

MULTIPLIER

OPERATING GUIDELINES

DRAFT

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Accessing the GPE Multiplier

- The Multiplier is a grant from GPE to support system transformation in a country's education system. Countries access a Multiplier allocation by collaborating with partners to mobilize external financing.
- GPE provides US\$1 in supplemental grant finance for each US\$3 in financing mobilized, up to a predetermined maximum per country. (The ratio is US\$ 1 to US\$ 1 for financing from some foundations and the business community.)
- The key criterion to access the grant is that the cofinancing from partners is “new and additional.” In this context, *additionality* specifically means that the financing is unlikely to have been mobilized for education or mobilized as quickly if the Multiplier were not available.
- All 90 countries eligible for GPE support under the 2021–2025 strategic plan are eligible for the Multiplier. Maximum allocation levels for each country for this period have been set by GPE's Board of Directors. You can review these at www.globalpartnership.org/sfunding/gpe-multiplier.
- Allocations are not guaranteed. Countries submit an expression of interest (EOI) to secure an allocation.
- The EOI is not a detailed grant application. It is a focused document to indicate (and provide evidence, as set out below) that the cofinancing is new and has credibly been mobilized because of the Multiplier.
- The EOI also indicates the focus areas, or areas of work, intended for the Multiplier and the cofinancing. These focus areas should target bottlenecks in education systems with a view to supporting system transformation.
- The EOI is reviewed and, if appropriate, approved. Approved EOIs secure a Multiplier allocation.
- With a secured allocation, a country prepares a grant application in the same way as for a system transformation grant. As such, these guidelines should be reviewed alongside those for the system transformation grant [Link forthcoming].
- Any Multiplier grants that are secured supplement and do not reduce any other GPE grants to the country.
- Countries are encouraged to access the Multiplier alongside other GPE grants for program implementation they are eligible for at the same time. This lowers transaction costs and facilitates alignment.

- Multiplier grant applications (using allocations secured through a successful EOI) are assessed to the same standards as the system transformation grant. This includes a screening for the grant’s potential for system transformation.

Summary

Countries use the Multiplier to crowd in new and additional external funding for education programs aligned to national priorities and the partnership compact. Funding from these sources as well as other GPE grants the country can access should target key bottlenecks in education systems to effect system transformation.

To secure an allocation, countries coordinate with external financing partners to secure new commitments to education. For example, a Ministry of Education might use potential access to the Multiplier to enhance its dialogue with the Ministry of Finance regarding the share of a concessional lending envelope from a Multilateral or Regional Development Bank that is allocated to education.

To secure an allocation, a country—under the leadership of the government and in consultation with the local education group—submits an expression of interest (see *Securing an Allocation*, below, for details). The EOI sets out several features of the proposed cofinancing, including evidence that the cofinancing is *additional*: the cofinancing has been mobilized because of the Multiplier’s incentive effect. To be eligible as cofinancing, these funds should support the same program or project as the program or projects supported by the Multiplier.

Based on a review of the EOI, the GPE Secretariat, or a body with mandated authority from GPE’s Board, approves an allocation. This means that the country has secured the allocation sought through the EOI process and can begin grant preparation in the same way and based on the same grant application timeline as the system transformation grant. In this sense, accessing the Multiplier is a “front end” to the same quality assurance procedures and requirements for all other funding for program implementation available from GPE.

Depending on the type of cofinancing, different shares of the potential allocation can be unlocked, up to the maximum potential allocation available. Contributions from most partners unlock allocations at a ratio of 3 to 1 (i.e., \$3 in cofinancing mobilizes a further \$1 from the Multiplier); contributions from some foundations and private sector partners unlock allocations at a ratio of 1 to 1 (i.e., \$1 in cofinancing mobilizes a further \$1 from the Multiplier).

GPE strongly encourages countries to align access to GPE funding to the greatest extent practicable. This means that countries are advised to seek their Multiplier allocations at such a time that these can be programmed and implemented alongside the system transformation grant. In addition, eligible countries can determine whether to access the Girls' Education Accelerator. This maximizes impact and minimizes the overall transactions costs for the grants.

Eligibility

GPE's Board has determined that all countries and territories eligible for GPE resources in 2021–2025 can access a Multiplier allocation.

