Catalytic Fund portfolio performance where the Bank is Supervising Entity - updates for countries with disbursement issues – May 2011

The World Bank

FTI Catalytic Fund reporting

The Annual Progress Report for 2010 (April 2011) has been submitted to the Catalytic Fund Committee, the Financial Advisory Committee, and the FTI Board by the Secretariat on May 6, 2011. Considering that this update is fairly new, only a few additional comments are provided below for the meeting in Kigali starting May 16, 2011.

Updates for countries with disbursement issues

Burkina Faso – The recent political events have delayed the process of disbursing the funds (2nd tranche of the US$45 million budget support), although the grant has already been signed. Only one step remains to fulfill the conditions of effectiveness. And the government has confirmed that this condition will be completed no later than May 15. Disbursement is therefore expected by end of May 2011.

Cameroon – The disbursement of the first part (4.9 million) has not taken place yet although this was budgeted for first quarter of CY 2011. One of the documents needed to process the withdrawal application has yet to be submitted to the Ministry of Finance (a listing of all contract teachers paid under the program). We have reiterated many times, to Ministry of Finance and Basic Education, the need to move faster. The Cameroonian Minister for Basic Education will be in Kigali, and she might be able to give an update.

Djibouti – The budget for first quarter of CY2011 (half a million USD) was disbursed in the beginning of May 2011.

Ethiopia – The disbursement target for quarter one of CY 2011 was not met, but we are expecting to disburse US$18.7 million dollars very soon (7 million was already disbursed start of May 2011). The Bank is currently preparing additional support in the field of assessment of student learning outcomes financed from a Russian trust fund managed by the Bank (READ). This includes improving the quality of assessment work, the use of the results acquired, the

alignment of assessment-related activities, and helping to create an assessment culture where student learning information is valued by Ministry of Education personnel and policymakers at all levels.

Malawi - The finance director of the Ministry of Education has informed us that they will submit the withdrawal application by the middle of June. The government has some resources from DFID that they are using until then.

Mozambique - The new FTI grant in the amount of US$90 million was approved in November 2010 for the period 2011-2014 and the linked IDA credit was approved by the World Bank's board on April 28, 2011. Effectiveness is expected in July 2011, and we are planning a first disbursement of about 15 million USD in the first quarter of FY12 (3rd quarter of the calendar year 2011). The Bank is also preparing additional support in the field of assessment of student learning outcomes based financed by READ.

Nepal - The Bank reviewed the revised trimester financial reporting submitted recently. We are fine with this report. Therefore, the government will be able to process request for advance payment immediately. We are anticipating disbursement of US $30 million very soon.

Niger - The procurement process for the construction of classrooms and textbook purchase was long, and this explains the low disbursement. Contracts for construction have been signed and significant share of payment will be transferred to companies before May 15. Contracts for a large part of the textbook purchases are already signed. A disbursement request for a substantive amount is underway and this should significantly impact the disbursement level. The team is convinced that the project will be implemented within the agreed time frame.

May 9, 2011