Fast Track Initiative
A global partnership to achieve Education For All

FTI CATALYTIC FUND

ANNUAL STATUS REPORT[1]

OSLO, NORWAY
DECEMBER 13, 2008

Prepared by the FTI Secretariat for the CF Committee Meeting

[1] Please note that some of the figures in this report—especially disbursements—might be substantially different from what is stated in the *FTI Annual Report for 2008* due to the time lag between the two reports. All figures in this report are as of November 15, 2008. An update will be provided at the meeting.

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EFA-FTI Catalytic Fund
Annual Status Report

SUMMARY OF KEY MESSAGES:

- ***Disbursement performance***. As of November 15th, disbursements have reached US$142 million in 2008, as compared to US$126 million in 2007 and US$53 million in 2006. Overall disbursements since the fund's inception amounted to US$396 million (i.e. 34% of grant allocations). Moreover, it is projected that US$73 million additional will be disbursed by end-December, bringing to US$215 million the total for 2008; and the cumulative disbursements to US$469 million, or 40% of grant allocation. In light of the importance given to improved disbursement performance, Annex 3 of this report is devoted entirely to this topic.

- ***Annual report on implementation progress in CF beneficiary countries.*** Over the past year, country programs supported by the CF trust fund have continued to make steady progress towards FTI goals. However, results attribution should be treated with caution, especially with regard to the CF—a gap-filler fund of last resort conceptually—that provides on average only 5-10 percent of overall program cost. To date, most of country beneficiaries since Bonn have signed a Grant Agreement with the World Bank; and only a few remain. A separate update on grant processing and implementation has been prepared by the World Bank.

- ***Cash receipts from donors***. Since the last annual report presented at the Dakar meeting in December 2007, cash receipts from donors have almost doubled from US$584.3 million to US$1,017 million due, largely, to receipts from United Kingdom, European Commission, France, Denmark, Ireland and Germany.

- ***Need for increased predictability:*** As previously stated, there is an urgent need for increased predictability and firm commitments in donor pledges to match the 3-5 year planning cycles of recipient countries. Since the CFC meeting in Tokyo (April 2008), only donor pledges with signed agreements have been recorded. Projected deficits amount to about US$900 million by spring 2009 (see table 1).

- ***Progress on developing a CF replenishment mechanism***. In response to the increased financial pressure on the CF trust fund, a separate update on progress and issues for the proposed CF replenishment mechanism has been prepared for discussions and decision at the Oslo meeting.

A. INTRODUCTION

1. **Introduction and background.** Established in 2003, the FTI Catalytic Fund (CF) is a multi-donor, multi-recipient trust fund originally designed to provide transitional funding to low income countries for up to three years. Such support was expected to enable countries to scale up their Education Sector Program with the aim of establishing a strong performance record that could attract longer-term support through regular channels. However, experience has shown that donors have not stepped in to make that happen, and long-term funding for basic education remains a source of concern. In response, the FTI Partnership approved a revised instrument to provide longer term predictable financing to FTI-endorsed plans with insufficient resources.

B. FUND OVERVIEW AND STATUS

2. **CF Trust Fund Status**. Overall, donors have signed pledges totaling US$1,417 million; of which US$427 million represent financial pledges for the period 2008-11. Unlike in the past when all pledges announced publicly were included in the fund's status reports, a more conservative approach has been adopted for recording donors' financial contributions. Only firm donor pledges that are backed with signed administrative agreements are included in financial reports. Further details on pledges made but not yet signed into agreements are available from the FTI Secretariat upon request.

3. **Disbursement performance**. Out of the total amount pledged and signed, US$1,178 million has been allocated to 27 country recipients. Over the past year, the grant processing rate (ratio of amounts of signed agreements out of amounts allocated) has almost doubled from 38% to 70%. However the signing of grant agreements has not always led to any substantial disbursement of funds into country programs. In that regard, a comprehensive analysis has been done, and results are summarized in Annex 3 of this Annual Report. As shown in Table A2 (Annex 1), cumulative disbursements have reached US$396.4 million, a sharp increase from US$218 one year ago.

4. **Projected financial pressure on the fund**. As previously noted, the move towards enhanced predictability for a larger number of partner countries has not yet been matched by predictability in terms of donor contributions. A large number of countries are becoming CF beneficiaries for longer periods of time (three-year grant agreements), but donor pledges are usually short term and drop sharply after 2008. The projected deficits are about US$900 million by spring 2009.

5. **Looking forward to the CFC meeting in December 2008**. The FTI Secretariat has received US$280.5 million worth of funding proposals from the five countries: Burkina Faso (US$144.9 million); Central African Republic (US$37.7 million); The Gambia (US$33 million); Timor Leste (US$4.9 million); and Zambia (US$60 million). As shown in Table 1 below, current resources available for allocations are approximately US$282 million, taking into account net investment income earned by the CF trust fund which will be just enough to cover the allocation requests if they were all approved.

6. **Looking forward to the CFC meeting in spring 2009.** We project that about 20 countries will apply for support at the CFC meeting in spring 2009 for a total amount of US$900 million. Detailed country-by-country need estimates are still tentative and will be revised as necessary. Based on current information, 7 countries in transition would come forward for one-year bridge funding; 7 other countries would be first time CF applicants; and the other 6 countries would apply for either a top up funding (Ethiopia) or phase II support.

Table 1. Pledges Required for Allocations in 2008 (US$ million)

	Availability
1. Total pledges to date	1,417
2. Add net investment income	43
3. Less cumulative allocations to date	1,178
4. Balance available for allocation	**282**
Less : Projected allocation requests :	
5. Total requests for December 2008 meeting	281
6. Projected surplus at end-2008 1/	**1**
7. Projected requests for the Spring 2009 meeting	900
8. Projected deficit by spring 2009 1/	**(899)**

Source: Estimates and projections by the FTI Secretariat.
1/ Please note that projected deficits assume that all requests would be approved by the CFC.

7. **Resource flows into existing beneficiary countries**. As of November 15, 2008, a cumulative total of US$396 million has been disbursed to benefit 20 country programs (see Annex 1, table A2). Table A3 of the Annex 1 provides a projected disbursement schedule against existing allocations over the next twelve months. Based on country level information and historical trends, it is projected that disbursements would reach US$311 million in 2009; and cumulative projected disbursements would amount to US$780 million by end-2009, excluding any disbursements from future grant allocations.

C. ITEMS FOR DISCUSSION AND DECISION

8. **Budget for CF Grant Supervision**. At behalf of the World Bank and other future CF grant Supervising Entities, the FTI Secretariat will present a request to simplify and adjust the budget for supervising on-going and future allocations. For more details, please refer to Annex 5 of the CF Annual Status Report for 2008. Agreement is sought on that request in Oslo.

9. **Zambia CF Grant Proposal**. On behalf of the government, one of the co-lead coordinating agencies (The Netherlands) is presenting a request for US$60 million for the period 2009-2010. The is the first case where the government and its local donor partners have agreed and proposed an alternative Supervising Entity (SE) for the grant being requested in Oslo. The grant is to be channeled through a revised pool funding mechanism, targeted budget support with the aim of advancing to a full fledge sector budget support after three years. An allocation decision is expected in Oslo, including decisions required to complete the Transfer Agreement between the Bank the Netherlands.

10. **Burkina Faso CF Grant Proposal**. On behalf of the government, the lead coordinating agency (The Netherlands) is presenting a request for US$144.9 million for the period 2009-2011. The government and its local donor partners have agreed on a sector budget-support modality to be supervised by the World Bank (i.e. DPO-type instrument). Again, the use of such a financing instrument is the first case in CF grant operations. An allocation decision is expected in Oslo.

11. **Central African Republic CF Grant Proposal**. On behalf of the government, the lead coordinating agency (UNESCO) is presenting a request for US$37.7 million for the period 2009-2011. An allocation decision is expected in Oslo.

12. **The Gambia CF Grant Proposal**. On behalf of the government, the lead coordinating agency (UNICEF) is presenting a request for US$33 million for the period 2009-2011. An allocation decision is expected in Oslo.

