



BOD/2017/12 DOC 18
Meeting of the Board of Directors
December 5–7, 2017
Paris, France

GPE MULTIPLIER: RECOMMENDED MAXIMUM COUNTRY ALLOCATIONS AND PROGRESS UPDATE

For Decision

Please note: Board papers are deliberative in nature and, in accordance with the GPE Transparency Policy, are not public documents until the Board has considered them at the Board meeting. It is understood that constituencies will circulate Board documents among their members prior to the Board meeting for consultation purposes.

1. STRATEGIC PURPOSE

1.1 The purpose of this paper is three-fold:

- To update the Board on progress made in operationalizing the GPE Multiplier (previously known as the Leverage Fund) following the Board's instruction at its meeting in Ottawa in June 2017 and as set out in GPE's Finance and Funding Framework.
- To request the Board's review and approval of Maximum Country Allocations (MCA) from the Multiplier as recommended by the Grants and Performance Committee (GPC). This would enable seven (7) countries to submit grant proposals for submission to the GPC and Board for approval in 2018.
- To summarize the Secretariat's forecast of the Multiplier's financial position, drawdown rate, and potential pipeline of country transactions.

Summary of Finance and Risk Committee and Grants and Performance Committee Deliberations

Finance and Risk Committee

During its October 18-19, 2017 meeting, the Committee:

- Welcomed the significant progress made in rolling out the GPE Multiplier.
- Emphasized the importance of having a quick evaluation that would focus on additionality, co-financing, and the approval process.

- Noted the Board's deliberations on the Financial Forecast and the outcome of the GPE Financing Conference would be critical to any expansion decision.
- Agreed that the Board should consider any recommendations from the GPC on allocations from the GPE Multiplier on an exceptional basis for three countries that were outside the eligibility criteria but which requested to be considered based on meeting the Multiplier requirements. This was in the interest of testing the concept in a range of contexts and taking advantage of opportunities to roll out the Multiplier quickly in 2018 as envisaged in the June Board paper and consistent with prior FRC deliberations.
- Noted the Secretariat's explanations that in hindsight it would have been better to bring these exceptions to the attention of FRC prior to GPC review of the Expressions of Interest (EOI). FRC expressed the view that this was understandable in the context of learning from a new process that was being rolled out at a rapid pace. The suggested evaluation should examine the appropriateness of the approval process.
- Requested that no further exceptions be considered in future as there was now a sufficient number and mix of countries to test the concept in 2018.
- Noted that the existing eligibility and allocation applied to the US\$100 million allocated for the initial phase should not be changed further at this stage. This could be revisited by the Board as part of any decision to expand the Multiplier. Agreed that it would be beneficial if MCAs from the Multiplier could be announced in December along with any new ESPIG MCAs at the minimum levels agreed by the Board for those that are also eligible to facilitate timely submission of applications in 2018 and to facilitate securing co-financing. The FRC noted that if resources from the GPE Financing conference for ESPIG MCAs were higher than the minimum allocations, then they could be topped up later

Grants and Performance Committee

During its September 28, 2017 and October 23-25, 2017 meeting, the Committee:

- Recommended Multiplier MCA's for seven (7) countries to the Board, based on a review of the EOIs:
 - Five (5) of these were recommended by the GPC during its audio call in September.
 - The GPC recommended two (2) further allocations during its meeting in October.
- Noted that Zanzibar's eligibility does not set a precedent for other sub-national states.
- One EOI was not recommended as it did not demonstrate sufficient evidence of additionality but the country may resubmit again.
- It was noted that the Multiplier Fund was envisioned by the Strategic Financing Working Group to include sizeable allocations and be truly transformative. The Board should consider this lesson learned in any scale-up of the Multiplier.
- While comfortable with the recommendations proceeding, requested that points on EOIs for Ghana and Zimbabwe be clarified in the context of their future applications (subject to the Board's approval of the recommended allocations).
- Noted that the GPC review was a technical one only as process and eligibility issues were the responsibility of FRC, and emphasized that it would have been preferable for exceptions to have been brought to the FRC first for clearance. The Secretariat agreed and accepted responsibility for this.
- Following detailed review of EOIs during its meetings in September and October, the GPC requested additional guidance for how to evaluate additionality and debt-sustainability.

2. EXECUTIVE SUMMARY

2.1 During its meeting in Ottawa in June 2017, the Board instructed the Secretariat to operationalize the GPE Multiplier, previously called the Leverage Fund.

2.2 The facility mobilizes new external funding and finance for education. To access US\$1 from the Multiplier, a country should mobilize at least US\$3 in additional funding. The Board allocated an initial US\$100 million with any decision for further scale-up to be guided by early interest, progress, and available resources.

2.3 The Secretariat initiated outreach in July 2017 to countries that would be able to apply to access the Multiplier in 2018. Several countries outside the existing eligibility criteria also expressed interest.

2.4 Interest in the Multiplier has been robust with Expressions of Interest indicating diverse sources of co-financing (ranging from concessional lending from Regional and Multilateral Development Bank partners to large-scale grants from bilateral donors), diverse country contexts, and a range of average per-capita income levels.

2.5 This paper recommends that the Board approve Maximum Country Allocations (MCAs) from the Multiplier for seven (7) countries. In addition, for those countries also eligible to access an Education Sector Program Implementation Grant (ESPIG) in the 2018-2020 period, it is recommended to also announce MCAs at the minimum levels set out in scenario 1 of Annex 1 of BOD/2017/03/DOC 04. This will improve prospects to secure co-financing and develop timely proposals for review and approval in 2018. Should the outcome of the GPE Financing Conference result in higher available resources, then the ESPIG MCAs can be topped up.

