

## Supp-19

Indicator	Supp-19: Value of private capital mobilized with USG assistance to support education
Definition	<p>This indicator captures the results of efforts of USG-funded activities to attract non-public financial resources to the formal or non-formal education sector, either to public, private, or hybrid education providers, which includes schools and ancillary service providers. It applies to all levels of education, ranging from pre-primary through higher education, including workforce development. Such financial resources can be in a form of stand-alone private capital invested in education-related businesses or as part of blended finance models.</p> <p><b>Private capital</b> refers to the USD value of (i) commitment of debt financing and (ii) disbursement of non-debt financing intended to increase future production, output, business performance, or other defined outcomes. <b>Mobilization</b> refers to the debt financing committed and non-debt financing disbursed to private firms including micro, small, medium (MSMEs) and large enterprises* in the reporting period. <b>As a result of USG assistance</b> indicates that the new financing was directly encouraged or facilitated by USG-funded activities.</p> <p>The <b>commitment of debt financing</b> includes loans/credit from financial institutions for private firms (MSME and larger enterprises) such as:</p> <ul style="list-style-type: none"> <li>• New loans</li> <li>• Refinanced loans</li> <li>• Restructured loans (inclusive of additionality; not simply change of debtors without cause)</li> <li>• Lines of credit</li> <li>• Letters of credit</li> <li>• Invoice financing/receivables financing, invoice factoring, reverse factoring, warehouse receipts, or invoice trading</li> <li>• Recoverable grants after discounting USAID’s contribution, if any. Recoverable grants are used in the non-profit sector, Islamic banking, or high-risk markets</li> </ul> <p><b>Reporting standard and consideration for debt financing:</b></p> <ol style="list-style-type: none"> <li>(1) <u>Report the value of debt financing when a binding commitment is secured, reflected by a formal offer and acceptance of a commitment</u>, letter of credit, or line of credit approval letter, or similar documentation confirming a financing commitment to the actual recipient utilizing financing to increase production, output, business performance, or other defined outcomes. This does not include commitments made by the intermediaries that agree to lend or on-lend to other entities.</li> <li>(2) Report the value of debt financing from government-owned financial institutions.</li> <li>(3) In a recoverable grant, if USAID funds were used to offset the interest rate charged on financing, discount the USAID portion of funds from the total before reporting.</li> <li>(4) Report the additional value of restructured loans (such as better rate, term length, etc.) through qualitative means to discourage financing that change debtors without cause.</li> <li>(5) Do not count guarantees.</li> <li>(6) In the indicator narrative, report the term length—the amount of time agreed with the lender to repay the debt.</li> </ol> <p>The <b>disbursement of non-debt financing</b> comprised of the following:</p>

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	<ul style="list-style-type: none"> <li>• Equity</li> <li>• Convertible debt/notes/bonds</li> <li>• Grants from private sources</li> <li>• Other equity-like investments such as SAFE (simple agreement for future equity)</li> </ul> <p>Financing from bilateral donors such as FCDO (formerly UKAID/DfID), SIDA, or multilateral agencies** like IFC should not be counted as non-debt financing. Additionally, equity financing from the Development Finance Corporation (DFC) or their guarantees should not be counted.</p> <p><b>Reporting standard and consideration for non-debt-financing:</b> <u>Report non-debt financing only when investment funds are disbursed to the target entity</u>, verified by the disbursement records from the entity facilitating this investment and/or confirmation of the receipt of funds by the recipient.</p> <hr/> <p>* Partners can use locally established definitions, or one widely used by the financial sector in a particular country to determine the size of the enterprise. In the absence of a local definition, use USAID’s standard definition for MSMEs and large enterprises.</p> <p>** According to the PIRS for EG.3.1-14, money from multilateral agencies is not considered private sector investment.</p>
Primary SPS Linkage	ES.I, HA.I
Linkage to Long-Term Outcome or Impact	Mobilization of additional financing for education is critically important for achieving USAID goals in improving education access and quality. A significant and growing funding gap prevents partner governments from meeting education demand, opening the opportunity for the non-state education sector to improve the provision and quality of education services.
Indicator Type	Outcome
Reporting Type	<p>Amount in USD. Convert financing commitments in foreign currency to USD using the World Bank GDP deflator available at <a href="https://data.worldbank.org/indicator/NY.GDP.DEFL.ZS">https://data.worldbank.org/indicator/NY.GDP.DEFL.ZS</a></p> <p>The reporting units may use the exchange rate of a particular day in each month for all foreign currency transactions occurring in that month.</p>
Use of Indicator	This indicator will be used to monitor the overall achievements of USG-funded education activities in increasing financing for education in the partner country. It will be used, along with other education-related indicators, to report progress and results in the education sector and supplement other reporting against the goals of the USAID Education Policy.
Reporting Frequency	Quarterly or annually
Data Source(s)	Official Reports from Implementing Partner(s)
Bureau Owner(s)	<p><b>Agency:</b> USAID</p> <p><b>Bureau and Office:</b> DDI/EDU</p>

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	<p><b>POC:</b> Benjamin Sylla; Senior Education Specialist; Center for Education   <a href="mailto:bsylla@usaid.gov">bsylla@usaid.gov</a></p> <p><b>Technical POC:</b> Suezan Lee; Senior Education Finance Specialist; Center for Education   <a href="mailto:sulee@usaid.gov">sulee@usaid.gov</a></p>
Disaggregate(s)	<ul style="list-style-type: none"> <li>• Financing type—Debt</li> <li>• Financing type—Non-Debt</li>   <li>• Source of financing—Local</li> <li>• Source of financing—International</li> <li>• Source of financing—Mixed International and Local</li> </ul>