Fast Track Initiative
A global partnership to achieve Education For All

EFA-FTI CATALYTIC FUND

QUARTERLY FINANCIAL UPDATE

FOR THE QUARTER ENDING MARCH 31, 2011

Prepared by the FTI Secretariat

Data in this report are as of March 31, 2011

EFA-FTI Catalytic Fund
Quarterly Financial Update as of March 31, 2011

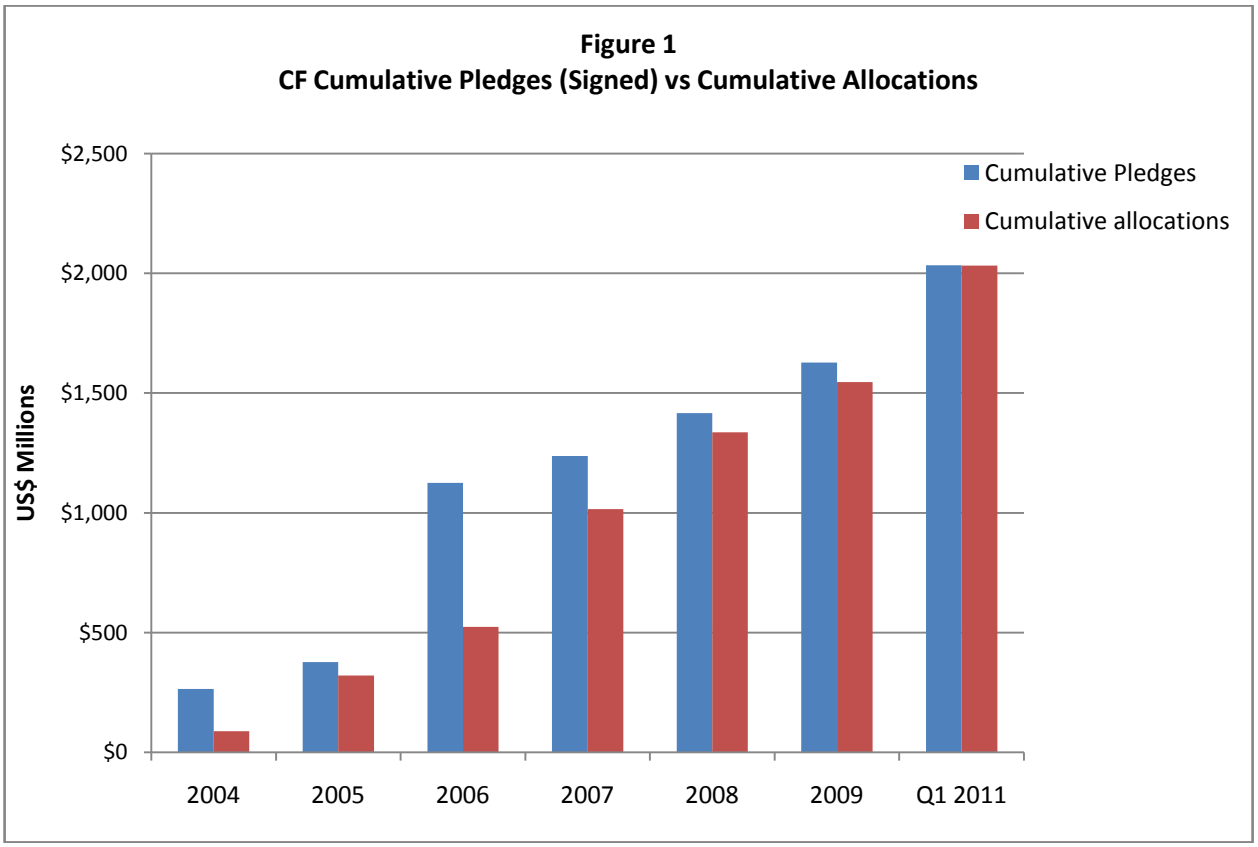
1. FUND POSITION

- **Summary of Cumulative Allocations:** As of March 31, 2011, cumulative allocations from the Catalytic Fund (CF) totaled US$2,032.6 million –nearly equal to the value at that time of pledges in signed donor agreements US$2,033.5 million.

- **Agreements Signed in the Quarter:** Between January 1, 2011 and March 31, 2011, donors signed agreements for US$116.1 million equivalent. New agreements were signed with Denmark ,Germany and the UK. Table A shows pledges and receipts by Donor and by year since CF inception.