2.6 This paper also outlines the recommendations from both the Finance and Risk Committee and Grants and Performance Committee to further improve the Multiplier and generate durable evidence to inform future operation and potential scaling up. Specifically, the recommendations include preparing further guidance on the evaluation of whether funding is truly additional and the impact of concessional lending on debt sustainability. The recommendations also call for the Secretariat to articulate an evaluation strategy for the Multiplier's initial phase.

2.7 Any decision to scale up the Multiplier beyond the initial US\$100 million allocation should be guided by the Board's deliberations on the prioritization recommended by the FRC in the Financial Forecast (BOD/2017/12/DOC 04), the outcome of the GPE Financing Conference, and the process for evaluating the Multiplier.

3. RECOMMENDED DECISION

3.1 The Board of Directors are asked to consider approving the following decision:

BOD/2017/12 DOC XX—GPE Multiplier Maximum Country Allocations: The Board of Directors:

1. Approves the list of Maximum Country Allocations (MCAs) for the countries outlined in the table below. The MCAs will remain valid through the final funding round of 2018 unless otherwise adjusted by the Board, and will be subject to the requirements of the *Operational Framework for Requirements and Incentives in the GPE Funding Model* (Funding Model). MCAs are also subject to the relevant requirements of the Multiplier mechanism. For countries with an existing MCA, the amounts below are additional.

Country	ESPIG MCA (All amounts in US\$ Millions)	Multiplier MCA	Total MCA	Estimated Additional Co- Financing from Partners
Ghana	5.7	15	20.7	50
Kyrgyz Republic	0	5	5	50
Nepal	5.6	15	20.6	69
Senegal ¹	19.8	10	29.8	35.9
Uzbekistan	0	10	10	30
Zanzibar ²	0	2.5	2.5	16.7
Zimbabwe ³	0	10	10	43.5
Total	31.1	67.5	98.6	295.1

2. Requests the Secretariat to develop options for review by the Finance and Risk Committee and for their subsequent recommendation to the Board on the expansion of the Multiplier. The paper should include consideration of potential changes to eligibility, allocation, and modifications to improve the efficiency and effectiveness of the process. It should take into consideration lessons learned on the process to date from the relevant Committees and Partners involved, the projections of available resources arising from the GPE Financing Conference, and the evaluation of the Multiplier.

¹ Eligibility exception endorsed by FRC

² Will be combined with an application for variable funding from an existing approved MCA. Eligibility exception endorsed by FRC

³ Will be combined with an application for variable funding from an existing approved MCA. Eligibility exception endorsed by FRC

4. BACKGROUND

4.1. In March 2017, the Board of Directors approved GPE's new Financing and Funding Framework. This included a Leverage Fund, a funding facility to increase co-financing with GPE funds and mobilize new and additional external financing for education.

4.2. In June, 2017, the Board of Directors approved the eligibility and allocation methodology for the facility, based on the recommendation of the Finance and Risk Committee.

BOD/2017/06-DOC 08 [EXTRACT]:

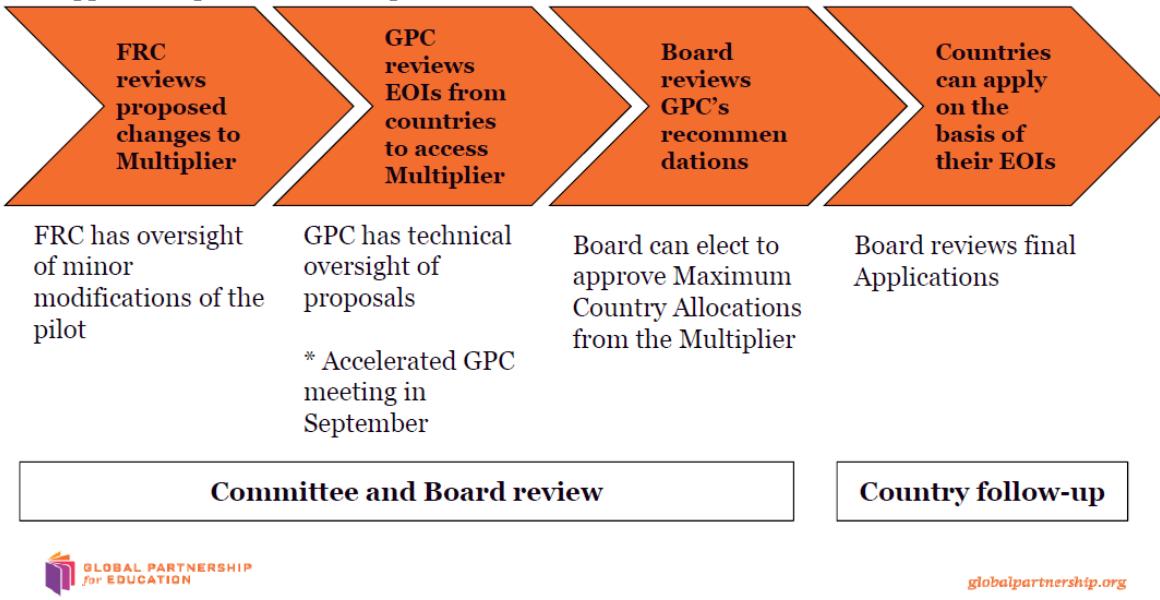
3. Noting the importance of demonstrating the potential impact of the Leverage Fund, and with due consideration to ensuring additionality, co-financing, and debt sustainability, approves the process for rolling out the operationalization of the Leverage Fund as set out in BOD/2017/06-DOC 08.

4. In the interest of ensuring efficiency and providing flexibility to test the concept, delegates authority to the Finance and Risk Committee to approve minor modifications to the approach that may arise in between scheduled Board meetings.

