

Education for All – Fast Track Initiative

Accelerating progress towards quality universal primary education

**EDUCATION PROGRAM DEVELOPMENT FUND
(EPDF)
SUMMARY PROGRESS REPORT**

NOVEMBER 2006

Prepared by the FTI Secretariat

Abbreviations and Acronyms

ADB	African Development Bank
ADEA	Association for the Development of Education in Africa
AREI	Asia Regional Education Initiative
DfID	Department for International Development (UK)
EC	European Commission
ECA	Easter Europe and Central Asia Region
EPDF	Education Program Development Fund
FRESH	Focusing Resources on Effective School Health
FTI	Fast Track Initiative
GTZ	German Agency for Technical Cooperation
IATT	Inter-Agency Task Team
LCR	Latin American and Caribbean Region
M&E	Monitoring and Evaluation
NETF	Norwegian Education Trust Fund
PETS	Public Expenditure Tracking Survey
SC	Strategy Committee
SSA	<i>Sarva Shiksha Abhiyan</i>
SWAp	Sector-Wide Approach
TIMSS	Third International Mathematics and Science Study
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund

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EFA-FTI Education Program Development Fund
November 2006
Summary Progress Report

A. INTRODUCTION AND OBJECTIVES

1. **Introduction and background.** The Education Program Development Fund (EPDF) was established in 2004 as the second of two trust funds under the EFA-FTI. Its main objectives are to: (i) 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; (ii) 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; (iii) improve understanding of specific conditions under which policies and reforms may be successful, through better monitoring and evaluation and knowledge sharing across countries; and (iv) strengthen donor partnerships at the country level around the government's national education plan.

2. **The purpose** of this report is to: (i) provide an update on overall implementation progress since the last update in March 2006; (ii) present the financial picture of the EPDF Trust Fund, including the status of funding and current disbursement trends; and (iii) review current opportunities and challenges. The rest of this report is divided into three sections B, C and D along these lines.

B. OVERALL IMPLEMENTATION PROGRESS

3. **Main achievements.** To date, about 59 country programs have received financial support from the EPDF across six regions. Over the past three years, the EPDF has helped 13 countries prepare national education plans which have been successfully appraised and endorsed by FTI Partners. In addition, EPDF has also helped finance several capacity building activities as well as seminars and knowledge sharing events across many regions. Regional annexes posted on the FTI website at www.fasttrackinitiative.org [go to EPDF, Status Reports and then Cairo] give more details on these achievements, as a few examples are provided below.

- **In Africa**, EPDF helped four countries (Senegal, Cameroon, Rwanda and Mali) joined the FTI Partnership in the past few months; and the endorsement this year for two more countries (Benin and Sierra Leone) is pending. Several regional or multi-country programs have been initiated and steady progress is being achieved. These include: (i) Focusing Resources on Effective School Health (FRESH) and a Working Group of the UNAIDS Inter-Agency Task Team (IATT) for Education and HIV/AIDS; (ii) the Asia Education Study Tour for African Policy Makers in which five policy makers from each of six participating Sub-Saharan African

countries (Cameroon, Ethiopia, Ghana, Lesotho, Madagascar, and Mozambique) traveled to Singapore and Vietnam to learn about the policies that successful East Asian countries have adopted to advance economic and social development over the past 40 years; and (iii) partnerships with institutions that play strategic roles in advancing progress in education in Africa, among them, the Association for the Development of Education in Africa (ADEA) and UNESCO-BREDA (Pole de Dakar).

- **In East Asia and Pacific**, Timor Leste has been fully endorsed by the FTI received a catalytic fund grant. National education plans have been endorsed by FTI local partners recently in two countries (Mongolia and Cambodia). The EPDF is being used to support a number of regional and country specific activities. Funds have been allocated along two tracks. One track focuses on meeting the individual needs of countries. A sample of existing grant activities includes a Language Affiliation study in Lao PDR aimed at better informing the debate on language of instruction for minority children; an Education Research Network that seeks to strengthen research capacities related to China's drive for universal basic education; appointment of a Donor Coordination Advisor in Cambodia (joint with UNICEF); and support for monitoring and evaluation of a program of scholarships for poor children in Cambodia. A second track aims to build and share experience on issues critical to achieving EFA in the region. A conference on "Critical Issues in Education" was recently held in Bangkok, drawing together innovative and influential educators from government, donors and academia with the goal of developing capacity in the region through strengthening the research agenda and fostering regional networks. New activities are also considered such as support of a collaborative program to prepare Pacific Island countries to participate in FTI; a regional study and training program on mother tongue instruction; and a regional program to discuss options for managing and training teachers for better learning outcomes. East Asia has assembled a regional advisory group with members from UNICEF, UNESCO, the EU, DFID and the Royal Netherlands Embassy. The group held its first meeting in September 2006 and will get in touch through regular updates and videoconferencing.
- **In Europe and Central Asia**, national education plans have been endorsed by FTI local partners recently in two countries (Albania and Kyrgyzstan), while implementation capacity is being strengthened in Moldova and Tajikistan. Georgia is using EPDF resources to prepare its sector and it is expected to join FTI next year. Regional and partnership activities include close collaboration and alignment of efforts with key partners such as GTZ, ADB, UNICEF, UNESCO and the Asia Regional Education Initiative (AREI) which represents the Regional Advisory Group for EPDF-supported activities in ECA.
- **In Latin America and the Caribbean**, EPDF resources have been allocated to Haiti to complement existing sources of funding to finalize its national education plan which is expected to be endorsed by FTI local partners in 2007. Regional and partnership activities include a successful conference "Latin American

