



# Reviewing Expressions of Interest to Secure a Maximum Country Allocation from the GPE Multiplier (MCAM)

## Guidance for Grants and Performance Committee

October 2019<sup>1</sup>

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<sup>1</sup> Replaces the October 2018 version.

## Scope of this document

This document constitutes proposed guidance from the Global Partnership for Education (GPE) Secretariat to support the Grants & Performance Committee (GPC) to make informed recommendations regarding Maximum Country Allocations from the GPE Multiplier (MCAM). It is available to Developing Country Partners (DPCs) to support the preparation of Expressions of Interest to access MCAMs.

The document articulates criteria and the process for securing an MCAM based on instructions from GPE's Board of Directors set out in Board decisions in June 2017 and June 2018.

### 1. Eligibility, allocations, and requirements

Eligible countries can obtain Maximum Allocations from the Multiplier (MCAMs) that were agreed by GPE's Board and are available under **Background**, below.

Programs prepared using MCAMs must meet GPE's Funding Model Requirements. These are the same requirements necessary to access the regular Education Sector Program Implementation Grants (ESPIGs).

In countries eligible for both a regular ESPIG and a Multiplier grant, programs are generally expected to combine these grants. (Some countries are eligible for only one grant or the other but not both).

### 2. Decision requested from the GPC

Unlike the regular ESPIGs, Multiplier allocations are not guaranteed: countries need to confirm their allocations by securing an approved Expression of Interest (EOI).

The Grants and Performance Committee (GPC) has been mandated by the Board to review and approve EOIs. Approving an EOI has the effect of securing an MCAM from the Multiplier, which can then be used as the basis for program preparation.

The GPC's decision is requested to be one of the following:

- **Approve:** Accept the EOI. This has the effect of ringfencing the level of funding requested in the EOI, which can be up to the maximum available for allocation for the eligible country.
- **Approve with clarifications:** Accept the EOI. This has the effect of ringfencing the level of funding requested in the EOI for the country and requesting the Secretariat confirm or clarify specific issues before the program application is submitted.
- **Request clarification:** If a country's EOI does not meet most of the criteria set out below, request further information about how the country's application will meet them.

An MCAM approved by GPC does not create a commitment to disburse funding, but it does ringfence the funds to allow the country to submit a full application.

The GPC will review any programs prepared using Multiplier funds, as it does programs prepared using the regular Education Sector Program Implementation Grants (ESPIGs). The evaluation criteria set out below relate only to the GPC’s review of EOIs.

### Secretariat support to the GPC

To assist the GPC in its deliberations over whether to approve or approve with a request for clarification regarding EOIs, the Secretariat will prepare two documents:

- **Top note:** summarizing the list of Expressions of Interest to be reviewed, the total available funding from the Multiplier, and the total remaining if all Expressions of Interest under review are approved
- **Summary note:** distillations of the EOIs received, including the Secretariat’s evaluation of whether they meet the criteria of additionality, co-financing, and debt sustainability

The Summary Notes summarize the Secretariat’s evaluation of each EOI and include a **recommended decision**. Each original EOI submitted will be available in original and in full to the GPC as an annex to these documents.

### Criteria

GPE’s Board instructed the Secretariat that the process of approving Expressions of Interest and applications to access the Multiplier give due consideration to three criteria:

- Additionality
- Co-financing, and
- Debt sustainability

The Secretariat suggests that the GPC interpret these considerations as follows

Additionality	The \$3 in external funding mobilized for each \$1 provided from the Multiplier is unlikely to have been mobilized or mobilized as quickly for education if Multiplier funding were not available.
Co-financing	The volume, modality, and sectoral allocation of the additional funding to be mobilized by the country.
Debt sustainability	Where proposed co-financing is in the form of a loan, the proposed lending should be consistent with the DPL and / or the NCBP, as applicable.

Note that co-financing used to unlock the Multiplier does not have to be disbursed or formally committed at the time of the EOI but should be credible and likely to be mobilized.

### Additionality

External funding can come from many sources, including concessional lending from a development bank (like IDA or IBRD), further grants from a bilateral partner (like DFID), or grants from a private

foundation. Note that more domestic resource mobilization does not count towards the US\$ 3. It needs to be new, external funding.

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 *not* 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.

For example, consider a country eligible for a regular ESPIG of US\$ 10 million to support its education sector plan. The same country might also be eligible for a further US\$ 15 million from the GPE Multiplier. The country could use the GPE Multiplier funding to agree US\$ 50 million in new borrowing from a regional or multilateral development bank.

The key criterion is this funding would not have been mobilized or mobilized as quickly in the absence of the Multiplier. Additionality is impossible to prove: we do not know what would have happened if the Multiplier did not exist. Instead, we evaluate this based on a negative condition: is it clear that the funding is not additional?

In this example, if implementation for US\$ 10 million of the concessional loan had already begun, then this money was not related to the availability of the Multiplier. Since it was not mobilized by the opportunity to co-finance alongside the Multiplier, it cannot be described as additional.

### **Co-financing**

The volume of external funding must be at least three times the value of the MCAM requested in the EOI, up to the country’s maximum potential allocation. For example, if a country were eligible for an MCAM of US\$ 10 million, accessing the full value of this allocation would require mobilizing at least US\$ 30 million in additional funding.

Requirements for co-financing also pertain to the modality through which it is delivered and the sectors supported by the co-financing.

Regarding modality, GPE’s Board of Directors has stipulated that the clearest evidence of co-financing is funding:

- 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).

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.

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).

### **Debt-sustainability**

In June 2018, GPE's Board of Directors instructed the Secretariat to provide guidance to the Grants and Performance Committee to account for debt sustainability (in countries submitting an application) in its review of Expressions of Interest (EOI) to access the GPE Multiplier.

To encourage the use of the most concessional resources and account for the risks of debt distress, co-financing included in the Expression of Interest should be consistent with the terms of both the IMF's Debt Limits Policy (DLP) and / or the World Bank Group's Non-Concessional Borrowing Policy (NCBP), as applicable.

These policies limit concessional and non-concessional borrowing based on, amongst other features, a country's macroeconomic context, debt management and monitoring capacity, and current level and composition of debt. Both policies use the debt sustainability analyses (DSA) prepared by the IMF and World Bank as an input. As such, they provide clear criteria to determine whether proposed co-financing is appropriate.

To support the GPC's review, 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.

## Annex: Background

### What is the GPE Multiplier?

The GPE Multiplier is a new source of grant funding that eligible countries can receive from the Global Partnership for Education. It is a type of Education Sector Program Implementation Grant (ESPIG). Like the regular ESPIG, this funding supports the implementation of robust Education Sector Plans.

All funding from the GPE Multiplier must be invested in programs that meet GPE's funding model requirements.

In addition to the funding model requirements, the key criterion for accessing the GPE Multiplier is mobilizing at least US\$ 3 in new and additional external financing for every US\$ 1 allocated from the facility.

### Allocations

GPE's Board has tied initial allocations to one measure of the need for resources for a country's education sector: countries with more primary- and lower secondary-age school children get larger maximum potential allocations. This table sets out the relationship between the number of school-aged children and the allocations that countries could apply for if they also meet the eligibility requirements:

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

## Eligibility

You can find the list of countries eligible to access the Multiplier and their potential Maximum Country Allocation from the Multiplier (MCAM) on the GPE website:

<https://www.globalpartnership.org/funding/gpe-multiplier>.

This page will be updated regularly to reflect approved Expressions of Interest.