4.3. The Secretariat began the pilot of the Leverage Fund in July, 2017 by informing countries about their eligibility and their potential allocations from the Fund. As part of this pilot, the facility's name was changed to the GPE Multiplier based on feedback from various partners to avoid confusion with GPE's core fund.

4.4. As set out in *BOD/2017/06-DOC 08*, to access resources from the GPE Multiplier, a country would submit an Expression of Interest (EOI) for the Multiplier. The Grants and Performance Committee would review the EOI, and consider recommending the EOI to the Board for an MCA from the Multiplier. The Board would then make a decision on any recommended MCA, after which a country would submit a full application to the GPC for review and recommendation to the Board.

Figure 1- Application process for Multiplier Allocation



4.5. To ensure transparency and consistency with best practices governing the review of existing grant instruments, the GPC reviews the technical merits of Expressions of Interest. The Committee can choose to:

- Endorse the EOI: Recommend the Board approve an MCA for the country.
- Endorse with Clarifications: Recommend the Board approve an MCA for the country and request the Secretariat to follow up on specific issues identified in the EOI
- Request Clarifications: Recommend the Board not approve an MCA for the country and invite the country to submit a strengthened EOI.

4.6. The Finance and Risk Committee reviewed proposed modifications to the approach for operationalizing the GPE Multiplier, as set out in Board decision BOD/2017/06-DOC 08.

4.7. Based on country-driven demand, the Secretariat has implemented the application process as instructed by the Board. To facilitate a review of applications, the Secretariat developed a brief Expression of Interest form. Countries use this EOI to set out how they meet the criteria necessary to access the GPE Multiplier, particularly mobilizing at least US\$3 in additional external funding or finance to support an Education Sector Plan for each US\$1 from the GPE Multiplier.

4.8. The Secretariat has facilitated EOIs from three countries (Senegal, Zanzibar and Zimbabwe) that fall outside the eligibility approved by the Board in June. The EOIs were facilitated because of interest from these countries and based on the flexibility the Board provided to seize opportunities that would allow the US\$100 million to be rolled out quickly and trial the Multiplier in diverse country contexts:

Para. 5.11 of BOD/2017/06/DOC 08 – “GPE will need to have the flexibility to adapt it should opportunities arise that would allow the US\$100 million to be allocated and rolled out quickly while still meeting the Board’s desire to focus on a mix of countries. (E.g. should a country and potential financing partner(s) approach the Secretariat with a proposition that meets the criteria set out in para 4.1, it could be considered)”

4.9 In its delegated authority from the Board to propose minor modifications to the Multiplier process in the interests of efficiency and testing the concept, the FRC determined in its meeting in October that the Board should consider Senegal, Zanzibar, and Zimbabwe as eligible for the Multiplier. For two of the three cases, the GPC reviewed expressions of interest before the FRC determined this. The Secretariat accepted that in hindsight these cases should have been brought to the FRC to confirm eligibility before the GPC reviewed the technical merits of their EOIs.

4.10. During an audio call in September 2017, the GPC endorsed EOIs and recommended the following MCAs for the Multiplier to the Board: Kyrgyz Republic (US\$5 million), Nepal (US\$15 million), Senegal (US\$10 million), Uzbekistan (US\$10 million), and Zanzibar (US\$2.5 million). During its regularly scheduled meeting in October 2017, the GPC endorsed the EOIs for two further countries and recommended MCAs to the Board: Ghana (US\$15 million) and Zimbabwe (US\$10 million). Table 1 below summarizes these EOIs, the GPC’s decision, and clarifications, if any, that the GPC requested the country make as part of the preparation of any future application to access the recommended allocation.

Table 1- Summary of EOIs and Clarifications

Country	Recommended Multiplier MCA (US\$ Million)	Funding mobilized (US\$ Million)	Co-financing instruments	Clarifications requested for Application
Ghana	15	50	IDA concessional loan	<i>Size of loan and level of concessionality, size of possible grant financing</i>
Kyrgyz Rep.	5	50	IDA & ADB concessional loan	
Nepal	15	69	ADB concessional loan; donor grants	
Senegal*	10	35.9	Bilateral concessional loan, grant	
Uzbekistan	10	30	IBRD concessional loan	
Zanzibar*	2.5	16.7	Grants, bilateral partners & foundations	
Zimbabwe*	10	43.5	Grants, bilateral donors	<i>Further detail on additionality</i>

*FRC-recommended exceptions to eligibility for countries marked with **

4.11. Honduras submitted an Expression of Interest. However, the Secretariat and Committee's review of the EOI indicated that there was not enough information about the additionality of the funding mobilized for the Committee to endorse the EOI. Honduras has been invited to submit an updated EOI. Several other countries were interested in submitting EOIs but the Secretariat determined that the associated funding would not be additional.

4.12. In addition to the recommended MCAs detailed in Table 1, above, the GPC instructed the Secretariat to develop further guidance for the review of additionality and debt sustainability to support the Committee's consideration of EOIs and subsequent applications.

4.13. During its meeting in Paris in October 2017, the FRC instructed the Secretariat to develop a learning and evaluation mechanism, and that no further expansions in the list of eligible countries should be considered given there's a sufficient number and mix of countries to test the concept in 2018.

4.14. The Secretariat followed up on instructions from the FRC and GPC, and is developing an integrated evaluation approach as part of a wider country review. In addition, the Secretariat is revising the Guidance for evaluation of additionality and other criteria to access the Multiplier, and will present an updated version to the GPC for review during the first quarter of 2018.

