

Education for All – Fast Track Initiative

Accelerating progress towards quality universal primary education

EDUCATION PROGRAM DEVELOPMENT FUND (EPDF) STATUS REPORT UPDATE

MARCH 2006

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TABLE OF CONTENTS

A. Introduction and Background	3
B. Implementation Progress in 2005	3
C. Issues for discussion	7
D. Conclusion and the way forward.....	8

EFA-FTI - EDUCATION PROGRAM DEVELOPMENT FUND STATUS REPORT UPDATE

A. Introduction and Background

The Education Program Development Fund (EPDF) was established in November 2004. It provides a funding window within the FTI context for low-income countries to improve the quality and sustainability of their education sector planning and program development. It aims at strengthening technical and institutional capacity within countries and within regional networks, and seeks to foster participative evidence-based policy dialogue within the sector. The fund provides upstream support for country-led development of education sector programs and downstream support to generate knowledge from experience to share across countries. The range of activities financed by the EPDF includes the preparation of national education plans, institutional capacity building, strengthening partnerships and sharing knowledge.

The main objectives of the EPDF are to:

- Increase the number of low-income countries with sound and sustainable national education sector programs, focusing on countries with low capacity and insufficient donor support;
- Strengthen Government technical and institutional capacity to develop policies and national education plans to provide and sustain complete primary education of good quality for all children through a broad-based consultative process;
- Improve understanding of specific conditions under which policies and reforms may be successful, through better monitoring and evaluation and knowledge sharing across countries; and
- Strengthen donor partnerships at the country level around the government's national education plan.

B. Implementation Progress in 2005

Brief overview and achievements

With less than one year of implementation (most grants were signed in mid-year), the EPDF experience has, for the most part, been successful. Estimated commitments are about 90%, with disbursements of about 30% to date (US\$1.5 million of \$4.9 million granted). A total of 28 country programs received technical and financial support from the EPDF, leading to the achievement of concrete results some of which are summarized below (see details in the annexes):

- **East Asia and Pacific (14):** A total of 14 country programs received support—Cambodia, China, Indonesia, Lao PDR, Mongolia, Myanmar, Papua New Guinea, Philippines, Timor-Leste, Tonga, Vanuatu, Solomon Islands, Kiribati, and Vietnam. Some of the results achieved are as follows:

- Cambodia prepared its “Quality Basic Education For All” Program which is being appraised by its partners for endorsement. The country also built knowledge through impact evaluation in the area of girls’ education;
 - Timor-Leste developed a National Education Program which was appraised and endorsed by the FTI Partnership in November 2005; and
 - Partnership and collaboration have been strengthened in the region with the establishment of a Consultative Group including the World Bank, Netherlands, UK/DFID, EC, UNICEF and UNESCO.
- **Latin America and the Caribbean (7):** A total of 7 country programs received support—Bolivia, Guatemala, Guyana, Honduras, Mexico, Nicaragua, and Peru. Some of the results achieved are as follows:
 - EPDF support is being used for capacity-building around the Escuela Nueva model, to strengthen the capacity of countries to develop education projects and programs, focusing on improvements in quality of education through the design of multi-grade teaching in particular for indigenous and isolated rural populations. A foundation has been hired to implement the program, which is based on participatory and cooperative learning practices. The Foundation is providing prototype materials that will help build local capacity for teacher training and management strategies; and
 - Partnership and South-South Cooperation are being promoted with the help of key regional partners such as the Inter-American Development Bank; as well as with the assistance of some E-9 countries such as Mexico and Brazil, all working towards EFA goals. A major conference is being organized to promote sharing of successful experiences among the LCR countries and with countries from other regions in the world, with civil society support.
- **Middle East and North Africa (2):** In MENA, 2 country programs received support from the EPDF, including Djibouti and Yemen. Some of the results achieved are as follows:
 - In Yemen, EPDF funds are being used to conduct diagnostic studies on teacher training, school curriculum and textbooks. Efforts are underway to benchmark learning achievements relative to international norms. Workshops have been organized with the assistance of the IEA with the aim of participating in the next TIMSS assessments. There has been an overall focus on strengthening institutional capacity for quality basic education;
 - In Djibouti, EPDF supported development of a National Education Program which was appraised and endorsed by its FTI partners in December 2005. Issues of expansion into rural areas, school access for vulnerable groups, quality of basic education and statistical capacity building are being progressively addressed with technical assistance of the EPDF.
- **South Asia (5):** In SAR, a total of 5 country programs received support from the EPDF, including Pakistan, Bangladesh, India, Nepal, and Sri Lanka. Some of the results achieved are as follows:

