

FAST TRACK INITIATIVE
CATALYTIC FUND
EXTERNAL QUALITY REVIEWS OF
GRANT REQUESTS
REVISED GUIDANCE NOTE

Version of August 2010

INTRODUCTION AND OVERVIEW

A. Objective

The objective of the Guidance Note is to present guidelines governing External Quality Reviews (EQR) of countries' Catalytic Fund (CF) funding requests. The guidelines are based entirely upon the terms of reference for EQRs approved in December, 2008 (annexed). The first five EQR panel experiences (Rwanda, Haiti, Nepal, Tajikistan, and Lesotho) contributed to successive iterations. They should continue to be revised with subsequent EQRs. The EQRs are carried out by specialist panels. The panelists are contracted and supervised by the Fast Track Initiative Secretariat (FTI-S) located at the World Bank. *The EQR objective is to inform the Catalytic Fund Committee (CFC) of findings to facilitate CFC's own review and decision regarding the funding of country requests.*

The main purpose of these DRAFT guidelines is to help new panelists interpret the EQR template used for presenting the Panel's proposal and justification. These guidelines should be refined based upon continuing panel experiences.

B. Fast Track Initiative (FTI) and EQR Described

The Fast Track Initiative (FTI) is a global partnership between donors and developing countries to accelerate progress towards the Millennium Development Goal (MDG) of universal primary education by 2015. All low-income countries which demonstrate commitment to this goal may receive financial and technical support from the FTI. The FTI is supported by all major bilateral donors operating on the education sector, as well as non-donor partners, such as UNESCO, UNICEF, the World Bank, the African Development Bank, the European Commission, and other multilateral agencies.

The most up-to-date information on the FTI including its mission, organization, members, funding and management, etc., can be found on its website, <http://educationfasttrack.org/>.

As of mid-2009 donors had pledged over US\$1.3 billion to the two funds under FTI: the Catalytic Fund (CF) and the Education Program Development Fund (EPDF). The World Bank is the trustee of these multi-donor trust funds. The FTI strongly promotes the Paris Declaration by encouraging donors to align their funding behind single education sector plans prepared by the eligible FTI countries, as well as to harmonize their processes and procedures. The FTI Partnership is supported by a small Secretariat housed within the Human Development Network of the World Bank.

At the time of writing, about 65-70 low income countries are eligible for membership in the FTI partnership. Of these, about 40 countries have already joined the Partnership, by having their education sector plans endorsed by local donor groups, as per the FTI process guidelines. Work is underway to allow other eligible countries to benefit from the resources available.

In its December 2008 meeting in Oslo, the Catalytic Fund Committee (CFC) approved the Terms of Reference (ToR) for mandatory external quality reviews (EQRs) of requests for Catalytic Fund (CF) grants. The CFC sees the outcomes of such quality checks as inputs to their decision making process. An EQR for a country is an intermediary step between the submission of the CF proposal package and the decision by the CFC. Its primary purpose is to inform the CFC on whether CFC funding is justified based upon the country's funding request and supporting documents.

The FTI Secretariat was charged by the CFC with implementing the new procedure, during 2009. The EQR should not cause delays in the processing of the CF proposal package. It must not become another layer of review imposed upon country teams. The external, independent quality review also does not substitute for any activities carried out by the FTI Secretariat. Rather, it is to provide input that informs directly the decisions of the Catalytic Fund Committee.

According to CFC instructions, the EQR is to be undertaken by a team of independent specialists who are to be consultants or collaborators that are not World Bank staff members. The EQR TOR for this work was detailed in the 2008 FTI Catalytic Fund Requests “Independent and External Quality Review” terms of reference. In this document (annexed), the following general guidelines are laid out.

- An expert panel of three is to undertake a desk review of the CF requests for funding.
- The funding request package of background information is to include, minimally, four key documents: a sector-wide education sector plan and its implementation plan, a donor appraisal report, a Country Presentation (funding request) and the Supervising Entity’s (SE’s) due diligence report.
- No limitation is placed upon complementary information that the EQR panel might request, including lenders’ experiences with the sector, the results of previous operations and country specific information. No limitations were put on the EQR’s right to conduct interviews.
- The review is to assess the requests across 6 themes: (i) internal consistency, (ii) making the case for CF funding, (iii) objectives and performance monitoring, (iv) objectivity in assessments, (v) aid effectiveness principles, and (vi) progress towards FTI goals. These have been detailed and elaborated in an EQR template discussed below.
- The most visible product of an EQR is to be a short memorandum comprising the EQR template in which the Panel’s position on funding and justifications are presented.