5. REASONS FOR RECOMMENDATION

5.1 The decision recommended by the GPC announces Multiplier MCAs for seven (7) countries. Should the Board approve the MCAs, these countries will submit applications during 2018 to access their MCAs. For those countries that are also ESPIG- eligible, MCAs at the minimum level set out in Scenario 1 of Annex 1 BOD/2017/03 DOC 04 are proposed to facilitate timely development and submission of the application. Feedback from partners to date has stressed the importance of having predictability of funding from GPE to secure additional co-financing commitments.

5.2 If these applications are successful, they would collectively allocate US\$ 67.5 million of the initial US\$100 million ringfenced for the Multiplier, demonstrating robust demand and rapid uptake. Based on the Expressions of Interest, these allocations would support the mobilization of a further US\$295.1 million in new and additional funding for Education Sector Plans.

5.3 As requested by the Committees and envisaged in the design of the Multiplier, the Secretariat will develop an approach to rapidly evaluate the Multiplier focusing on the issues of additionality, co-financing, and application processes. The early announcement of MCAs and progress on the

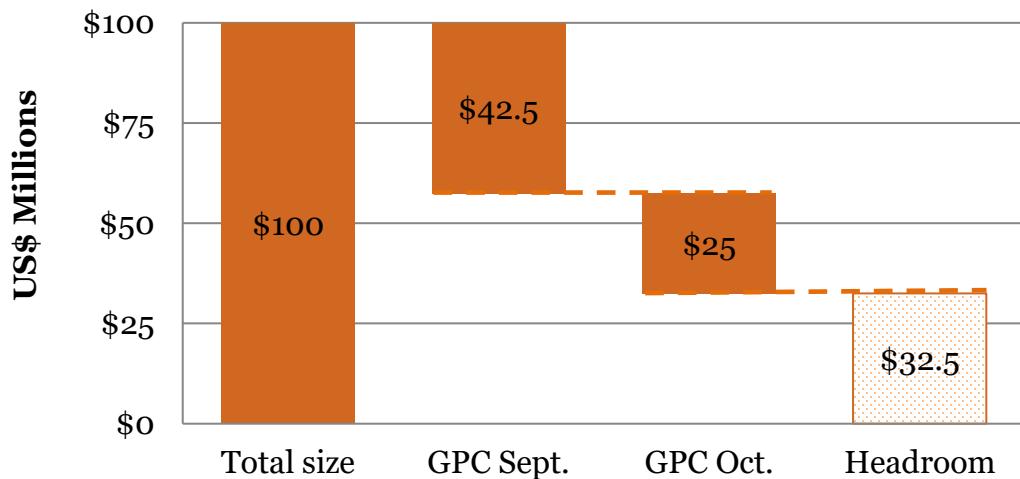
evaluation will ensure that the Partnership derives durable experience and insight from the Multiplier's initial phase.

5.4 As the Board must determine any future scale-up in the Multiplier beyond the initial US\$100 million, the Secretariat proposes to develop options for such a scale-up for consideration by the FRC in April. This would include proposals on updated eligibility and allocation criteria, along with potential modification to the process. It would be informed by the outcome of the GPE Financing Conference, the Board's deliberations of prioritization of resources for the 2018-2020 period as set out in the Financial Forecast (BOD/2017/12 DOC 04), progress on the evaluation, and lessons learned to date from the process, including feedback from the Committees and relevant partners.

6. IMPLICATIONS FOR SECRETARIAT RESOURCES AND RISK ANALYSIS

6.1. If the Board elects to announce Multiplier MCAs as recommended by the GPC's recommended approval of the seven Expressions of Interest (see Table 1), the sum of these allocations will be ringfenced from the initial US\$100 million allocated to the Multiplier. Figure 2 below summarizes the MCA recommendations in September and October.

Figure 2- Multiplier MCAs Recommended



6.2 If approved, the cumulative amount ringfenced from the Multiplier by end-Q4, 2017 is US\$67.5 million, with US\$32.5 million left to allocate. With a median MCA of US\$10 million, this would allow for approximately three (3) further Expressions of Interest in 2018.

6.3 The key risk facing the Multiplier is demand for resources exceeding the initial US\$100 million of the pilot phase. This risk can be mitigated by increasing the size of the Multiplier facility as part of prioritization work in the Financial Forecast.

6.4 A secondary risk includes that countries with an approved MCA from the Multiplier will not be able to mobilize the co-financing required for accessing the MCA. The two-step application process (beginning with an EOIs and concluding with an Application) minimizes this risk, as a successful application to the Board would carry the same resource mobilization requirements and would go through the Secretariat quality assurance review and be subject to GPC review and subsequent Board approval. The MCAs have a proposed expiration date of December 31, 2018. This means that unless an application is approved by the Board in the final funding round of 2018, the MCA expires unless otherwise agreed.

6.5 Finally, the Secretariat is not yet able to accommodate significant growth in the number of GPE partner countries as membership for some countries involves an extensive process to first develop and endorse an Education Sector Plan. The Human Resources plan (BOD/2017/12/DOC 19) sets out the capacity needs required to support an increase in number of partner countries from the Secretariat, and this will have an impact on the Multiplier given eligibility for it extends to a significant number of countries that are not yet members.

7. NEXT STEPS

7.1 The Secretariat will continue to operationalize the GPE Multiplier and both facilitate EOIs until the US\$100 million cap has been reached and facilitate grant applications to access any approved MCAs. It will also prepare further guidance requested by the GPC and articulate an evaluation approach requested by the FRC.

7.2 Subject to Board decision, the Secretariat will prepare options for FRC review and recommendation to the Board on an approach for scaling up the Multiplier.

8. PLEASE CONTACT: Theodore Talbot at ttalbot@globalpartnership.org for further information.

9. ANNEXES/ REFERENCE(S) AND GLOSSARY

Annex 1: Summary Notes of Expressions of Interest reviewed by the Grants and Performance Committee. (Note: full Annex included).