13. **Timor Leste CF Grant Proposal**. On behalf of the government, the lead coordinating agency (The World Bank) is presenting a request for US$4.9 million for 2009. This is the third year of allocation under Phase I ("bridge funding"). An allocation decision is expected in Oslo.

14. **CF-related Governance Issues**. Building on the conclusions and recommendations from both the Governance task team meeting in London, and the FTI Steering Committee (to be held the previous day in Oslo), the CF Committee will discuss any specific governance issues related to the trust fund. A decision is expected in Oslo with regard to specific recommendations on chairing of the Committee, membership and relationship to the Steering Committee.

15. **CF-related Replenishment Mechanism**. At its previous meetings in Tokyo and Paris, the Committee endorsed a proposal to develop a replenishment mechanism for the FTI funds in general and the CF in particular. In endorsing such a proposal, the Committee recognized the urgency of establishing a mechanism for mobilizing long term and predictable resources to benefit endorsed country programs. Furthermore, it was agreed that the FTI Secretariat take the leadership in supporting the development of the CF replenishment mechanism. In that regard, a separate update on progress and issues has been prepared for the CFC meeting in Oslo. Agreement is sought in Oslo on key recommendations and next steps.

16. **IDA and CF Eligibility Criteria**. At its meeting on September 19, 2007 in Washington, the Catalytic Fund (CF) Committee made a decision on the rules regarding countries' eligibility to receive CF funding. It was agreed that only IDA low-income countries would be eligible. However, the operational application of that decision wasn't clarified until the following meeting in Tokyo (April 22, 2008). At that meeting, it was agreed that: "(i) *All countries in IDA categories I and II, as well as small island economies as defined by IDA, are eligible for CF support; and (ii) priority will be given to countries in category I (i.e. the poorest), and depending on the availability of funds, priority may be given among these countries.*" Given yearly changes in IDA classification, an addendum has been prepared to provide further operational details on the application of IDA eligibility rules. Specific recommendations have been made, and a decision is expected on this document in Oslo. The background document can be found in Annex 4 of the CF Annual Status Report.

17. **Transition Fund Concept and Procedures**. At its meeting in Paris, the Committee agreed on (i) adopting the FTI as a single process; (ii) positioning the Transition Fund as a financing tool within the FTI; and (iii) having Interim Status as an option for Fragile States. In terms of funding, however, the Committee did not agree to modify the CF in order to finance for fragile states. Instead, it was recommended that the UNICEF-managed Transition Fund be used for that purpose. It was agreed that UNICEF would work closely with the FTI Secretariat on the concept, rules and procedures to access these funds. As a response, a background paper has been prepared, which provides options and recommendations on the way forward. A decision on the way forward is expected on this agenda item in Oslo.

18. **External Quality Review of CF Proposals: Terms of Reference**. As agreed at the last Committee meeting in Paris, the FTI Secretariat has prepared the final terms of reference for the

external quality review of CF proposals which starts in 2009. This document is found in Annex 6 of the CF Annual Status Report. An approval of this document is expected in Oslo.

19. **EFA-FTI Modality Guidelines.** Based on the comments received after the Committee meeting in Paris, the Secretariat has prepared final modality guidelines. For information, this document is included in the material for the Oslo meeting. Over the next few weeks, these guidelines will be disseminated to country teams, and made available on the FTI website.

20. **Other CF-related business**. One agenda item have been scheduled for discussion under other business, i.e. impact of the global food crisis on education. The World Food Program will make a short presentation about the significant increase in its operations in the area of school-feeding. The presentation will be followed by discussions. The main objective is to make concrete proposals on the possible coordination between this initiative and FTI. In particular, WFP has expressed an interest in seeing if there was some way to coordinate more explicitly with FTI funding processes, timing, and other issues of importance to the FTI Partnership.

Annex 1: Summary of performance
(As of November 15, 2008)

Table A1 Catalytic Fund: Pledges and receipts (US$ million)

Country	2004-2007	2008	2009	2010	2011	Total 2003-2010	Receipts
Australia	-	1.4	10.6	10.0	10.0	32.0	1.4
Belgium	6.5	1.3	1.3	1.3	1.3	11.7	6.5
Canada	17.0	-	-	-		17.0	17.0
Denmark	4.9	14.6		-		19.5	4.9
EC (ACP) Part 1	40.3	24.7	18.8	-		83.8	65.0
EC part 2	13.7	13.7	5.5	-		32.9	13.7
France	-	14.1	7.3	-		21.4	7.9
Ireland	19.2	21.0	-	-		40.2	29.1
Japan	-	1.2	1.2	-		2.4	1.2
Germany	-	6.1	3.7	-		9.8	3.0
Italy	10.4	4.2	-	-		14.6	14.6
Netherlands	430.5	45.0	-	-		475.5	430.5
Norway	61.2	-	-	-		61.2	61.2
Russia	3.0	1.0	-	-		4.0	4.0
Romania	0.5			-		0.5	0.5
Spain	80.3	76.0	76.0	76.0		308.3	80.3
Sweden	15.7	-	-	-		15.7	15.7
UK	129.1	137.9	-	-		267.0	261.1
TOTAL	**832.3**	**362.2**	**124.4**	**87.3**	**11.3**	**1,417.5**	**1017.6**

There are 2 EC contributions one earmarked for ACP (Asia Caribbean and Pacific) countries and the other non-earmarked fund for allocations made to countries for which the Bank is the sole supervising entity.

Table A2 : CF Disbursements till November 15, 2008 **In US$ millions**

	Disbursement in 2004	Disbursement in 2005	Disbursement in 2006	Disbursement in 2007	Disbursement in 2008	Cumulative disbursement till date
Cambodia					1.0	1.0
Cameroon	-	-	-	11.3	11.2	22.5
Djibouti	-	-	3.0	3.0		6.0
Ghana	-	4.0	10.0	5.0		19.0
Guyana	-	4.0	4.0	4.0		12.0
Kenya	-	24.2	-	48.4	48.4	121.0
Kyrgyz Republic	-	-	-	0.5	4.9	5.4
Lesotho	-	-	1.8	2.4	3	7.2
Madagascar	-	6.0	11.0	10.0	18.0	45.0
Mali					2.2	2.2
Mauritania	3.5	3.5	1.0	1.0		9.0
Moldova	-	-	0.3	1.3	3.4	4.9
Mongolia	-	-	0	8.2	5.0	13.2
Nicaragua	3.5	3.5	3.5	3.5		14.0
Niger	5.0	4.0	-	-	4.0	13.0
Rwanda				13.0	35.0	48.0
Tajikistan	-	-	3.1	6.0	2.2	11.3
The Gambia	-	4.0	4.0	5.4		13.4
Timor Leste	-	-	1.5	2.6	4.1	8.2
Yemen	3.0	7.0	10.0	-		20.0
Total	**15.0**	**60.2**	**53.2**	**125.6**	**142.4**	**396.4**

Table A3: Projected disbursement Report for EFA FTI Catalytic Trust funds – November 15, 2008
In US$ millions

