



# **EDUCATION FOR ALL – FAST TRACK INITIATIVE (FTI)**

## **Concept Note**

### **Redesign of the Education Program Development Fund (EPDF)**

**April 2009**

The concept note has been prepared by the Task Team mobilised in Oslo in December 2008 to redesign the EPDF. The Task Team seeks endorsement for the new concept by the EPDF Strategy Committee and FTI Steering Committee at the Copenhagen meeting in April 2009. If endorsed, the Task Team will oversee wider consultation at country level and with other stakeholders, and direct the preparation of a full design to be formally approved in late 2009.

## **CONTENTS**

**Page**

### **Section 1 Background, Process, Principles and Rationale**

- |             |  |          |
|-------------|--|----------|
| <b>1.1.</b> | <b>Background for the Concept Note</b>           | <b>3</b> |
| <b>1.2.</b> | <b>Process for developing the Concept Note</b>   | <b>4</b> |
| <b>1.3.</b> | <b>The rationale behind the proposed concept</b> | <b>5</b> |

### **Section 2 The new EPDF: Concept Note**

- |             |   |           |
|-------------|---|-----------|
| <b>2.1.</b> | <b>Guiding principles</b>                         | <b>7</b>  |
| <b>2.2.</b> | <b>Program purpose</b>                            | <b>7</b>  |
| <b>2.3.</b> | <b>Program objectives</b>                         | <b>8</b>  |
| <b>2.4.</b> | <b>What the Program will support</b>              | <b>8</b>  |
| <b>2.5.</b> | <b>Governance structures and responsibilities</b> | <b>12</b> |
| <b>2.6.</b> | <b>Table summarising concept changes</b>          | <b>14</b> |

### **Section 3 Decisions and Guidance Sought**

- |             |   |           |
|-------------|---|-----------|
| <b>3.1.</b> | <b>Specific decisions</b>                                     | <b>15</b> |
| <b>3.2.</b> | <b>Issues to be addressed through consultation and design</b> | <b>16</b> |
| <b>3.3.</b> | <b>Transition and next steps</b>                              | <b>17</b> |

## Section 1. Background, Process, Principles and Rationale

### 1.1 Background for the Concept Note

The Fast Track Initiative (FTI) was launched in 2002 as a global partnership between donor and developing countries to ensure accelerated progress towards universal primary education. Pivotal in the FTI process, and required for endorsement and Catalytic Fund support is the development and implementation of comprehensive education sector plans aimed at closing four gaps - finance, policy, capacity and data.

The role of the EPDF within the FTI framework has been to build country capacities and to enable more countries to engage in the FTI process. The fund has provided relatively modest<sup>1</sup> grants to fund activities in single countries and larger grants for activities across multiple countries, with total allocations of US \$58.5 million by September 2008. The World Bank administers the EPDF, and its staff play a significant role in programming and managing grants at the regional and country level.

#### *Lessons learnt and the changing context*

The EPDF has been successful in, amongst other things, supporting countries to prepare plans for accessing the Catalytic Fund and for bringing countries together to discuss some regional concerns. Experience gained from the past 3 years and the demands of the new response to the aid effectiveness agenda suggest that a different response is now needed.

In March 2007 an EPDF Task Force reported on changes that might be made to improve effectiveness. Their views were strengthened by the findings of 'A Review of [EPDF] Activities and Allocations 2005 -2007'<sup>2</sup> commissioned by the EPDF Strategy Committee in April 2007. However no action was taken at the time. The key concerns were summarised in a note prepared for the Secretariat following a Strategy Committee meeting in September 2008 as:

- a) Improving transparency in how the EPDF funds are accessed and utilized
- b) Strengthening the involvement of Government and local partner agencies in determining financing priorities, and local level execution of EPDF funded activities
- c) Address the needs of countries where the World Bank has suspended engagement or does not have an active program
- d) Strengthen the linkages between EPDF funding allocations and country level FTI processes and the broader FTI goals of addressing data, policy, financing and capacity gaps and thematic areas of interest (HIV, gender, vulnerability)

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<sup>1</sup> The cost of country specific EPDF activities averages to around \$US 80,000, and the cost of multi-country activities averages to around \$US 350,000. See the EPDF Desk Review for more information.