Annex 2: Summary Notes of Expressions of Interest received. (Full EOIs available for download on Board meeting registration site.).

Annex 1- Summary Notes of Expressions of Interest reviewed by the Grants and Performance Committee

Ghana

Expression of Interest details		
Country		Ghana
Maximum eligible allocation		US\$ 15 mn
Funding mobilized		US\$ 50 mn: IDA (US\$ 50 mn, concessional loan), BMZ (TBD, grant)
Total application value		US\$ 15 mn
Recommended decision	2	Endorse with clarifications
Summary Note: Expression of Interest to Access the GPE Multiplier		
This summarizes the Secretariat's recommended decision based on criteria set out in GPE Board Decision BOD/2017/06-15		
<u>(A) Considerations</u> <u>(B) Prioritization</u>		
Secretariat Input		
Considerations	Evaluation	Explanation
Additionality	3	The MoE in Ghana had only recently begun to explore funding with World Bank and other partners when the Multiplier was introduced. Since then, the discussions surrounding this GPE funding have contributed to increasing commitments and solidifying partnerships, including the opportunity of partnering with the government of Germany.
Co-financing	2	The expression of interest states that "GPE funds will be complementary to IDA and Germany's support, addressing key GPE objectives, including focus on sector outcomes in equity, efficiency, and learning outcomes, inclusive sector dialogue and coordination and alignment would be emphasized."

Debt-sustainability	1	Under the Extended Credit Facility, the IMF is supporting Ghana to restore debt sustainability and macroeconomic stability. Its August 2017 Article IV consultations concluded that the Ghanaian authorities have taken encouraging steps and that the economy is showing signs of recovery. While debt sustainability risks remain, the IMF and the World Bank have committed their support to the new government. Any new commitments by the Bank will be in accordance with the macroeconomic stability framework that has been agreed. As the EOI notes, concessionality of lending is "[n]ot confirmed at this stage. Whether a credit or a blend of both grant/credit, the GPE resources will make the funding more concessional and ensure greater debt sustainability." Generally, IDA countries in debt distress receive lending on highly concessional terms with much larger grant components. The most recent Article IV consultation comments that the country continues to face high risk of external debt distress.
Prioritization (if applicable)	Evaluation	
Promote a strong results-based approach	2	The Expression of Interest notes: "The focus on results is aligned to the Government objectives. In this regard, the Ministry has discussed with the World Bank the possible use of the Program-for-Results as the financing instrument by linking disbursement of funds directly to the achievement of specific program results. The program would use Ghana's institutions and processes, and help to further strengthen capacity, enhances effectiveness and efficiency to lead to the achievement of tangible and sustainable results in support of ESP objectives."
Provide additional co-financing	67	The implied ratio of funding mobilized to funding from the Multiplier is 3.3:1 even without the additional funds that will be confirmed with Germany, thus exceeding the 3:1 requirement.

Honduras

Expression of Interest details	
Country	Honduras

Maximum eligible allocation	US\$ 10 mn
Funding mobilized	Unclear
Total application value	US\$ 10 mn
Recommended decision	1 Request clarification

Summary Note: Expression of Interest to Access the GPE Multiplier

This summarizes the Secretariat's recommended decision based on criteria set out in GPE Board Decision BOD/2017/06-15

(A)

Considerations

(B) Prioritization

Secretariat Input		
Considerations	Evaluation	Explanation
Additionality	1	<p>The Inter-American Development Bank has announced support of US\$65 million. However, this support pre-dates discussions involving the GPE Multiplier.</p> <p>Furthermore, MERECE, the group of donors, has indicated support to the GPE Multiplier and confirmed commitment to try to mobilize new financial resources to support the implementation of the ESP and to ensure the required additionality to the Multiplier funding.</p> <p>While the World Bank is currently in discussions with the Government of Honduras regarding mobilizing IDA lending based on the incentive of the Multiplier, the existing EOI does not list this support or provide additional documents.</p>
Co-financing	2	<p>Due to the positive and inclusive process of developing the new (first) multiyear ESP in Honduras (2018-2030) there are currently an increased interest among the education sector donor group (MERECE) to allocate more and new funding to the sector.</p>
Debt-sustainability	2	<p>The IMF Debt Sustainability Analysis considering the external and internal macroeconomic medium and long term projections the external debt is classified as sustainable. According to the methodology used and considering medium and long-term macroeconomic indicators in the Medium Term Macroeconomic Framework and the Monetary Program 2017-2018, Honduras is evaluated to be at moderate risk of external debt distress (http://www.imf.org/external/pubs/ft/scr/2016/cr16362.pdf).</p>

Prioritization (if applicable)	Evaluation	Explanation
Promote a strong results-based approach	1	The public sector is piloting results based budgeting in several line-ministries and it is the intention that the Ministry of Education, especially now with the new ESP as a strong planning tool, will become one of the government entities where results based budgeting will be utilized. This links up to the results based allocation of the GPE funding and several of the potential co-financing entities e.g. The World Bank will likely provide results based funding as well.
Provide additional co-financing	1	The indication of additional funding to the Multiplier surpasses the requirement of 3 to 1. If at least US\$ 30 mn is mobilized, the additional funding would meet the 3 to 1 required threshold.