	Allocations 2003-2009	Grant agreements signed to date	Grant agreements expected to be signed by December 2009	Total disbursements till date (A)	Projected disbursements		Total Disbursements projected till December 2009 (A+B+C)
					July 2008-June 2009 (B)	July- December 2009 (C)	
Cameroon	47.3	22.5	24.8	22.5	12.4		34.9
Djibouti	8.0	6.0	2.0	6.0	1	1.0	8.0
Ghana	33.2	19.0	14.2	19.0	7.1	7.1	33.2
Guyana	12.0	12.0		12.0			12.0
Kenya	121.0	121.0		121.0			121.0
Kyrgyzstan	15.0	9.0	6.0	5.4	3.2	2.2	10.8
Lesotho	11.9	11.9		7.2	2.3	2.4	11.9
Madagascar	60.0	60.0		45.0	15.0		60.0
Mauritania	9.0	9.0		9.0			9.0
Moldova	8.8	8.8		4.9	2.8	1.1	8.8
Mongolia	29.4	17.1	12.3	13.2	5.1	4.1	22.4
Nicaragua	24.0	14.0	10.0	14.0	5.0		19.0
Niger	21.0	13.0	8.0	13.0	4.0		17.0
Rwanda	70.0	70.0		48.0		22.0	70.0
Tajikistan	18.4	18.4		11.3	4.1		15.4
The Gambia	13.4	13.4		13.4			13.4
Timor Leste	8.2	8.2		8.2			8.2
Yemen	40.0	20.0	20.0	20.0	5.0	5.0	30.0
Sub-Total	550.6	453.3	97.3	393.1	67.0	44.9	505.0
Cambodia*	57.4	57.4		1.0	13.8	12.8	27.6
Benin*	76.1	76.1			38.1	12.5	50.6
Guyana	20.5	-	20.5		5.2	4.0	9.2
Madagascar*	85.1		85.1		12.5	12.5	25.0
Mali*	8.7	8.7		2.2	1.0	1.0	4.2
Mauritania*	14.0	14.0			2.1	2.1	4.2
Mozambique*	79.0	79.0			41.0	13.0	54.0
Sierra Leone*	13.9	13.9			1.4	1.4	2.8
Ethiopia*	70.0		70.0		7.0	7.0	14.0
Guinea*	117.8	117.8			11.8	11.8	23.6
Sao Tome and Principe*	3.6		3.6		0.6	0.5	1.1
Senegal*	81.5		81.5		16.0	16.0	32.0
Sub-Total*	627.6	366.9	260.7	3.2	150.5	94.6	248.3
Total	**1,178.2**	**820.2**	**358.0**	**396.3**	**217.5**	**139.5**	**753.3**

* Allocations made to countries under the new rules of the Catalytic Fund (3 year grant agreement with funds required only for the first installment). Hence grant agreements expected to be signed for them are 3 year agreements.

Annex 2: Catalytic Fund – Unaudited Financial Statements from inception to November 15, 2008

UNAUDITED SUMMARY OF CONTRIBUTIONS, DISBURSEMENTS AND FUND BALANCE	
Receipts	
Contributions	$'000s
Australia	1,354
Belgium	6,500
Canada	17,000
Denmark	4,900
European Commission	65,000
European Commission Part II	13,700
France	7,900
Germany	3,000
Ireland	29,100
Italy	14,600
Japan	1,200
Netherlands	430,500
Norway	61,200
Romania	500
Russia	4,000
Spain	80,300
Sweden	15,700
United Kingdom	261,100
Total contributions	1,017,554
Investment income	43,000
Total receipts	1,060,554
Disbursements	
Cambodia	1,000
Cameroon	22,500
Djibouti	6,000
Ghana	19,000
Guyana	12,000
Kenya	121,000
Kyrgyz Republic	5,400
Lesotho	7,200
Madagascar	45,000
Mali	2,200
Mauritania	9,000
Moldova	4,900
Mongolia	13,200
Nicaragua	14,000
Niger	13,000
Rwanda	48,000
Tajikistan	11,300
The Gambia	13,400
Timor Leste	8,200
Yemen	20,000
Supervision costs for grants to Middle East & North Africa	150
Supervision costs for grants to Africa countries	1,173
Supervision costs for grants to Europe and Central Asia	118
Supervision costs for grants to East Asia and Pacific	58
Supervision costs for grants to Latin America & Caribbean	379
Total project disbursements	398,178
Administration fee	1,794
Total disbursements	399,972
Excess of receipts over disbursements	660,582
Fund balance, beginning of period	-
Fund balance, end of period	660,582

Annex 3: Disbursement Performance and Monitoring

21. **Introduction.** The Catalytic Fund (CF) was established in 2003 as a multi-donor, multi-recipient trust fund designed originally to provide transitional short term funding to low income countries with an endorsed education sector plan (ESP) for up to three years. To provide predictable longer term financing, the instrument was revised in 2007 to support all endorsed plans with insufficient funding. Three main challenges have emerged over the past year: (i) overall disbursement performance for funds already committed is below expectations; (ii) projected financial shortfalls amount to more than one billion dollars in the next twelve months; and (iii) there is no replenishment mechanism in place, and resources have been mobilized in an ad-hoc fashion.

22. **Main objectives**. The main objectives of this Annex are to: (i) outline the processes and procedures which explain the disbursement performance under the CF original concept; (ii) summarize the processes and procedures which explain the disbursement performance under the revised concept; (iii) assess the overall disbursement performance, and outline a monitoring framework for measuring future disbursement performance.

23. **Processes under the original concept**. The original concept of the CF was to provide transitional short term funding to low income countries for up to three years. It was expected that this would help establish a good performance record to attract increased and longer-term support through regular bilateral and multilateral channels. With the objective of moving limited funds faster to countries, the CF was conceived as a gap-filler grant to complement regular funding sources, and thus to help remove any financial constraints to achieving FTI goals. Therefore a few critical decisions were made and backed-up with simplified processes for fast disbursement: (i) CF grants were smaller and piggy-backed on existing IDA credits with implementation mechanisms already in place; and (ii) on an exceptional basis, the World Bank management approved a simple Development Policy Operation-type (DPO) Grant Agreement model with disbursement in a few tranches which couldn't have otherwise been used for its specific investment operations.

24. **Disbursement performance under the original concept.** The simplified processes above were used over the period 2004-2006 until the CF Committee in the fall 2006 in Cairo (*see Appendix 2*). By end-2006, cumulative donor pledges amounted to US$569 million; grant allocations had reached US$275 million; and disbursements into country programs reached US$128 million. The time lag between grant allocation and first disbursement averaged 3-6 months. In fact, this disbursement performance was faster than the expected average pace[2], which meant that 80-90 percent of three yearly grants (i.e. the old CF model) are disbursed by the end of that three-year period. Under this model, disbursements from yearly grants were staggered for steady inflows of

[2] Suppose that a country receives three yearly grants Y1, Y2, and Y3 with tranches/installments (Y1t1, Y1t2), (Y2t1, Y2t2), (Y3t1, Y3t2) released within six-month intervals, then the expected disbursement performance would be: Y1t1 for the first year, Y1t2+Y2t1 for the second year; Y2t2+Y3t1 for the third year; and only Y3t2 would remain to be disbursed after three years.

financial resources into country programs. As more donors joined the trust fund the concept of "Donor Orphan" which penalized unduly large countries with unmet financial needs was removed. The "Expanded Catalytic Fund" was created with access to more countries getting larger amounts of grants. Table 1 below provides a summary of CF disbursement performance over the period 2004-06.

Table 1: Disbursement Performance 2004-06
(In millions of US dollars; unless specified)

Calendar years	2004	2005	2006	TOTAL 2004-06
A. Yearly flows:				
1. Signed donors pledges	49	80	440	569
2. Grant allocations	35	77	162	275
3. Disbursements	15	60	53	128
4. Expected disbursements	--	18	68	86
B. Cumulative (stocks):				
5. Signed donors pledges	49	129	569	--
6. Grant allocations	35	112	275	--
7. Disbursements	15	75	128	--
8. Expected disbursements	--	18	86	--
C. Key ratios in %(from stocks):				
9. Grant allocations/pledges	71%	87%	48%	--
10. Disbursements/allocations	43%	67%	47%	
11. Expected disbursements/allocations	--	16%	31%	--
12. Disbursement lags (expected less actual)	-43%	-51%	-16%	

25. **Processes and performance under the revised concept**. After a long period of preparation and negotiations of about two years, the CF Committee approved the revised CF instrument on May 23 2007 which basically concurred with the fact that existing donors (regular bilateral and multilateral) have not stepped-up their efforts to make the original "catalytic concept" of the CF work. In other words, the expected scaling up of education financing as result of FTI-endorsement didn't happen after 2-3 years as expected. In 2007, the FTI Partnership endorsed the revised instrument for more predictable long-term financing for plans with insufficient funding. As result, both the number of country beneficiaries and the amount of individual grants grew quickly; and the implementation period was extended from year-to-year to three years.

26. **New processing procedures.** In parallel, the internal process in the World Bank had also been revised making CF grants subject to IDA rules for all grants over US$5 million. The new rule became effective on July 1, 2008. In response, IDA preparation processes and clearance procedures were made mandatory for all CF grants regardless of when the allocations were made *(see Appendix 2*). The requirement to retrofit the new rules to allocations already made has caused major delays of several months.