<sup>2</sup> FTI EPDF Review of Activities and Allocations, Bellew R and Mook P, April 2008

### ***A timely opportunity for review***

The current EPDF Trust Fund activity is scheduled to end on 30<sup>th</sup> June, 2010. Within the FTI Partnership the governance structure has evolved and is now defined in the 'Governance of the Partnership' document, to become effective as of July 2009. A 'new' EPDF will engage with this governance approach. The Catalytic Fund will be complemented by the Education Transition Fund, and the latter will require different skill sets and approaches to respond to countries with challenging contexts. A broad, independent review of the FTI is currently underway; while the timing of this is not ideal for the review of the EPDF, the Task Team (TT) responsible for the redesign of the EPDF have taken the opportunity to engage with the review team and to link with other possible changes and adjustments to the FTI overall. Finally, the new EPDF will better respond to the commitments of donors and partner countries - including all FTI donors - to the Paris Declaration and its further evolution in the recent Accra Agenda for Action (AAA) that calls for "global funds to support country ownership, to align and harmonise their assistance proactively, and to make good use of mutual accountability frameworks, while continuing their emphasis on achieving results". The TT intends that the new fund respond vigorously to this challenge.

### **1.2 Process for developing the Concept Note**

The Strategy Committee formed a new Task Team (TT) in Oslo, December 2008 to lead the design of a new Trust Fund. The TT consists of Australia (Chair), Canada, Ireland, France, Norway and representatives from the World Bank, FTI Secretariat and UNICEF. The Terms of Reference prepared by the TT reflect the need to respond to the lessons learnt and changing environment.

As a first step, the TT prepared a draft options paper (February 2009) which was circulated for comments from the full EPDF Strategy Committee (March 2009). The TT then met over March 9-11 to consider the comments and to prepare the Concept Note and recommendations for the April 2009 EPDF Strategy Committee and Steering Committee meetings in Copenhagen. If both Committees endorse the direction of the Concept Note and provide guidance on options and implications, then a broader consultation will take place and further work will be undertaken to detail the operational and management aspects of the program. It is recognised that a new iteration of the Fund must be ready to commence by July 2010, and be communicated to a broad audience.

The Concept Note is structured as follows.

- Guiding principles
- Program purpose
- Program objectives
- What the Program will support
- Governance structures and responsibilities

### **1.3 The rationale behind the proposed concept**

The Task Team (TT) propose that the focus of capacity support should shift from mainly producing education plans for FTI endorsement, to supporting low income countries to set appropriate education goals and build the capacity to achieve them. This is about helping countries to develop politically appropriate policies, realistic budgets, and robust monitoring of results. The TT agreed that developing, implementing and monitoring policy is dynamic and requires different capacity at different times. A focus on building the right capacity in the right place at the right time can provide substantial leverage to achieving effective policy and program implementation. There is a clear need for a resource that is able to respond to country capacity needs and focus where required on pivotal elements of the policy - results chain as these change over time.

The focus on policy requires a recognition of capacity strengths and shortfalls that will likely affect a country's ability to realise its policy objectives. At the country level, support is needed to identify the capacity needs and the mechanism to respond effectively. The support needed by a government will differ depending on the local context and so a response mechanism must also be flexible. Key to getting this right is a real partnership between government, civil society and development partners, which may also need supporting.

The TT proposes to place much greater emphasis on the role and effectiveness of Local Education Groups (LEGs). LEGs are the designated country focal points for FTI activities. The FTI identifies that stakeholders in LEGs should include country governments, CSOs and development partners, and ideally, as appropriate, be lead by government. Although the term LEG is a construct of the FTI, clusters of stakeholders around education exist of their own accord in many countries, and are intended to be included in the concept of 'LEG' used in this document. The specific composition, title and working arrangements of the LEG will vary from country to country according to local characteristics and need.

