

**EDUCATION FOR ALL – FAST-TRACK INITIATIVE  
(EFA-FTI)**

**February 2, 2006**



**Education for All – Fast Track Initiative**  
**Informal Board Briefing**  
February 2006

**I. BACKGROUND**

1. On November 17, 2005, the Executive Directors considered the *Education Sector Strategy Update (ESSU): Achieving EFA, Broadening our Perspective, Maximizing our Effectiveness* (SecM2005-0488) and briefly discussed the Education for All – Fast Track Initiative (FTI). The Directors recognized that the FTI was a valuable instrument with a strong partnership-based framework whose potential could be enhanced by increasing its funding base and expanding its scope. They urged the Bank to remain actively involved in FTI, to ensure ownership and increased synergy among partners at the country level and to do more to achieve primary completion and gender parity. The Directors requested a separate discussion on FTI. This briefing is in response to that request. It updates the status of FTI since the last Board briefing in January 2005.

2. The Bank education strategy, as outlined in the ESSU, aims to help client countries maximize the impact of education on economic growth and poverty reduction—by providing support for attaining the EFA and MDG goals and for strengthening education for the knowledge economy by building the higher-level skills nations need to compete globally. It emphasizes three themes: (i) integrating education into a country-wide perspective; (ii) broadening the strategic agenda through a system-wide approach; (iii) focusing on results. The FTI fits within this overall strategy in that it is a direct response to the MDG-EFA agenda, funding is driven by country performance and its core focus is on results – primary completion. Although the FTI is hosted by the Bank, its governance and running costs are shared by more than 30 FTI partners. This briefing represents the views of the FTI Steering Committee on behalf of the partners.

**II. EFA-FTI**

3. With 100 million children out of school, both developing and donor countries are challenged to dramatically step up their financial, political and technical assistance in order to achieve the 2015 Millennium Development Goal of universal primary education. Already by 2009 at the latest, all six-year-old children will need to be enrolled in school. In response to the immediacy of this challenge, FTI was launched in 2002 as a global partnership between donor and developing countries to ensure accelerated progress towards this goal. Today, all low-income countries can receive support from the FTI once they meet two requirements which demonstrate serious commitment to achieving universal primary completion: an approved PRSP or its equivalent and an education sector strategy consistent with the PRSP and endorsed in country by the local donors involved in education.

4. FTI is built on mutual commitments. Partner countries agree to put primary education at the forefront of their domestic efforts and develop sound national education plans. Conversely, donors provide coordinated and increased financial and technical

support in a transparent and predictable manner. By bringing donors, civil society and developing country governments together around the same goal, FTI is improving the effectiveness of aid by strengthening donor collaboration, alignment and harmonization. FTI is also evolving as a good model for the country driven implementation of an MDG linked global initiative. It provides a framework and a platform where the country and its donors come to an agreement that follows key principles agreed by the FTI partnership. These include adequate domestic budget allocation to education and increased efficiency in use of resources.

5. FTI is essentially country based. It has, however, also put in place two globally-managed trust funds. The Catalytic Fund provides short-term financing to countries with too few in country donors to help close their financing gap as they scale up their education plans. Today, the Catalytic Fund has a total of 9 donors with commitments totaling about US\$ 445 million over 2003-2007. To date, the Fund has disbursed US\$ 75 million to 9 countries. The Education Program Development Fund (EPDF) aims to provide upstream and downstream technical support for countries with weak capacity to develop or implement sound education strategies. The number of donors to the EPDF has grown from 2 to 5 over the past year with commitments totaling about US\$ 30 million for the period 2005-2007.

6. As of January 2006, 45 low-income countries are receiving financial or technical support from the Fast Track Initiative; 25 are benefiting from technical support through the EPDF to help prepare or implement programs, and 20 are fully endorsed FTI partners (Burkina Faso, Djibouti, East Timor, Ethiopia, The Gambia, Ghana, Guinea, Guyana, Honduras, Kenya, Lesotho, Madagascar, Mauritania, Moldova, Mozambique, Nicaragua, Niger, Tajikistan, Vietnam, and Yemen). The number of countries participating in FTI as full partners will likely rise to over 40 in the next two years, which will require greater resources. For the current 20 endorsed FTI countries alone, there is an estimated \$US 540 million funding gap for 2006.

### **III. GROWING POLITICAL SUPPORT**

7. In 2005, FTI continued to build its reputation as a key vehicle to maintain political support for EFA, to mobilize resources and to improve donor coordination, alignment and harmonization. Accordingly, it has received strong endorsement and support at the main international summits this past year, including the Group of Eight (G8) and UN summits.