27. **Funding modality.** At the same time the DPO-type Model Grant Agreement used until then was discontinued. Since then all CF operations have been considered "specific investments" in the education sector. As a result, CF disbursement performance has deteriorated sharply over the past year. On the positive side, progress has been made in recent months toward the use of an Alternative Supervising Entity (Alt-SE) and DPO-type operations for CF grants.

28. **Disbursement under the revised concept.** The slow disbursement performance started in 2007; and it was first reported at the Tokyo meeting in April 2008. It was reiterated in Paris (September 2008) where one of the key messages was that overall disbursement to existing country beneficiaries under the old rule (i.e. before the CFC meeting in Bonn) had continued to improve, while disbursement progress to countries which received support in Bonn and Dakar had continued to lag.

29. **Disbursement performance in 2007**. As result of the adoption of the Expanded Catalytic Fund in 2007, that year was a turning/pivotal point. An increased number of donors signed pledges in the amount of US$263 million; a record amount of grants were approved for US$703 millions (counting grants previously approved for use that year); and disbursements reached US$126 million, i.e. 16% better than the expected performance. Up to that year, donors had signed US$832 million cumulatively; grants had been approved for US$978 million (an over-commitment of 18%); and disbursements total US$254 million (or 26% of grant allocations).

30. **Actual and projected disbursements in 2008.** As of November 15, 2008, disbursement figures were as follows: (i) disbursements under the old rules (i.e. pre-Bonn recipients) stood at US$393 million; (ii) disbursements for the post-Bonn beneficiaries remained the same as announced in Paris, i.e. US$3.2 million; and thus (iii) cumulative disbursement to date amount to US$396 million. Key financial performance indicators were as follows: (a) the ratio of allocations to signed pledges was 98%; and (b) the ratio of actual disbursements to grant allocations stood at 34%. By end-2008 and on the basis of recent developments in several countries, it is projected that US$73 million additional will be disbursed. This would bring the 2008 disbursements to US$215 million; and financial indicators to date would be the following, cumulatively: (a) overall disbursements would amount to US$469 million; and (b) the ratio of disbursements to grant allocations would amount to 40%. And for the first time, actual disbursements would fall short by 10-15% below expected/ideal disbursement level.

31. **Overall performance and benchmarks**. Although numerous multi-donor recipient-executed trust funds exist in the Bank, they are not directly comparable to the CF trust fund. First, these instruments work on the basis of availability approach, i.e. the amount of the proposed individual country allocation is determined in advance before preparation begins. Such an amount is then either approved by the Fund's Board or Committee, or rejected. This contrasts sharply with the requirement approach (i.e. needs or gap based) of the CF for which the proposed individual country amount is known only at the end of the process. In spite of the up-stream process followed by IDA for its investment operations, disbursements take on average 4-5 years to complete for a three-year operation. A typical disbursement profile for such an operation is 10% in year 1; 20% in year 2; 35% in year 3; and 35% in year 3 and later. On average, the CF has performed within that range, in spite of the slowdown in the past year. Our common goal is to make the CF perform better in the coming year.

32. **Looking ahead to the future.** Using known country-based information and the above mentioned IDA disbursement profile model as a benchmark, it is projected that disbursements would amount to US$311 million in 2009, bringing cumulative disbursements to about US$780 million. On average, disbursement lags (actual less

expected) would stay within the 6-10% range. Depending upon progress on the use of more flexible funding modalities, and the impact of new measures being implemented by the Bank to speed up CF grant implementation, it is projected that disbursement lags would stay at or below 10% from 2009 onward. This will be the benchmark for assessing performance and standards for service delivery. Table 2 provides a summary of projected disbursements over the period 2008-2010; and figures 1 and 2 give graphic illustrations of past and projected disbursement performance of the CF trust fund.

Table 2: Estimates and Projections of Disbursement 2008-10 1/
(In millions of US dollars; unless specified)

Calendar years	2007 actual	2008 1/ Estim.	2009 Proj.	2010 Proj.	TOTAL 2008-10
A. Yearly flows:					
1. Signed donors pledges	263	362	124	87	573
2. Grant allocations	703	188	12	--	200
3. Projected disbursements 1/	126	215	311	235	761
4. Expected disbursements 1/	108	346	341	257	929
B. Cumulative (stocks since inception):					
5. Signed donors pledges	832	1,194	1,319	1,406	--
6. Grant allocations	978	1,166	1,178	1,178	--
7. Projected disbursements	254	469	780	1,016	--
8. Expected disbursements	193	539	880	1,137	--
C. Key ratios in %(from stocks):					
9. Grant allocations/pledges	118%	98%	89%	84%	--
10. Projected disbursements/allocations	26%	40%	66%	86%	
11. Expected disbursements/allocations	20%	46%	75%	96%	--
12. Disbursement lags (expected less actual)	-6%	6%	9%	10%	

1/ As of November 15, 2008; and based on the existing grant allocations before the Oslo meeting.

Figure 1: Grant Allocations and
Expected, Actual and Projected disbursements by year