The TT also agreed that knowledge generation and knowledge sharing, often done usefully across individual country borders, are primary sources of development and change. This includes studies and research, pilot programs, impact evaluation, workshops, exchange of views between countries and ensuring learning is targeted, accessible, relevant and utilized. Knowledge activities need to be coordinated, draw and build on appropriate local expertise, have identified follow up and be focused around country demand led themes.

The TT recognise the importance of three principles: having clear priorities; being demand responsive to country specific context; and a whole of sector approach, appreciating how inter-linkages across the sector contribute to sub-sector performance. Accordingly, the TT recommends a tight focus on assisting countries to meet their own specific goals that contribute to achievement of Education for All rather than a sole UPE focus.

Finally the TT agreed that a more rigorous focus on outcomes and impact is needed. All interventions need to have clear objectives and monitorable results. Monitoring and reporting is part of the normal business of government, and will be prioritised in the new design.

In short, the TT recommends a new fund: policy focused, demand led from the country stakeholders, informed by focused research, and results oriented with the following vision: **All countries have the knowledge, skills and institutional capacity to manage and monitor policies to deliver their education goals.**

### ***Notes regarding terminology***

In the Concept Note we have preferred to use **'Program'** rather than "Fund" to capture the dynamic support role rather than the financial inputs. As the concept proposed differs in concept and scope to the current EPDF, rather than use EPDFv2 we suggest that a new name be selected, which would better reflect the new focus.

Part of the proposed concept is a different management and accountability structure, with well resourced and professionally qualified staff dedicated to operate, supervise and manage the program. In order to cause least confusion we name used the term **Management Group (MG)** rather than secretariat, throughout this document.

The term **Local Education Group (LEG)** as used in this document is intended to include representation, and ideally leadership by the country government. For the sake of clarity, the particular role of government will be explicitly mentioned in certain places. It is recognised that LEGs vary significantly in composition and capacity from country to country.

## Section 2. The New EPDF: Concept Note

### 2.1 Guiding principles

It is proposed that the Program focus on:

- a) **Policy dialogue:** Be a platform for leveraging a broader dialogue on key issues and for developing an appropriate reform agenda.
- b) **Results:** Develop the capacities necessary for policy development, gaining results and monitoring results over time in all country situations (including countries at the pre-endorsement stage, and those receiving CF or ETF support).
- c) **Country Ownership:** Provide for a demand-driven emphasis with a significant role for Local Education Groups (LEG). Where there is very low capacity, including government capacity, or in fragile environments, the approach will be to stimulate and provide a response to demands through country development partnership groups;
- d) **Programmatic approaches:** Move beyond one-off project-type approaches to ongoing program approaches based on a robust policy dialogue led by government and supported by civil society, NGOs and donor partners.
- e) **Flexibility:** Recognise the very different demands of countries at different stages of development and the need for flexible, tailored and appropriate responses;
- f) **Building on existing knowledge:** Underline the essential role that knowledge building and sharing has to play in improving policy and capacity, and working with and drawing on appropriate national, regional and global resources and institutions to identify issues and explore responses.
- g) **Harmonised and aligned approach:** Better respond to the commitments of donors and partner countries - including all FTI donors - to the Paris Declaration and its further evolution in the recent Accra Agenda for Action (AAA) that calls for “global funds to support country ownership, to align and harmonise their assistance proactively, and to make good use of mutual accountability frameworks, while continuing their emphasis on achieving results”.

### 2.2 Program purpose

The proposed program will strengthen capacity in low income countries to shape and deliver accelerated achievement of Education for All goals through better coordinating support, knowledge and stakeholder engagement.