Allocations

Table 1 indicates maximum allocation ceilings for the Multiplier, which are determined based on school-age population using [a transparent formula](#).

Table 1: Multiplier allocations

Allocation ceiling	Number of countries/territories eligible
Up to \$50 million	Afghanistan, Angola, Bangladesh, Congo, Dem. Rep., Egypt, Arab Rep., Ethiopia, India, Indonesia, Kenya, Mozambique, Myanmar, Nigeria, Pakistan, Philippines, Sudan, Uganda, Tanzania, Vietnam [18]
Up to \$40 million	Algeria, Burkina Faso, Cameroon, Chad, Cote d'Ivoire, Ghana, Madagascar, Malawi, Mali, Morocco, Nepal, Niger, Senegal, Somalia, Ukraine, Uzbekistan, Yemen, Rep., Zambia [18]
Up to \$30 million	Benin, Burundi, Cambodia, Guinea, Haiti, Rwanda, South Sudan, Sri Lanka, Syrian Arab Republic, Zimbabwe [10]
Up to \$15 million	Bolivia, Central African Republic, Congo, Rep., El Salvador, Honduras, Kyrgyz Republic, Lao PDR, Liberia, Mauritania, Nicaragua, Papua New Guinea, Sierra Leone, Tajikistan, Togo, Tunisia, West Bank and Gaza [16]
Up to \$5 million	Belize, Bhutan, Cabo Verde, Comoros, Djibouti, Dominica, Eritrea, Eswatini, Fiji, Gambia, The, Grenada, Guinea-Bissau, Guyana, Kiribati, Lesotho, Maldives, Marshall Islands, Micronesia, Fed. Sts., Mongolia, Moldova, St. Lucia, St. Vincent and the Grenadines, Samoa, Sao Tome and Principe, Solomon Islands, Timor-Leste, Tonga, Tuvalu, Vanuatu [29]

Source: Table adapted from BOD/2020/11/12 DOC 06, *Eligibility and Allocation for GPE 2025*.

Combining allocations

In addition to the Multiplier, many GPE-eligible countries can also access a separate system transformation grant, a Girls' Education Accelerator grant, or both. These guidelines should therefore be reviewed alongside those for the system transformation grant and, where applicable, the Girls' Education Accelerator.

In all cases, countries are strongly encouraged to combine grants to the greatest degree practicable.

- *For example, a country may be eligible for a \$60 million system transformation grant, a \$25 million Girls' Education Accelerator grant, and potentially eligible for \$15 million in Multiplier funds. If the cofinancing required to access the Multiplier grant can be programmed and implemented at the same time as and alongside the system transformation grant and Girls' Education Accelerator grant, the country is encouraged to pursue a single grant application for \$100 million. For the Multiplier to be included in this larger-format grant, the grant application, a downstream culmination of dialogue and quality assurance, would be preceded by an EOI to secure the Multiplier allocation.*

In some cases, countries may either not be eligible for other grants or collaborate with cofinancing partners for which the timing of funding is critical. This, in turn, may make it challenging to combine grants. In these cases, countries can access the Multiplier independently of other grants.

Similarly, a country may program and implement their system transformation grant (potentially integrating the Girls' Education Accelerator) without a Multiplier because relevant cofinancing is not available.

Front-loading the system transformation grant

The system transformation grant is generally being made available to countries on a cohort basis. This means that in some cases countries are only expected to access (and therefore program and implement these funds) beginning at predetermined future dates during the 2021–2025 period.

Recognizing the value of combining grants wherever practicable (see above), GPE's Board has determined that countries which secure a Multiplier allocation and would otherwise only access their system transformation grant at a later date can *front-load* access to their system transformation grant in order to combine this grant with their Multiplier allocation (subject to successfully securing the latter through the EOI process set out below).

Countries are not required to seek both allocations concurrently but can elect to do so. This preference can be indicated in the dialogue between the country and the GPE Secretariat and confirmed in the EOI.

Programming alongside existing GPE grants

Countries using the Multiplier to mobilize cofinancing from partners may have existing GPE grants under implementation, such as an education sector program implementation grant (secured under GPE's 2018–2020 funding model), a system transformation grant (secured under the 2021–2025 funding model), or a Multiplier (secured under either funding model).

