Action Plan and Timetable to a Single Fund

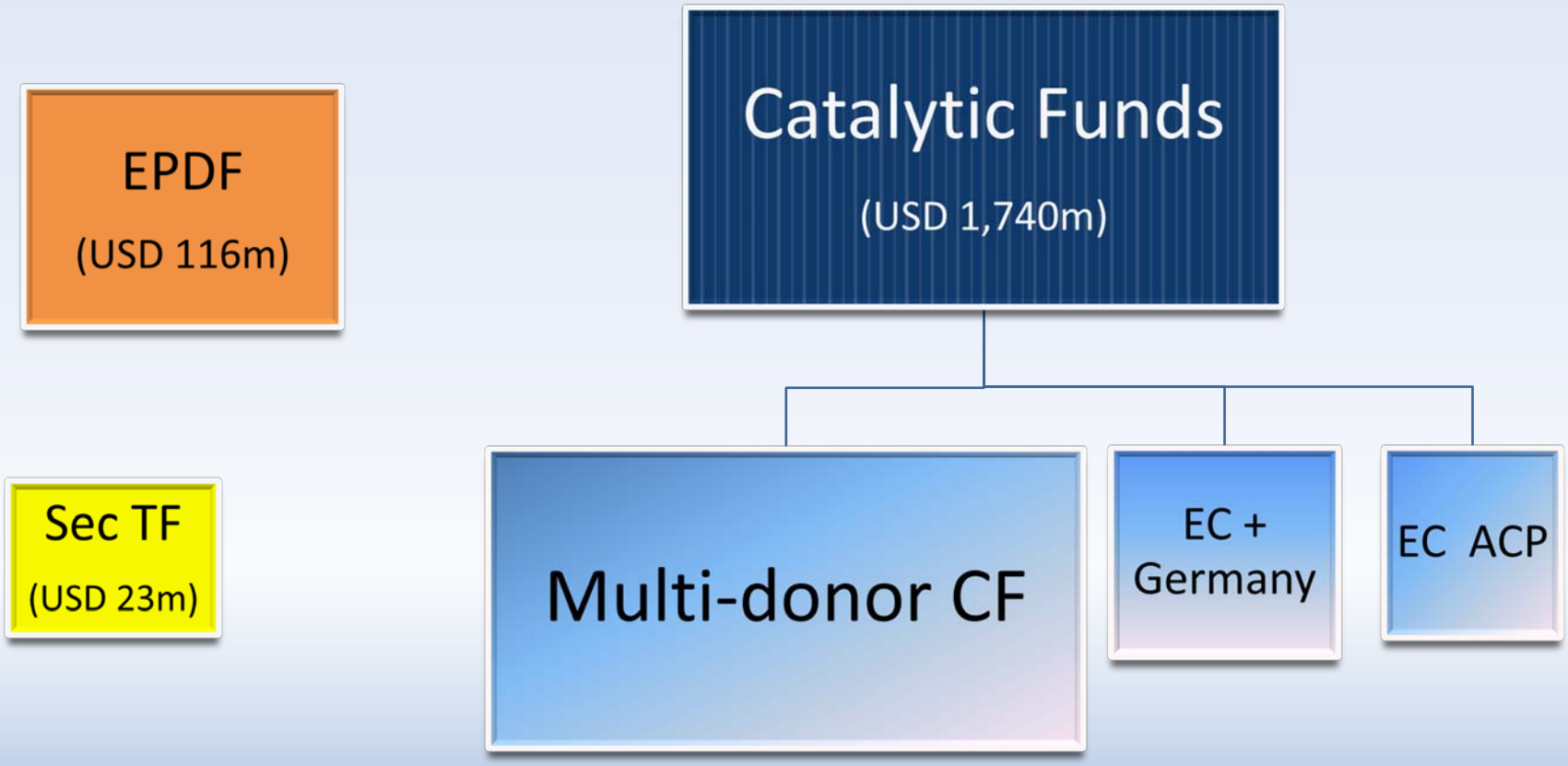
by Nancy Pinto



FTI Spring Meetings

May 5 – 7, 2010 | Washington, DC

Current Fund Structure



Current Funds: *Objectives & Governance*

Catalytic Funds

- Support ESP Implementation
- Are governed by Admin Agreements with donors to the CFs
- Decisions made by the CF Committee (primarily CF donors)

