



**EPDF COMMITTEE SPECIAL SESSION  
WASHINGTON, D.C. - SEPTEMBER 20, 2007**

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**MINUTES**

1. **Introduction.** A special meeting of the EDPF Committee took place on September 20, 2007 in Washington, D.C. (USA). The purpose of the meeting was to review three bridge funding requests and to give an update on progress made by two task teams: Post-basic and Thematic windows. Background documents were sent to members of the Committee ahead of the meeting.

2. The meeting was chaired by Robin Horn, Sector Manager, Education (World Bank) and attended by: Kaviraj Appadu (Sweden), Alain Dhersigny (France), Nora Fyles (Canada), Phil Rose (UK), Eiji Kozuka (Japanese Executive Director's Office), Rebekka van Roemburg, Ronald Siebes (Netherlands), Olav Seim (Norway) Manorama Gotur, Michel Welmond, Jee-Peng Tan, Keiko Inoue, Douglas Sumerfield, Dina Abu-Ghaida, Regina Bendokat, Xiaonan Cao, Nancy Pinto (World Bank), Marja Karjalainen, Felicity Townsend (EC, observers), and the FTI Secretariat.

### **I. Bridge funding Requests**

3. Three regions requested bridge funding for 2007. Details and decisions made are as follows:

#### **A. The Middle East and North Africa Region (MENA)**

4. **Presentation.** On behalf of Mourad Ezzine, Education Sector manager for MENA, Michel Welmond presented the request for the MENA region, which amounted to US\$426,000. He focused his presentation on implementation progress in both Djibouti and Yemen, achievements to date, and the rationale for the region's request of a bridge funding to cover the activities planned for the last quarter of 2007.

5. **Discussion.** The Committee asked clarifications on the implementing entities for the activities presented by the MENA region. In particular, the Committee asked details about the local donors' participation in the process of selecting EPDF-funded activities. For instance, which Department/Unit within UNESCO will be working with the Bank team in Djibouti? Michel Welmond clarified that all donor partners have been consulted in both Yemen and Djibouti and that there is consensus on the activities to be implemented.

6. **Sub-sector focus in the region.** The Committee asked whether future needs for EPDF resources would be primarily in the post-basic sector. It was noted that in the region, most countries are making strong progress toward universal primary enrolment as well as gender parity. Therefore many middle-income countries would like EPDF support in the secondary sub-sector; but they weren't clear on eligibility and access to the funds. When it comes to knowledge sharing, many successful countries are expected to share their experience with others. In that

regard, experience in Egypt and Morocco is being shared at various conferences and courses. Another good example is the MENA flagship report on education.

**7. Demographic data for Djibouti.** The Committee raised questions on the reliability of data in Djibouti which was noted in the country's endorsed sector plan. Unless this issue is dealt with in a systematic fashion, sector performance indicators will remain questionable. At issue is the lack of recent population census which provides the reference point for work in all social sectors, including education, health and social protection. The Committee urged the local donor group to help the authorities implement its strategic plan in this area with the aim to strengthening the statistical base of the country.

## **B. The Africa Region (AFR)**

**8. Presentation.** Jee-Peng Tan, Regional Education Adviser (World Bank) presented the bridge funding request from AFR, which amounted to \$6.4 million. In addition to the regional request made available to the Committee ahead of the meeting, a PowerPoint presentation was also prepared and distributed at the meeting. In her presentation, she focused on regional implementation progress, and work with regional partners such as: (i) the *Pôle de Dakar* in Senegal to provide distance learning activities and build the capacity of staff in the ministries of education; (ii) CONFEMEN, (iii) UNESCO Institute of Statistics and (iv) ADEA. Finally, she explained the rationale for requesting the bridge funding for planned activities over the last quarter of 2007.

**9. Discussion.** The Committee noted that the number of activities and amounts requested by the AFR region were much larger compared to the other regions. The region explained that those activities are based on estimated demands from countries and other partners and that the requested amount is consistent with the allocation and disbursement rates since EPDF-Africa was initiated in March 2006.

**10. The case of Uganda.** The Committee asked justification for the level of EPDF funding requested for plan preparation (\$250,000), as it appeared that the country was well advanced in that area. AFR responded that the country's data base had important gaps and that the requested EPDF support will help strengthen it for a stronger Education Sector Plan and/or its implementation. She noted that the figures in the bridge funding request were estimates based on a request received directly from the local donor group. Figures will be adjusted later (if necessary) when the actual proposal is finalized.

**11. Working with other regional partners.** AFR explained its collaborative agenda with key partners such as the UNESCO Institute for Statistics (UIS). In that context, the Committee asked for clarification on the nature of activities being supported. This question is relevant in assessing potential duplication of effort, since many of the same donor partners are also providing direct support to UIS. The Region explained that their request would fund UIS to pilot an approach to improving financial indicators for Africa by building on the contacts and methods developed in the context of Country Status Reports (CSR). This would be in addition to UIS's core activities. The Committee recommended that AFR liaise closely with UNESCO to ensure that a

harmonized approach was taken in that regard. This is to ensure coherence and consistency in terms of key activities and expected results.