Kyrgyz Republic

Expression of Interest details		
Country		Kyrgyz Republic
Maximum eligible allocation		US\$ 5 mn
Funding mobilized		US\$ 50 mn: ADB (30.0, grant), IDA (20.0, concessional loan)
Total application value		US\$ 5 mn
Recommended decision	3	Endorse

Summary Note: Expression of Interest to Access the GPE Multiplier

This summarizes the Secretariat's recommended decision based on criteria set out in GPE Board Decision BOD/2017/06-15

(A)

Considerations

(B) Prioritization

Secretariat Input	Considerations	Evaluation	Explanation
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Additionality	3	<p>As the EOI notes, "In accordance with the IDA's Country Partnership Strategy 2018-2022, and under the IDA FY18 country allocation, an investment operation with up to US\$0 millions of mixed credit and grant has been planned to finance the implementation of the CPS with a particular focus on enhancing skills development and youth employment. While the IDA funding is concessional, an additional grant from the GPE's Multiplier Fund would make the IDA operation more concessional by reducing the transaction cost through either buying down the cost of the credit or topping up the proportion of the grant. The government of Kyrgyz Republic considers the funding from the GPE's Multiplier Fund essential for it to commit to the planned IDA operation."</p> <p>"The government of the Kyrgyz Republic considers the funding from the GPE's Multiplier Fund essential for it to commit to the planned ADB investment to cover the funding gap in the underserved priority areas in the education sector."</p>
Co-financing	2	Total funding associated with the EOI includes a US\$ 30 mn grant from the ADB and a US\$ 20 mn IDA credit and grant from the World Bank. The Secretariat's Country Lead clarifies that this funding would be invested in support of a national Education Sector Plan.
Debt-sustainability	2	The most recent World Bank-IMF Joint Debt Sustainability Analysis evaluates the Kyrgyz Republic is not at high risk of debt distress (http://www.imf.org/external/pubs/ft/dsa/pdf/2017/dsacr17143.pdf). In addition, the EOI correctly notes that the IDA lending instrument is highly concessional, and includes a grant element. The ADB instrument is a pure grant, and has no debt implications.
Prioritization (if applicable)	Evaluation	Explanation
Promote a strong results-based approach	1	The EOI clarifies that the government is considering two options: disbursing the entire amount of the Multiplier funding through results-based financing mechanisms through disbursement against Disbursement-Linked Indicators or using not less than 30% of the co-financed amount against DLIs. Both approaches are consistent with GPE's Funding Model requirements.
Provide additional co-financing	67	The implied ratio of funding mobilized to funding from the Multiplier is 10:1, exceeding the 3:1 requirement.

Nepal

Expression of Interest details		
Country		Nepal
Maximum eligible allocation		US\$ 15 mn
Funding mobilized		US\$ 69 mn: ADB (64.5, concessional loan), USAID (3.5, grant), Australia (1.00, grant)
Total application value		US\$ 15 mn
Recommended decision	3	Endorse

Summary Note: Expression of Interest to Access the GPE Multiplier

This summarizes the Secretariat's recommended decision based on criteria set out in GPE Board Decision BOD/2017/06-15

(A)

Considerations

(B) Prioritization

	Secretariat Input	
Considerations	Evaluation	Explanation
Additionality	3	<p>"Given that the Development Partners had just completed identification of funds in support of the implementation of the SSDP as part of the initiation of the SSDP in July 2016, all possible sources for funding had been explored by the development partners under the Nepal Sector Wide Approach. As such, the Multiplier Fund has provided the Ministry of Education the tools to re-enter in discussions with the Development Partners to identify additional funding.</p> <p>This has led in the case of Australia to increase their annual contribution from AUS\$ 3 million to AUS\$ 3.5 million for the remaining 4 years of the SSDP program implementation. In the case of the additional funding that was identified by the ADB to support disaster risk reduction and comprehensive school safety, the Multiplier Fund was referenced by Ministry of education and Ministry of Finance during the scoping mission to leverage a substantial increase of the funds made available. In the case of USAID, the Ministry has initiated discussions to become a joint financing partners of SSDP for which USAID is now exploring US\$3.5 million."</p>

Co-financing	2	<p>These funding instruments support elements of the national Education Sector Plan, Nepal's School Sector Development Plan.</p> <p>Funding from ADB is focused on "strengthening disaster risk reduction and comprehensive school safety as part of the SSDP implementation." Funding from USAID is focused on supporting "inclusive education under the SSDP through budget support." Funding from Australia is increased budget support to the Government for the SSDP.</p>
Debt-sustainability	2	<p>The most recent World Bank-IMF debt sustainability assessment concludes that "[Nepal's] risk of debt distress remains low, thanks to the low starting level of external debt and the high concessionality of new debt." In addition, the ADB loan is sufficiently concessional.</p>
Prioritization (if applicable)	Evaluation	
Promote a strong results-based approach	2	<p>The Expression of Interest notes: "The additional financing that will become available through the GPE Multiplier Fund will partly be treated as the variable tranche of the upcoming Nepal ESPIG. Given the estimated composition of the ESPIG, this means that at least 50% of the total ESPIG will be linked to (a) stretch indicator(s).</p> <p>The Development Partners have ensured a strong result based financing/lending modality to support the SSDP program through the development of a Joint Disbursement Linked Indicator Framework. The stretch indicators of the previous ESPIG have been embedded in this joint framework and the targets and indicators of the framework have been developed in close collaboration with the Ministry of Education and the SSDP Joint Financing Partners, with frequent consultation of the wider development partner group under the Local Education Group."</p>
Provide additional co-financing	67	<p>The implied ratio of funding mobilized to funding from the Multiplier is 4.6:1 exceeding the 3:1 requirement.</p>

Senegal

Expression of Interest details

Country	Senegal
Maximum eligible allocation	US\$ 10 mn

Funding mobilized	US\$ 35.9 mn equivalent: AFD (EUR€ 25 mn concessional loan; EUR€ 5mn grant)	
Total application value	US\$ 10 mn	
Recommended decision	3	Endorse