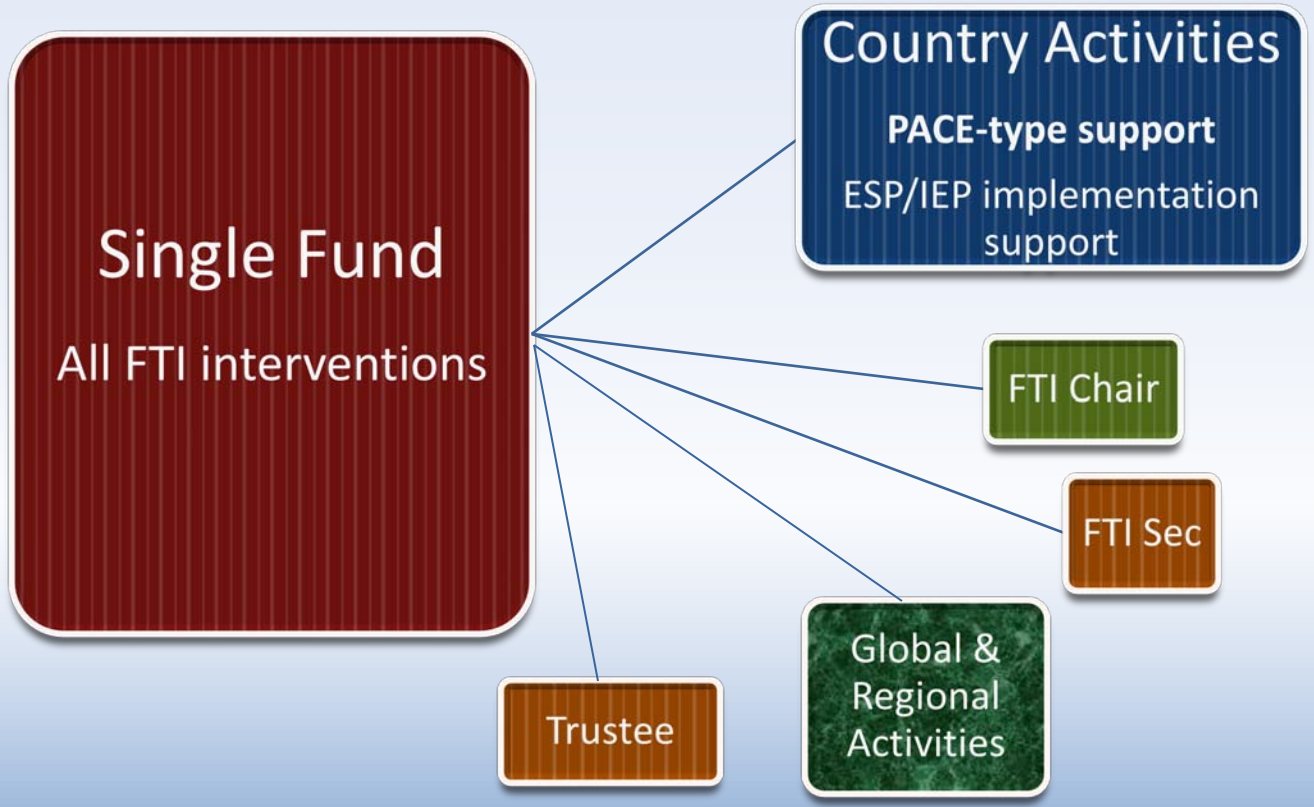
EPDF

- Supports ESP development through TA and analytical assistance
- Is governed by Admin Agreements with donors to the EPDF
- Decisions made by the EPDF Committee (primarily EPDF donors)

Secretariat Trust Fund

- Supports delivery of Secretariat core services; funds Chair of the Board position and activities
- Is governed by Admin Agreements with donors to Sec TF
- Decisions made by the Board and the Sec TF donors

Single Fund Structure



Single Fund: *Objectives & Governance*

Objectives

Country Level

- Support capacity to develop and implement ESP
- Help increase effectiveness of education investments
- Help the LEG coordinate support to the education sector
- Support implementation of ESPs or IEPs

Global Level

- Global and regional knowledge development & dissemination
- FTI Secretariat core work program
- FTI Chair position and activities
- Trustee activities

Governance

- Governed by Admin Agreements with donors to Single Fund
- Decision-making authority delegated by donors to Board

Assumptions: *World Bank as Trustee*

- **Establishes Fund**
  - Sets up systems to account for receipts, disbursements, income earned on donor contribution
  - Sets up reporting and auditing systems

- **Manages Legal Agreement Processes**
  - Negotiates, signs donor agreements
  - Manages/responds to day-to-day donor queries

- **Invests & Manages Resources**

- **Disburses Resources based on instruction from Board**
  - NB: Fund recipient designated by Board (SE or Implementing Entity) applies its own operating regime – fiduciary, procurement, etc.

- **Accounts and reports on contributions and transactions**

Implementation Dependencies

- Final decision on Scope (to inform eligibilities)
- Final decision on Board composition, roles and responsibilities
- Development of Board procedures for decision-making
  - Technical support or Finance Committee?
  - Quality Assurance entry points?
  - Rolling approvals based on Risk-based criteria?
- Finalization of Country Process Guide and applications

Implementation Challenges

- Convincing donors who do not hold Board seats that their views will be solicited and their concerns considered/reflected in Board decisions
- Agreeing on a common set of fund objectives and eligibilities
- Agreeing on the use of the Transfer mechanism
- **Raising longer-term, sustainable funding levels**

Proposed Timetable for Fund Establishment

TIME	ACTIVITY
End-May	Draft terms and conditions of proposed fund circulated to current and prospective donors
Mid-July	Donor comments solicited/collected/integrated in revised draft
Mid-July	Terms of Reference for technical review of country applications drafted for review by Board (will depend on outcome of Board composition and roles and responsibilities exercise)
End-July	Full draft agreement, including draft contribution letter circulated to Donors for review and comment
Until early-September	Donor comments received, integrated in revised draft
Mid-September	Agreement finalized, ready to receive donor contributions
January 2011	First allocations made from single fund

Decisions for the Board

1. Agree on timeline for Single Fund implementation

2. Agree that the Board commits to promoting the Single Fund among constituencies