### C. The Europe and Central Asia Region (ECA)

**12. Presentation.** On behalf of Mamta Murthi, Education Sector Manager for ECA, Dina Abu-Ghaida presented the bridge funding request for the Europe and Central Asia region. In addition to the regional request made available to the Committee ahead of the meeting, a PowerPoint presentation was distributed at the meeting. The presentation focused on regional implementation progress; especially in Albania; Kyrgyz Republic, Moldova and Tajikistan.

**13. Discussion.** The presentation was discussed by the Committee, but no further questions were asked on the bridge funding request for the ECA region.

### D. General Discussion

**14. Administrative versus staff costs of the program.** The Committee asked for clarification of the terms “Administrative costs” and asked that the same terminology be used by all regions. The Secretariat clarified the two cost components: (i) The World Bank charges a flat 5% fee for the expenses of its Central Units in administering the trust funds; and (ii) regional teams can use up to 20% of their allocations to fund direct staff costs such as salaries.

**15. Work with other partners.** In the cases where other agencies were implementing EPDF grants, the Committee questioned whether these agencies’ administrative fees wouldn’t result in double charging the trust fund. This question was raised previously during a meeting of the EPDF Task force in Oslo. In working with UNESCO for instance, AFR clarified that months were spent negotiating specific legal agreements for the transfer of resources. Under normal circumstances, UNESCO charges a flat 13% fee for its administrative costs. But for EPDF, the Director General granted an exception and lowered this rate to 5%.

**16. EPDF support to lower-middle income countries.** On the previous day, the Catalytic Fund (CF) Committee made a decision to limit CF funding to IDA low income countries. In connection with such decision, however, the EPDF Committee indicated that EPDF resources should continue to support knowledge sharing and the experience of all country partners (i.e., beyond the CF eligible countries).

### Decision on bridge funding proposals

17. The Committee approved the three regional bridge funding requests summarized as follows:

Region	Allocation
Africa	\$ 6,400,000
Europe and Central Asia	\$ 160,000
Middle East and North Africa	\$ 416,000
<b>Total</b>	<b>\$6,976,000</b>

## **II. Discussion and decision on a proposed shift in the allocation cycle**

18. **EPDF funding cycle.** The FTI Secretariat suggested that shifting the funding cycle from one to two years could be beneficial. Some of the advantages would be: (i) reduced transaction costs for meetings; (ii) added flexibility and predictability for teams to respond promptly and effectively to demands; and (iii) alignment with the extended funding trends for the Catalytic Fund with its new three-year grant agreements.

19. **Funding cycle versus reporting cycle.** The Committee requested that a distinction be made between the yearly funding cycle on the one hand, and the planning and reporting cycle on the other hand. The Committee argued that: (i) an annual allocation cycle should not mean that all activities had to be completed within a single year; (ii) in regions with a more "hands-on" Regional Advisory Group, the workload may increase in a longer funding cycle due to lack of clarity and a bigger share of unplanned activities over the longer period; (iii) it would be necessary to keep the yearly reporting cycle required by most donors to assess implementation progress, results and concrete development impacts; and (iv) such a change may come with a risk of a much heavier Governance structure that could reduce the implementation flexibility sought by regional teams. In addition, changing the funding cycle may complicate the replenishment of EPDF by some of the donors.

20. **Decision.** The Committee found insufficient justification for changing the funding cycle at present. However, they kept this option open for future consideration and requested that the Secretariat work with regional teams to provide a better understanding of potential benefits and disadvantages. The regional funding requests in December 2007 will be for calendar year 2008 only. At the same time, the Committee agreed to consider funding requests for activities that would require more than one year to complete, on a rolling basis.

## **III. EPDF Post-Basic Education Window**

21. **Update from the task force.** The principle of support to post basic activities from the EPDF was agreed by all. However, the way to structure the EPDF to provide this support was in question. The EPDF task force presented two options: (i) create a specific window in the EPDF for post basic activities. This would have the advantage of protecting resources allocated to primary education; or (ii) amend the trust fund to allow for post basic activities but keep the current structure.

22. **Discussion.** The Committee decided that a structural change is not needed for the EPDF to support post basic activities. These activities are being already funded in the context of the sector-wide approach to education. The Secretariat noted that, in accordance with the Administrative Agreement the EPDF can be used for post-primary work in two cases: (i) any education sector activities which support the objective of universal primary school completion; and (ii) the development and/or update of the Education Sector Plan which cover the entire sector. Countries have generally not had access to financing post-basic work beyond the endorsement stage.