- **Cumulative Pledge Total**: As of March 31, 2011, the value of all signed pledges totaled US$2,033.5 million equivalent. This total includes the new signed pledges of US$116.1 million equivalent and reflects an increase in value of the unpaid portion of signed pledges due to currency fluctuations -- a gain of approximately US$10.5 million equivalent. [NB: The cumulative pledge total includes approximately US$248.8 million equivalent in unpaid pledges, nearly all of which is denominated in currencies other than US dollars. For the purposes of this report, exchange rates as of March 31, 2011 were used to approximate the value of the unpaid pledges. Until all pledges are paid in, the cumulative pledge total will continue to change as exchange rates fluctuate.] Figure 1 below shows trends in cumulative signed pledges and cumulative allocations for the CF from inception through March 31, 2011.

Figure 1
CF Cumulative Pledges (Signed) vs Cumulative Allocations

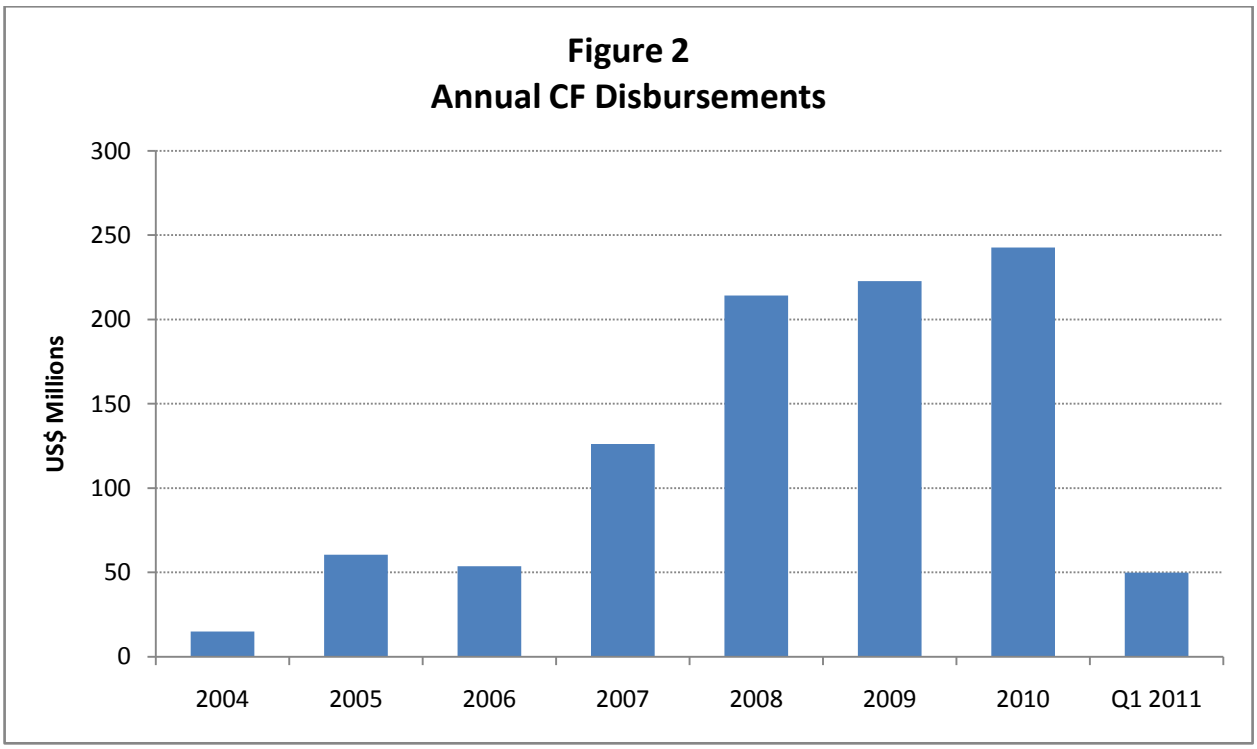


Cash position:

- **Cash Receipts:** Cash receipts in the first quarter of CY2011 totaled US$40 million from the EU, Japan, Norway, Romania and Switzerland. Cumulative cash receipts since inception total US$1,784.7 million.