8. At the G8 meeting in Gleneagles in 2005, the United Kingdom committed an additional US\$ 70 million to support the FTI. The G8 Communiqué called for donors to support the FTI stating:

*“We will work to support the Education for All agenda in Africa, including continuing our support for the Fast Track Initiative (FTI) and our efforts to help FTI-endorsed countries to develop sustainable capacity and identify the resources necessary to pursue their sustainable educational strategies. Our aim*

*is that every FTI-elected country will develop the capacity and have the resources necessary to implement their sustainable education strategies.”*

9. In November 2005, at the fifth UNESCO High Level Group meeting on EFA held in Beijing, China, the resulting communiqué called for immediate and long-term financial support from EFA-FTI partners to developing countries, and asks that “*FTI be expanded as a means of mobilizing additional funds and technical assistance, as well as a forum for donor coordination and policy dialogue.*”

10. Additional commitments have been made. At the Beijing FTI meeting this past November, the US indicated that an additional US\$ 65 million for a select number of FTI endorsed countries would be made available in 2006. The European Commission has recently committed US\$ 76 million for the FTI Catalytic Fund.

11. In January 2006, the UK Chancellor of the Exchequer called on G8 finance ministers to pledge funding for universal education by the end of 2007. The Chancellor said he would use the February meeting of G8 finance ministers to press for the provision of free education in the world's poorest countries, saying that a pledge of US\$ 10 billion a year would ensure this target was met.

#### **IV. FTI HAS ALREADY DEMONSTRATED PROGRESS**

12. In **Nicaragua**, US\$ 3.5 million from the Fast Track Initiative enabled an improvement in teacher facilities and an increase in the number of children receiving a daily meal in school from 200,000 in 2004 to 400,000 in 2005. The latter intervention proved successful in increasing retention, which is one of the major goals of the country's EFA plan. In **the Gambia**, US\$ 4 million enabled the Government to purchase thousands of text books for grades 1-4 as well as offering staff quarters in remote zones where communities were unable to provide housing for incoming teachers. In addition, the FTI funds helped test provision of modest allowances as incentives for teachers in remote areas; the pilot has proven successful, and the Government is now planning to include these allowances in its education budget in upcoming years. All of these have had an impact on the quality of education in poor rural areas. In **Yemen**, US\$ 10 million is being used to increase the quality of education and the enrollment of girls in rural areas, where only 30% attend school. Already, 14,000 teachers have been trained, 86 new schools are being built, and female teachers are being hired.

13. **Mauritania, Burkina Faso and Ghana** have collectively added one million children a year to their primary school enrollments since joining FTI in 2002-2003, which more than doubles the rate of increase in enrollment.

14. In terms of completion rates, progress has also been made across most of the first FTI endorsed countries, with an average 3% annual increase in completion rates. In **Niger and Guinea**, primary completion rates have increased 3 to 4 times faster than before 2002-2003, resulting in an additional 50,000 students completing their primary education every year.

15. While all of these developments are not directly attributable to FTI, the Partnership clearly has had a positive role. This is in part due to improving aid efficiency through better coordination and harmonization between governments and donors, as well as better monitoring mechanisms, and by showcasing a country's credibility. Moreover FTI has demonstrated its ability to disburse required funds rapidly upon endorsement of country plans.

16. In 2005, the Government of **Kenya** launched a new 5-year education sector investment program (KESSP) that was developed by the Kenya Ministry of Education and Ministry of Finance working together with civil society and private sector organizations, local education experts, and supported by the local donor community. This collaborative process resulted in broad political support from both the Cabinet and Parliamentarians. The KESSP links Government and donor investment and is being used as a model for effective coordination of donors and United Nations agencies in a sector wide approach.

17. In order to speed up school access for primary age students, the Government made a request for support from FTI in July 2005, and received FTI endorsement in September. FTI moved quickly to ensure that the required funds were in country in time for the new school year. By January 2006, a grant of \$US 24.2 million was disbursed.

18. In **Madagascar**, following the invitation by the FTI co-chairs in December 2004 to join the Partnership, the Government updated its EFA plan originally prepared in 2003 and discussed it at a "Friends of Madagascar" conference in Paris. The revised plan was endorsed by the local donors in May 2005, following many consultations between the Government and local donors. The very process of obtaining endorsement helped accelerate donor/partner coordination and harmonization. FTI already serves as a unique reference for all the development partners in country and generally encourages the Education Ministry to reach out to an expanded network of development partners in a transparent manner, including the local donors, to create a broad and holistic EFA plan.