- Developing national education plans and impact evaluation in large countries such as India, Pakistan, Bangladesh and Afghanistan was the main regional focus in the past year. Potential gains in terms of contribution to overall progress towards EFA-FTI goals are the highest in these countries.
- Institutional capacity building took center stage not only in these large countries, but also in Nepal and Bhutan where good progress was made. Thanks to this effort, Bhutan is expected to be endorsed by the FTI Partnership this year; while Pakistan has expressed its interest in joining.
- Bangladesh drafted a strategic Plan, discussed with stakeholders during national consultation workshops supported by an International Advisory Group; Pakistan has used EPDF funding to recruit TA for work on the most critical parts of its education strategy development, especially at the tertiary education level. Areas of focus include: (i) public-private partnership, (ii) accreditation and quality assurance, (iii) management and governance, and (iv) medium-term fiscal impact and financial sustainability in the long run.

A total of 26 African country programs received financial and technical assistance from the Norwegian Education Trust Fund (NETF), which was the precursor and model for the EPDF. These countries are: Angola, Benin, Burkina Faso, Burundi, Cameroon, CAR, Chad, Congo DRC, Congo Brazzaville, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Ghana, Kenya, Madagascar, Mali, Mozambique, Namibia, Nigeria, Senegal, Sierra Leone, Sudan, Tanzania, Uganda, and Zambia.

Donors Pledges and Receipts

Norway is the main provider of financial resources to the EPDF; accounting for 78% of total receipts to date. Additional contributions have been pledged and paid by Ireland, Luxembourg, Sweden and the United Kingdom (see Table 1 below). Several other FTI Partners, including the Netherlands and Belgium, have indicated their readiness to provide EPDF financing. Total pledges for the EPDF have increased from \$5.8 million to a cumulative total of \$28.5 million equivalent over the three-year period 2005 – 2007.

**Table 1. EPDF – Pledges made and payments by donor 2005-2007
(In US\$ millions equivalent)**

	2005	2006	2007	Total 2005-2007	Cumulative payments	Balance To be paid
Ireland	--	0.31	--	0.31	0.31	--
Luxembourg	--	0.60	--	0.60	0.60	--
Norway	4.87	15.00	--	18.87	19.87	--
Sweden	--	2.60	--	2.60	2.60	--
UK	0.94	2.09	2.09	5.12	2.00	3.12
Total	5.81	20.60	2.09	28.5	25.38	3.12

Commitments: Regional Allocations and Disbursement in 2005

Two regions (EAP and LAC) have reported full commitment for their previous EPDF allocations; and estimates of funds already committed on the basis of actual disbursements for the other two regions show an absorption rate of about 90% overall. Figures by region are presented in Table 2 below, along with funding requests for 2006. The total funding request for 2006 amounts to US\$20.4 million, including the portion already approved for the Africa Region (i.e. \$12.9 million). For the five remaining regions as indicated in the last column of Table 2, the requests amount to US\$7.5 million as compared to an availability of US\$6.4 million; resulting in a current shortfall of US\$1.1 million. The shortfall is projected to increase to at least US\$1.5 million in 2007 (see details in Table 3 below).

**Table 2. EPDF – Allocations, Disbursements and Funding Requests Region
(In US\$ thousands equivalent)**

Regions	Approved In 2005	Disbursed To date	Undisbur. Balance	Commit. In 2005 b/	Requests For 2006
Africa a/	memo	memo	memo	memo	12,900
East Asia & Pacific	900	167	833	900	2,100
Europe & Central Asia	--	--	--	--	1,050
Latin America & the Caribbean	900	50	850	900	800
Middle East & North Africa	500	190	310	380	500
South Asia	2,600	1,080	1,520	2,160	3,035
Total (inc. AFR)	4,900	1,477	3,423	4,340	20,385
Total (excl. AFR)	4,900	1,477	3,423	4,340	7,485

a/ Memo items only: The Africa Region was financed under the NETF in 2005. Its request for 2006 (US\$12.9 million) has already been approved.

b/ Commitments (actual contracts signed) for MENA and SAR were estimated based on reported actual disbursements, with signed contract amounts running twice higher.