In what follows the EQR Template is discussed. Note that a concerted effort has been made to turn the template into a self explanatory document by adding “Guidance” paragraphs following each question. Since it would be impossible to identify and address the myriad issues that arise in the evaluation of CFC requests, general guidance is provided by these paras and latitude is left to Panelists to interpret and apply them as deemed appropriate.

GUIDELINES FOR FILLING IN THE EQR TEMPLATE

BACKGROUND & SUMMARY FINDINGS

Page 2 is comprised entirely of factual and logistics information pertaining to the funding request, sponsors and Panel members.

EXTERNAL QUALITY REVIEW (EQR) QUESTIONNAIRE

Summary Assessment Sheet

As the title denotes, this is a summary of what is entered in the “EQR QUESTIONNAIRE” which follows. Hence, it should be succinct, minimize repetition and provide references in the QUESTIONNAIRE where issues are detailed.

A. Panel’s Overall Assessment.

This should succinctly (no more than a paragraph) state the Panel’s overall assessment of the funding request. Please note that the project/program at hand—and not the sector strategy and supporting documents—is being evaluated. The design adequacy and likelihood of achieving Project/Program Development Objectives (PDOs)/Intermediate Outcome Indicators (IOIs) is critical. As of November 2009, the FTI Secretariat has been mandated to make a final recommendation to the CF Committee, taking into account all funding requests and the financial situation of the Fund.

Likelihood—Project Development Objectives (PDO):

This should enumerate all of the PDOs and assess the likelihood of each being achieved. Any mismatch between PDOs in the text and those in the results framework should also be identified.

B. Strong Aspects—Good Practice and Strong Aspects

Self explanatory.

C. Weak Aspects—Risks and Issues Needing Greater Clarification and/or Improvement

This will summarize main risks and issues covered primarily in section 4.3 which should be referenced along with any other section contributing to the write-up to minimize repetition.

D. Suggestions to the Task Team, EFA-FTI, CFC, Other

Entries here might elaborate upon issues raised in A and B above, more general findings regarding program design, documents, issues mentioned in the questionnaire or recommendations for the EFA-FTI, CFC or others. Since it will largely be drawing upon matters detailed elsewhere Panelists are urged to be succinct and provide references.

Summary Assessment Sheet (p. 5)

Ratings Explanation. *This draws upon ratings used by good practice evaluations elsewhere.*

Summary Assessment Table. *The ratings from the Summary Assessment above and the Questionnaire should be entered here.*

EQR QUESTIONNAIRE

1. QUALITY AND Consistency: Objectives, Design, Documents.....Overall Rated:

The overall rating including the weighting of the three components is left to the Panelists’ discretion.

1.1 Objectives

Self-explanatory. Note that this is to provide an overview of whether the program is dimensioned properly and coherently. Technical design issues, the Results Framework and related aspects are addressed in detail elsewhere. Note too that it is the program document and not supporting documents that are being evaluated as it is the program that is being funded.

1.2 Program Design

Again, this asks for an overview of program design—realism, feasibility, and likelihood of success in light of previous experience and the country context. Is this the right program now for the client?

1.3 Quality of the documents submitted to the CFC

The program document should be given priority. The primary criterion is ‘professionalism’. It is assumed that the quality will generally be good hence 1.3 should be accorded less weight in determining the Overall Rating.

2. Making the Case for CF Funding

This question generally creates problems because there is no easy way to determine, based upon the CFC package, everything that should go into determining if there is a financial gap. Hence, a checklist of key components has been provided. It is generally felt that if the country is poor and is spending significant portions of its GDP and budget on education but still cannot cover education financial requirements for legitimate expenses then a prima facie case for the existence of a “gap” has been established. Absorptive capacity, inequity and inefficiencies under the client’s control and ‘white elephants’ may outweigh the aforementioned factors.

3. Quality of Results and Monitoring & Evaluation

This is where the main technical issues are discussed. It is important, too, that these be consolidated in one place and stated succinctly to facilitate reading and support the funding proposal and justifications advanced in the Summary Assessment Sheet above.

3.1 Quality of the results framework

This item was deemed sufficiently critical that it was further disaggregated into its 3 component parts which still overlap somewhat. The weighting of the components, as elsewhere, to arrive at Ratings and an Overall Rating is left to the discretion of the Panelists. The “Guidance” notes are self-explanatory although the topic of what these mean is sufficiently complicated that the Panel may spend (too?) much time on these questions.