GPE expects that existing Multiplier grants are significantly implemented (disbursed) or show successful and rapid implementation before further funding is committed. In general, this means countries can apply for an additional Multiplier grant when an ongoing grant has been at least 75 percent disbursed, but this may be lower depending on country-specific circumstances or clear evidence that the existing grant(s) are being implemented effectively. (This expectation applies when the country applies for a grant; the Multiplier allocation can be secured through an EOI regardless of the status of funds under implementation.)

This expectation only applies to an existing Multiplier grant or programs that include a Multiplier grant. For example, the implementation status of an existing education sector program implementation grant generally does not determine whether a Multiplier grant can be approved.

Types of cofinancing

Additional cofinancing can be mobilized from a range of sources, including (but not only) concessional lending from a development bank (e.g., IDA or IBRD), grants or loans from a bilateral partner (e.g., FCDO). Domestic financing for education from the government or national authorities does not count as external funding for the

purpose of securing a Multiplier allocation. (However, ensuring robust support for education from domestic resources is an expectation for accessing GPE funds more broadly, with mutually agreed targets defined through the partnership compact.)

Most types of cofinancing can mobilize the Multiplier at the ratio of \$3 in cofinancing for each \$1 secured in Multiplier resources, up to the maximum available for allocation.

- *For example, a multilateral development bank is considering a \$210 million program incentivized by the availability of \$40 million in supplemental grant finance from the Multiplier, which is the country's maximum potential allocation from the Multiplier. In this case, even though the cofinancing would be sufficient to unlock \$70 million (based on the calculation $\$210 \text{ million} \div 3 = \70 million), the country's allocation is maximized at \$40 million.*

To support the mobilization of further resources for education and encourage new partners to contribute to education sector policy and programming, GPE's Board has approved a new incentive for cofinancing from foundations and private sector partners. This group of partners can mobilize resources from the Multiplier for a country at a ratio of \$1 to \$1. For full details, please see operational guidelines for the GPE Match [Link forthcoming].

- *For example, a foundation seeks to support early childhood development through innovative new programming that has proven to be effective in other countries. To raise the impact of its funding, it engages in the dialogue for developing country A's partnership compact, where the government and local education group conclude that such innovative programming would address a key bottleneck in early childhood development. The foundation decides to mobilize \$30 million in funding (not previously budgeted for country A, and therefore additional) for a program. This \$30 million could potentially unlock a further \$30 million from GPE, based on the more generous cofinancing ratio in place for specific partners.*

In addition, for the 2021–2025 period, GPE's Board has approved debt forgiveness for education. In this modality, donors can opt to forgive or restructure loans to governments with the stipulation that funding that would have been spent on debt service is invested in education. These resources can, in turn, be used to mobilize

Multiplier funds. This raises the impact of debt forgiveness. Operational details will be developed iteratively, with current guidance available for review [Link forthcoming]. Given the complexity of this approach, partners seeking to use the modality should liaise with the GPE Secretariat for support as soon as possible.

- *For example, lender A agrees to cancel \$75 million of an outstanding loan to borrower country B in exchange for borrower B committing to increase domestic education spending/investments by \$45 million. This in turn allows borrower B to access \$15 million from GPE through the Multiplier (based on the \$3 to \$1 additional cofinancing requirement). The agreement is between the borrower and lender. There is no GPE involvement other than confirming that the agreement stipulates the increased education investment as evidence to trigger the Multiplier. GPE records the funding mobilized as leveraged funding for education.*

Finally, different types of cofinancing can be combined (though with due consideration of the requirements of an aligned cofinancing modality) to secure a larger share of the country's potential allocation. To the greatest extent practicable, these combined resources should be invested through the same program and funding modality / grant agent.

