

BOARD OF DIRECTORS

DECISION VIA AFFIRMATIVE VOTE

ALLOCATION FOR AN ESPIG AND MULTIPLIER GRANT TO MOZAMBIQUE

Reference	Decision
BOD/2020/12-03	<p>Allocation for an Education Sector Program Implementation Grant and Multiplier Grant to Mozambique</p> <p>The Board of Directors with respect to the application submitted in the third round of 2020:</p> <ol style="list-style-type: none">1. Notes compliance with the requirements for accessing the fixed part of the combined maximum country allocation (MCA) for an education sector program implementation grant (ESPIG) and multiplier grant, as described in the application and summarized and assessed in BOD/2020/11 DOC 03.2. Notes compliance with meeting the requirements for accessing the variable part of the combined MCA and approves the indicators on Equity, Efficiency, and Learning and their means of verification as described in the application and assessed in BOD/2020/11 DOC 03.

3. Notes compliance with the requirements of co-financing, additionality, and debt sustainability for accessing the maximum country allocation for a multiplier grant, as described in the application and assessed in BOD/2020/11 DOC 03.
4. Approves an allocation from GPE trust funds for an ESPIG and a multiplier grant, as described in the application submitted and summarized in Table 1 in BOD/2020/12-03 4 (c), subject to:
 - a. Availability of funds.
 - b. Board decision BOD/2012/11-04 on commitment of trust funds for ESPIGs in annual installments.
 - c. GPC recommendations for funding, including (all amounts in US\$):

Table 1- Application Summary and GPC Allocation Recommendations for an ESPIG and Multiplier Grant:

Mozambique		
a.	ESPIG Maximum Country Allocation	125,000,000
b.	Multiplier Maximum Country Allocation	15,000,000
c.	Total Maximum Country Allocation	140,000,000
d.	Fixed Part	98,000,000
e.	Variable Part	42,000,000
f.	Allocation Requested (100%)	140,000,000 ¹
g.	Allocation Recommended by GPC	140,000,000
h.	Grant Agent	World Bank
i.	Agency Fee % - Amount	1.75% - 2,450,000
j.	Period	4 years and 11 months
k.	Expected Start Date	February 1, 2021
l.	Variable Part Disbursement Modality	Ex-post
m.	Funding Source	GPE Fund

5. Requests the Trustee to withhold the transfer of variable part funds (US\$42 million) until the condition set out in Annex A has been met.
6. Requests the Secretariat to:
 - a. Include in its notification of grant approval to Mozambique the condition, requests for report-back and observations set out in Annex A.

¹ Includes US\$1 million for the cost of the grant agent to perform its roles and responsibilities.

- | | |
|--|---|
| | <p>b. Include an update on the issues listed as condition and report back in Annex A in the annual Grant Status Report in accordance with the specified timeline.</p> |
|--|---|

Annex A – GPC Observations, Report-Backs and Condition

Mozambique	
Observations	<p>The Committee positively notes that the program design is highly relevant to the context in Mozambique, especially considering the risks of insecurity and natural disasters, and is aligned with the new Education Sector Plan (2020–2029). The program responds to critical issues in the sector including the need for expanding Early Childhood Development (ECD), improving low learning achievement in grades 1–3, retention of girls in primary and their transition into lower secondary, and support to teacher effectiveness, data collection leading to overall system efficiency.</p> <p>The Committee further acknowledges the government’s historically strong financial commitment to education expenditure. Given the slight decline in the education expenditure as share of the public spending (excluding debt) projection for the next three years, the Committee strongly reiterates the importance of maintaining the level of education expenditure to ensure sustainable sector outcomes.</p> <p>The Committee acknowledges the program’s comprehensive M&E framework and encourages the ministry and its partners to continue to enhance it by conducting surveys of demand side barriers to increase girls’ participation and report on the actions to increase the number of girls accessing the upgraded schools. Furthermore, measuring the total number of girls who will be enrolled as a result of this program will clarify an important part of the program’s intended results.</p> <p>The Committee welcomes the investment in ECD which encourages the public expansion of early childhood service provision. The Committee notes that the confirmation that no GPE funds will be used to support for-profit provision, including as the alternative model using public and private partnership (PPP) targeting 20 escolhinhas in peri-urban areas is developed in year 2. The Committee notes the impact of the pandemic on education systems. The Committee invites the government and the grant agent, in consultation with the LEG, to consider adapting the proposed program to emerging issues, notably impact on children learning as a result of school closures, as needed. Other adaptations to consider could relate to mitigation measures on potential delays or other constraints that the pandemic may have on program implementation including, if necessary, a modification of indicator targets.</p>
Report-Backs	<p><i>For the government:</i></p> <p>The Committee positively acknowledges the program’s focus on consolidating the National Learning Assessment (NLA) and the government’s plans for the</p>

	<p>NLA to measure both monolingual and bilingual education. Given that an earlier effort to conduct the NLA faced challenges including related to limited technical staff and short preparation time now combined with delays due to COVID, it will be important that progress on conducting the NLA is reported on by the government. The Committee looks forward to receiving an annual update via the joint sector review report.</p> <p>Given the addition of early childhood as a new sub-sector in the ESP, and the low number of public pre-primary facilities, the Committee emphasizes the importance of ensuring the expansion of public facilities, particularly in the most deprived districts. The Committee request an annual report back on progress made in this direction via the JSR report.</p>
<p>Conditions</p>	<p>The Committee notes that the equity variable part indicator on upgrading facilities, including WASH, in districts where GER for girls is below 60 percent can be considered transformative as it incentivizes behavior change (it is the first time that MINEDH has targeted disadvantaged districts in the center and north of the country). However, the potential for transformation would be enhanced were girls' retention or enrolment to become a year 4 target. The Committee therefore recommends that the transfer of grant funds linked to the variable part (US\$42 million) be withheld until an outcome-level year four target is added under the US\$23 million equity indicator.</p> <p>The Secretariat will review the new target to determine if it is satisfactory in order to release the funds.</p>