- **Investment Income:** Income earned on undisbursed cash balances totaled US$1.1 million in Q1 CY2011 with investment income since inception totaling US$77 million. All investment income earned on cash balances is added back into the CF for allocation by the CF Committee[1].

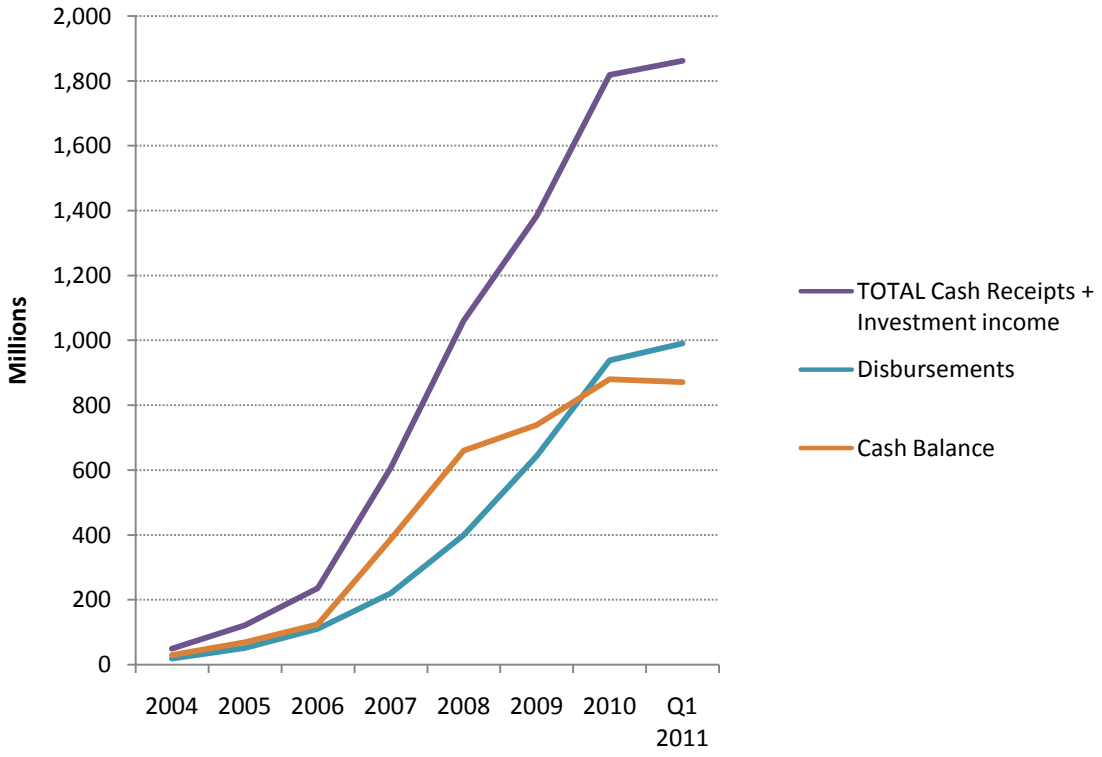
- **Disbursements:** CF grant disbursements in the quarter totaled US$49.9 million. US$981.8 million had been disbursed since CF inception (Figure 2 shows annual CF disbursements since fund inception. Table B shows all CF allocations since fund inception and actual disbursement for each as of March 31, 2011.



[1] At the November 2010 meeting of the CF, the Committee transferred decision-making authority for CF resources to the FTI Board of Directors.

- **Cash Balance:** As of March 31, 2011, the cash balance of the CF was US$871.8 million, down US$9 million from 2010 Q4. Figure 3 below shows year-on-year trends for cumulative cash received (donor contribution receipts plus investment income), disbursements, and cash balance from CF inception.