- a) **Comprehensiveness**
- b) **Technical Quality of Indicators**
- c) **Causal Links**

3.2 Quality of arrangements for M&E

Item 3.1 focuses on the technical quality of the indicators and this item asks for the procedures, systems, experience, staffing, resources and past history that inform a decision on the quality of M&E arrangements.

3.3 Independent third party verification

This is relatively new to evaluation experience and addresses public dissemination, civil society participation, recourse, and mitigation mechanisms as well as oversight/audit of key

functions by technically competent and independent personnel. Depending upon the country, implementation capacity, the level of decentralization and coverage, transparency and other factors this may be of enormous importance to project success.

4. Assessment Objectivity and Comprehensiveness

It is expected that the real technical strengths and weaknesses of proposals will be consolidated in these sections and especially 4.1 in order to facilitate reading and to provide a strong basis for the Summary Assessment and Panel funding proposal.

4.1. Technical quality of design

This is self-explanatory and has been addressed above. Main arguments and concerns should be consolidated in this section.

4.2 Implementation arrangements

Can the project be successfully carried out given the implementation arrangements? Will financial management, procurement, safeguards and other features be carried out responsibly and in such a manner as to avoid irregularities? If the project is decentralized is capacity sufficient? How do political economy, vested interests and hierarchy inform project implementation arrangements?

4.3 Risk identification and mitigation

Most project evaluation procedures include risk identification and mitigation across its various functional (financial, procurement, capacity, etc.) and political economy aspects. Has this been done satisfactorily for the project taking into account internal and external risks and devising mitigation interventions as needed?

4.4 Sustainability

Sustainability is similarly a critical feature of most evaluations. This discussion should be informed by the financial gap, results framework, technical design issues, implementation arrangements, and risks addressed above. Have risks been identified and are there mitigation mechanisms?

5. Fiduciary Oversight, Anti-corruption, Safeguards

Fiduciary oversight means here financial management and procurement arrangements. These plus anti-corruption and safeguards risks and mitigating mechanisms should be informed by earlier sections and evaluated here depending upon the type of operation. Notwithstanding program document assertions to the effect that these matters have been addressed adequately it behooves the Panel to verify whether issues have been adequately identified. Different sources may be available to assist in this process including previous operations and studies for FM (PEFA, PER, other), for procurement (CPAR, OECD-DAC, Quick Gains, PEFA), and for Anti Corruption (Transparency International, CPIA ratings). Safeguard concerns may also be important especially when the country contains indigenous peoples.

Annex 1: Documents Reviewed and Interviews Conducted

This is self-explanatory

Optional Annex to Discuss Issues

While not a part of the template, if issues arise that cannot easily be accommodated in the template owing to length or nature and the Panel believes they must be addressed then such an annex can be annexed to the template.

II. EQR Output

The determination of suitability for funding supported by a completed EQR Template comprises the object/desired output of the EQR Review. The template responses should be succinct and objective and will likely be 5-7 pages in length discounting template instructions and background/logistics information. But this is a guideline and not a firm rule. Size of operation, complexity and problems will dictate what is required and it may be that the Panel will need to use the annex for a lengthier discussion of issues identified.

The EQR is the product of a desk study including a Panelist meeting. It will draw upon the package of documents submitted to the CFC, including analyses provided by the Lead Coordinating Agency and the Supervising Entity. Panelists may request additional sources of information if they so choose. For instance, it may be helpful to ascertain the sector's performance in previous CFC operations, World Bank, IDB, or ADB programs or credits, the current economic and political situation, and fiduciary oversight capability. No new research or discovery should be contemplated.

The primary outcomes of the review will be the following.

1. An overall assessment from the external panel. This should succinctly (no more than a paragraph) state the Panel's overall assessment of the funding request. Please note that the project/program at hand—and not the sector strategy and supporting documents—is being evaluated.
2. Ratings and justifications across thematic areas identified in the EQR template.
3. Progress towards FTI goals. Note that an important EQR output will be a chronicling of any concerns/suggestions regarding project design and implementation. These, in the aggregate, may not be sufficient to cause a funding request to be rejected. However, it will be up to the FTI-S and the CFC to decide whether the issues are of sufficient gravity to require remedial action.
4. The original FTI-S terms of reference do not ask for an evaluation of the quality of the Supervising Entity and Donor Appraisal reports, education strategy and action plan, financial gap analysis, suggestions for improvement, annexes clarifying issues, evaluation of logistics and process, etc. Unless otherwise instructed, the panel should assume that its input on these and any other relevant aspects of the operation is welcome and should be included.