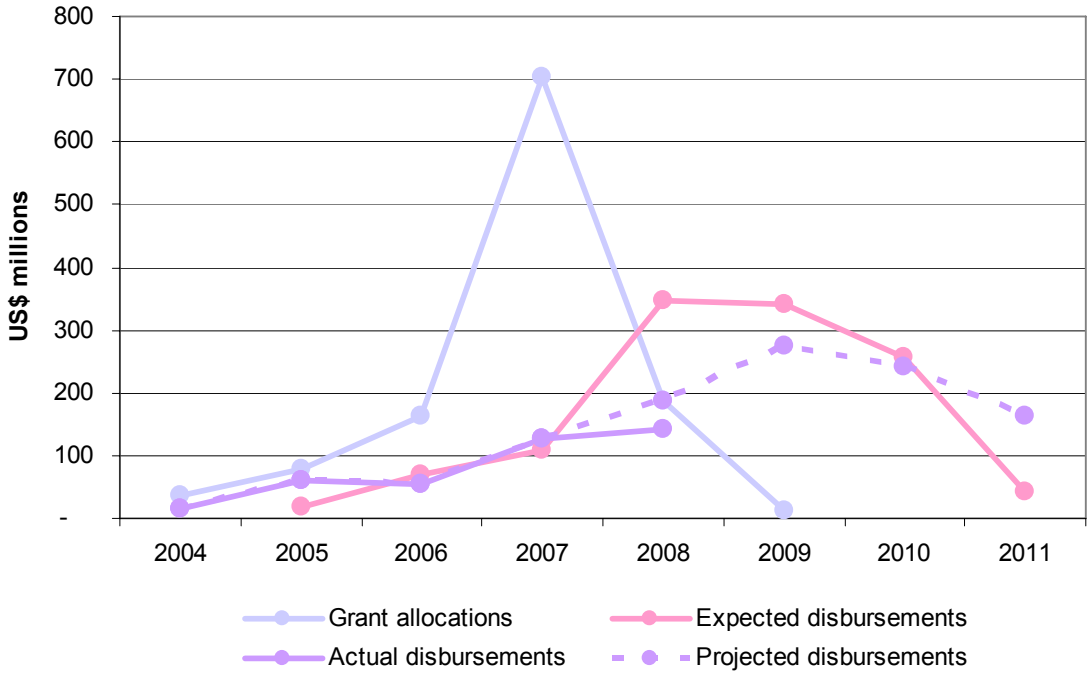
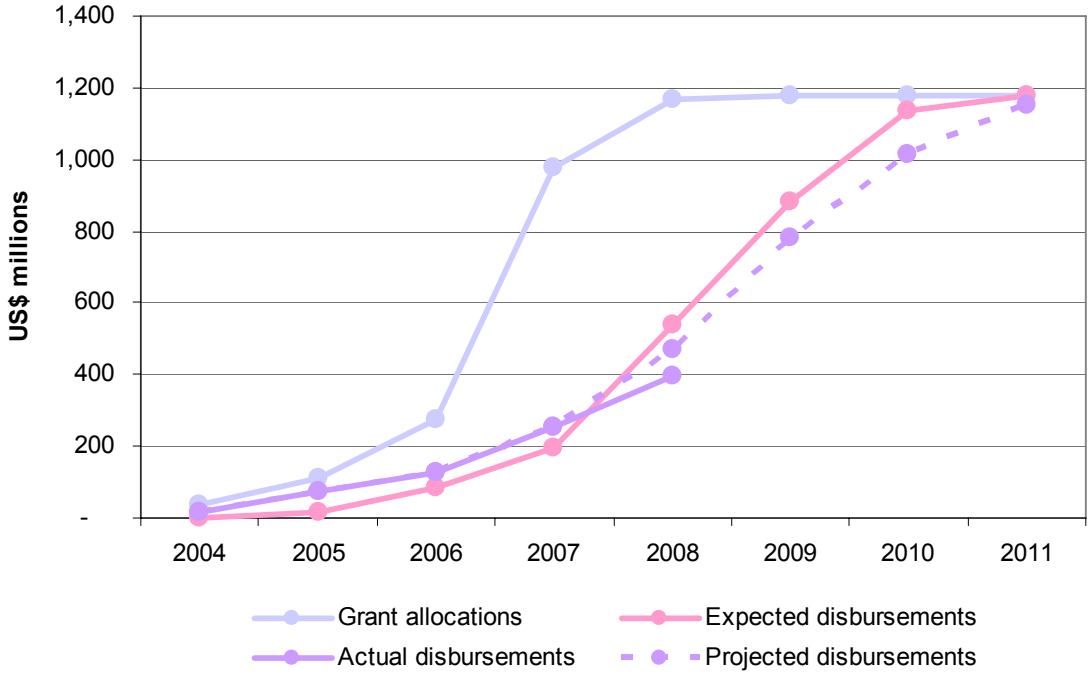
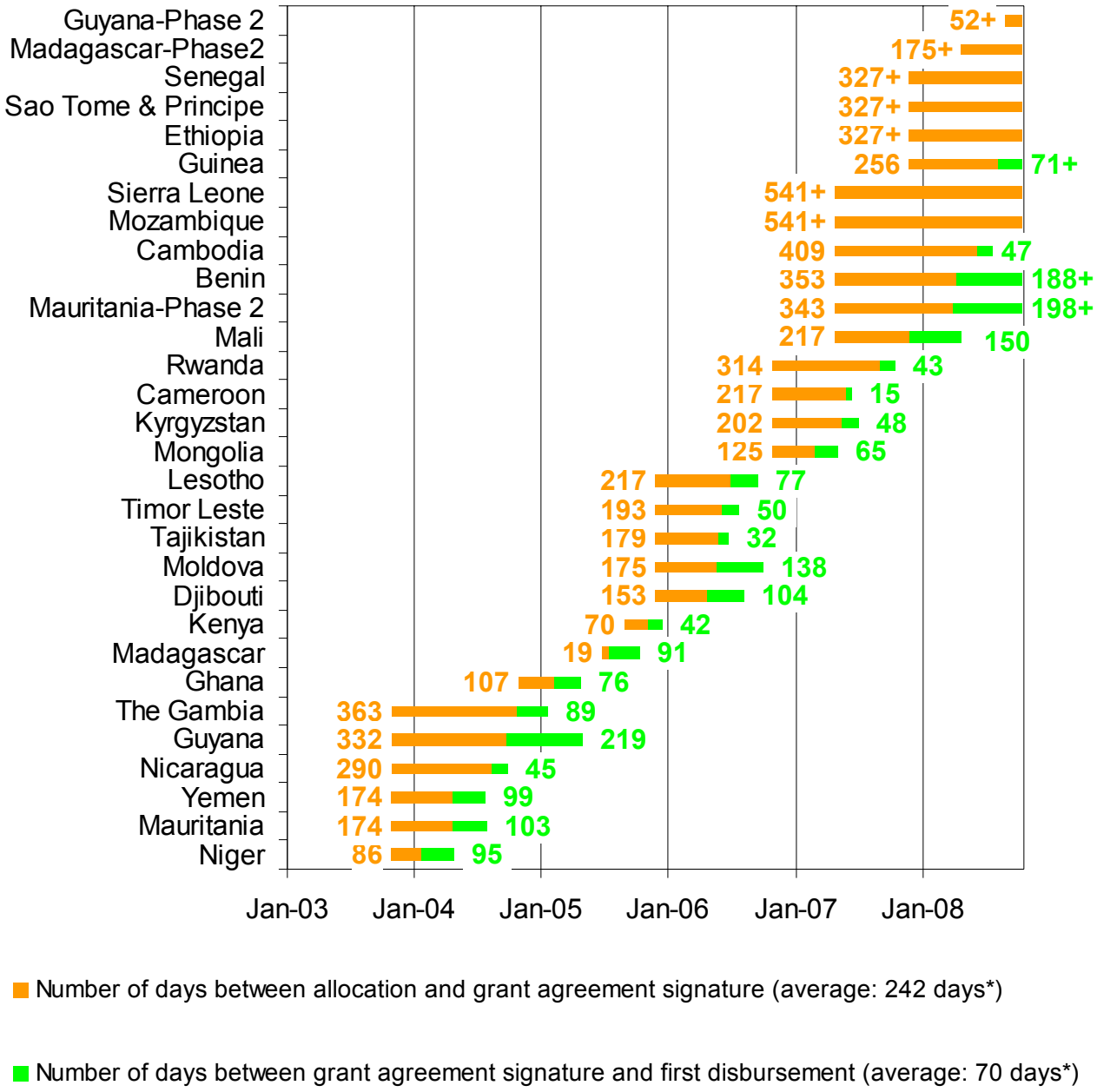


Figure 2: Grant Allocations and
Expected, Actual and Projected disbursements since inception



Appendix 1: Summary of performance

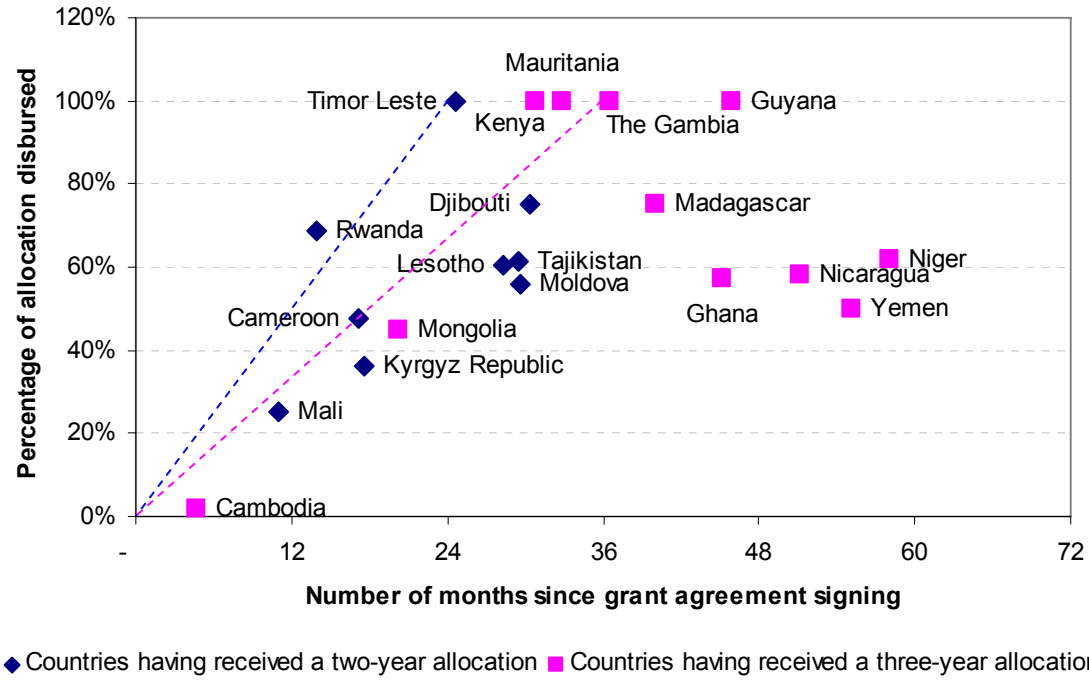
Figure 1: Time between allocation, grant signature and first disbursement



Source: FTI Secretariat.
Note: Number of days followed by a + sign indicate time as of Oct. 23, 2008, at which point process had not been completed.

