

REVIEWING EXPRESSIONS OF INTEREST TO SECURE A MAXIMUM COUNTRY ALLOCATION FROM THE GPE MULTIPLIER (MCAM)

DRAFT

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¹ Replaces all earlier versions.

Document scope

This document constitutes proposed guidance from the Global Partnership for Education (GPE) Secretariat to support GPE's Board ("Board") or a body with mandated authority from the Board to make recommendations regarding Maximum Country Allocations from the GPE Multiplier (MCAM).

It is publicly available, including to national authorities, local education group members, and other country-level and global partners to support the preparation of Expressions of Interest ("EOIs") to access the Multiplier.

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, June 2018, and December 2020.

Eligibility and allocations

Eligible countries can obtain MCAMs. These were agreed by GPE's Board and were determined based on countries' school-age populations using internationally comparable data.

Allocation levels, including remaining allocations for countries that have already accessed the grant, are available online:

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

Integration with the Partnership Compact

The compact is a strategic framework that identifies interventions that, if supported, would lead to transformational change in a country's education system. Among other features, the compact does the following:

- Identifies a country's position regarding requirements to access GPE grants that are enabling factors for its education system (data and evidence; gender-responsive sector planning, policy and monitoring; sector coordination; and volume, equity and efficiency of domestic public expenditure); and
- Identifies focus areas for investments in education in the country, including (but not only) GPE grants. These investments should target key bottlenecks in education systems.

The aim of the Multiplier is to finance (and crowd in further funding to finance) interventions in focus areas.

Expression of Interest

The EOI focuses on two areas.

First, it indicates financing aspects related to the Multiplier, including the source(s) of the cofinancing (and evidence that the cofinancing is new and additional).

Second, it confirms the Focus Area(s) the funding will target in the grant application.

Requirements to secure an MCAM

To secure an allocation, countries need to have an approved EOI and approved assessment of the Requirement Areas.

Countries that have a Partnership Compact in place use the EOI to indicate which Focus Area(s) the Multiplier funding and the cofinancing should target. (Please see “Cofinancing”, below, for further details). Because the Requirement Areas constitute part of the Partnership Compact, countries with a Compact in place may not be required to undergo this process again and in principle only need to submit the EOI.

Countries that do not have a Partnership Compact in place are encouraged to develop one in parallel to the process of developing the EOI. If a Partnership Compact is not in place at the time the EOI is submitted, the country can base the Focus Area(s) in their EOI on an Education Sector Plan or similar high-level planning document. The country will still need an assessment of the Requirement Areas.

The GPE Secretariat reviews the EOI and provides a recommendation to the Board.

The ITAP’s findings and recommendation are presented to GPE’s Board, which then determines whether to approve or seek further clarifications about the country’s consistency with the requirements.

Requested decision

Unlike the System Transformation Grant (STG), Multiplier allocations are not guaranteed. Countries confirm their allocations by securing an approved Expression of Interest (EOI).

The scope of the requested decision is to review the EOI and, if applicable, the ITAP’s assessment of the country’s consistency with GPE’s Requirement Areas to make one of the following determinations:

- **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 clarifications:** If a country's EOI does not meet the criteria set out below, request further information about how the country's application will meet them.

An approved MCAM does not create a formal or legal funding commitment. However, it does ringfence the funds to allow the country to submit a full application.

With an approved allocation, countries then prepare a grant application to implement the funding secured. (The quality assurance requirements for grant applications using Multiplier funds are the same as for the STG).

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

Validity

Allocations are secured for one (1) year from the end of the month in which the EOI was approved.

For example, an EOI that is reviewed and approved on December 10th, 2021 ringfences an allocation until December 31st, 2022.

The country is expected to submit a grant application using this allocation before it expires. (Extensions may be possible but are not guaranteed.)

Role of the Secretariat

To assist the Board or relevant body in its deliberations over whether to approve EOIs, the GPE Secretariat will prepare two documents:

- **Top note:** summarizing the list of EOIs to be reviewed, the total available funding from the Multiplier, and the total remaining if all EOIs under review are approved.

- **Summary note:** summaries of the EOIs received, including the Secretariat’s evaluation of whether they meet the criteria of additionality, cofinancing, focus area(s), sectoral focus, and debt sustainability.

The Summary Notes summarize the Secretariat’s evaluation of each EOI and include **a recommended decision**.

Each EOI submitted will be available in original and in full as an annex to these documents.

Criteria

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

- Additionality
- Cofinancing, and
- Debt sustainability

To ensure alignment with GPE’s Strategic Plan 2021–2025, the EOI also requests an indication of the Focus Area of work supported by the cofinancing and the Multiplier and the specific subsectors expected to be targeted.