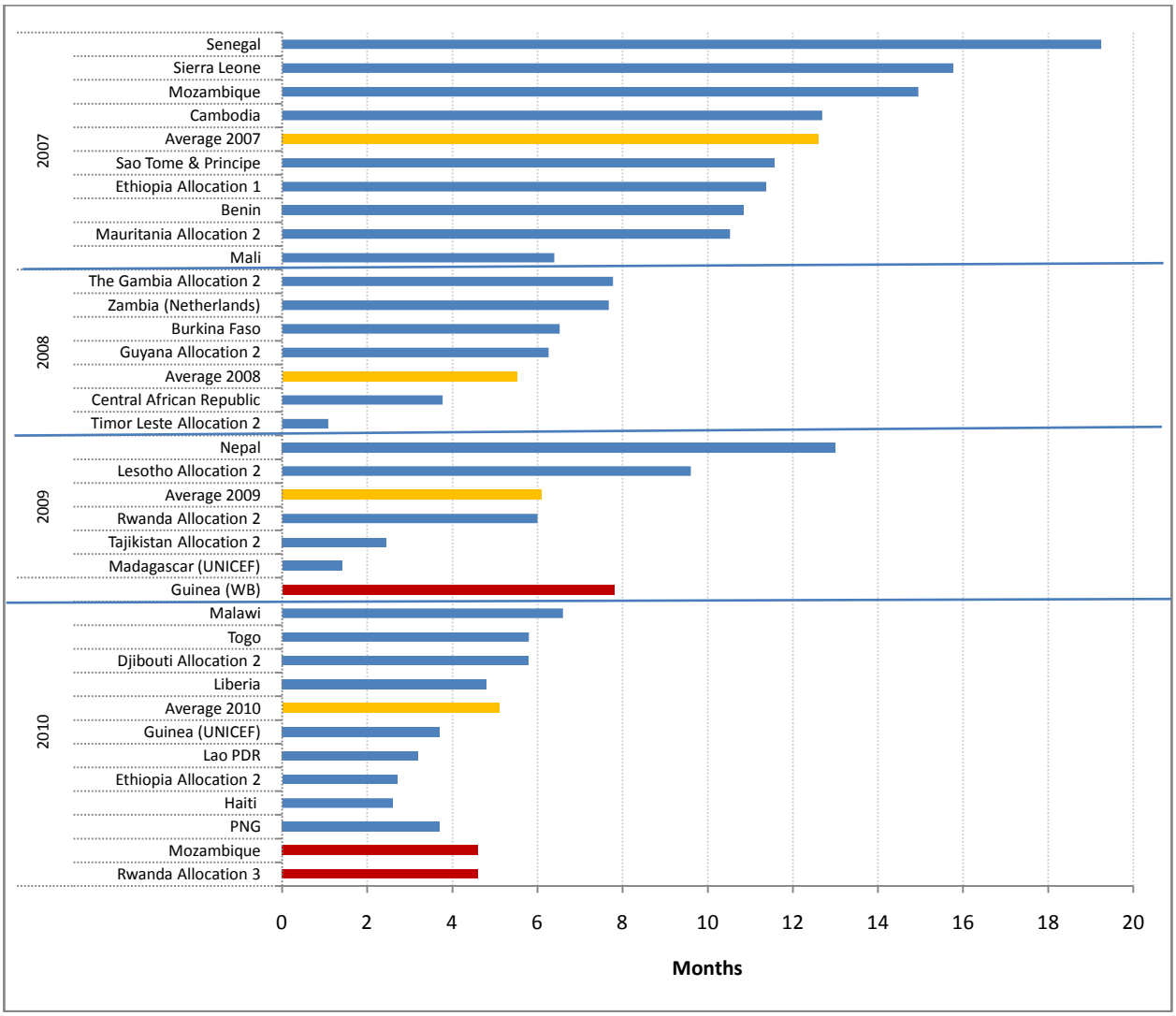
Figure 3
Cumulative CF Cash and Disbursement Trends 2004 - 2010



2. GRANT PROCESSING

- **Signing of CF Grant Agreements**: One grant agreement was signed in the quarter – Papua New Guinea. As of March 31, grant agreements remained unsigned for the two CF allocations approved in November 2010 (Mozambique and Rwanda) and for the World Bank portion of the allocation made to Guinea. Figure 4 below highlights progress made since 2007 in reducing time between CF Committee allocation decision and signing of a grant or transfer agreement for the allocation. Grants unsigned at March 31, 2011 are shown in red.

Figure 4: Number of Months from Allocation to Grant or Transfer Agreement Signing



BLUE indicates the grant or transfer agreement was signed by March 31, 2011
RED indicates the grant or transfer agreement remained unsigned at March 31, 2011
GOLD indicates the average number of months to grant or transfer agreement signing where the grant or transfer agreement has been signed, for all allocations approved in a given year

3. FUNDS AVAILABLE AS OF MARCH 2011:

- The table summarizes the CF fund position as of March 31, 2011. The CF is almost fully committed with approximately US$77.9 million left for allocation after taking into account the investment income. As mentioned previously, the signed pledges total includes approximately US$248.8 million in funds pledges in non-US dollar currencies not yet received. This value is subject to exchange rate fluctuations that may result in a lesser amount being available.

