

Education for All – Fast Track Initiative

1) QUANTITY OF AID

1.1. Current/Recent Quantity Performance:

Catalytic Fund Commitments in 2008	US\$ 362 millions ¹
Catalytic Fund projected Disbursements (Jan 08-Nov 08)	US\$ 142 millions

Source: EFA-FTI (2008a).

¹ As of November 15, 2008.

The Education Fast Track Initiative consists of two funds, the Education Program Development Fund (EPDF) with total commitments of US\$ 91 million for the period 2005-2009 (EFA-FTI, 2008b) and the Catalytic Fund (CF) with total pledges of US\$ 1.22 billion covering the period 2003-2009 (EFA-FTI, 2008a). Catalytic Fund country allocations amount to roughly US\$ 1,178 million over 2003-2009, with US\$ 396 million disbursed to 20 countries as of November 15, 2008.

1.2. Future Quantity Intent

Catalytic Fund commitments are expected to approximate US\$ 357 million for 2009 (EFA-FTI, 2008a). Current debates include an Expanded Catalytic Fund that would provide financing for longer than the initially expected duration of the initiative (EFA-FTI, 2006a, p1).

2) KEY AGENCIES/MECHANISMS

2.1 Agencies and Structures

The Education For All – Fast Track Initiative aims to help low-income countries achieve a free, universal basic education by 2015. It was launched in 2002. Donor partners to the Initiative are developed countries and a number of multilateral organisations. Civil Society Organizations (CSOs) form part of the initiative too. They are represented in the global partnership by five CSOs (EFA-FTI, 2008c).

A small Secretariat is housed in the World Bank. The FTI Steering Committee is comprised of seven standing members, and seven rotating members. The five standing members are the two co-chairs, UNESCO, the World Bank, UNICEF and the most recent outgoing co-chairs. The additional 7 rotating members include three CSOs, and four developing country Education Ministers. The Committee is co-chaired by two bilateral agencies. By convention, the G8 president serves as one co-chair and a non-G8 country as the other. The co-chairs provide political leadership for the Initiative during their one year tenure, and serve as co-conveners of the FTI annual partnership meetings.

The EFA-FTI provides funding through two distinct trust funds, the Education Program Development Fund (EPDF) and the Catalytic Fund (CF). Support from both

funds takes the form of quickly disbursing grants and are meant to provide financing needed to kick-start a reform process so other donors join the financing effort.

For developing countries without education plans and weak capacity to develop them, the EPDF can provide technical support and build the capacity required to prepare and implement a sound education plan. It also supports related knowledge and experience sharing on education. The fund was established in 2004 and is administered by the World Bank.

The Catalytic Fund, established in 2003 and also administered by the World Bank provides funds for all activities related to the implementation of a country's education sector plan.

The FTI functions in a fairly decentralised manner, with recipient governments taking the lead in program development and implementation and local donors substantially involved in both supporting program development and implementation and in appraising and endorsing the education sector plan. Local partners assess whether a country is able and willing to develop a comprehensive education sector strategy, and whether the resources that may be made available to that country in this process can be absorbed effectively and used as intended.

2.2 Key Policies and Documents

FTI Framework (EFA-FTI, 2004)

The FTI Framework is the document that defines the Fast Track Initiative and sets out the goals, principles, and governing structure.

Guidelines for Appraisal of the Primary Education Component of an Education Sector Plan (EFA-FTI, 2006b)

The Guidelines assist local education donors in streamlining their assessment of a country's education plan. The focus of the assessment is to identify funding gaps and other obstacles toward reaching universal primary education.

EFA-FTI Progress Report (EFA-FTI, 2006c and 2008a)

An annual progress report is normally prepared by World Bank staff for the Development Committee meetings in either April or September.