- *For example, country A is engaged in discussions with a bilateral donor and two foundations to secure potential cofinancing partners seeking to support enhanced access to primary school. The bilateral partner could commit \$30 million to the program, with each foundation contributing \$10 million. For their internal approval of the program, the partners require counterpart funding from the government, which has exceeded its budget caps for the fiscal year. To mobilize the resources, the government therefore seeks to use its Multiplier allocation and to develop a single joint program with the bilateral partner as grant agent. As a result, the country secures an \$80 million program, comprising \$30 million in bilateral donor contributions (mobilizing \$10 million in Multiplier funds) and \$20 million in funding from two foundations (mobilizing \$20 million in Multiplier funds).*

Securing an allocation

All Multiplier allocations are *potential*: unlike other GPE grants a country can access, Multiplier resources are competitively allocated on a first-come, first-served basis.

Grants therefore must be secured through an expression of interest that is reviewed and, if appropriate, approved by the GPE Secretariat or an entity with delegated authority for approvals from the Board.

Expression of interest

The EOI is not a grant application. It is a focused document submitted to secure a grant allocation. The EOI requests information on four areas:

- **Additionality:** Indicating that the cofinancing is mobilized because of the Multiplier's incentive effect.
- **Cofinancing:** Cofinancing should be for the same program as GPE funding and use the same modality as the program to be funded (or a common funding mechanism). All funding should target GPE **priority sectors** of 12 years of quality education and 1 year of pre-primary.
- **Focus area:** If clear at the time the EOI is submitted, the section should indicate the **area of work** for the cofinancing and Multiplier. The Multiplier and the cofinancing should support system transformation by targeting key bottlenecks in the country's education system.
- **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 (DLP) and/or the World Bank Group's Sustainable Development Finance Policy (SDFP), as applicable.

The sections below provide further detail on each element of the EOI.

Additionality:

The key criterion to access the Multiplier is that partners have used the grant to mobilize new and additional cofinancing for education. Additionality cannot be proven, because we do not know what financing levels would have been if the Multiplier were not available. Instead, this is evaluated based on a negative condition: is it clear that the cofinancing is not additional? If so, the proposed cofinancing is not eligible to help the country secure a Multiplier allocation.

Examples:

- *Country A seeks to mobilize \$30 million in Multiplier funds alongside its system transformation grant. As evidence of cofinancing, it includes a concessional loan from a regional development bank. The program to be funded by the*

loan targets primary schooling, one of GPE's priority sectors, and would be disbursed through the same grant agent and using the same modality as GPE's funding. However, the loan has been substantially processed and is on track for approval by the cofinancing partner's Board in one month. There is no evidence that the project is at risk. As a result, the additionality criterion is not met, and the country does not secure its Multiplier allocation.

- *Country B seeks to mobilize \$40 million in Multiplier funds. It already has a partnership compact in place (see details below). A bilateral donor has approved a \$300 million allocation for the country for its new funding cycle, with the sectoral focus of the lending to be negotiated with the country and relevant partners. The ministry of education concludes that the availability of the Multiplier would incentivize national partners and the donor to allocate at least \$120 million of the country's envelope to education. The EOI indicates alignment between this cofinancing and GPE's grant and confirms it will target relevant focus areas identified in the compact. As a result, the EOI is approved, and the country can develop a single cofinanced program for \$160 million.*

Cofinancing

To facilitate alignment of external funding and minimize the fragmentation of assistance to education, GPE requires cofinancing to be integrated into the same programs and funding modalities as GPE funds. In practice, GPE therefore defines the clearest evidence of cofinancing at the EOI stage to comprise

- Funding delivered through the same modality as GPE funding in a single program (typically with the same grant agent), or
- Funding through a common funding mechanism, like a pooled fund.

In some cases, it may not be feasible for the cofinancing partner to support the same program and/or support the same program through the same grant agent as the one selected for GPE's funds. For example, a foundation may have fiduciary responsibilities that require it to implement programs directly and therefore prevent it from transferring funds to a second party.

In these cases, if the modality of the cofinancing is not through the same program, the EOI should **justify the choice** (or likely choice) of modality. In particular, the EOI

must explain why a different program/funding mechanism must be used. Where cofinancing cannot support the same program, the work to be funded by the additional financing must complement the program funded by the Multiplier. (This means that while the cofinancing funds a distinct and separate program, it clearly complements the program funded by the Multiplier and supports the same system transformation strategy.)