*The purpose takes the role of capacity building beyond the preparation of an education plan to a more dynamic recognition that capacity support is needed across the policy – results causality chain, over time and is country specific.*

## 2.3 Program objectives

1. **Strengthen country capacity** to develop and effectively implement good education policies, robust results oriented programs and realistic budgets.
2. **Deepen knowledge and learning** around issues identified as priority by countries and in global fora, in part through partnership with existing national and regional institutions.
3. **Reinforce the role of the local education group** in coordinating support to the education sector, engaging and aligning a broad constituency, and advancing country leadership and accountability.

## 2.4 What the Program will support

The program will provide support to low income countries, with an emphasis on FTI endorsed countries and those seeking endorsement. This includes countries in receipt of CF or ETF support, but for whom there remain significant capacity shortfalls relevant to achieving their education goals that this program could effectively assist with.

The following sections provide examples to illustrate what kinds of activity may be supported under each of the proposed objectives.

***Objective 1: Strengthen country capacity to develop and effectively implement good education policies, robust results oriented programs and realistic budgets. For example, this may include:***

- On-going support to policy and program development, and monitoring and review; through an annual or multi year capacity development program;
- Addressing specific unplanned capacity needs. For example, why a particular country is experiencing difficulty in school grant disbursement;
- Building capacity to enhance public financial management processes between national and sub-national levels in an education system; and
- Supporting a government to better work with civil society organisations delivering education services to specific groups, such as indigenous populations.

### **Case Study One: Fragile state - initial engagement with FTI**

Following years of conflict Country Y is experiencing a period of calm and expectations are high for extended peace and better social service delivery. There is a fragmented education policy agenda, no coherent strategic plan, little in the way of well articulated expected outcomes and no obvious link of programs to the emerging state budget. A loose coalition of donors and NGOs ask FTI for support.

Through the Management Group (MG), an expert visits the country and has conversations with government, civil society and donors. She outlines a process to agree country goals and strengthen the partner links. The MG is then asked to help in-country partners to identify key capacity needs in order to prepare a sector strategic plan linked to the budget. The MG work with the government and other partners and prepares a short term capacity plan and is able to partly support the process themselves but also contract in expertise. A policy framework is developed and the country applies for funding to implement from the ETF.

### ***Objective 2: Deepen knowledge and learning around issues identified as priority by countries and in global fora, in partnership with existing national and regional institutions.***

*For example, this may include:*

- Country engagement with knowledge and learning activities at regional or global levels that are linked to expressed country level concerns;
- Identifying research needs e.g. where data is lacking such as identifying the reasons why children are out of school in a country;
- Identifying learning requirements for key Ministry of Education staff, e.g. how to use the information derived from an EMIS system to better make strategic decisions and target resources;
- After in-country identification and communicating with LEGs, aggregate common interests, development strategies and concerns where connecting regional, international or thematic groupings around the common areas could enhance learning (e.g. through exchanges) offer scale savings, attract better resources (e.g. international experts) or take advantage of regional expertise or mentoring opportunities;
- Through engagement with LEGs at country level and with reference to gaps in education knowledge identified at the supra national level (e.g. by the Strategy Committee with reference to the Global Monitoring Report), commission targeted knowledge generation activities and encourage dissemination of results; and
- Stimulating a dialogue to focus efforts on capacity needs for enhancing education effectiveness in fragile and low income countries.

**Objective 3: Reinforce the role of the local education group in coordinating support to the education sector, engaging and aligning a broad constituency, and advancing country leadership and accountability.** For example, this may include:

- Assist LEGs, including government, to identify sector relevant capacity gaps, and develop and agree programs to respond to the capacity gaps;
- Assist LEGs, including government, to identify and access technical assistance resources to respond to capacity needs, including, where necessary, supporting LEG members to procure inputs;
- Helping build country ownership and a broad constituency of support by sharing best practice examples of how LEGs work;
- Linking LEGs with national, regional and international networks and institutions to build knowledge of current developments and effective interventions; and
- Providing information of current FTI activity and opportunities (complementing rather than overlapping with the role of the FTI Secretariat).