CF current status

US$ millions

	Available funds
Total signed donor pledges	2,033.5
Cumulative investment income	77.0
Total available for allocation	**2,110.5**
Less Cumulative allocations	2,032.6
Current balance available/uncommitted	**77.9**

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TABLE A
Summary of Signed Donor Pledges to the CF as of March 31, 2011
(US$ million equivalent)

	CF Donor Countries	Calendar Years								CF Donors Receipts
		2004-2007	2008	2009	2010	2011	2012	2013	2003-2013	
1	Australia	-	1.4	-	18.8	12.9	-	-	33.0	33.1
2	Belgium	6.5	1.4	1.3	6.9	1.4	-	-	17.6	16.2
3	Canada	17.4	-	8.2	9.8	10.0	10.4	10.4	66.2	45.4
4	Denmark	5.0	14.4	26.7	25.2	51.8	-	-	123.1	71.3
5	EU (ACP) Part 1	40.3	24.7	21.2	-	-	-	-	86.2	86.2
6	EU part 2	13.7	6.5	10.5	9.9	8.5	-		49.1	40.6
7	France	-	14.6	8.7	-	22.3	22.3	22.3	90.2	23.3
8	Germany	-	6.2	7.4	6.7	7.0	7.0	7.6	42.0	20.3
9	Ireland	19.2	22.1	-	4.9	-	-	-	46.2	46.2
10	Italy	10.4	4.4	12.6	4.1	3.8	-	-	35.3	31.5
11	Japan	-	1.2	1.2	1.9	-	-	-	4.3	4.3
12	Netherlands	430.5	42.2	-	-	-	-	-	472.7	472.7
13	Norway	61.5	8.6	22.6	21.6	-	-	-	114.3	109.3
14	Romania	0.5	-	-	0.1	-	-	-	0.6	0.6
15	Russia	3.0	1.0	2.0	2	2.0	-	-	10.0	8.0
16	Spain	80.3	76.9	87.9	79.4		-	-	324.4	324.4
17	Sweden	15.7	14.6	15.3	45.3	15.8	-	-	106.7	90.9
18	Switzerland	-	2.5	-	1.3	1.6	1.6	-	7.1	5.5
19	UK	129.1	132.0	12.6	81.3	49.5	-	-	404.5	355.0
	TOTAL	**833.1**	**374.7**	**238.2**	**319.2**	**186.6**	**41.4**	**40.3**	**2,033.5**	**1,784.7**

/a Based on exchange rates as of March 31, 2011

TABLE B
Summary of CF Committee Country Allocation Decisions as of March 31, 2011