Examples:

- *Country A seeks Multiplier funding to support enhanced access to schooling for marginalized girls in rural areas, who constitute 65 percent of the population of out-of-school children nationally. The funding is strictly additional, as the cofinancing partner is justifying reprogramming of funds from a nonperforming program to the education sector on the basis that this can secure complementary financing from GPE. However, the EOI indicates that GPE funds will be used for the same intervention but through a different program than the partner's funds. In this case, the GPE Secretariat would encourage the local education group to advocate for a harmonized program comprising the cofinancing and GPE's funds, delivered through a single grant agent. Following this dialogue, a revised EOI confirms that such a harmonized modality would be used if the Multiplier were approved. The country secures an allocation.*
- *Country B seeks Multiplier funding to support an intervention targeting attrition rates between primary and lower secondary school. A cofinancing partner is willing to mobilize new and additional funding in response to the incentive of the Multiplier. However, the partner would require its funds to be implemented in a separate program exclusively focused on providing scholarships for secondary-level students to study overseas. The EOI submitted to the GPE Secretariat confirms the additionality and other relevant features of the proposed program but indicates the lack of alignment between the program supported by GPE and the program supported by the cofinancing. Because the proposed cofinancing supports a different program and does not complement the program to be supported by GPE, the EOI is not approved and the country does not secure relevant resources.*

The cofinancing is generally not transferred to GPE but is committed, managed and disbursed by the cofinancing partner or an implementing partner designated by the cofinancing partner at the country level. (If the partner cannot disburse funding to the country directly, the funds can be contributed to the GPE Fund to be channeled to the country as part of the GPE-funded program, provided this targeting is consistent with the Contributions and Safeguards Policy [link forthcoming].)

Focus area

Finally, if the areas of work for the Multiplier and cofinancing are known at the time the EOI is submitted, the document should indicate these.

If the country has a partnership compact in place, the program is expected to target focus areas identified in the compact. In other cases, the country is encouraged to develop a compact at the time the EOI is submitted to identify the focus areas.

Debt sustainability

In some cases, additional cofinancing may be in the form of a loan or similar instrument (i.e., a transaction that creates a liability for the government).

GPE is committed to sustainable borrowing. To support debt sustainability, the EOI should confirm that the proposed lending is consistent with two policies that might apply, such as the IMF's Debt Limits Policy (DLP) and/or the World Bank Group's Sustainable Development Finance Policy (SDFP). These policies use debt sustainability analyses prepared by the World Bank and IMF as inputs.

GPE's Finance and Grant Operations Team can provide support if countries or cofinancing partners are not sure whether the proposed cofinancing is consistent with relevant policies.

In cases where the cofinancing is composed entirely of grants, there are no debt sustainability implications.

Ensuring alignment: The partnership compact

A key element of the GPE 2025 strategy is a partnership compact, developed by the country and the local education group with support from the GPE Secretariat.

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.

The compact is reviewed by an Independent Technical Advisory Panel (ITAP) of subject matter experts commissioned by GPE to review a country's status with regard to these areas. 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.

Articulating a compact is necessary to access the system transformation grant. More broadly, GPE strongly encourages all countries to articulate a compact at the time they access any funding from GPE to ensure funding is used strategically, and to use the policy dialogue that results in the compact to coordinate with cofinancing partners and enhance the sector's alignment.

However, because the ability to mobilize Multiplier funding is tied to the availability of cofinancing, some countries may seek to access a Multiplier allocation before they can develop a full partnership compact, which they would intend to develop when accessing the system transformation grant. Similarly, some countries are only eligible for Multiplier funding and are not able to access a system transformation grant.

Countries that access a Multiplier allocation without a full compact in place will still need to identify their position with regard to the requirements listed above. In the absence of a full compact, a country can identify a focus area for interventions supported by the Multiplier and the cofinancing based on a high-level national planning document, such as an education sector plan or equivalent.

The same applies for countries that are only eligible for Multiplier funding and are not able to access a system transformation grant. These countries can access the

Multiplier without developing a full compact, but GPE strongly encourages them to articulate a full compact at the time they access the Multiplier (this helps ensure funding is used strategically), and to use the policy dialogue that results in the compact to coordinate with cofinancing partners and enhance the sector’s alignment. Finally, developing a full compact would facilitate accessing the full system capacity grant.