**Note on country allocation**

The principles of ownership and decision making can be strengthened if a country knows, on a multi annual basis, the resources that are available for planning capacity building efforts. The TT proposes that countries work within a ‘notional allocation’ for planning purposes. The allocations would be monitored by the Strategy Committee and adjustments made as appropriate. Requests for resources above the notional funding would be referred to the MG or Strategy Committee.

**Case Study Two: Stronger low income country - receiving Catalytic Fund support**

Country Y has a robust policy framework, and an annual planning and review process led by government. There is a mix of pooled funds and increasingly budget support. The government leads a broadly constituted LEG. The education sector is supported by CF grant.

Education outcomes have been improving steadily, however, the LEG decide they need to carry out a sector public expenditure review (PER) to inform better linking budgets to priority programs, to see what is giving the best return on investment and where additional or new capacity is needed. A proposal is prepared by the LEG and as it requires larger funding than the notional allocation a request is sent to the MG who agree it is a priority. The PER is carried out by a joint Government and contracted in group of TA, the latter contracted by the lead donor in the LEG.

The outcome of the PER reflects concerns that are affecting several other countries. The MG prepares terms of reference for a larger study and UNESCO win the tender process in partnership with one of the Regional Institutions. A multi country workshop is held to disseminate and discuss the results and to feed back into the country agendas. The MG carries out follow up monitoring.

### ***Note on thematic work***

Demand for thematic work, relevant to multiple countries, may be identified by countries in dialogue with the MG or by the Strategy Committee, Board of Directors, or potentially other FTI Trust Fund Committees. The MG follows trends in demands for thematic work, and identifies priority areas and opportunities for appropriate responses, regionally or globally. Other regional and global institutions would have the opportunity to raise and discuss issues that potentially warrant a thematic response with the MG.

Priority areas for thematic work, identified by the MG, would be presented to the annual meetings of the Strategy Committee along with a proposal of what might be done to meet the demand. Examples of appropriate response might be: studies, research, workshops, exchange visits, and specialist visits. Such activity could either be contracted to individuals or institutions, or a 'window', with predetermined funding and time limits opened for submission of competitive proposals.

#### **Case study Three: Global activity - Develop and use knowledge of multigrade teaching**

Following the publication of the Global Monitoring Report; the analysis that has taken place in development partner head offices; and analysis of demands from LEGs in different parts of the world; the Strategy Committee have agreed a two year thematic focus on the capacity needed to provide quality education to the most difficult to reach children. A review and piece of research on multigrade teaching with a focus on the capacity to best support children is commissioned. The terms of reference are circulated to the Strategy Committee for comment. The research is then put out to the market; expressions of interest are received from a variety of international organisations as well as public/ private consortia. The contract is awarded and the work carried out.

The contract requires a clear knowledge sharing and knowledge dissemination strategy. During the work it becomes clear that there would be added value from a series of Regional workshops to discuss findings and seek further inputs. These are organised and a monitoring framework for ex post impact assessment of the workshops is designed. The impact assessment is contracted out independently and results lessons fed back into the study. Reports are made annually to the Strategy Committee and published widely.

## 2.5 Governance structures and responsibilities

A **Strategy Committee** will determine program policy and maintain overall oversight responsibility. It will be accountable to the FTI Board of Directors. (Please see section 3.2 for further discussion).

A **Management Group (MG)** will manage the Program at the global level on behalf the Strategy Committee. The MG will be responsible for the day to day operation of the Program and will maintain a level of operational decision making authority to be determined by the Strategy Committee. The MG will report semi-annually to the Strategy Committee against annually agreed outcomes and processes.

A critical function of the MG will be to provide assistance and support to LEGs. This will be of both a general nature and, where requested, specifically tailored to meet the capacity building requirements of individual LEGs. The MG will as a principle seek to, where appropriate, source its assistance and expertise from other relevant bodies, including in-country and regional organisations, rather than delivering support itself.

