Decision paper on a pledging event for the EFA FTI
Prepared by the EFA FTI Secretariat
October 2009

1. Background

The replenishment of EFA FTI was announced at the FTI Steering Committee in April 2009 in Copenhagen. A formal launch followed with a Ministerial Breakfast meeting in Washington DC on April 25, 2009.

The FTI Replenishment Task Team's report emphasized the need to establish more sustainable, predictable and additional financing for endorsed FTI partner countries than currently the case. The TTR clearly defined two phases of the resource mobilization:

- The first phase intends to fill the immediate US$1.2 billon financing shortfall for the FTI trust funds covering the 18-month period from June 2009 to December 2010.
- The second phase would cover 2011 until the 'deadline' of the Millennium Development Goals in 2015

2. Replenishment Needs

The external financing needs for universal basic education are estimated at US$ 11 billion per annum (UNESCO, 2007 and 2008). Currently, donor funding meets less than a third of these requirements. . Enrolling the remaining 72 million out of school children will be costly and as will providing the essential "enabling inputs" to improve the quality of learning in low-income partner countries. The worldwide economic recession will decrease domestic financing and widen the financing gap in low-income partner countries. Large and populous low-income countries have not been supported so far through EFA FTI trust funds, yet these countries have more than half the out of school children.

2.1 Phase one: Short-term financing gap (2009 – 2010)

At present, EFA FTI endorses the education country plans of 38 countries. Before the end of 2010, EFA FTI aims to support the Education Sector Plans of another 10 low-income countries (Burundi, Chad, Cote d'Ivoire, Guinea-Bissau, Malawi, Nepal, 3 or 4 states in Nigeria, Papua New Guinea, Sudan (North and South) and Togo). As well, 15 countries that are already endorsed are planning to request or re-apply for financial support of FTI's Catalytic Fund (Cameroon, Djibouti, Ethiopia, Kyrgyz Republic, Lao PDR, Liberia, Tajikistan, Ghana, Kenya, Lesotho, Mali, Nicaragua, Niger, Rwanda, Yemen).

These countries are home to 20 million out-of-school children and support from the FTI would help to send those children to school for the first time in their lives. The countries' short-term financing gap is estimated at US$ 1.2 billion.

2.2 Phase two: Longer-term financing gap (2011 – 2015)

As recommended by the TTR, phase two should address in 3-year financing cycles the required bilateral aid as well as the FTI trust funds of current and candidate FTI countries

until the end date of the MDGs, 2015. The exact amount of the financing need is to be determined. The EFA FTI Secretariat estimated in 2008 that the financing needs of those countries would reach a minimum of US$ 2 billion per annum or US$ 6 billion for a 3-year period (based on the needs of 55 FTI endorsed countries including some larger low-income countries and conflict-affected states).

3. Pledging by donors

The TTR advised a Phase 1 of the replenishment without a dedicated launch event and instead, existing events be used "to build momentum". In accordance, the EFA FTI Secretariat jointly with the World Bank organized two events to highlight the urgent need to fill the immediate financing gap of the FTI trust funds and the need for sustained investments in basic education; a launch at a ministerial breakfast meeting during the World Bank Spring Meetings in April 2009 and a high-level roundtable at the World Bank Annual Meetings in Istanbul in October. The invitation to the latter meeting was issued by 14 African Ministers of Finance and Education.

Despite these two events and one-on-one outreach to donors no additional donor commitments since April 2009 have been confirmed. The TTR stated that "FTI donors must collectively commit sufficient funds to cover the FTI Trust Fund allocation proposals anticipated during the next FTI Trust Fund Committee meetings this year"**. The FTI trust funds are confronted with a significant financing gap. The FTI Secretariat therefore strongly urges donors to commit new resources through signed donor pledges before the end of 2009 as the current shortfall seriously hampers planning by low-income countries requesting CF support as well as the guidance the FTI Secretariat can provide.**

3.1 Pledging event in 2010

The TTR advised that based on the experience with other global partnerships "(…) Phase 2 will require a dedicated launch event, intermediate events and roadshows, and a final Replenishment Conference in mid to late 2010 that will require careful and detailed planning."

The FTI Secretariat jointly with the Senior Advisor for the FTI Replenishment Campaign, Ms. Carol Bellamy, concurs with this recommendation. Also based on the recent difficulties in filling the phase 1 financing gap, it strongly believes that setting a deadline is required for the mobilization of funds for phase 2.

3.1.1 Time and venue of the pledging event

The FTI Secretariat is requesting the Board to set a date for a pledging conference **for June or early July of 2010. This event would focus on mobilizing resources for EFA FTI endorsed countries for the period 2011 – 2015.** The Secretariat wants to stress that a vital factor contributing to the success of the replenishment campaign will be setting a date and venue for a pledging conference. All required preparatory work will follow from that decision.

Planning the event in the summer of 2010 would bring the following advantages:

- The EFA FTI replenishment can be built in the agenda of the G8 / G20 under leadership by Board member Canada. A G20 summit is planned for June 25 – 27, 2010 in Huntsville, Canada.

- The EFA FTI can profit from the momentum and public awareness that is built up by the One Goal Campaign that will be centered around the World Cup Football in South Africa between June 11 – July 11, 2010.

- It will be ahead of the closing of other major fundraising exercises of for example World Bank's IDA, the Global Fund for HIV/Aids, TB and Malaria and GAVI which will culminate towards the end of 2010.

- It will give the opportunity to continue momentum-building for the replenishment at the EFA High-Level Group meeting in Ethiopia in February 2010 and the World Bank Spring Meetings in April 2010.

- It will provide sufficient time to address significant changes that are required before a successful resource mobilization can take place, such as a follow-up to the recommendations by the independent evaluation regarding the ability to raise funds, the set up of a new financial structure for FTI trust funds, the rebranding of EFA FTI, the exact demand (amount) of the Phase 2 replenishment and the prioritization of CF recipients.

- It will provide the Secretariat a period of 5 – 6 months to work out details with donors in terms of signed pledges and contracts before the start of the financing period 2011 – 2015.

Given the international calendar of events, the following week seems to be most appropriate for the pledging conference: **June 29 – July 2, 2010.** This is immediately after the G8 / G20 summit in Canada and in the middle of the World Cup Football 2010 tournament, during the highlight of the One Goal Campaign.

No countries have yet been approached to host a pledging event.

3.1.2 Preparing for a pledging conference

The Secretariat has produced a strategic action plan for the replenishment of the FTI trust funds, which has been shared with the Board and CF Committee members in June 2009 and which was agreed upon at the Board meeting of September 10, 2009. In line with the final report of the TTR, this plan consists of a comprehensive communications approach, intermediate events, strategic meetings with donors and the proposal for a final Replenishment Conference. The Secretariat will continue to update this strategic action plan and disseminate among Board members. An updated version will be shared ahead of the Board meeting of November 4, 2009.