	Country	SE	2003-06	2007	2008	2009	2010	2003-10	Disbursed	% Disbursed
1	Benin	WB	-	76.1	-	-	-	76.1	43.2	56.8
2	Burkina Faso	WB	-	-	102.0	-	-	102.0	22	21.6
3	Cambodia	WB	-	57.4	-	-	-	57.4	21	36.6
4	Cameroon	WB	47.3	-	-	-	-	47.3	22.5	47.6
5	Central African Republic	WB	-	-	37.8	-	-	37.8	13.7	36.2
6	Djibouti Allocation 1	WB	8.0	-	-	-	-	8.0	8	100.0
	Djibouti Allocation 2	WB	-	-	-	-	4.0	4.0		0.0
7	Ethiopia Allocation 1	WB	-	70.0	-	-	-	70.0	67	95.7
	Ethiopia Allocation 2	WB	-	-	-	-	98.0	98.0		0.0
8	Ghana Allocation 1	WB	19.0	-	-	-	-	19.0	19	100.0
	Ghana Allocation 2	WB	14.2	-	-	-	-	14.2	8.6	60.6
9	Guyana Allocation 1	WB	12.0	-	-	-	-	12.0	12	100.0
	Guyana Allocation 2	WB	-	-	20.5	-	-	20.5	12.3	60.0
10	Guinea /a	WB	-	117.8	-	-	-77.8	40.0		0.0
		UNICEF	-	-	-	-	24.0	24.0	24	100.0
11	Haiti /b	WB	-	-	-		22.0	22.0	11.8	53.6
12	Kenya	WB	121.0	-	-	-	-	121.0	121	100.0
13	Kyrgyzstan	WB	15.0	-	-	-	-	15.0	8.9	59.3
14	Lao PDR	WB	-	-	-	-	30.0	30.0	2	6.7
15	Lesotho Allocation 1	WB	11.9	-	-	-	-	11.9	11.9	100.0
	Lesotho Allocation 2	WB	-	-	-	20.0	-	20.0	1.1	5.5
16	Liberia	WB	-	-	-	-	40.0	40.0		0.0
17	Madagascar Alloc 1	WB	60.0	-	-	-	-	60.0	60	100.0
	Madagascar Alloc 2 /c	WB	-	-	85.0	-58.0	-	27.0		0.0
		UNICEF /	-	-	-	15.0	-	15.0	15	100.0
		UNICEF/d	-	-	-	-	22.0	22.0	22	100.0
18	Malawi	WB	-	-	-	-	90.0	90.0		0.0
19	Mali	WB	-	8.7	-	-	-	8.7	7	80.5
20	Mauritania Allocation 1	WB	9.0	-	-	-	-	9.0	9	100.0
	Mauritania Allocation 2	WB	-	14.0	-	-	-	14.0	9.2	65.7
21	Moldova	WB	8.8	-	-	-	-	8.8	8.7	98.9
22	Mongolia Allocation 1	WB	17.1	-	-	-	-	17.1	17.1	100.0
	Mongolia Allocation 2	WB	12.3	-	-	-	-	12.3	12.3	100.0
23	Mozambique	WB	-	79.0	-	-	-	79.0	79	100.0
	Mozambique allocation 2	WB					90.0	90.0		0.0
24	Nepal	WB	-	-	-	120.0	-	120.0		0.0
25	Nicaragua	WB	24.0	-	-	-	-	24.0	24	100.0
26	Niger	WB	21.0	-	-	-	-	21.0	17.2	81.9
27	Papua New Guinea	WB					19.2	19.2		0.0
28	Rwanda Allocation 1	WB	70.0	-	-		-	70.0	70	100.0
	Rwanda Allocation 2	WB	-	-	-	35.0	-	35.0	35	100.0

	Country	SE	2003-06	2007	2008	2009	2010	2003-10	Disbursed	% Disbursed
	Rwanda Allocation 3	DFID					70.0	70.0		0.0
29	Sao Tome & Principe/e	WB	-	3.6	-	-	-	3.6	2.6	72.2
30	Senegal	WB	-	81.5	-	-	-	81.5	21.2	26.0
31	Sierra Leone	WB	-	13.9	-	-	-	13.9	5.3	38.1
32	Tajikistan Allocation 1	WB	18.4	-	-	-	-	18.4	18.4	100.0
	Tajikistan Allocation 2	WB	-	-	-	13.5	-	13.5	1.1	8.1
33	The Gambia Alloc 1	WB	13.4	-	-	-	-	13.4	13.4	100.0
	The Gambia Alloc 2	WB	-	-	28.0	-	-	28.0	14	50.0
34	Timor Leste Alloc 1	WB	8.2	-	-	-	-	8.2	8.2	100.0
	Timor Leste Alloc 2	WB	-	-	4.9	-	-	4.9	4.9	100.0
35	Togo	WB	-	-	-	-	45.0	45.0	8.2	18.2
36	Yemen	WB	40.0	-	-	-	-	40.0	39	97.5
37	Zambia	Netherlands	-	-	60.0	-	-	60.0	30	50.0
	TOTAL: /f		**550.6**	**522.0**	**338.2**	**145.5**	**476.4**	**2,032.6**	**981.8**	**48.3**

/a Original approval in 2007 for $117.8m; $53.8m cancelled in 2010.

/b Original approval in 2009

/c Original approval in 2008 for $85.1m; $21m cancelled in 2009; revised proposal approved for a total of $64.1m in 2009.

/d CFC approved UNICEF's proposal on non-objection basis 13 August 2010.

/e CFC approved an initial allocation of $1.04m in 2007, and topped up to total of $3.6m in 2008.

/f Yearly totals reflect approval adjustments per above footnotes.