Table 2 summarizes the possible approaches to the timing of a compact. In all cases, countries will develop a compact as part of the process to access a system transformation grant.

Table 2: Timing and the partnership compact

Timing of Multiplier EOI relative to partnership compact	Eligible for a system transformation grant	Not eligible for a system transformation grant
<p>Before compact (No compact in place)</p>	<p>The country is expected to articulate elements of the compact related to data and evidence; gender-responsive sector planning, policy and monitoring; sector coordination; and volume, equity and efficiency of domestic public expenditure.</p> <p>The country <u>is encouraged</u> to develop a full compact to guide the articulation of the Multiplier grant.</p> <p>In the absence of a full compact, the country can base the Multiplier's focus area(s) on a national planning document like</p>	<p>The country is expected to articulate elements of the compact related to data and evidence; gender-responsive sector planning, policy and monitoring; sector coordination; and volume, equity and efficiency of domestic public expenditure.</p> <p>The country <u>is encouraged</u> to develop a full compact to guide the articulation of the Multiplier grant.</p> <p>In the absence of a full compact, the country can base the Multiplier's focus area(s) on a national planning document like an</p>

	<p>an education sector plan or equivalent.</p> <p>The subsequent compact notes the focus areas of the Multiplier grant and cofinancing to ensure coherence with the system transformation grant.</p>	<p>education sector plan or equivalent.</p>
<p>During compact</p>	<p>The compact is used as a platform to support resource mobilization to access the Multiplier alongside other GPE resources.</p> <p>The Multiplier grant and cofinancing should seek to target or complement the focus areas identified in the compact.</p>	<p>The compact is used as a platform to support resource mobilization to access the Multiplier alongside other GPE resources.</p> <p>The Multiplier grant and cofinancing should seek to target or complement the focus areas identified in the compact.</p>
<p>After compact</p>	<p>The Multiplier grant and cofinancing should seek to target or complement the focus areas identified in the compact.</p>	<p>The Multiplier grant and cofinancing should seek to target or complement the focus areas identified in the compact.</p>

Regardless of whether a full compact is in place, the eventual Multiplier grant application (to use an allocation secured through a successful EOI) will be assessed based on the system transformation grant’s quality standards. This includes an evaluation of the grant’s potential for system transformation.

GPE has harmonized quality assurance standards. Thus, Multiplier grant applications (using allocations secured through a successful EOI) are assessed to the same standards as the system transformation grant. This includes a screening for the grant’s potential for system transformation.

Approval of an EOI

The GPE Secretariat reviews EOIs and provides an overall evaluation and recommendation on their approval to the Board, or a body to which the Board might choose to delegate this authority. The reviewing body evaluates the EOI and makes one of three determinations:

- **Approve**
- **Approve with clarifications**
- **Request clarifications**

If an EOI is **approved** or **approved with clarifications**, it has a maximum country allocation from the Multiplier (a MCAM), and the country can prepare a program in line with standard GPE quality assurance procedures. If **clarifications are requested**, the country does not get a MCAM and can submit a revised EOI in the future. EOIs that present clear evidence for all three criteria are reviewed and, if appropriate, approved on an accelerated basis.

GPE's ongoing governance review may streamline this process. If so, changes in the approval process will be implemented in late 2021.

Timeline

The processes of securing an EOI and submitting a partial or full compact for review by GPE's Board (or body with mandated authority from the Board) should happen in parallel.

In general, a country should budget roughly two months for the review of both the EOI and the partial/full compact, though this may be substantially accelerated in many cases. In addition, countries with a compact already in place may not be required to undergo this process again and in principle only need to submit the EOI.

Validity

Countries with a secured allocation can submit quality-assured grant applications to access this allocation up to one calendar year from the end of the month in which the allocation was secured.

- *For example, if country A's EOI is approved on February 10, 2021, the country's grant application for these funds must be approved by GPE no later than February 28, 2022.*

To that end, countries are encouraged to submit an EOI with appropriate lead time. For example, if the country and GPE Secretariat anticipate it will take six months to articulate a quality-assured grant application for a program that must begin implementation in December 2023, an EOI could be submitted by at least May 2023 (seven months before the target effectiveness date) to facilitate an approved Multiplier allocation with enough time for robust quality assurance leading to a strong grant application and program.