Lessons in Promoting Education for All” in Cartagena, Colombia; support and collaboration with UNESCO LCR Office to conduct the Latin American Laboratory for Assessment of the Quality of Education (see Annex 4, Appendix 1); and the proposed Network of Regional Education Leaders (see Annex 4, Appendix 2); and the first workshop on issues related to multi-grade education which took place in March 2006 in Medellín, Colombia.

- **In Middle East and North Africa**, EPDF resources are being used to build and strengthen capacity in both Djibouti and Yemen, the only two FTI member countries in this region. In Djibouti, resources have helped achieve: (a) the finalization of the strategy for Children with Special Needs; (b) strengthening government technical and institutional capacity for better management of the reform process; and (c) strengthening donor partnership to build a foundation for a SWAp framework as a mechanism for coordinated donor support to Djibouti’s education system. In Yemen, EPDF resources have financed: (i) development of the country’s secondary education strategy in a participatory manner; (ii) building capacity to develop a pilot Conditional Cash Transfer scheme to support the retention of girls in grades 4-9 and to set in motion a rigorous randomized impact evaluation; (iii) building national capacity to assess education quality, by participating in the preparation of TIMSS 2007, developing capacity to utilize the TIMSS information and holding national workshops; (iv) joint work between the Ministry of Finance and the Ministry of Education to reform the education sector budget so as to enhance outcomes and service delivery in education; and (v) developing national capacity to undertake monitoring and evaluation in education, by holding basic workshops on education indicators and statistics.
- **In South Asia**, the national education plan for Bhutan has been developed with EPDF funding. It has already been appraised by local donors and FTI endorsement is expected to be completed by end-2006. Several other country-specific activities have been undertaken with FTI partners, including the assessment of the efficacy of the *Sarva Shiksha Abhiyan* (SSA) program in India (World Bank, DFID and EC); evaluation of the impact of community-managed schools in Nepal and Sri Lanka; the “Reaching out-of—school children Program” in Bangladesh; and evaluation of “Girls Stipend Program” in Pakistan. Other regional activities include the study on “Education, Skills Development and the Knowledge Economy” and a demand-driven initiative on strengthening government technical and institutional capacities across the region.

C. TRUST FUND FINANCIAL PICTURE

4. **Allocations and disbursements.** Since the beginning of its operations in early 2005, the EPDF has received a cumulative amount of US\$26 million from donors. The Fund has allocated 94 percent (US\$24.2 million) of funds received to the six regional teams of the World Bank. Cumulative expenditures incurred to date amount to US\$5 million, of which US\$3.2 million has been disbursed. This corresponds to a contracting rate of 21 percent; and a disbursement rate of 13 percent (see Table 1).

5. **Current disbursement trends.** The slow pace of disbursements is explained by various reasons. In the case of the Africa region – which has been allocated 53 percent of total EPDF funds – the EPDF funds became available to the region only in February 2006; and the process of completing NETF-financed activities took longer than expected, in part, because EPDF did not originally allow provision of grants to UN agencies and other key partners such as ADEA and UNESCO. The latter problem is being solved and Africa’s performance is projected to improve sharply over the next few months. We will monitor the disbursement rate and provide an update to the EPDF SC in early 2007. Low disbursement rates in other regions are partially explained by initial delays in allocating and transferring 2005 budgets. Those budgets were put in place over the May to July 2005 period; and this initial lag has been slow to close.

Table 1: EPDF – Allocations, Expenses Incurred and Disbursements¹
(In US\$ thousands)

Regions	Cumulative Allocations	Expenses incurred to date	Disbursements	Disbursement s/allocations (%)
Africa	12,940	1,422	781	6
East Asia & Pacific	2,400	529	434	18
Europe & Central Asia	900	172	85	9
Latin America & the Caribbean	1,700	773	236	14
Middle East & North Africa	1,000	417	365	37
South Asia	5,280	1,732	1,300	25
Total	24,220	5,045	3,201	13

Source: Actual data as of end-October 2006.