19. FTI moved quickly to endorse the national education strategy, submitted to FTI in May 2005, and approved by the FTI donor partners one month later. The Government of Madagascar received a total of US\$ 6 million (out of US\$ 10 allocated) from the Catalytic Fund within two months, and will receive US\$ 25 million in 2006. Another allocation of US\$ 25 million for 2007 was approved by the Catalytic Fund Strategy Committee in Beijing. The local donors conducted the first of the semi-annual reviews of EFA implementation in November 2005; these reviews will also serve to monitor the use of the CF grant and to approve the release of the next tranche.

20. In **Mozambique**, the timing for the annual sector review has been changed so that it feeds into the Joint Donor Review. There is a Performance Assessment Framework for the sector and part of it is used for the broader Government's Performance Assessment Framework which includes all of the sectors. Currently, an indicator framework is being prepared for the second PRSP and the second Education Sector Strategic Plan. This year there has been a concerted effort by pooled fund signatories to indicate their commitments prior to the end of June 2005 in order to be included in the budget going to

parliament. Similarly, other external funds were also captured for the first time in 2005 and this helped with the planning process for the 2006 budget.

## **V. DESPITE PROGRESS, KEY CHALLENGES REMAIN**

21. While FTI has achieved some real success, both at the country level and at the global level, to maintain credibility and to expand, specific key challenges need to be addressed. These include the need for long term, predictable financial support and more focus on quality education.

22. Estimates for all developing countries are between US\$ 5.6 billion and US\$ 10 billion annually of external donor financing to achieve universal primary education by 2015. The FTI has committed over US\$ 120 million direct support through the Catalytic Fund. Total aid for education in FTI countries in the past three years has been approximately US\$ 350 million per year.

23. In addition to the expansion of basic education, an immediate challenge for the FTI partnership is to support consistent attention to educational quality issues on the part of partner countries and donors, including learning assessments, textbook distribution and quality, and the professional development of teachers. There is no general agreement on indicators for tracking student learning outcomes in low-income countries worldwide in the EFA context, and many low-income countries have little or no experience in conducting systematic learning assessments. FTI can serve as a platform to help develop international consensus on key indicators and to raise the visibility of learning quality as a vital EFA issue. FTI funding will also be needed to build or strengthen national assessment capacity and to ensure data availability.

## **VI. FTI VALUE ADDED**

24. FTI has clearly added value in terms of additional resources flowing into endorsed countries. On average, endorsed countries have seen an increase of 43 % in external financing for basic education within the first year of joining FTI. More importantly, however, FTI appears to be having a positive impact on external financing for the low-income countries as a whole. Annual ODA to basic education in all low-income countries more than doubled from an average of \$1.24 billion from 1999 through 2002, when FTI was created, to an average of \$2.64 billion in 2003 and 2004. This represents significant progress toward the annual minimum estimated US \$ 3.7 billion external financing required to support universal completion of quality primary education in low-income countries by 2015. While this increase cannot be attributed solely to the influence of FTI, it is consistent with the increased international attention to basic education financing that FTI has stimulated, and demonstrates the feasibility of the FTI model of increasing overall resources flowing to the sector through a country-by-country approach rather than a single 'global fund'.

25. Other areas of value-added are less tangible and more difficult to measure, though perhaps of equal importance for the long-term prospects of achieving and maintaining the targets of the Millennium Development Goals. The FTI model is based on reciprocal

commitments among donors and partner countries, and seeks to achieve harmonization of donor procedures and policies. This approach is being universally applied in the growing number of countries seeking FTI endorsement, reducing the transaction costs to countries and shortening disbursement lags as indicated in the country examples above. There is evidence that this model is being applied increasingly in other low-income countries as well.

## **VII. EFA-FTI THIRD ANNUAL PARTNERSHIP MEETING, BEIJING, CHINA**

26. The EFA-FTI Partnership held its third annual meeting in Beijing, China, from November 30 to December 2, 2005 following the High Level Group meeting on Education for All. The meeting brought together Education and Development Ministers or their representatives, officials of international organizations and agencies, and representatives of civil society to review progress and issues going forward. Particular focus was on the challenges of expansion, management structures, and monitoring and accountability. The meeting agreed on the following:

### **Expansion**

27. The FTI Partnership endorsed the proposal to expand the Initiative in response to the demand from countries and in line with available resources. The FTI should also continue to serve as a platform for dialogue and experience sharing across countries and development partners. It should also act as a catalyst for strong but realistic resource mobilization to support partner countries with credible sector programs that aim to accelerate completion of quality primary education for all children. Resource mobilization includes not only financing, but also support to strengthen country partner capacity for program development and effective program implementation.