Summary Note: Expression of Interest to Access the GPE Multiplier

This summarizes the Secretariat's recommended decision based on criteria set out in GPE Board Decision BOD/2017/06-15

(A)

Considerations

(B) Prioritization

Secretariat Input		
Considerations	Evaluation	Explanation
Additionality	3	<p>Senegal's Expression of Interest notes that the scale of financing required to implement its education sector plan exceeds the level of pure grant funding available. As a result, the Government is working to explore a concessional loan instrument from AFD to cover the bulk of the external financing required.</p> <p>The EOI clarifies that the GPE Multiplier facility enables the mixture of concessional loan and grant from AFD by making the overall lending instrument sufficiently concessional.</p> <p>The Secretariat observes that the grant element created by Multiplier funding has facilitated Senegal's internal dialogue between the Ministries of Education and Finance. AFD's previous investment in the country's education sector took the form of a EUR€ 22 mn, which included a concessional loan element of EUR€ 4 mn. The proposed financing instrument is structured mainly as a concessional loan; additional grant finance from the GPE Multiplier lowers the overall burden of this instrument while increasing investment in Senegal's education sector.</p>
Co-financing	2	<p>The EOI clarifies that the funding will be disbursed through a single Grant Agent to support Senegal's Education Sector Plan. As the EOI notes, "the plan... is under revision and should be subject to validation of the government and endorsement of partners by March 2018."</p>
Debt-sustainability	2	<p>Senegal's most recent Article IV evaluation by the IMF (January, 2017) concludes that the country is at low risk of debt distress. https://www.imf.org/en/Publications/CR/Issues/2017/01/10/Senegal-Staff-Report-for-the-Article-IV-Consultation-and-Third-Review-Under-the-Policy-44505.</p>

Prioritization (if applicable)	Evaluation	
Promote a strong results-based approach	1	Senegal's Expression of Interest notes that it will program Multiplier funding in the same way as its ESPIG funding, noting that disbursement will be "...structured around the results expected in the short and medium term." However, the EOI does not clarify that Senegal will invest more than the required 30% of Multiplier funding in results-based modalities.
Provide additional co-financing	67	The proposed instrument mobilizes US\$ 35.9 mn in new external finance for Senegal's education sector, implying a ratio of external funding to Multiplier funding of 3.6:1, exceeding the minimum 3:1 requirement.

Uzbekistan

Expression of Interest details		
Country		Uzbekistan
Maximum eligible allocation		US\$ 10 mn
Funding mobilized		US\$ 30 mn (IBRD/IDA concessional loan)
Total application value		US\$ 10 mn
Recommended decision	2	Endorse

Summary Note: Expression of Interest to Access the GPE Multiplier

(A)

Considerations

(B) Prioritization

Secretariat	Input	
Considerations	Evaluation	Explanation

	2	<p>The EOI notes that "The incentive of the GPE Multiplier will play a key role in commitment and approval of additional resources...from IBRD / IDA for new Improving Pre-Primary Education Project."</p> <p>The EOI provides a supporting Annex with further commentary. It sets out that: "The possibility of providing additional support for the sector through an IDA Credit has been considered by our Government, including the Ministries of Finance and Economy. The GPE Multiplier Fund is an incentive for our Government to move forward with important investments in preschool education, which will build on the design of the ongoing GPE Project (Grant #18066). Based on discussions with the Ministries of Finance and Economy, there is a high degree of confidence that an IDA Credit of at least USD 30 million will co-finance our planned investments in preschool education.</p> <p>Preliminary discussions have been held with the World Bank Group to co-finance our planned investments in preschool education, which we want to pair with the GPE Multiplier Fund. The World Bank is ready to launch the preparation of an investment project financing with a results-based component. Further dialogue with the World Bank should take place as soon as we hear from the GPE about the approval of our participation in the first Multiplied funding round. We understand that the World Bank can start the project preparation within 30 days from the reception of a positive response from the GPE. We hope that the GPE can secure the amount of USD 10 million to leverage the IDA Credit that our Government wants to commit to."</p>
Co-financing	2	<p>The EOI notes that "Our vision for education is outlined in our Education Sector Plan, which we prepared with support from the Global Partnership for Education (GPE); thank you very much for this support. This vision for education has received much support from our Government, as proved by our spending on education as a share of the total public spending, which at 26 percent is higher than what recommended by the GPE (20 percent).</p> <p>The Ministry of Public Education and Development Partners are further engaging with the GPE to strengthen our education sector strategic planning. Through a ESPDG, knowledge gaps will be addressed to ensure that the new Education Strategic Plan is based in evidence, and that a realistic medium term implementation plan is developed. We are looking forward to this strategic planning exercise, which will pave the road for informed policy making in the education sector."</p>
Debt-sustainability	2	<p>Uzbekistan's most recent Debt Sustainability Analysis concludes that the country is at low risk of debt distress.</p>

Prioritization (if applicable)	Evaluation	
Promote a strong results-based approach	2	<p>The EOI notes that "...the proposed project will include activities that will be financed based on the results...Other results will be discussed and agreed during the concept note stage."</p> <p>The Annex further notes that "While the modality of results-based financing is new to our Ministry, it is not new to our country, and we are confident that the World Bank has the needed expertise to put together a sound project design with a results-based financing component. We are looking forward to shift our focus from processes to results/outcomes under the implementation of this project component, and we do believe that this innovative model will help to improve our overall administrative capacity.</p> <p>We will discuss with the World Bank several options we have been thinking about for this component, as soon as the GPE approves our expression of interest. Some possible Disbursement-Linked Indicators can be proposed for increases in enrollment rates in preschool education, for instance."</p>
Provide additional co-financing	1	The proposed instrument meets the 3:1 co-financing requirement and does not exceed it.