* Average number of days includes only countries for which corresponding process is completed.

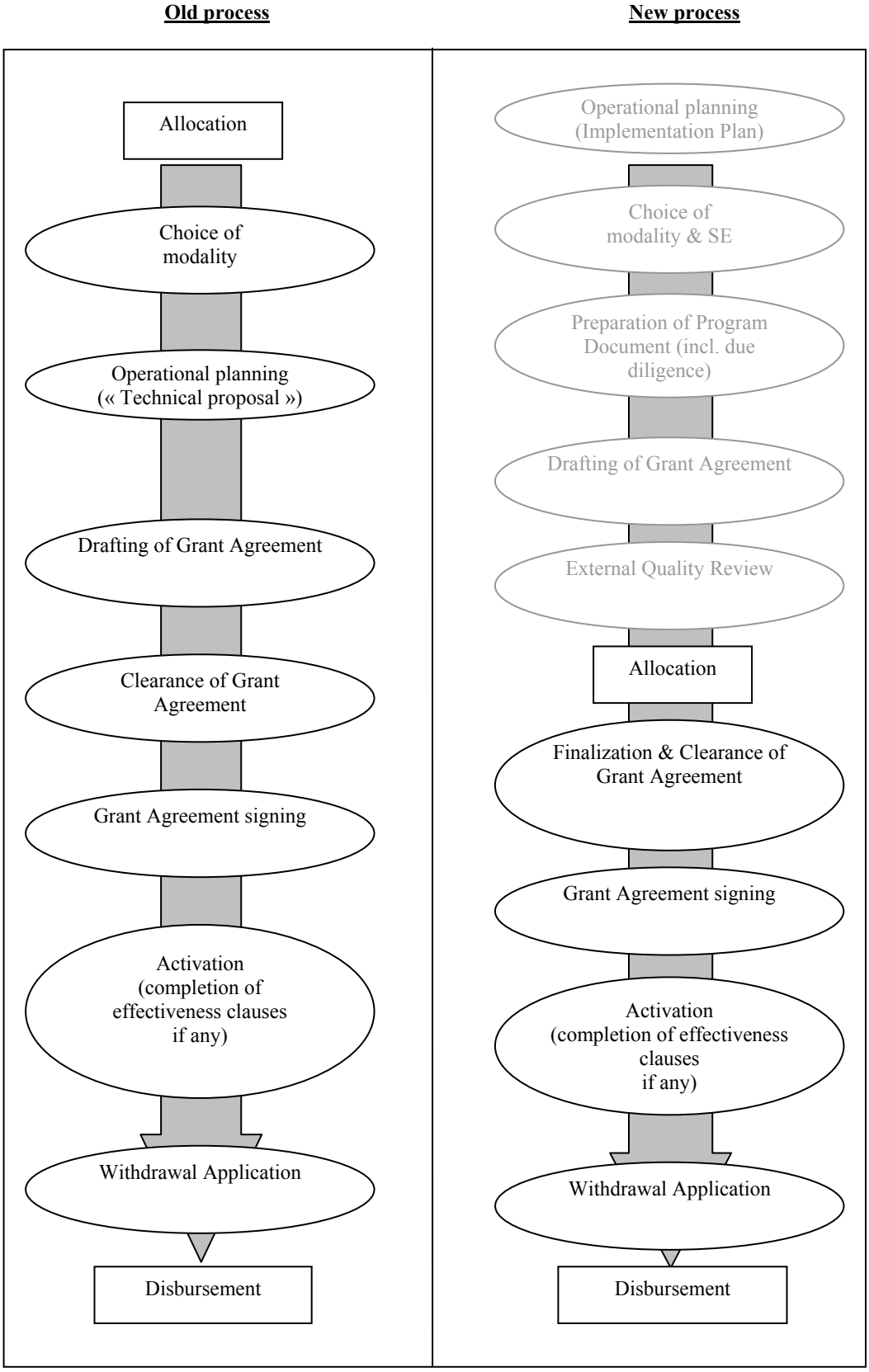
Figure 2: Time elapsed since grant agreement signing and percentage of allocation disbursed



Source: FTI Secretariat.
Notes: Disbursements are shown in terms of transfers from the Catalytic Fund to the country; disbursements of transferred funds at the country level are expected to take a few more months.
The number of months for countries having disbursed the whole amount allocated (Timor-Leste, Kenya, Mauritania, the Gambia and Guyana) is expressed until actual date of last disbursement.

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Appendix 2: Process between allocation and disbursement
Up-streamed measures to improve disbursement performance



Annex 4: Clarification of IDA and CF Eligibility Criteria

1. Introduction and purpose. At its meeting on September 19, 2007 in Washington, the Catalytic Fund (CF) Committee made a decision on the rules regarding countries' eligibility to receive CF funding. It was agreed that only IDA low-income countries would be eligible. However, the operational application of that decision wasn't clarified until the following meeting in Tokyo (April 22, 2008). At that meeting, it was agreed that: "(i) ***All countries in IDA categories I and II, as well as small island economies as defined by IDA, are eligible for CF support; and (ii) priority will be given to countries in category I (i.e. the poorest), and depending on the availability of funds, priority may be given among these countries."*** This note provides further detail on the operational application of IDA eligibility rules; and recommends that the CF Committee should align itself with standard IDA classifications.

2. *IDA country classification*. At the beginning of every fiscal year in July, IDA ranks eligible low-income countries in three categories based on their income per-capita. Category I are the poorest countries; category II covers countries in a middle range; and category III are countries in the highest range. Appendix 1 provides IDA classification as of July 2008. IDA revises its categories every year based on recent economic developments; and as a result of this, current and potential CF recipients may find that they are positioned in different IDA ranking categories from one year to the next.

3. ***As of July 2008***, for example, Timor-Leste was reclassified from IDA Category I to Category III. This repositioning was in part based on new population figures, and in part on the rise in revenues brought about by the spike in commodity prices that was experienced in 2007/08. The FTI Secretariat will update and disseminate Appendix 1 every year by September 30th. For information, Appendix 2 provides IDA classification for categories II and III since July 2005; and countries with FTI-endorsed Education Sector Plans have been identified with a star (*).

4. ***Recommendation*.** Given that IDA categories are relatively unstable, particularly in times when rising commodity prices strongly influence per capita income, we propose that where countries have been recently reclassified by IDA, that we agree to a waiting period of 3 years to ensure that the new classification has stabilized before 'graduating' the country from CF eligibility. This waiting period is similar to overall IDA eligibility rules. However, individual requests will be prioritized as agreed by the Committee.

5. ***CF Committee decision***. As an addendum to the decision made in Tokyo, do members of the CF concur with the recommendation that "where countries have been recently reclassified by IDA, that a waiting period of 3 years be observed to ensure that the new classification has stabilized before 'graduating' the country from CF eligibility?