Annual Report – The Road to 2015: Reaching the Education Goals (EFA-FTI, 2008b)

The Annual Report outlines the initiative's annual progress, the main challenges to achieving the MDG education goals, and provides an overview of global development assistance financing for education. The 2008 report emphasizes the need to reduce Catalytic Fund processing and disbursement delays, mobilize additional resources to fund FTI expansion (external financing gap for FTI countries is estimated at \$US 1 billion per year until 2010), and ensure partner countries are fulfilling their respective roles and responsibilities.

3) RECIPIENT COUNTRIES AND ALLOCATION CRITERIA

3.1. Recipient Countries

As of December 2008, the following 36 countries have had their education plans endorsed by the FTI: Albania, Benin, Burkina Faso, Cambodia, Cameroon, Central African Republic, Djibouti, Ethiopia, The Gambia, Ghana, Georgia, Guinea, Guyana, Haiti, Honduras, Kenya, Kyrgyz Rep, Lesotho, Liberia, Madagascar, Mali, Mauritania, Moldova, Mongolia, Mozambique, Nicaragua, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Tajikistan, Timor Leste, Vietnam, Yemen and Zambia. It is expected that 23 additional country plans will be endorsed by the end of 2009 (Fact Sheet, 2007).

Education Policy Development Fund (EPDF):

EPDF financing has been distributed over a group of 60 low-income countries (EFA-er FTI, 2008d). Regionally, distribution was as follows:

In US\$ million (since 2004)	Cumulative Allocations	Disbursements	Disbursements/ Allocations (%)
Africa	34.7	17.0	49%
East Asia & Pacific	6.8	2.4	35%
Europe & Central Asia	3.2	1.0	32%
Latin America & Caribbean	3.1	2.0	66%
Middle East & North Africa	2.7	1.4	52%
South Asia	8.0	4.9	62%
Total	58.5	18.8	49%

Source: EFA-FTI (2008d), data as of December 2008

Catalytic Fund:

The table below identifies recent and projected CF disbursements for different countries. The top ten recipients of CF funding have received 83% of disbursements from the Fund's establishment to November 2008.

	In US\$ million to date	Cumulative Disbursements to date	Share of cumulative disbursements	Grant Agreements expected to be signed by Dec 09	Grant Agreements signed to date	Total projected disbursements (2003 – Dec 09)
1	Kenya	121.0	30.5%	-	121.0	121.0
2	Rwanda	48.0	12.1%	-	70.0	70.0
3	Madagascar	45.0	11.4%	85.1	60.0	85.0
4	Cameroon	22.5	5.7%	24.8	22.5	34.9
5	Yemen	20.0	5.0%	20.0	20.0	30.0
6	Ghana	19.0	4.8%	14.2	19.0	33.2
7	Nicaragua	14.0	3.5%	10.0	14.0	19.0
8	The Gambia	13.4	3.4%	-	13.4	13.4
9	Mongolia	13.2	3.3%	12.3	17.1	22.4
10	Niger	13.0	3.3%	8.0	13.0	17.0
11	Guyana	12.0	3.0%	20.5	12.0	21.2
12	Tajikistan	11.3	2.9%	-	18.4	15.4
13	Mauritania	9.0	2.3%	-	23.0	13.2
14	Timor Leste	8.2	2.1%	-	8.2	8.2

	In US\$ million to date	Cumulative Disbursements to date	Share of cumulative disbursements	Grant Agreements expected to be signed by Dec 09	Grant Agreements signed to date	Total projected disbursements (2003 – Dec 09)
15	Lesotho	7.2	1.8%	-	11.9	11.9
16	Djibouti	6.0	1.5%	2.0	6.0	8.0
17	Kyrgyz Rep.	5.4	1.4%	6.0	9.0	10.8
18	Moldova	4.9	1.2%	-	8.8	8.8
19	Mali	2.2	0.6%	-	8.7	4.2
20	Cambodia	1.0	0.3%	-	57.4	27.6
21	Benin	-	-	-	76.1	50.6
22	Mozambique	-	-	-	79.0	54.0
23	Sierra Leone	-	-	-	13.9	2.8
24	Guinea	-	-	-	117.8	23.6
25	Ethiopia	-	-	70.0		14.0
26	Sao Tome and Principe	-	-	3.6		1.1
27	Senegal	-	-	81.5		32.0
	Total	396.4	100%	358.0	832.1	753.3