EQR ADMINISTRATIVE MATTERS

A. Composition, Selection and Work of Panels

Panel Selection

Composition and competencies. The CFC/FTI-S has determined that a panel of three specialists will generally be convened to carry out EQRs that will ensure adequate coverage of the six themes and design issues enumerated above. In principle, each panel should have one or two experienced education specialists and an economist and/or professional from another relevant area. In principle, in combination they should have the following profile:

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- 1) --considerable (field) experience with poor countries (education and/or other sectors);
- 2) --in-depth knowledge of formulation and implementation of education sector policy;
- 3) --solid expertise of education operations financed by international aid;
- 4) --strong skills in analysis, synthesis, abstraction, and evaluation of (funding) proposals;
- 5) --significant understanding of Education for All and the Fast Track Initiative;
- 6) --familiarity with external reviews in the international development arena;
- 7) --mandatory proficiency in English; a second language may be needed at times.

All panelists should be senior in their professions. At least one of the panelists should have knowledge of the country under review, or, if not possible, of the region. All Panelists must be able to work very well in teams and to deliver on a tight schedule.

- Primary Competencies should include:
 - Hands-on knowledge of education, including strategies and project work.
 - Hands-on experience in project preparation/design and implementation
 - Experience in evaluation/M&E
 - Knowledge of institutional/public sector management issues, such as institutional and political economy, budgeting/financial ‘gap’ analysis, funds allocation and disbursement, sustainability, risks, fiduciary oversight (financial management and procurement), safeguards, risks.
- Secondary Competencies should include
 - Hands on, recent country (sector) experience. While important, it may not be possible to find someone with this knowledge. It should be noted that the Donor Group and Supervising Entity do possess such knowledge and have presumably incorporated it into the grant design. Hence, in the absence of a consultant who has worked in the country, someone with regional or even other region experience may also bring value in light of the similarities between education problems confronted worldwide.
- Tertiary Competencies should include
 - Knowledge of global partnerships, FTI-S, and Donor Lending Principles. Normally such knowledge is acquired by working for a development institution or government. The specifics of CFC, FTI-S and Donor Lending Principles can and should be provided by FTI-S to EQR panelists in documents distributed prior to the commencement of the EQR.

The EQR panel must have the Primary Competencies. It should have Secondary Competencies or at least direct access to individuals who can provide such knowledge. Tertiary Competencies are welcome additions, but essential information about the EFA-FTI will be distributed prior to the EQR as part of the EQR package. The FTI Secretariat will select Panelists from a pre-defined and vetted pool of individuals. The FTI-S will discuss with the Lead EQR Panelist (described below) whether any additional resources are required to carry out the EQR.

Source and Selection of the Panelists. The panel will be selected from among a wide group of specialists that are available to the World Bank and other IFIs. These may include

- Consultants including former Bank/IFI staff and those that quality assurance groups in IFIs call on for its evaluation reviews
- Individuals working in NGOs or other development organizations or agencies.
- Consultants at large with the requisite work experience and background.

B. EQR Panel Internal Management –Lead EQR Panelist

As indicated above, the EQR Panel will normally be comprised of 3 specialists selected by the FTI-S. The Panel will include a Lead EQR Panelist whose responsibilities will include the following.

- Schedule, with FTI-S assistance, meetings and activities including a Panel meeting day agenda and chronogram for completing work.
- Administer Panel proceedings including, *inter alia*, ensuring documents are received, allocating tasks, setting meetings, setting deadlines, seeking clarifications, facilitating achievement of consensus and resolution of disagreements.,
- Write/oversee the writing and editing and generally be responsible for production and delivery of the final EQR report.
- Liaise with the FTI-S coordinator and staff to obtain documents, schedule meetings and interviews and also respond on behalf of the Panel to FTI-S requests for clarifications.
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Gain agreement with other Panelists and advise the FTI-S Coordinator regarding the need to contact specialists or CF request team members or others associated with the process.

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- Ensure that panelists fully meet their contractual obligations to participate and provide material or, in the case of non-compliance, take the case to the FTI-S for resolution.
- Write an aide memoire evaluating the EQR Panel’s functioning, identifying any procedural or template issues, and providing recommendations regarding possible improvements.

C. Independence and Timing of Work

. Independence of EQR Process and Panelists. The panel will be autonomous and independent. The views expressed in the EQR will be the views of the panel. The FTI-S is enjoined from rewriting or editing the final report except for incidental edits and filling in missing information on the EQR Template. While FTI-S personnel may respond and give their views if so requested by the EQR panel, they will in no way seek to influence the findings and recommendations of the review.

3. Contracting and Payment of Panelists. Panelists will normally be contracted and remunerated. Contracting, rate setting and payment will be done by the FTI-S in accordance with normal practice.