Annex4—Appendix 1: World Bank Operational Policy 3.10
Annex C—Countries Ranked by Per Capita Income 1/
(As of July 1, 2008)

A. Category I ($935 or less)	GNI Per-capita	**A. Category I** (Continued)	GNI Per-capita	**B. Category II 2/** ($935-$1,095)	GNI per-capita
1. Nigeria	930	23. Tanzania	410	1. Djibouti	1,090
2. Cote d'Ivoire	910	24. Guinea	400	2. Cameroon	1,050
3. Sao Tome & Principe	870	25. Central African Republic	380	3. Lesotho	1,000
4. Yemen, Republic of	870	26. Togo	360	4. Nicaragua	980
5. Mauritania	840	27. Nepal	340	5. Sudan	950
6. Senegal	820	28. Uganda	340		
7. Zambia	800	29. Gambia, The	320	**C. Category III 3/**	
8. Vietnam	790	30. Madagascar	320	($1,095-$6,465)	
9. Solomon Islands	730	31. Mozambique	320	1. Maldives	3,200
10. Comoros	680	32. Rwanda	320	2. Angola	2,560
11. Kenya	680	33. Niger	280	3. Samoa	2,440
12. Ghana	590	34. Sierra Leone	260	4. Cape Verde	2,430
13. Kyrgyz Republic	590	35. Malawi	250	5. Tonga	2,270
14. Lao PDR	580	36. Eritrea	230	6. Bhutan	1,840
15. Benin	570	37. Ethiopia	220	7. Vanuatu	1,840
16. Haiti	560	38. Guinea-Bissau	200	8. Honduras	1,600
17. Cambodia	540	39. Liberia	190	9. Congo, Republic of	1,540
18. Chad	520	40. Congo, DRC	140	10. Sri Lanka	1,540
19. Mali	500	41. Burundi	110	11. Timor Leste	1,510
20. Bangladesh	470	42. Afghanistan	NA	12. Guyana	1,300
21. Tajikistan	460	43. Myanmar	NA	13. Mongolia	1,290
22. Burkina Faso	430	44. Somalia	NA	14. Moldova	1,260
				15. Kiribati	1,170

1/ World Bank Atlas methodology; per-capita GNI (Gross National Income, formerly GNP). Figures are in 2007 U.S. dollars.
2/ Sudan is the only country that moved from Category I to Category II from last year. The country is in nonaccrual status with IDA as of June 30, 2008.
3/ Current and potential FTI countries that moved into Category III (from either I or II) last year are: Bhutan, Vanuatu, Honduras, Timor-Leste, Guyana, Mongolia, and Moldova. The proposed eligibility rule is most relevant for those countries.
Note: Albania and Georgia are blend IDA and IBRD countries.

Annex 4—Appendix 2: World Bank Operational Policy 3.10 (Annex C)

Changes of IDA Country Classifications (Categories II and III) in the past four years; and ranked by decreasing level of per-capita income

As If July 2005	As of July 2006 (**)	As of July 2007 (**)	As of July 2008
Category II: 1. Vanuatu 2. Armenia 3. Sri Lanka 4. Djibouti * 5. Honduras * 6. Angola 7. Georgia 8. Guyana 9. Kiribati	Category II: 1. Vanuatu 2. Georgia * 3. Bhutan 4. Sri Lanka 5. Kiribati 6. Honduras * 7. Guyana * 8. Moldova * 9. Cameroon * 10. Djibouti * 11. Lesotho * 12. Nicaragua * 13. Congo, Republic of	Category II: 1. Vanuatu 2. Georgia * 3. Bhutan 4. Sri Lanka 5. Kiribati 6. Honduras * 7. Guyana * 8. Moldova * 9. Cameroon * 10. Djibouti * 11. Lesotho * 12. Nicaragua * 13. Congo, Republic of	Category II: 1. Djibouti * 2. Cameroon * 3. Lesotho * 4. Nicaragua * 5. Sudan
Category III: 1. Maldives 2. Samoa 3. Tonga 4. Cape Verde	Category III: 1. Maldives 2. Samoa 3. Tonga 4. Cape Verde 5. Angola	Category III: 1. Maldives 2. Samoa 3. Tonga 4. Cape Verde 5. Angola	Category III: 1. Maldives 2. Angola 3. Samoa 4. Cape Verde 5. Tonga 6. Bhutan 7. Vanuatu 8. Honduras * 9. Congo, Republic of 10. Sri Lanka 11. Timor Leste * 12. Guyana * 12. Mongolia * 13. Moldova * 14. Kiribati

Note:

* Denotes countries with FTI-endorsed Education sector Plans.

(**) There were virtual no changes between 2006 and 2007 (World Bank archives data).

Annex 5: Budget for CF Grant Supervision

1. Historical background. When the Catalytic Fund (CF) was set up in 2004, the Committee agreed with the World Bank (the sole Supervising Entity at that time) that the trust fund would finance the reasonable costs of supervision. These supervision budgets would be proposed to the FTI Secretariat by task team leaders (TTLs) in consultation with their managers. Agreed funds would then be set aside for use by country teams. The Secretariat was authorized to approve proposals under US$100,000. Supervision budgets exceeding $100,000 would be submitted to the CF Committee for decision. In practice, supervision amounts per operation were similar to supervision costs of IDA projects at that time; and ranged across regions from US$60,000 to US$90,000 on average. These simple rules were in effect for the following three years.

2. **Policy revisions of 2006**. The policy and amount of supervision budgets were revised at the Moscow CF Committee meeting in March 2006. In the spirit of partnership and cost-sharing, the Chair offered the revisions that have been in effect until now. The assumptions then were as follows: (i) CF operations would continue to piggy-back on IDA projects and programs; (ii) IDA would allocate a full supervision budget to its own operations; and (iii) the CF donors would, therefore, pay only for additional resources required to finance the extra cost of supervising add-on components for the same education sector operation.

3. As a result, it was agreed that where the World Bank had an on-going operation, the Bank team would receive only half of the Bank's supervision coefficient when the Grant Agreement is signed. In countries where there are no IDA operations, the full regional supervision coefficient would apply. The time has come to revisit the Moscow decisions in the light of two important issues: (i) the expansion of the Catalytic Fund to all endorsed programs has led to more stand-alone grants, and larger amounts; and (ii) IDA supervision coefficients have evolved over the past several years. For instance, the Bank's regional supervision coefficients for its current financial year (July 1, 2008 to June 30, 2009) average about US$90,000 to US$110,000, as compared to US$70,000 to US$90,000 a couple of years earlier.

4. **CF operational challenges**. In terms of arranging and financing comprehensive supervision of CF operations, Bank country teams found themselves challenged by the unexpected length of time recipient countries have taken to utilize their CF grants[3]. Data from the FTI Secretariat confirms that, on average, CF grant recipients take 19 months to utilize their first grant disbursement (intended to finance operations for a year) and 17 months to use their second (also intended for a year). As a result, on average, CF grants that were intended to finance 24 months of activity in reality were financing those activities over a 36 month period. Similarly, the associated supervision grants, intended for two years are being stretched to finance 36 months of supervision. In addition, experience has shown that in those countries where an IDA operation is present, the efficiency gains have been overestimated.

[3] Disbursements are projected on the basis of expected annual need. Grants are usually paid in installments based on the FM arrangements agreed to in the GA. Each 'annual' disbursement may therefore be paid out in a number of installments or tranches.

5. Recommended change in policy. In light of the above, the Bank requests that the supervision cost for all CF operations be funded at a flat rate of up to US$100,000 per operation per year of implementation. It is recognized that an argument could be made to tailor the supervision budget to the size of the grant. In reality, this adds considerable complexity to implementation, and most costs are inevitably similar across operations.

6. **Estimated financial impact next fiscal year.** Based on the 27 active CF grants to date, and assuming that the five proposals for CF funding in Oslo would be approved, the on-going policy would amount to about US$2 million for fiscal year 2009 (July 1, 2009 to June 30, 2010). Under the new proposal, CF supervision costs for the same operations would reach US$3 million over the same period. This compares quite favorably with projected disbursements of US$300 million in 2009, i.e. one percent.

7. **CF Committee decision.** Do members of the CF Committee agree that: (i) the supervision cost for CF operations be funded at a flat rate of up to US$100,000 per operation per year of implementation regardless of the Supervising Entity? And (ii) this flat rate may be reviewed and adjusted from time to time with the approval of the CF Committee?

Annex 6. EFA-FTI Catalytic Fund
Terms of Reference and Criteria for External Quality Review of CF Funding Proposals

1. **Introduction.** The Education for All (EFA) Fast-track Initiative (FTI) was launched in 2002 as a global partnership which focuses on accelerating progress towards universal primary completion of quality education for boys and girls alike by 2015. To support that goal, the Catalytic Fund (CF) was established in 2003 as a multi-donor, multi-recipient trust fund designed originally to provide transitional short term funding to low income countries for up to three years. The CF instrument was revised in 2007 for more predictability and longer-term financial support to countries with endorsed Education Sector Plans (ESP).