### *Strengthen Domestic Resources*

28. FTI country partners should strengthen their own domestic resource mobilization for primary education where such levels fall below an indicative benchmark of 10 percent of domestic budgets, and 2 percent of Gross National Income. Donor partners (particularly the G8 countries) should substantially increase their support for basic education through expanded country programs and through direct contributions to the FTI Catalytic Fund over the next three years.

29. In line with the recommendations of the EFA 2005 High Level Group communiqué, the donor partners will endeavor to provide information to UNESCO and the FTI Secretariat on financial commitments to education by end March 2006.

### *Provide Long-term & Predictable Financing*

30. The FTI Partnership should strengthen its capacity to provide long-term predictable financing. In this regard, it endorsed the proposal to create a task team to: (a) explore the constraints that donors face in providing longer term predictable financing through regular bilateral and multilateral channels, and (b) develop options to use the

Catalytic Fund as a mechanism to provide predictable long term financing in countries facing difficulties in transiting from Catalytic Fund financing. The Netherlands will convene the task team.

#### *Engage Newly Industrialized Countries*

31. The Partnership welcomed the proposal from Brazil to engage newly industrialized countries in the Partnership to facilitate South-South learning and network building. UNESCO will take this discussion forward during the next meeting of the E-9 countries (Bangladesh, Brazil, China, Egypt, India, Indonesia, Mexico, Nigeria and Pakistan) to be held in Mexico in February 2006.

#### *Increase Support for Fragile States*

32. The FTI Partnership should develop its capacity to support fragile states. There is a general consensus that the EPDF may provide a mechanism to support fragile states to develop education sector programs. The UK will convene the next meeting of the task team and provide its recommendations to the Steering Committee and donor partners by end March 2006.

#### *Agreement to Strengthen FTI Focus on Gender & HIV/AIDS*

33. The Partnership also re-confirmed its determination to revisit the FTI goals and guiding principles with a view to include an explicit commitment to the gender equality goals and ensuring that the FTI promotes a consistent, holistic approach to gender; as such, the Partnership asked the United Nations Girls' Education Initiative (UNGEI) to propose ways to strengthen the FTI appraisal guidelines as recommended in the UNGEI gender review. In addition, it was agreed that there was an overall need to strengthen the focus on and support for addressing HIV/AIDS and capacity enhancement issues. To that end, the Partnership welcomed the proposal by Ireland and Canada to take the lead in facilitating greater cooperation with the Inter-Agency Task Team on HIV/AIDS.

#### **Structure & Management**

34. The Partnership endorsed the recommendation of the co-chairs to expand the Steering Committee (SC) to include representatives of partner countries, civil society and of UNICEF in order to strengthen linkages between the work of UNGEI and the FTI.

35. As follow up, the Minister of Education in Madagascar, the Chair person of the Global Campaign for Education, and the Chief of Education, UNICEF, have agreed to participate in the Steering Committee as of January 2006.

#### *New Chair*

36. The FTI is co-chaired by two bilateral agencies. The co-chairs provide political leadership for the Initiative during their one-year tenure, and serve as co-conveners of the FTI Partnership meetings. The G8 chair serves as one co-chair and a non-G8 donor country as the other co-chair.

37. As of January 2006, Russia has taken over as the new co-chair of FTI in their capacity as G8 Chair alongside Belgium. Education will be one of the themes of the next G8 summit in St. Petersburg. In order to help ensure continuity, the Partnership agreed to extend the tenure of the outgoing co-chairs to 12 months. This will mean Sweden will remain on the interim SC until June 2006 and the UK until December 2006.

*Search for New Head of FTI Secretariat*

38. The Partnership has launched a transparent and competitive process to recruit a new Head of the FTI Secretariat. The search process is under way and the expectation is that the candidate will be identified by end March 2006.

**Monitoring and Accountability**

39. In line with the Paris Declaration on Aid Effectiveness, countries with endorsed sector programs should ensure that a joint annual review, led by the Government, is in place by the end of 2006. Partner countries, in collaboration with education representatives of partner agencies at the country level, will ensure that the annual progress reports and results of the joint annual reviews are made available to the FTI Secretariat. The annual review reports should also describe progress in donor alignment and harmonization at the country level.

**VIII. GOING FORWARD**

40. It will be important, going forward, for FTI to truly be a policy platform for dialogue on accelerating EFA progress, working with a broader partnership to cover not just financial issues, but also such challenges as the need for reliable data on attendance and learning achievement, and a range of capacity building needs.

41. FTI has successfully transformed from a small pilot to a key vehicle for action on the global primary education agenda. In order to maintain credibility and build on the strong level of political support, the time is at hand for all donors to increase their engagement in and contributions to basic education in low-income countries.