**Local Education Groups (LEGs)**, where practical led by the country government, will identify country level demands and oversee implementation of Program activities to meet these demands, with appropriate and tailored support as needed from the MG.

Core Functions for each governance level this will be detailed later in the design phase but are briefly summarised below.

### **Strategy Committee**

The Strategy Committee will:

- Set Program policy, strategy direction and oversee accountability;
- Set the MG Terms of Reference and its annual outcomes targets;
- Liaise with other FTI committees;
- Set broad medium-term policy themes for knowledge and learning, building on information drawn from participating countries and relevant literature e.g. GMR and donor analyses;
- Review and approve the annual Program progress report. [The progress report will aggregate country experience and may include relevant thematic or country case studies];
- Set overall budgets and monitor overall spending;
- Approve major thematic funding; and
- Agree a performance and assessment framework for the Strategy Committee.

### ***Management Group (MG)***

Reporting to the Strategy Committee, the Management Group will:

- Manage the Program at the global level;
- Communicate with LEGs, and where relevant facilitate appropriate assistance to enable LEGs to map demand for capacity support for sector policy planning, programming and budget management processes;
- Engage with LEGs to develop and promote good practice models for effective partnerships at the local level;
- Facilitate broad-based participation in the policy dialogue by facilitating conversation across and within countries and with relevant specialists and practitioners;
- Facilitate the provision of appropriate support to countries, including, where necessary, helping country LEGs to procure TA, or supplement local resources where appropriate;
- Through liaison with LEGs, aggregate demands for learning, development and exchange across countries and facilitate tactical and comprehensive programs to address these;
- Identify major knowledge demand themes emerging across countries and report these to the Strategy Committee. With the agreement of the Strategy Committee work with regional and international organisations to respond to these knowledge demands;
- Under the direction of the Strategic Committee, set criteria and process for managing external proposals to the program for funding;
- Prepare performance and assessment framework for the program; and
- Financial management and reporting.

### ***Local Education Group (LEG)***

With assistance where necessary from the Management Group, the LEG will:

- Lead and facilitate the Program at country level, according to capacity;
- As needed, request support from the MG to prepare capacity plans, procure TA;
- Where the LEG is already working with a sector policy program – identify priority capacity needs for resources. Monitor as a part of the annual review process; and
- Identify the major sector concerns and inform MG for possible regional or international action.