The Secretariat suggests that these considerations are interpreted as follows:

Additionality	Confirm that the cofinancing is unlikely to have been mobilized or mobilized as quickly for education if Multiplier funding were not available.
Focus Area	Confirm that the Multiplier and the cofinancing will support programs that target outcomes or areas of work identified in the country’s Partnership Compact or, in the absence of a Compact, an Education Sector Plan or similar high-level planning document.
Subsector(s)	Confirm the Multiplier and cofinancing directly or indirectly target GPE’s priority subsectors of pre-primary, primary, lower secondary and secondary.
Cofinancing	Confirm the amount and the modality of the cofinancing. The cofinancing should be to the same program as GPE’s funding or a common funding mechanism, such as a pooled fund.
Debt sustainability	Where proposed cofinancing is in the form of a loan, the proposed lending should be consistent with the IMF’s Debt Limits Policy and/or the World Bank Group’s Sustainable Development Finance Policy, as applicable.

Note that cofinancing used to unlock the Multiplier does not have to be disbursed or formally committed at the time of the EOI. However, it must be credible and likely to be mobilized.

Additionality

The Multiplier helps countries crowd in new and additional external funding.

External funding can come from many sources, including concessional lending from a development bank, further grants from a bilateral partner, or grants from a private foundation. Because the funding must be external, funding from governments or national authorities is not a viable source of cofinancing.

Since there is no counterfactual (“What would have happened if the GPE Multiplier were not available”), the evaluation of additionality is based on a negative definition: an instrument *cannot* be considered additional if it is or is expected to be announced, agreed, committed, or disbursed 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 System Transformation Grant of \$10 million to support its education sector plan. The same country might also be eligible for a further \$15 million from the Multiplier. The country could use the Multiplier funding to agree \$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. In this example, if project preparation for the \$50 million concessional loan had already begun with the approval of national authorities but without reference to the Multiplier, then the funding is unlikely to be additional.

Focus Area

Countries with a Partnership Compact in place can indicate which Focus Area(s) the Multiplier and the cofinancing are expected to target, either directly or through complementary interventions.

Countries without a Partnership Compact in place can indicate which area(s) of work the Multiplier and the cofinancing are expected to target based on an Education Sector Plan or similar high-level planning document.

Subsector(s)

The Multiplier and the cofinancing should target subsectors that are consistent

with the GPE 2021– 2025 Strategic Plan: pre–primary, primary and secondary education. This targeting might be direct (forexample, implementing activities in that subsector) or indirect (for example, supporting enabling elements of the education system which benefit the subsector).

Cofinancing: amount

The minimum amount of additional cofinancing depends on the partner.

Sovereign donors, multilateral and regional development banks, and similar entities are expected to mobilize at least US\$ 3 in new and additional funds for each \$1 sought in Multiplier funding.

Private and non–sovereign foundations and Business Community entities are eligible to provide cofinancing, including grants and in–kind support, at a ratio of \$1 in new and additional resources for each \$1 sought from the Multiplier.

For example, a country might be eligible for \$15 million in grant finance from the Multiplier.

If the incentive of the Multiplier helps to mobilize a further \$45 million in concessional lending for education from a development bank, the country can use the EOI to secure the full \$15 million in Multiplier funding.

Alternately, if the Multiplier enabled the country to mobilize \$15 million from an approved foundation or Business Community partner, this could be used to secure the full \$15 million Multiplier funding.

In both cases, the ratio indicates a minimum cofinancing level, not a maximum: for example, \$60 million in concessional lending from the development bank would in principle entitle the country to \$20 million in Multiplier funds; however, if the country’s maximum potential allocation were \$15 million, it would receive the maximum allocation.

Cofinancing: modality

GPE’s Board of Directors has stipulated that cofinancing must be:

- 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 such as a pooled fund (in which case the grant agent may be different from the partner providing the cofinancing).

In cases where the modality of the cofinancing 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 and should indicate the scope of work to be funded by the additional financing. This should complement the program to be funded by the Multiplier, for example by financing similar activities in different regions or for different grades.

Debt sustainability

To encourage the use of the most concessional resources and account for the risks of debt distress, cofinancing included in the EOI should be consistent with the terms of both the IMF's Debt Limits Policy (DLP) and the World Bank Group's Sustainable Development Finance Policy (SDFP), 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.

The EOI form requests that countries confirm that cofinancing is consistent with these policy frameworks and any debt limits policies which may be in place. The Secretariat will review this confirmation and include its review in the Summary Note.

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