6. **EPDF financial picture.** Overall, donors have pledged a total of US\$57.5 million through 2008, of which US\$31.5 million represent future commitments (see Table 2). Over the past year, the number of donors has doubled from 4 to 8 and financial pledges have also doubled. Norway continues to be the main provider of financial resources to the EPDF.

¹ This amount excludes the US\$483,000 approved for the LCR region for work with UNESCO’s regional office in Chile (see Annex 4, Appendix 1).

**Table 2: EPDF – Pledges made and Payments by Donor 2005-2007
(In US\$ millions)**

	2005	2006	2007	2008	Total 2005- 2008	Cumulative payments
Canada		4.00	--	--	4.00	--
Ireland	--	0.94	0.94	1.25	3.12	0.31
Luxembourg	--	1.30	--		1.30	1.30
Netherlands**		1.50	6.00	6.00	13.50	--
Norway	4.87	15.00	--		19.87	19.87
Russia	--	--	1.20	2.00	3.20	--
Sweden	--	2.60	--		2.60	2.60
UK	0.94	3.60	4.50	0.90	9.94	2.00
Total	5.81	28.94	12.64	10.15	57.53	26.08

Source: FTI Secretariat.

7. **Short-term outlook for disbursements.** On the basis of discussions with Sector Managers, it appears that EPDF disbursements should improve significantly over the next few months for most regions. As summarized in the Table 3 below, the projected rate of disbursement by end-2006 is about 50-60 percent of total allocations. At this pace of execution, it is expected that regional funding requests next year will be significantly reduced and most regions may need, therefore, to extend their program implementation period.

**Table 3: EPDF – Estimates and Projections of Allocations & Disbursements
(At end-2006; in US\$ thousands)**

Regions	Cumulative Allocations	Projected Commitments (End-2006)	Projected Disbursements (End-2006)	Commit/ Allocat. (In %)	Disburs./ Allocations (In %)
Africa	12,940	8,000	1,562	62	12
East Asia & Pacific	2,400	1,848	576	77	24
Europe & Central Asia	900	206	111	23	12
Latin America & the Caribbean ^{1/}	2,183	1,746	436	80	20
Middle East & North Africa	1,000	500	438	50	44
South Asia	5,280	2,252	1,885	43	36
Total	24,703	14,552	5,008	59	20

1/ LAC's revised allocation includes the US\$483,000 approved for its regional work with UNESCO's regional office in Chile (see Annex 4, Appendix 1).

Source: FTI Secretariat.

D. CURRENT OPPORTUNITIES AND CHALLENGES

8. **Dialogue around possible revisions to the EPDF.** A draft "Revised Concept Note" for the EPDF was prepared after the Technical Meeting in March 2006. This was circulated to members of the Strategy Committee in June 2006. Comments and

suggestions were received. There are three main issues which the Strategy Committee may want to discuss in Cairo in order to inform the next revision of the Concept Note. These are as follows:

- **(i) Recipient-executed approach vs. Bank-executed approach at the country level.** The issue here is the extent to which EPDF-supported interventions can and should be government-led. This need not be an either-or arrangement—there may be possibilities to move toward recipient-executed approaches for specific activities, while maintaining flexibility and responsiveness. World-Bank executed support could continue to be provided for areas where sustained follow-up and integration of findings into country programs can be ensured, e.g. that there is post-workshop follow-up at country level. Grant agreements would be signed with each region for both government-led and recipient-executed activities. All resources would be expected to be channeled through the World Bank.
- **(ii) Collaboration with other partners.** Under recent modifications to the EPDF, as requested by the Africa Region of the World Bank, grants can be provided to FTI partners or UN Agencies to implement activities. This provides much greater opportunity for collaboration around agreed goals and helps to make the EPDF an instrument available more broadly for provision of capacity-development support by all partners. For instance, such a change is fully consistent with the following proposal by the Fragile States Task team in Beijing and endorsed by the Moscow Technical meeting: Support to a few “fragile states” to build proposals for EPDF funding, using these countries as pilots in order to test the relevance and responsiveness of this financing vehicle. To date, a few such proposals (including Somalia) have been prepared and submitted to the Africa region for approval.
- **(iii) Responsive support for “Thematic Work”.** Support could be provided at the global level for institutional capacity and knowledge sharing in areas where there is a need for a broader perspective that would go beyond the mandate of one region. Such a support could also be used for preparing synthesized reports on key findings from the knowledge generated from these activities and lessons learnt.