2. **Objective.** At its meeting of April 2008 in Tokyo (Japan), the Catalytic Fund (CF) donors agreed that starting from January 1st 2009 a mandatory External Quality Review (EQR) will be conducted on all CF proposal packages before their submission to the CF Committee (CFC). Subsequently, the Committee discussed an EQR issues paper at its Paris meeting in September 2008. It was confirmed that the EQR process will be adopted starting from 2009, and the process will be reviewed after one year so that relevant lessons can be drawn. Finally, the FTI Secretariat was requested to develop draft Terms of Reference (TORs), along with a list of criteria for assessing the CF funding proposals, for final approval by the CF Committee. The present document is a response to that request.

3. **Rationale for the EQR.** One of the key principles of the FTI partnership is its country-level process. It is recognized that FTI works better where the country ownership and the Local Donor Group (LDG) are strong. But quality suffers in countries with a small number of donors and where the experience and skills of donor representatives may be limited. This may explain some of the disparities between endorsed Education Sector Plans and subsequent CF proposal packages. The main reasons for adopting the EQR are the following: (i) the recent increase in the amounts and the number of CF applicants; (ii) the growing concern that some CF proposal packages do not meet minimum standards of quality; and (iii) the time constraints for members of the CFC to fully evaluate documentation.

4. **Description of the EQR process.** The FTI Process Chart approved by the CFC in September 2008 contains the following three-step CF proposal process: (i) Lead Coordinating Agency submits a complete CF proposal package to the FTI Secretariat on behalf of the government and its partners. Such a package should have been cleared by the proposed Supervising Entity (SE); (ii) an independent external desk review of the proposal is conducted to aid decision-making; (iii) the CFC agrees on CF modality and SE and decides on CF allocation. At the end, the initial implementation plan may be adjusted to correspond with the final CF allocation decision. In addition to being a quality check, this process seeks to enhance the effectiveness of CFC meetings, with more focus on substance and policy issues. In order to avoid adding further processing delays, the EQR should be completed within a two week period, starting from the date the independent external review panel receives the package.

5. **Documents to be reviewed by the EQR panel**. 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.

- ***Program Document and SE's due diligence***. The agreed or presumptive SE conducts a set of CF Program-specific assessments (due diligence) of the proposed program, 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.

- ***Country Presentation.*** The country presentation should, apart from explaining why the application should be approved, summarize the program document as well as: (a) specify what the CF would fund and how it would complement the Government and other donors' funding; (b) summarize all domestic resources, along with an explanation of the limitations in increasing bilateral and multilateral funding to cover the identified funding gap; (c) specify the amount and duration of the requested CF funding; and (d) specify the agreed grant modality and the Supervising Entity.

6. **Criteria for assessing CF funding proposals**. In conducting this independent external quality review, the panel of external experts should focus its attention on answering a set of questions, including at least the following:

- ***Internal consistency***: Are the various parts of the CF proposal package internally consistent and of good quality? Is the storyline consistent throughout? Do the numbers add up?

- ***Making the case for CF funding***. Has the case for CF financial support been made clearly? Is the unmet financial gap credible? Is the government's financial commitment strong as compared to FTI benchmarks? Are the existing donors stepping up, and if not, have credible reasons been provided? How will the funding requested add to budget resources and external donor funding?

- ***Objectives and performance monitoring***. Are the CF objectives and outcomes stated clearly? Have the performance targets/indicators provided been linked to the endorsed ESP so that progress and results can be measured accurately over time?

- ***Objectivity in prior assessments***. From an independent perspective, how solid and frank are the various assessments already conducted (implementation capacity, readiness, financial risk, etc.) in light of past performance indicators obtained either from the package, or from any other publicly available sources? Have the FTI Appraisal Guidelines (including the FTI Indicative Framework) been followed, and if not, have credible reasons been provided for any major deviations?

- ***Aid effectiveness principles***. Given that aid effectiveness is one of the FTI principles, and given the country's circumstances, what is the likelihood for the CF financial support to be delivered effectively and in line with the Paris Declaration Principles of ownership, alignment, harmonization, managing for results and mutual accountability? If there are issues that may negatively affect aid effectiveness, have adequate measures been taken to address them?

- ***Progress towards FTI goals***. How likely would the CF financial support contribute to the achievement of the country's economic and social development objectives in general, and the FTI goals in particular?

7. **Expected output and outcome of the EQR.**[4] The independent external quality review is expected to facilitate the decision making of the CFC by providing a short analysis/assessment of the CF proposal package. The assessment should focus on summarizing critical implementation issues—some of which could be answered during the country presentation at the meeting—and recommendations that would help improve the effective use of resources to achieve the intended results. The panel of external experts would assess the proposal on its own merits in terms of internal consistency and overall quality. The findings of the review should be summarized in a concise document of 3-4 pages. At the end of the document, the EQR should provide a clear statement such as "**on the basis of the available documents received from the FTI Secretariat on [insert date], we conclude that the proposal for [insert country name]: (i) is complete, of good quality, and internally consistent; (ii) makes a strong case for CF support; and (iii) is ready for implementation."**

8. **Implementation process and funding.** It was agreed that the FTI Secretariat will be responsible for organizing the EQR, and for ensuring that it is carried out according to the present terms of reference. In that regard, the FTI Secretariat proposes to develop a pool of 15-20 qualified individuals over time; with a three-member panel appointed for each EQR. A typical panel will include: (i) a senior Education Specialist with strong knowledge of global partnerships; (ii) a senior Education Specialist with strong knowledge of country-level work and processes; and (iii) a senior Finance Specialist with strong knowledge of implementation issues. To fund EQRs, the FTI Secretariat will create a Child Account under the CF trust fund for this purpose. Finally and in order to accommodate this quality-enhancing process, the FTI Secretariat will set, and communicate clearly to relevant country teams, realistic deadlines for submitting CF funding proposals at specific CF Committee meetings. As stated above, this will be a pilot exercise to be reviewed after one year of implementation. The FTI Secretariat's responsibilities related to the EQR will either be performed in-house, or contracted out on a case by case basis.

[4] In case the EQR rejects the CF proposal, the external panel would provide the FTI Secretariat clear recommendations on the appropriate next steps to be followed. These recommendations will then be circulated to the CF Committee for feedback within a two week period. Based on such feedback, a final decision will be made as to whether: (i) the proposal should go forward nonetheless; (ii) further discussions should be tabled at the CFC meeting; or (iii) none of the above happens, however the next steps to be followed are communicated to the country team.

Annex 7: Countries with Endorsed Education Sector Plan and Estimated Schedule of Endorsements (As of November 2008)

Endorsed Countries (35)			Countries expected in 2008 (3)	Countries expected in 2009 (18)	Other Eligible Countries (12)	Countries where UPE is achieved (14)
2002	Burkina Faso	Mauritania	Bhutan	Angola	Afghanistan	Armenia
	Guinea	Nicaragua	Burundi	Bangladesh	Côte d'Ivoire	Azerbaijan
	Guyana	Niger		Comoros	India	Bolivia
	Honduras			Congo, Dem. Rep.	Indonesia	Bosnia & Herzegovina
2003	The Gambia	Vietnam		Congo, Rep. of	Kiribati	Cape Verde
	Mozambique	Yemen		Eritrea	Myanmar	Dominica
2004	Ghana	Ethiopia		Guinea-Bissau	Nepal	Grenada
2005	Kenya	Moldova		Lao PDR	Nigeria (other)	Maldives
	Lesotho	Tajikistan		Nigeria (3-4 states)	Pakistan	Samoa
	Madagascar	Timor-Leste		Papua New Guinea	Somalia	Serbia
2006	Albania	Mali		Solomon Islands	Sri Lanka	Montenegro
	Cambodia	Mongolia		Tanzania	Sudan	St. Lucia
	Cameroon	Rwanda		Togo	Zimbabwe	St. Vincent
	Djibouti	Senegal		Tonga		Uzbekistan
	Kyrgyz Rep.			Vanuatu		
2007	Benin	Liberia		Chad		
	Georgia	Sierra Leone		Malawi		
		São Tomé & Principe		Uganda		
2008	Central African Republic					
	Haiti					
	Zambia					

Source: FTI Secretariat, as of November 2008.