## 2.6 Table summarising concept changes

Program Element	Current EPDF	Proposed Program	Intended Impact of Change
Purpose	To provide support to countries upstream to prepare sound and sustainable education sector policies, strategies and plans, and downstream, to manage the implementation process by supporting knowledge generation through better monitoring and evaluation, and knowledge sharing across countries, in collaboration with donors at the country level.	To strengthen capacity in low income countries to shape and deliver accelerated achievement of Education for All goals through better coordinating support, knowledge and stakeholder engagement.	A shift away from producing plans for FTI endorsement, towards developing knowledge, skills and institutional capacity to set, manage and monitor policies and outcomes.
Objectives	<ol style="list-style-type: none"> <li>1. Increase the number of low-income countries with sound and sustainable education sector plans</li> <li>2. Strengthen national government technical and institutional capacity to develop education policies and plans.</li> <li>3. Improve monitoring, evaluation and knowledge sharing across countries.</li> <li>4. 4. Strengthen donor coordination at the country level around each country's plan.</li> </ol>	<ol style="list-style-type: none"> <li>1. Strengthen country capacity to develop and effectively implement good education policies, robust results oriented programs and realistic budgets.</li> <li>2. Deepen knowledge and learning around issues identified as priority by countries and in global fora, in part through partnership with existing national and regional institutions.</li> <li>3. Reinforce the role of the local education group in coordinating support to the education sector, engaging and aligning a broad constituency, and advancing country leadership and accountability.</li> </ol>	<p>Policy and capacity gaps addressed with a results focus</p> <p>Learning activities are more demand driven and responsive to emerging issues</p> <p>More effective country level coordination and support</p>
Country ownership	World Bank TTL leads process of determining and preparing proposals to address capacity needs.	Governments, with the support of the LEGs, identify their capacity needs and are assisted by the Management Group (MG) in securing capacity building support.	Governments and local partners determine priorities. Process is demand driven.
	Funds managed by World Bank. Programs for each geographic region reviewed and approved by the EPDF Committee.	Eligible countries have access to funds up to a predetermined limit to finance capacity building activities can be financed.	Increased country ownership in the use of EPDF resources.
Access to funds	On the whole, access to EPDF determined by WB Sector Management within parameters set by EPDF Strategy Committee.	All FTI endorsed and FTI eligible countries that have expressed an interest in the FTI may access funds directly via the MG.	Broader access to EPDF resources.
	Limited/no access to EPDF in countries where the World Bank has suspended its engagement or does not have an active program		
	EPDF Strategy Committee consider applications absent of a strategic framework	LEGs and Strategy Committee identify priority areas for research, policy dialogue, and knowledge creation and sharing.	A strategic demand driven approach to knowledge and program support
	Regional themes and programs are, to a degree, supply driven. Links with country/regional needs and institutions are not always clear.	LEGs, MG, and Strategy Committee identify where regional or international activities/institutions can best support research, policy dialogue and knowledge sharing support learning needs.	Better use of appropriate institutions linked to demand
Support for CF and ETF preparation	EPDF is the primary funder of the preparatory work, including due diligence, required for receipt and management of Catalytic Fund (CF) grants.	Fixed funding amount made available for CF/ETF preparation.	Increased transparency in the use of EPDF funding for CF and ETF preparatory work.
Management responsibilities	Fund almost entirely managed by the WB	MG operates, supervises and manages the program, and reports to Strategy Committee against agreed outcomes	Greater transparency and clearer lines of management.

## Section 3. Decisions and Guidance Sought

### 3.1 Specific decisions

The TT seeks decisions from the FTI Steering Committee and EPDF Strategy Committee on the following two points.

#### ***Proceed with Program design***

The TT seeks approval to proceed with design of the Program, based on the Concept Note. If agreed, the TT will develop a design that provides detail in each of the areas outlined in this Concept Note for future approval. The TT anticipates that design of the Program will be informed by a process of broader consultation, including with representatives from LEGs. It also proposes to develop a Transition Plan, outlining the processes to move from the current EPDF to full mobilisation of the new Program.

*Recommendation: To approve the concept and agree to commence Program design.*

#### ***Transparent financing for CF and ETF Preparation***

The EPDF has played an important role in financing the preparatory work, including due diligence, required for receipt and management of Catalytic Fund (CF) grants. LEGs are requested to complete preparatory work as early as possible to enable quick and smooth transition from ESP endorsement to implementation. The World Bank has provided this service for most CF grants, yet it does not have dedicated resources for this purpose<sup>3</sup> and is not a position to use IDA associated resources for this work.

Under the Program proposed in this Concept Note, agencies undertaking preparatory work for CF and also ETF grants will not have direct access to funding for this *at country level*. Funding at country level will be managed by the LEG; of which the agency responsible for preparation is only one member, but with particular responsibilities. While agencies may have sufficient internal financing for preparatory work, the World Bank (and potentially others) need to be resourced to provide this service.

*Recommendation: a fixed funding amount is made available for CF/ ETF preparation from an appropriate source within the FTI, and where needed<sup>4</sup>, transferred directly to the agency responsible to deliver these services. This approach increases the likelihood of timely and quality completion of preparatory work, and smoother transition from FTI endorsement to implementation where a CF or ETF grant is involved.*

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<sup>3</sup> The CF Committee approved a US\$100,000 budget for administration of CF grants, however this funding is not available for preparatory work, and the amount is not sufficient to cover the costs of preparatory work in addition to administration.

<sup>4</sup> The TT envisages a simple process for confirming whether a likely SE is in need of funding for preparatory work, and approving it for receipt of funds for this purpose. This will need to be developed in the design.