Grant application

A Multiplier grant goes through the same quality assurance process and calendar as the system transformation grant with the additional element of an EOI, as set out above. With an approved EOI, a country can prepare a program using the Multiplier funding in the same way as an system transformation grant.

Quality assurance for multiple grants is harmonized, and countries that secure a Multiplier allocation and develop a program to implement it alongside funding from the system transformation grant and/or Girls' Education Accelerator will generally develop a single quality-assured program for all their GPE funding. As emphasized throughout, this is strongly encouraged to maximize the impact and minimize the transaction costs of GPE funds.

Risk mitigation

GPE will support countries to mitigate risk throughout the grant application process. Outlined below are descriptions of key risks and the steps taken to manage them.

Cofinancing risk

If some or all cofinancing listed in the EOI does not appear to be on track or agreed to when the program application is submitted, the ratio of cofinancing to Multiplier funding could be reduced below the level required to access the grant. This creates a risk that GPE will not approve the eventual grant application.

- *For example, country A is in discussions with bilateral donors B and C to develop a program focused on improving early learning. Donors B and C each consider contributing \$15 million to the program on the condition that*

country A provide \$10 million in counterpart funding. Country A submits an EOI to cover its counterpart funding. The Board approves the EOI and country A develops its grant application. Donor B decides to allocate its funds elsewhere, claiming that it was only “considering” the program. Donor C then drops out because its own \$15 million contribution could only mobilize \$5 million from the Multiplier and the program envisioned is no longer feasible. Country A does not submit an application for its \$10 million Multiplier allocation.

To mitigate this risk, cofinancing listed in the EOI should be credible and likely to be mobilized.

Exchange rate risk

The EOI requires a list of cofinancing from partners, which are in some cases in currencies other than U.S. dollars. As time progresses between the EOI stage and the quality assurance process, fluctuating exchange rates may cause the U.S. dollar value of cofinancing commitments in other currencies to change.

To mitigate this risk, the GPE Secretariat tracks the value of cofinancing, which should not change and cannot go below the minimum level required for the country’s allocation (see “Cofinancing risk,” above). The Secretariat tracks this by recording cofinancing in both its original currency and equivalent U.S. dollar value at multiple points throughout the grant application process, beginning with the submission of the expression of interest.

- *For example, an EOI submitted in October 2017 included \$43.5 million in total cofinancing, comprising 10 million euros and 24 million British pounds. By the final review in May 2018, total cofinancing changed to \$52 million because of an increased grant to 15 million euros (5 million euros more) and changes in the exchange rates. The level of cofinancing remained sufficient to access the approved allocation. The Secretariat recorded the initial, lower level of cofinancing mobilized to be conservative about the Multiplier’s incentive effect.*

Grant allocation risk

Unlike country allocations for other GPE grants, Multiplier allocations are “competitive,” meaning that one country securing and not using an allocation

affects the ability of other countries to access funds. If the Board approves a MCAM, another country cannot access those funds.

To mitigate this risk, MCAMs are only valid for one year (see Timeline, above).

- *For example, if a country receives a MCAM in December 2021, the Board must receive an application to use those funds by December 2022.*

Private sector engagement

Companies or foundations can provide grants or in-kind support to unlock a Multiplier allocation, including through the new GPE Match. Such contributions must comply with GPE's Contributions and Safeguards Policy and Private Sector Policy.

To mitigate the risk that an EOI progresses with a foundation or private company with whom GPE is unable to work, the GPE Secretariat should be consulted as early as possible to provide oversight and due diligence.

- *For example, country A seeks to mobilize \$10 million from the Multiplier to match a \$10 million donation from a private company in a new program aimed at improving remote teaching. Although the funding from the private company would be delivered through the same grant agent and is using the same modality as the GPE funds, the GPE Secretariat is not consulted during the EOI's development. After the EOI is submitted, the Secretariat does due diligence and learns that the private company stands to gain financially from sales of its proprietary software, which is required to implement the remote teaching program. This violates GPE's Contributions and Safeguards Policy. The Secretariat does not recommend the EOI for approval.*

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