

**FTI Catalytic Fund Committee Meeting  
Oslo, Norway—December 13-14, 2008  
Minutes**

**The following decisions were agreed by the CF Committee:**

***FTI Governance Issues***

**CF/2008/12-01** – The new independent chair selected in 2009 will also chair the CFC meetings.

***FTI Replenishment Strategy and Issues***

**CF/2008/12-02** – A Task Team is created to provide a proposal for next steps and timeline for moving forward on a replenishment mechanism. The Task Team led by the UK, includes representatives from Spain, Australia, Denmark, the European Commission, UNESCO, the World Bank, UNICEF and the FTI Secretariat. The Task Team will consider both the political and technical aspects of the replenishment strategy. The Task Team held its initial meeting on December 14, 2008. UNESCO will host a second meeting at the end of February-beginning of March 2009.

**CF/2008/12-03** – A pledging conference for the replenishment of FTI will be held during the second half of 2009. The CF Committee will hold preliminary discussions on this conference during its next meeting in April 2009, and the Task Team will aim to have the issue of resource mobilization added to the agenda of the Development Committee during the IMF/World Bank Spring 2009 meetings.

***CF Transfer Agreement***

**CF/2008/12-04** – The Supervising Entity supervision allocation will be uniform across all countries and all Supervising Entities.

**CF/2008/12-05** – The World Bank will establish a payment transfer schedule with each Supervising Entity.

**CF/2008/12-06** – Any request for an audit will come through the CF Committee, rather than from individual donors.

**CF/2008/12-07** – As the next steps, the World Bank will redraft the transfer agreement for comments from the Netherlands. Once finalized, the agreement will be circulated to the CF Committee for information.

***Budget for CF Grant Supervision***

**CF/2008/12-08** – Effective on January 1, 2009, the supervision budget for CF operations will be set at a flat rate of up to US\$100,000 per year per operation. This flat rate may be reviewed and adjusted from time to time with the approval of the CF Committee. In addition, the FTI evaluation team will be asked to look at the running costs of FTI operations as compared to other global initiatives.

***IDA and CF Eligibility Criteria and Prioritization of Beneficiary Countries***

**CF/2008/12-09** – The Tokyo decision was reconfirmed: (i) all countries in IDA categories I and II, as well as small island economies as defined by IDA, are eligible for CF support; and (ii) priority will be given to

countries in category I (i.e., the poorest), and depending on the availability of funds, priority may be given among these countries.”

**CF/2008/12-10** – In cases where existing CF-recipient countries are affected by issues of volatility (i.e., they have just moved to Category III from Category I or II but there is a strong likelihood of reversion to the lower categories), their CF eligibility will be considered on a case-by-case basis.

**CF/2008/12-11** – A Task Team is created to provide a proposal for next steps and timeline for developing a mechanism to assist in determining the prioritization of beneficiary countries. The Task Team is led by Sweden and includes representatives from Spain, UNESCO, Canada, Germany, the European Commission, the World Bank, UNICEF, the Netherlands, and the FTI Secretariat. In addition, the Task Team will aim to develop a list of countries based on the eligibility principles, and the Secretariat will contact upcoming countries as soon as possible to inform them of the prioritization process underway and whether or not they will be eligible to come forward for funding requests in April 2009. An initial meeting of the Task Team was held on December 13, 2008.

#### ***Allocation Proposal for Zambia***

**CF/2008/12-12** – US\$60 million is allocated to Zambia for the period 2009-10. The grant Supervising Entity is the Netherlands and the modality is targeted budget support. The Local Donor Group will be asked to raise the issue of gender with the government.

**CF/2008/12-13** – The Netherlands will receive a budget of up to US\$100,000 per year for the supervision of this grant.

#### ***Allocation Proposal for Burkina Faso***

**CF/2008/12-14** – US\$102 million is allocated to Burkina Faso for the period 2009-11, in three tranches. The second and third tranches will be based on performance results against agreed triggers. The allocation is based on a revised step-down formula that was agreed for use at this meeting; the allocation formulation will be revisited by the Task Team on prioritization. The grant Supervising Entity is the World Bank and the modality is DPO. The World Bank, in its role of Supervising Entity, will be asked to report on progress in the preparation and implementation of the DPO, and on whether this instrument is suitable for Catalytic Fund operations.

#### ***Allocation Proposal for Central African Republic***

**CF/2008/12-15** – US\$37.8 million is allocated to the Central African Republic for the period 2009-11. The grant Supervising Entity is the World Bank and the modality is a sector investment grant. It was agreed that the CAR team would produce a revised monitoring plan, and would report on its findings regarding the country’s implementation capacity after one year. The CF Committee noted that this allocation was an exception since it did not want to reverse the decision made during the CF Committee meeting in Tokyo in April 2008. Normally, funding for a country in this status would be through the Education Transition Fund.

#### ***Allocation Proposal for The Gambia***

**CF/2008/12-16** – US\$28 million is allocated to The Gambia for the period 2009-11, based on the revised step-down formula. The grant Supervising Entity is the World Bank and the modality is a sector investment grant. Future recommendations will consider quality and performance aspects, as well as aid effectiveness and harmonization.

***Allocation Proposal for Timor Leste***

**CF/2008/12-17** – US\$4.9 million is allocated to Timor Leste 2009 as the country's third year bridge funding allocation, with the condition that the Timor Leste team address capacity building issues in the sector. The grant Supervising Entity is the World Bank and the modality is a sector investment grant. Given Timor Leste's current Category III status with regards to IDA eligibility, the FTI Secretariat should inform the Local Education Group that if this status is maintained, CF funding should not be expected for a second phase.

Comment: The European Commission noted that, in the future, the CF Committee should be informed immediately of any changes in countries' IDA and CF eligibility status.

***Education Transition Fund: Concept and Operational Procedures***

The CF Committee noted that, as agreed by the Steering Committee:

**CF/2008/12-18** – UNICEF is tasked with reaching agreement with the Steering Committee by the end of January 2009 on a process action plan for integrating the Education Transition Fund (ETF) under the FTI umbrella – to include a timeline, specific documents to be prepared, and task team membership. The final deadline for presentation is April 2009 at the Steering Committee meeting.

***External Quality Review of CF Proposals: Terms of Reference***

**CF/2008/12-19** – In principle, the CF Committee approved the terms of reference presented. Comments received from the CF Committee will be incorporated into the design. External Quality Reviews will be applicable to all CF proposals as of January 2009, and will take into consideration the quality of the education plans. It was also confirmed that this is a pilot exercise to be reviewed after one year, with the objective of learning relevant lessons.

**CF/2008/12-20** – Considering the time necessary to conduct an external quality review, the Secretariat will inform countries expected to apply for funding requests in April 2009, of the February 23<sup>rd</sup> deadline for submission.

**CF/2008/12-21** – The FTI Secretariat will circulate all country funding requests to the CF Committee no later than March 23, 2009. It will also aim to circulate the external quality review of CF proposals two weeks before the CF Committee meeting scheduled on April 23, 2009.

***Next CF Committee meeting***

**CF/2008/12-22** – The next CF Committee meeting will take place in Copenhagen (Denmark) on April 23, 2009.

Comment: The CF Committee recognized that the date falls during the EFA Global Action Week, but this was the only possible date for this meeting.