Zanzibar

Summary Note: Expression of Interest to Access the GPE Multiplier

This summarises the Secretariat's recommended decision based on criteria set out in GPE Board Decision BOD/2017/06-15

[\(A\) Considerations](#)

[\(B\) Prioritization](#)

Considerations	Secretariat Input	Evaluation	Explanation
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Additionality	3	<p>Zanzibar's EOI notes that the incentive of access to additional Multiplier funding helped to secure interest from multiple partners or lock in additional funding that was under discussion. As set out in the EOI:</p> <ul style="list-style-type: none"> - UNESCO: "UNESCO agreed to commit their funding on supporting the education of adolescent girls in marginalized districts in light of the GPE multiplier fund, which was instrumental in receiving their pledge for this program." - KOICA: "KOICA is a new donor and was very much encouraged by the ZEDP and the multiplier fund, which has helped to lock in their commitment to the education sector." - Madrasa Early Childhood Foundation – Zanzibar: "With the help of the multiplier fund to lock in their commitment, the MECP-Z has agreed to keep supporting early childhood education in Zanzibar for the next five years" - UNICEF: "The Ministry of Education Zanzibar is leading a comprehensive and multi-sectoral strategy on health, nutrition and WASH, as part of ZEDP, but these activities were underfunded. UNICEF's commitment in these areas was uncertain; however, the multiplier fund was able to definitively lock them in." - Milele Zanzibar Foundation (MZF): "MZF would like to lock these funds in this as indicative funding to leverage the multiplier funds from GPE."
Co-financing	2	<p>Zanzibar's EOI meets the 3:1 co-financing requirement. This funding will be invested in activities that are aligned with the national Education Sector Plan. As the EOI notes, "the application is being prepared alongside Zanzibar's application to the Variable Part (VP) of the ESPIG; it has an allocation of USD 8.23 million. Zanzibar is submitting an application for the Fixed Part (FP) or USD 5.76 million on September 1st 2017 for decision by the GPE Board in early December. Zanzibar will submit an application for the Variable Part in June 2018, or the results based part of the ESPIG, USD 2.46 million once the baselines are available for the VP indicators."</p>
Debt-sustainability	2	<p>None of the proposed financing instruments are loans.</p>

Prioritization (if applicable) Evaluation

Promote a strong results-based approach	1	The Expression of Interest notes that "...Zanzibar has decided not to apply for the VP with the FP, and to apply for the VP separately in 2018. This was so that Zanzibar could collect comprehensive baseline data and design a strong RBF program. The VT submission will be purely results based. The precise indicators are still being debated but the focus will be on creating better learning, efficiencies and equity in pre-primary and the lower standards of primary education."
Provide additional co-financing	67	The proposed instrument mobilizes US\$ 16.7 mn in new external finance for Senegal's education sector, implying a ratio of external funding to Multiplier funding of 6.7:1, exceeding the minimum 3:1 requirement.

Zimbabwe

Summary Note: Expression of Interest to Access the GPE Multiplier

This summarizes the Secretariat's recommended decision based on criteria set out in GPE Board Decision BOD/2017/06-15

[\(A\) Considerations](#)

[\(B\) Prioritization](#)

Considerations	Secretariat Input Evaluation	Explanation
Additionality	3	<p>Development Partners in Zimbabwe are interested in seeing ESSP implementation and filling financing gaps: all possible sources for funding are being explored. As such, the Multiplier Fund has incentivized discussions with the Development Partners to identify additional funding. The EOI notes that "[t]he Government has seen the multiplier fund as important to ensure additional financing in a constrained fiscal environment and to place a stronger focus on equity and ensure the ESSP is fully implemented."</p> <p>As the EOI notes, DFID's funds "could have gone to other sectors that DFID Zimbabwe supports, but it was felt that [DFID's] commitment would bring leverage for additional funds through the multiplier fund; doubling the current variable tranche funding, and increasing support to an otherwise underfunded sector."</p> <p>In the case of the second tranche of grant funding locked in by the Multiplier, the Development Partner noted that "If the additional funding of Euro 10m leverages additional funding from the GPE</p>

		multiplier fund, then it is providing good value for money and will complement ongoing support."
Co-financing	2	<p>The EOI states that "The ESSP was endorsed in June 2016 and there is a significant funding gap, particularly in terms of non-wage expenditure in the sector. DFID is aware this funding gap could be partially filled with the additionality of the multiplier fund and so DFID is incentivized by the Multiplier."</p> <p>Regarding the two sources of grant funding mobilized by the Multiplier, the EOI comments that "DFID is aware this funding gap could be partially filled with the additionality of the multiplier fund and so DFID is incentivized by the Multiplier," and that KfW "...is currently considering an additional grant from BMZ of Euro 10m to be managed by UNICEF to support Zimbabwe's ESSP."</p>
Debt-sustainability	2	Not applicable. The funding mobilized by the Multiplier is in only in the form of grants.
Prioritization (if applicable)	Evaluation	
Promote a strong results-based approach	2	The Expression of Interest notes: "The multiplier funds would be 100% results based financing, through the GPE Variable Tranche (VT). The Government has seen the multiplier fund as important to ensure additional financing in a constrained fiscal environment and to place a stronger focus on equity and ensure the ESSP is fully implemented." As the section on larger context notes, "...A variable tranche application of \$8.9m These funds would also be used as results based financing to bring a total for the variable tranche of up to \$18.9m USD."
Provide additional co-financing	67	The implied ratio of funding mobilized to funding from the Multiplier is 4.3:1, exceeding the 3:1 requirement.