**Table 3. EPDF – Available balance, allocation recommendations
and estimated future demands in 2007 by Region
(In US\$ thousands equivalent)**

	Receipts and charges	Available balance For 2006	Estimated needs in 2007
Cumulative receipts	25,380		
Less:			
Cumulative allocations (incl. \$12.9 million to AFR)	17,800		
Administrative fees	1,200		
Available balance (excl. Africa)		6,380	(projected)
Shortfall (-) /Surplus (+) a/		(-1,105)	(-1,500)
Recommended Alloc. for 2006:			
1. Africa		Memo/approved	13,000
2. East Asia & Pacific		1,500	2,500

3. Europe & Central Asia		900	1,000
4. Latin America & Caribbean		800	1,000
5. Middle East & North Africa		500	500
6. South Asia		2,680	3,500
TOTAL b/		6,380	21,500

a/ The shortfall amounts to \$1.1 million in 2006; it is projected to reach at least \$1.5 million in 2007.

b/ Total excludes the Africa Region in 2006.

C. Issues for discussion

Three decision points require immediate attention from the Strategy Committee: These are as follows:

- (i) Regional allocation decisions for 2006;
- (ii) Timing of the 2007 allocation decisions for all regions; and
- (iii) Extension of the Closing Date of the EPDF Trust Fund.

Decision point 1: Regional Allocation Decisions for 2006.

As indicated earlier, there is a shortfall of about US\$1.1 million for 2006. Funding requests from the five regions (excluding Africa) appear realistic. Factors that bear consideration in determining what trade-offs may be needed are that ECA received no funding last year, while SAR was allocated less than half of what it had requested. Disbursement and commitment rates also bear consideration.

Decision 1: Based on available resources, the FTI Secretariat has made some allocation recommendations (middle column of Table 3), attempting to distribute the financial shortfall among regions. Does the Strategy Committee agree with the recommendation to allocate EPDF funding as shown in Table 3 above?

Decision point 2: Timing of the 2007 Allocation Decisions for all Regions.

For historical reasons the 2006 allocation decision for the Africa region was done ahead of others. As the implementation lag between regions has narrowed down, it would make sense to synchronize the timing for allocation decisions for all regions as of next year. Typically, this has been done during the FTI Technical Meeting in March of each year.

Decision 2: Does the Strategy Committee agree with the recommendation to synchronize the allocation decisions for EPDF funding to all regions (including the Africa Region) starting from the calendar year 2007?

Decision point 3: Closing Date of the EPDF Trust Fund

The current Closing Date of the EPDF Trust Fund is December 31, 2007. The EPDF works in tandem with the Catalytic Fund. It would appear prudent to align its Closing Date with that of the Catalytic Fund to avoid disruptions and attract longer-term donor support.

Decision 3: Does the Strategy Committee agree with the recommendation to extend the Closing Date of the EPDF Trust Fund by three (3) years? In this case, its new Closing Date will be December 31, 2010.

D. Conclusions and the way forward

The EPDF has been in operation for one year. It is too early to prepare conclusive recommendations about the EPDF as an FTI vehicle to strengthen capacity for planning and implementation of EFA programs, but early indications are that this program has considerable long-term potential to build on and extend what had already been achieved within the Africa Region under the NETF. However, to ensure both growth and long-term sustainability, a number of issues merit further consideration:

- Norway provides about 78% of current support to EPDF; it will be important in coming years to diversify donor support to the EPDF, and to ensure broad-based participation in dialogue around funding priorities, while continuing to learn from the NETF experience.
- A clear framework is needed for reporting results and development impact.
- The concept of Regional Consultative Groups needs further refinement to ensure a fully participative process, engaging all donors without sacrificing flexibility.
- As the Capacity Development initiative evolves, it will have implications for the EPDF that merit careful attention, particularly in terms of how to ensure that EPDF is responsive to demand at the country level, and that activities supported are consistent with capacity gaps identified in national education plans.
- The results of work ongoing through the various task teams and working groups may mean a need for focused attention on how EPDF can best provide support in special circumstances: fragile states, countries coping with the aftermath of abolition of user fees, small islands, and federal states with substantive autonomy for developing education plans, etc.

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