**23. The Norwegian Post-Basic Trust Fund.** Norway explained that it had initiated the Norwegian Post-Primary Education Fund (NPEF) in AFR to respond to high demand. The support for bottlenecks at the secondary level has also helped AFR to improve its enrolment levels in primary schools. Gradually, demand for support in the tertiary sub sector is increasing. In line with the expanded support of EPDF beyond the basic sector, the NPEF may be (eventually) merged with the EPDF; which would be a repeated and valuable experience from the previous Norwegian Education TF (NETF).

#### **Decision on the post-basic window**

- At the request of the EPDF Committee, the Chair and the Secretariat prepared a statement on the use of post-primary funding to clarify that EPDF support can be extended to levels other than primary in the context of the sector-wide approach. The statement, which was approved by the legal department of the World Bank, reads as follows:

**"The EPDF Committee confirms that EPDF financing may be used in support of pre- and post-primary activities. This is to help ensure the sustainability of countries' efforts to achieve Universal Primary Completion, as well as to create more pathways out of poverty for lower income students and enhance prospects for shared economic growth. It is expected that Regional Advisory Groups or their equivalent will provide guidance as needed, and that the FTI Secretariat will include an analysis on the use of EPDF funding for these activities in their periodic reports to the Committee."**

- The FTI Secretariat will share this text with the EPDF Regional Advisory Groups (or equivalent) and Regional Teams and will support them in preparing their proposals on post-basic work in line with this interpretation for the next round of funding requests to be presented at the EPDF Committee Meeting in Dakar. With this clarification on the scope of activities eligible for EPDF support, the current arrangements for implementing the EPDF in the Regions will be continued.

#### **IV. EPDF Thematic Window: Discussion and decision**

**24. Update from the task force.** Based on the previous recommendations from the EPDF task force, a thematic window was proposed for the EPDF to allow funding of activities that are global rather than regional in nature. It was proposed by the task force that this window support studies and report on issues cutting across regions, that key topics be selected in coordination with the Steering Committee, and that total funding requests for this window be limited to 5-10% of the overall EPDF funds. A decision was also sought as to which entity should manage this window.

**25. Demand-based approach.** The Committee recommended closer coordination on policy issues with all regional partners, especially UNESCO. It suggested incorporating the thematic activities into the regional proposals. However, the Committee recognized the need to encourage and reinforce inter-agency collaboration with the objective of filling any remaining gaps. The AFR proposed to invite members of other regional teams to attend its Workshop on Capacity Development scheduled in Tunis (Tunisia) from December 3 to 6, 2007.

26. **Decision.** It was agreed that a separate thematic window will not be created but that regional teams will be encouraged to work together and identify cross cutting or global issues to be funded. The regional proposals in December 2007 should reflect the outcome of these discussions in terms of concrete funding requests from collaborating regions.

#### **V. Other business: Follow up on recommendations from the SCLP task team**

27. **The task team on strengthening country level processes** presented recommendations made by both the Steering and CF Committees. One of the recommendations approved in the CF meeting was to prepare new documentation to inform country level partners on how the EPDF works. The Committee agreed to strengthen language to ensure that EPDF supports upstream fiduciary assessments (financial management, procurement, and safeguards) before FTI endorsement takes place. However, the Chair indicated that the limit of 20% of EPDF funds to support direct World Bank staff costs may make it difficult to fund all upstream activities through the EPDF. In that regard, it was proposed that Ms. Jee-Peng Tan participate in the work of the SCLP task force to ensure linkages with World Bank Country-level work.

#### **VI. Other business: EPDF financial picture**

28. The FTI Secretariat reported that total pledges have reached \$80 million; of which \$52 million have been received to date. From the cash received, \$24.2 million have been allocated to regions. After the approval of the bridge funding requests of \$6.98 million, total cash allocations to regions amount to \$31.18 million. Thus, the unallocated balance to date is \$20.82 million.

29. **Need for call of funds.** On the basis of this information, the Committee requested that the Secretariat contact regional teams for estimates of 2008 funding requests. This would permit an analysis of the financial situation of the EPDF; and thus an evaluation of the need to call for funds pledged for 2007. The deadline of October 20<sup>th</sup> was set for such information to reach members of the EPDF Committee.

#### **VII. Other business: Norway**

30. **The Norwegian Education Trust Fund for Africa.** Norway informed the Committee that its bilateral collaboration with AFR in the context of the NETF has come to a close. To celebrate that event, AFR has planned a Seminar on October 4<sup>th</sup> in Oslo and Committee members were invited to attend the event. The EPDF Committee commended Norway for its highly successful 10-year program with AFR, which pioneered many aspects of the FTI partnership.

#### **VIII. Next EPDF Committee Meeting**

31. The next EPDF Committee Meeting will take place in December in Dakar. Specifics will be agreed subsequently.

*Cleared with and cc: Robin Horn, Chair; and EPDF Strategy Committee Members.*