The payment of Panelists will correspond to their time commitment. This should normally be no more than 5-6 days perhaps with an additional day for the lead panelist with overall writing and coordination responsibilities. The allocation of days might be broken down as follows.

- 2-3 day(s) to read, develop and exchange positions on documents and summarize views in the template
- 1-2 day(s) for EQR Panel meeting(s) to develop a consensus positions on template items

- 2-3 days for writing up, reviewing, revising, editing and finalizing an EQR report of 10-15 pages (maximum). The report should focus on justifying or not funding of the country request hence should be kept short and succinct.

D. Documents to be used

The package of basic documents will be provided by the FTI-S in a timely manner to facilitate the EQR Panel's work. Although flexibility is allowed in terms of the contents of a typical CF proposal package (depending upon individual country preference and the internal rules and procedures of the proposed SE), all CF funding requests should include the following key documents:

- ***A sector-wide education sector plan and its implementation plan.*** The most important step in ensuring overall quality is to build up the capacity of countries to prepare their plans, which are consistent with their economic and social development plans (PRSP or equivalent). Such a plan should: (i) provide clarity on key sector issues; (ii) outline strategic options; and (iii) set clear objectives and performance indicators for results in the following areas (i.e., the four gaps): (a) education policy; (b) data and information base; (c) education financing; and (d) implementation capacity. The ESP should be accompanied by an implementation plan with a detailed costing/work-plan for at least the first year.
- ***A donor appraisal report.*** The country's Local Donor Group conducts a frank appraisal of the ESP and its implementation plan using the most recent "*FTI Appraisal Guidelines for the Primary/Basic Component of an Education Sector Plan*" posted on the FTI website. It is recommended that country teams and consultants contact the FTI Secretariat for any revisions or addendum such as the recent "*Capacity Development Guidelines.*" Based on the up-stream FTI processes at the country-level, an important outcome of the donor appraisal would be an agreement on: (a) the financing gap, the amount and duration of CF funding that can be used effectively; and (b) an agreement on the grant modality and the Supervising Entity.
- ***SE's due diligence.*** The agreed or presumptive SE conducts a set of CF Program-specific assessments (due diligence), which may cover—depending upon the SE—technical, fiduciary, capacity, environmental and social areas. Moreover, due diligence should ensure implementation readiness demonstrated in key documents (i.e., CF Program document and Grant Agreement) cleared by the SE, which makes the case for CF financial support. In case the agreed SE is not the World Bank, a draft Transfer Agreement with the alternative SE should be included.
- ***Financial gap analysis.*** This should be covered in the documents cited above. If not, additional documentation will be necessary.
- ***CFC, FTI-S, Donor Lending Principles.*** The package should include either the websites where this information can be found or better, copies of the relevant documents. As specific questions are included in the EQR Template on these points it is important that such documents be made available.
- ***Previous/Ongoing CFC operations*** progress or completion reports.

Optional Documents for EQR Panel. The Panel may want to review other documents that could, inter alia, include the following.

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- Recent studies of the education sector
- Recent studies/documents pertaining to relevant sector, macroeconomic or political situations
- Recent PEFA/financial, procurement, expenditure studies
- Recently completed or ongoing education sector programs –Bank or other IFIs.
- ISRs or status of portfolio reports illuminating disbursement, procurement, FM, implementation capacity or other issues.
- ISRs and/or ICRs for equivalent implementation/supervision and/or completion reports or similar recently completed projects in the same sector and country.
- Any FM, procurement, safeguards or other document prepared as part of the operation’s preparation or that of a previous operation or a similar education program.
- NGO or other studies relevant to the assessment

The FTI-S Coordinator puts together a list of available documents in the event the Panel would like to have them. If the operation is a DPL many of these documents may not be relevant.

Similarly, the panel may want to meet with or receive input from a specialist in a particular field or someone with knowledge in a particular area. For instance, if the procurement or delivery of school books has been contentious in previous Bank programs, it might be useful to speak with someone with first-hand knowledge of situation. While not strictly necessary to the fulfillment of the EQR Panel’s duties, knowledge of relevant documents and findings is highly desirable.

E. EQR Panel Venues

EQR Panel meetings will ideally be held at the FTI-S in designated conference rooms with all panelists present or on line. If for unavoidable reasons a panelist cannot be present then a video conference or, if this is not possible, an audio conference can be used. VCs or ACs may also be desirable to obtain information from collaborators who are not panelists in other countries.

ANNEXES

Terms of Reference approved by the CFC for the External Quality Reviews.