### **3.2 Issues to be addressed through consultation and design**

Some implications of the proposed Concept require particular attention to be addressed in more detail in the design phase. If it is agreed to proceed to design, the TT will, through broader consultation, develop recommendations in these areas for decision by the FTI Steering Committee and EPDF Strategy Committee.

#### ***Strategy Committee***

The Strategy Committee will have strategic and accountability oversight of the Program. It will have a direct relationship with, and will report to the Board of Directors and independent Chair as outlined in the Governance of the Partnership. The TT is conscious of the need to consider a possible future merger between this Strategy Committee and the CF Committee, and if relevant, will develop recommendations to address this in the design.

#### ***Management Group***

A pivotal role in the proposed concept is the Management Group (MG); reporting to the Strategy Committee and with the authority and capacity to facilitate the implementation of the program. The TT agree that the MG needs to be properly resourced and positioned to be an effective and nimble operator, where possible utilising existing structures, networks and expertise to assist countries to enhance capacity. The TT envisages that the MG will require the resources to *facilitate* the effective implementation of the program, rather than the capacity to directly execute the program itself.

Where the MG is institutionally housed is an important factor, and will influence operational relationships with other actors in the FTI partnership. Options include: a semi-autonomous or autonomous unit within the World Bank; a unit within the FTI Secretariat; or an institutional home entirely independent of the World Bank structure. The TT will develop thinking on this issue and seek further guidance from FTI partners in the design phase.

#### ***Notional country allocation or ceiling***

The possibility of a notional allocation of annual funding available for eligible countries has been raised previously by the EPDF Committee, and was considered in development of the Concept Note for the Program. A potential benefit of this approach is in assisting planning by LEGs and the MG. Any such notional allocation would need to be set by the Strategy Committee based on, amongst other factors, advice from the MG and available funds. The TT will develop a recommendation on this, informed through consultation, in the design.

#### ***Relationship with other FTI activity***

The TT envisages that countries seeking and receiving support through the CF and ETF will be eligible for ongoing complementary support under this Program. The relationship between operation of the Program and these funds at country level, and between management and support structures at the global level needs to be clearly articulated in line with the Governance of the Partnership document and the emerging role of the ETF.

### ***Management of funds by LEG***

A key difference between the current EPDF and the proposed concept is that, at country level, the LEG as a whole is invited to take responsibility for programming and management of funds rather than World Bank staff having an automatic lead on this. This change opens up the possibility of a variety of potential executers, or ‘Managing Agents’ (MA) to receive and manage funding at country level – from the country government, to a range of in-country development partners. The process for LEG nominating an MA, and for the MG acknowledging this choice and negotiating the transfer of funding and accountabilities, including reporting requirements to the MA, needs to be further developed in the design.

### ***Ongoing support for key regional and global partners***

A number of organisations undertaking valuable work currently receive funding under the EPDF (ADEA is one example). Under the proposed Program partner organisations will be called upon to meet clearly defined needs, however support for core work is not envisaged. Recognising the importance of continuity, the TT proposes to map support provided to regional and global partners through the EPDF, and form recommendations to guide smooth and appropriate transition from the current EPDF to the new Program.

### ***Name of the Program***

The term ‘**Program**’ has been used throughout the Concept Note to capture a shift to a more dynamic support role. As the concept proposed differs in nature and scope to the current EPDF, the TT suggests that a new name, which better reflects the nature of the Program, be selected. This can be addressed through consultation, and finalised in design.

## **3.3 Transition and next steps**

### ***Wider Consultation***

The TT recommends that prior to developing a design, wider consultation be undertaken within the FTI partnership including LEGs, civil society, and other donors not currently contributing to EPDF or FTI. We welcome guidance on this.

### ***Design and transition***

The TT will take responsibility for developing the design and making recommendations for the transition from EPDF to the new Program, to be detailed in a Transition Plan. It is proposed the design exercise begin immediately following the April meeting.