## ANNEX

<b>Countries FTI endorsed January 2006</b>
Burkina Faso (2002)
Djibouti (2006)
Ethiopia (2004)
The Gambia (2003)
Ghana (2004)
Guinea (2002)
Guyana (2002)
Honduras (2002)
Kenya (2005)
Lesotho (2005)
Madagascar (2005)
Mauritania (2002)
Moldova (2005)
Mozambique (2003)
Nicaragua (2002)
Niger (2002)
Tajikistan (2005)
Timor Leste (2005)
Vietnam (2003)
Yemen (2003)

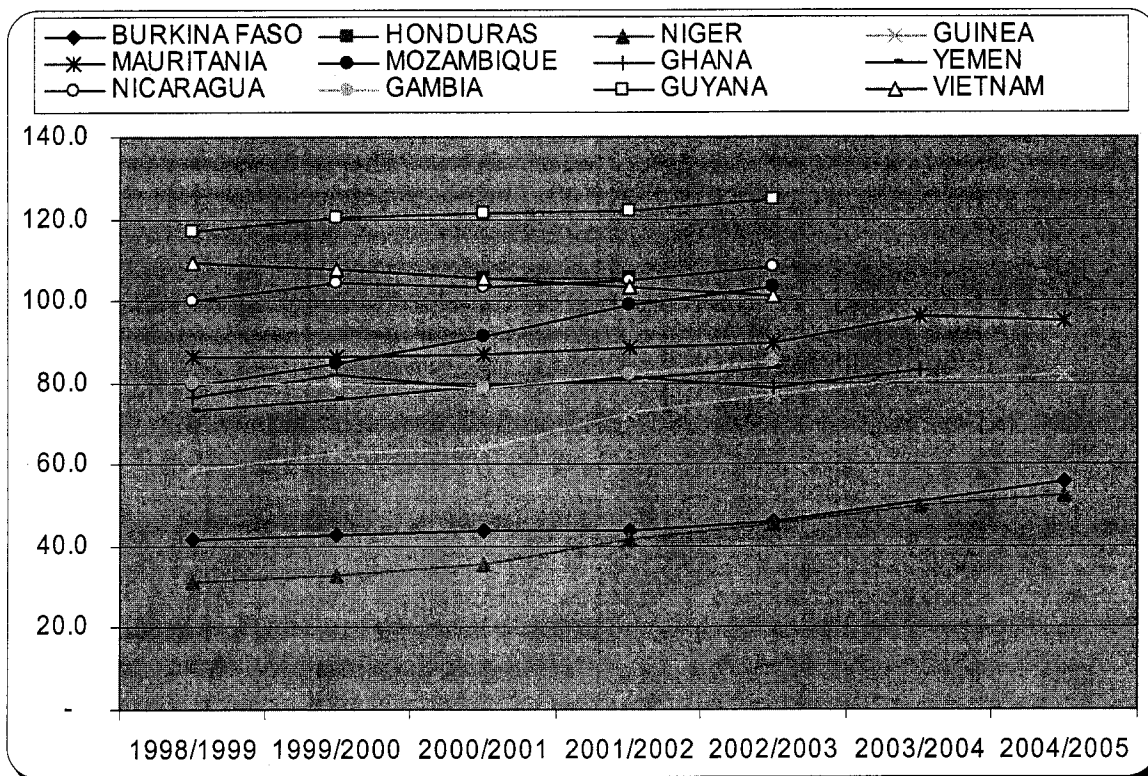
### Catalytic Fund Donor Pledges and Receipts 2003-2007 (US\$ millions)

<b>Country</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total</b>
Belgium		1.2	2.4	1.2	1.2	6.00
EC				38.1	38.1	76.2
Ireland				1.5		1.5
Italy		2.4	2.4			4.00
Netherlands		39.5	56	60.5	72.6	228.6
Norway		5.9	8.1	25.5	3.04	42.54
Spain			6.1			6.1
Sweden			5.3	10.4		15.7
UK				32.4	32.4	64.8
					<b>Total</b>	<b>445.44</b>

### EPDF Donor Pledges and Receipts 2005-2007 (US\$ millions)

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total</b>
Ireland	-	0.31	-	0.31
Norway	4.87	15.00	-	19.87
Sweden	-	2.60	-	2.60
UK	0.94	2.09	2.09	5.12
Luxembourg	-	0.6	-	0.6
<b>Total</b>	<b>5.81</b>	<b>20.60</b>	<b>2.09</b>	<b>28.5</b>

**Primary gross enrolment rate, 1998/99-2004/05 (%)**



**Primary completion rate, 1998/99-2004/05 (%)**

