any evolution with regards to the co-financing. The Secretariat compiles the conclusions of the review into a **QAR I report**, including observations of the Grants and Performance Committee on the requirements, and shares the report with the grant agent, the ministry focal point and the coordinating agency. It is expected that the QAR I recommendations will be discussed within the local education group and taken into consideration in the preparation of the draft program document and the draft application.

Step 3: Development of the draft application

Program document and the application form

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

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

The draft application consists of the following documents:

- ✓ Draft Multiplier ESPIG Application Form
- ✓ Draft program document prepared for GPE funding, or other appropriate documents for budget support or pooled funds
- ✓ Latest report on implementation or completion of previous grant where applicable
- ✓ Joint financing agreement,²⁴ where available, and
- ✓ Any other supporting documents.

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

- ✓ A description of the strategies to access the Variable Part of the MCA
- ✓ Related actions, indicators, targets and a results chain
- ✓ Information on when and how it will be assessed if actions haven been completed and indicators reached in a timely manner, including the means of verification
- ✓ Which disbursements of budget support and/or a pooled fund and/or which components and activities will be financed through the Fixed Part of the grant, and how the components or activities to be financed by the Variable Part will be integrated and when the Variable Part can be disbursed.

²⁴ In case of sector budget support or pooled funding, it may be sufficient to provide the Memorandum of Understanding (MOU) for budget-support to which the GPE grant will contribute, or the Joint Financing Agreement or funding document for pooled funds, together with the grant agent's fiduciary risk assessment.

Submission of draft application - For QAR II

The grant agent, copying the government, coordinating agency, and GPE country lead, should submit the **draft** application package to the Secretariat at the following address **gpe_grant_submission@globalpartnership.org** by the set deadline.

QAR II - Review of draft program

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

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

- Program design, budget²⁵ and costs
- Results framework
- Monitoring and evaluation
- Modalities and implementation arrangements
- Risk identification and mitigation
- Sustainability and
- Aid effectiveness

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

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

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

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

²⁵ The budget should be sufficiently detailed to enable an assessment of value for money.

Step 4: Finalization and submission of the application package

Based on the inputs and recommendations provided in the QAR II report, the grant agent, in close collaboration with the government and in consultation with the local education group, reviews and finalizes the application package. At this stage, the commitment of additionality²⁶ and co-financing will need to be confirmed, and any new or updated information on debt sustainability included. The final application consists of:

Required documents:

- ✓ Multiplier ESPIG Application Form²⁷
- ✓ Program document or other appropriate documents for budget support or pooled funds²⁸;
- ✓ QAR Phase II memo (brief summary of how the QAR II recommendations have been addressed in the final application package); and
- ✓ Latest report on implementation or completion of ongoing/previous grant, where applicable.

Supporting documents:

- ✓ ESP/TEP package²⁹
- ✓ ESP Annual Implementation Report, as available
- ✓ Joint sector review reports for the past two to three years, as available.
- ✓ Draft grant agreement, where applicable and if available.

The government should validate the completed application, the development partners should endorse it, as should the grant agent, before its submission by the coordinating agency with copy to the government and grant agent to the Secretariat. The coordinating agency should work with the government and grant agent to identify individuals who need to be copied on the submission 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.

²⁶ Because time passes between the EOI stage and application, the US\$ value of commitments in other currencies could change. The co-financing requirement will be assessed based on the exchange rate at time of submission of the Expression of Interest.

²⁷ 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 Application Form for each State (see also the link to Guidance on division of indicative allocations for program implementation grants in federal states, available in the “Useful Resources” section of this document).

²⁸ For a sector budget support or pooled funding to the whole ESP, it can be sufficient to provide the Memorandum of Understanding (MOU) for budget support to which the GPE grant will contribute; namely the Joint Financing Agreement or funding document of pooled funds, together with a fiduciary risk assessment by the grant agent.

²⁹ The ESP/TEP package will normally have been sent to the Secretariat three months in advance of the submission date (see section III.1.1).

Submission of final application package - For QAR III

The coordinating agency submits the final application package to the Secretariat at the following address **gpe_grant_submission@globalpartnership.org** by the set deadline, copying the ministry focal point, GPE country lead, and the grant agent who have previously signed off on the application.

QAR III - Final readiness review

The Secretariat verifies that the application package is complete and then proceeds with QAR III as its final review of the application, preparing the necessary documentation for the Grants and Performance Committee's final review and approval or recommendations for amounts US\$10 million or less (and the Board's allocation decision for amounts over US\$10 million).

In QAR Phase III, the Secretariat determines whether:

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

The Secretariat compiles the findings of the final readiness review into a QAR III report and shares it with the Grants and Performance Committee.

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

Step 5: Grant approval decision

The Grants and Performance Committee examines the findings of QAR III and provides its recommendations to the Board on whether the application represents a good investment for GPE that would strengthen the education system and lead to improved outcomes in equity, efficiency and learning in the particular country context.

Based on the above, the Board makes the final decision on the application if the grant amount exceeds US\$10 million. In line with delegated authority from the Board, the GPC will approve grants of US\$10 million or less.³⁰

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

- Grant amount and duration
- Amount of the variable part along with the actions and indicators that will be the basis for its release and its disbursement modality
- Designation of the grant agent
- Additional conditions or requirements for funding
- Observations and report-back items, where appropriate.

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

Disclosure of ESPIG documents

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

In case the Board/ GPC decides not to approve the application, the country can re-submit an application in a following round of submissions or as decided by the Board/ GPC, as long as the period for its allocation has not passed.

³⁰ The grant amount considered in the delegation is based on the total value of a country's application at one time. For example, if a country submits an application for a US\$10 million ESPIG together with an application for a US\$5 million Multiplier grant, Board approval is required as the total value exceeds US\$10 million.

III.4 APPROVAL OF THE USE OF ADDITIONAL PROGRAM DOCUMENTS ON THE VARIABLE PART

Option for planning the variable part

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

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

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

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

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