Source: EFA-FTI (2008a), data as of Nov 15, 2008

3.2. Allocation Criteria

3.2.1. Pre-selection criteria

Catalytic Fund support is available to low-income countries with an endorsed education sector plan and limited donor support in the education sector.

3.2.2. Allocation criteria:

For the new Expanded Catalytic Fund, allocation criteria are under discussion. Options being considered are:

- 1) Resources will be divided evenly (pro rata) on the basis of identified and confirmed funding gaps among all applications from recipient countries;
- 2) Initial pro rata allocations will be adjusted to arrive at a final allocation by
 - (a) setting a minimum amount for allocations to small countries (defined by population size) so as to maximize the possibility that the funding would be adequate to make a difference in those countries' performance;
 - (b) giving for initial allocations a higher weight to countries that are further removed from Universal Primary Completion (UPC);
 - (c) weighting the allocation based on the size of the financing gap; and
- 3) Other objective comparable criteria as may be agreed upon (EFA-FTI, 2007c).

4) AID POLICIES

4.1. Concessionalities

Grant share of Education Program Development Fund:	100%
Grant share of Catalytic Fund	100%

Source: EFA-FTI (2006d).

All resources that are channelled through the EFA-FTI are in the form of grants.

4.2. Types of Assistance

Education for All – Fast Track Initiative funding is directed towards the implementation of education sector projects and programs, as well as technical cooperation for the development of education policy plans. It is mostly in the form of sectoral budget support.

4.3. Channels of Assistance

The Catalytic Fund has four kinds of eligible recipients, including governments of eligible countries, country-specific trust funds established to support education in an eligible country, aid agencies of governments providing assistance to eligible countries, and such other eligible recipients as may be determined by the Trust Fund Strategy Committee (EFA-FTI, 2006f). This implies that most of the EFA-FTI resources are delivered on-budget.

4.4. Sectors and Projects

All EFA-FTI funding goes to the education sector, more specifically to primary education.

4.5. Flexibility

In a way, the EFA-FTI is already filling a funding gap in the educational sector. In that sense, it is flexible in delivering resources to address funding gaps. As a sector-specific fund, it cannot address any other gaps/shocks.

4.6. Predictability

Funding from the FTI Catalytic Fund is given for two to three years. The EPDF funds particular projects and thus aims for shorter term measures than the Catalytic Fund.

4.7. Conditionality

While funding from the Education Policy Development Fund is open to all low income countries and allocated with more discretion, funding from the Catalytic Fund is conditional upon FTI endorsement.

FTI provides support to all low-income countries with a serious commitment toward reaching universal primary education. Serious commitment is understood as being demonstrated through the preparation and implementation of a comprehensive education plan that should address key constraints to accelerating universal primary education in the areas of policy, data, capacity, and financing. It should also align primary education priorities with those for pre-school, secondary, tertiary, and non-formal education. Specifically, a credible education plan is expected to include (i) a strategy, including budget requirements, for accelerated progress towards universal primary education, (ii) a strategy for addressing HIV/AIDS, gender equality, and other key issues, (iii) national policy actions designed to improve education quality, equity, efficiency and fiscal sustainability, (iv) identification of capacity constraints and strategies to address them, and (v) an indication of how the country intends to carry out monitoring and evaluation and identify annual targets for measuring progress on key policies and outcomes, including those of the FTI indicative framework as locally adapted.

Furthermore, to receive FTI endorsement a country must have a poverty reduction strategy or equivalent national development plan (EFA-FTI, 2006g), and a Medium-Term Expenditure Framework or concrete plans to develop an MTEF.

The Expanded Catalytic Fund will be guided by similar criteria, including (i) demonstrated strong commitment on the part of the country's government, (ii) strong performance by a country's government towards achievement of Universal Primary Completion, (iii) capacity to implement the EFA-FTI endorsed education sector plan; and (iv) exceptional limitations in the external donor funding available for a country's primary education program (EFA-FTI, 2007c). However, since the CF was intended to help countries with limited donor funding to build a track record, the Expanded CF will place greater emphasis on country performance based on its track record.

4.8. Policy Dialogue

Local donors endorse a country's education sector plan. Among the donors, one agrees to act as the lead coordinating agency and takes responsibility for organizing the assessment of the country's program, utilizing the FTI appraisal guidelines and indicative framework, with the participation of all concerned donor agencies. The lead coordinating agency takes responsibility for preparing a report of the assessment, with notification of endorsement, and submits it to the Government, the country development partners, and the FTI Secretariat (EFA-FTI, 2006g).

Due to FTI's strong links with the World Bank, the requirement of PRSPs and Education Plans, and the involvement of World Bank specialists at various stages in the process, World Bank analysis can be expected to be crucial.

5) AID PROCEDURES

5.1 Conditions Precedent

Funding requires prior endorsement of governments' strategies by local donors. Also, tranches of funds to countries from the CF are disbursed on receipt of progress reports provided by World Bank Task Team Leaders. An initial tranche disbursement would be released on the recipient's meeting the required criteria for eligibility for CF participation, such as an approved poverty reduction strategy, a sector-wide program for education agreed with in-country donors and including strategies for HIV/AIDS, gender equality, capacity and monitoring and evaluation (including an agreement to monitor benchmark indicators).

5.2 Disbursement Methods

CF funds are usually disbursed in two tranches. The first tranche is available immediately after signing the grant agreement, on submission of a withdrawal application. The second and subsequent tranches are released on a satisfactory report of implementation progress, together with a withdrawal application. Where fiduciary risk of using countries' budget systems is considered extreme, alternative disbursement modalities may also be used, as appropriate, such as traditional transaction-based disbursements with statements of expenditure and direct payments, report-based disbursement, and pooling of funds with other donors in the case of SWAPs (EFA-FTI, 2006f).

On an exceptional basis, grant funds may also be made available to an eligible recipient whose activities the Bank is not required to supervise and where the Bank acts simply as a paying agent. In these cases, disbursement arrangements would be limited to securing delivery of funds to the recipient and disbursements would be made through the Loan Department or the Accounting Department Trust Fund Division (ACTTF), as subsequently agreed (EFA-FTI, 2006f). The World Bank is only responsible for providing contributing CF donors with an audit of the transfer. It is not responsible for transactions made by the intermediary agency.

5.3 Disbursement Procedures

The FTI is committed to provide aid in harmony with the budget cycle where possible. As FTI resources are mostly delivered in the form of sectoral budget support, local Public Financial Management systems are used. However, one cannot tell from the CF agreements themselves whether CF management at the country level does use the country's PFM system.

5.4 Procurement Procedures

FTI aid is not tied. As FTI resources are mostly delivered in the form of sectoral budget support, local procurement systems are used as long as they comply with IDA standards.

5.5 Coordination

FTI is aimed to be primarily a coordination initiative and the trust funds are seen as complementary to that mission. FTI thus attempts to coordinate donors both globally and at the country level, through country-owned programs and donor coordination, typically organised around the recipient's education ministry and a designated lead donor. As outlined above, financing is dependent on local donor representatives' approval of countries' education plans, after which the recipient government and the local donor community jointly ask their HQ and the EFA secretariat for endorsement.

As most FTI resources are in the form of sectoral budget support to a common education plan it mostly succeeds in avoiding the fragmentation of aid to the education sector.

Key Sources (*All internet sources were accessed in December 2008*)

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