PROTOCOL REGARDING MISUSE OF EFA FTI FUNDS

by Tal Sagorsky, EFA FTI Secretariat

FTI Board Meeting

18 – 19 May 2011 | Kigali, Rwanda

Decision Requested

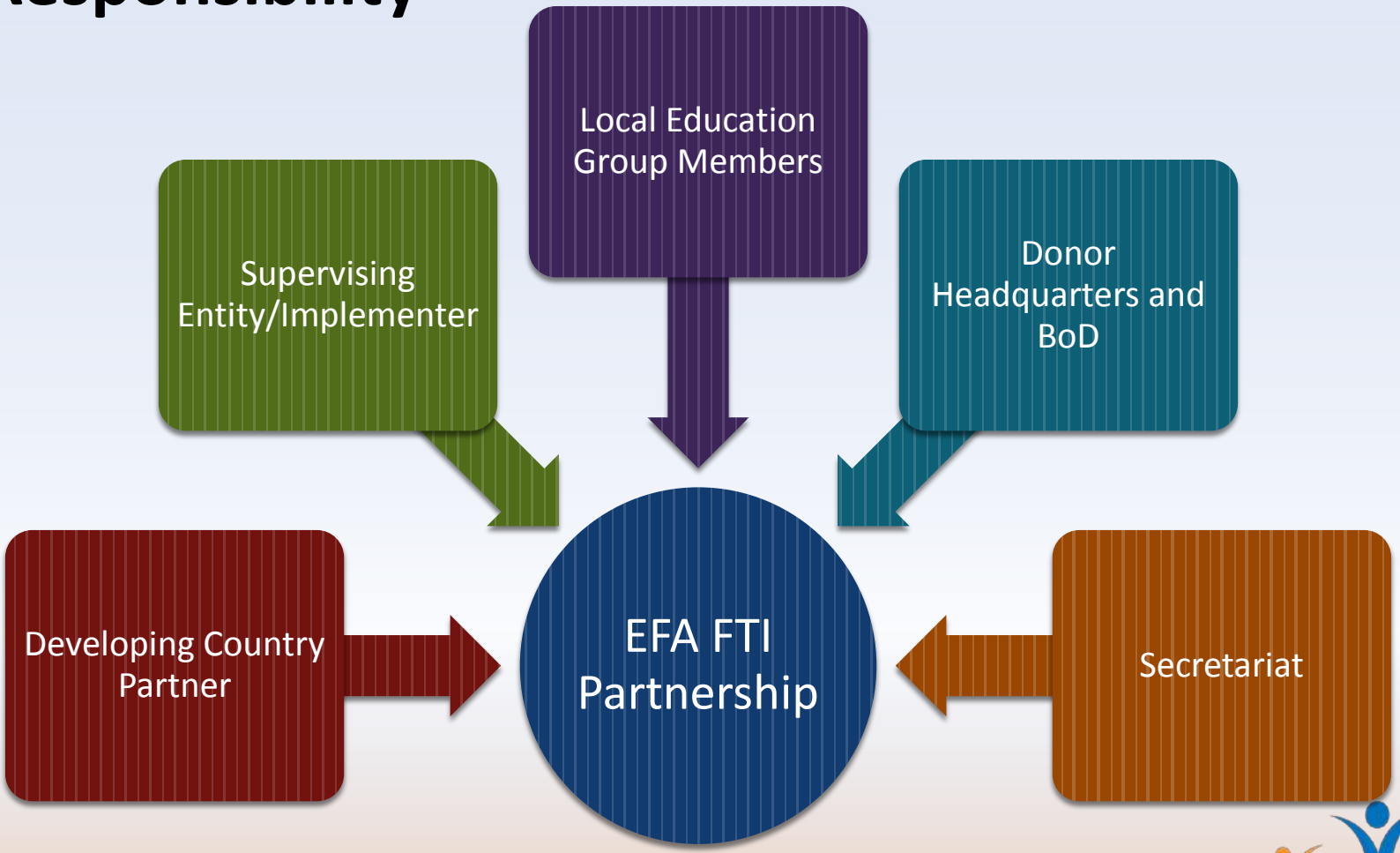
Approval of Protocol regarding Misuse of Education for All Fast Track Initiative Funds

Why Does EFA FTI Need a Protocol?

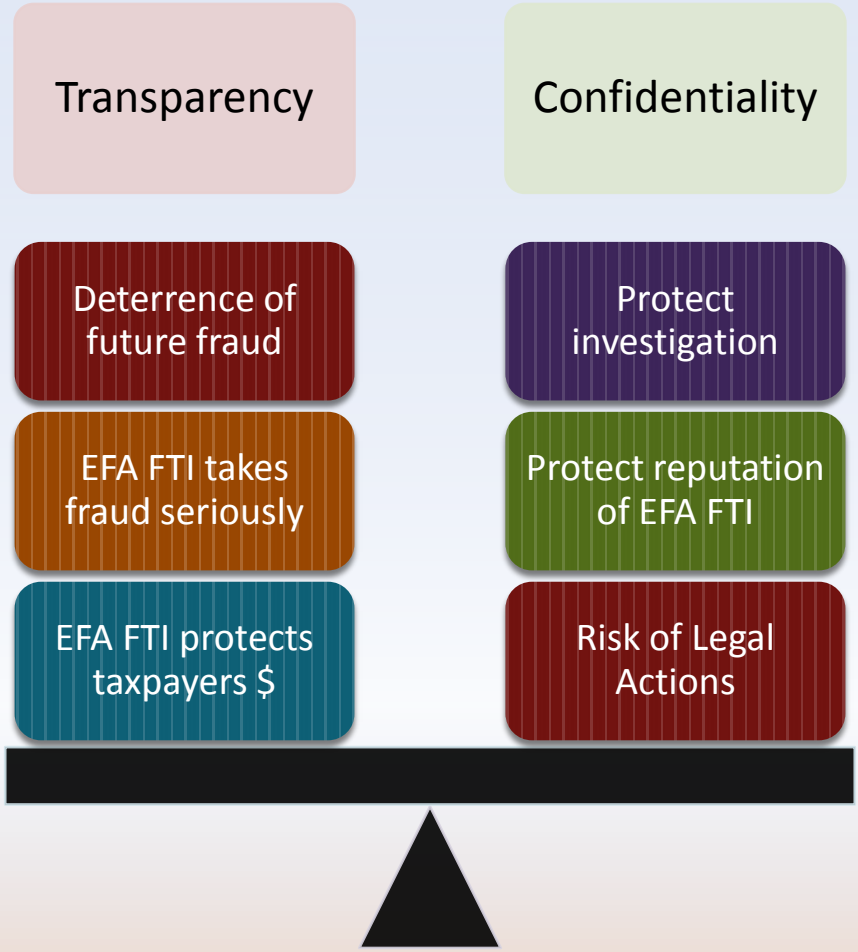
FRAUD AND CORRUPTION

- ✗ A serious potential problem
- ✗ Diversion of funds from students
- ✗ A major cause of poverty
- ✗ Leads to loss of donor confidence
  → affects fundraising efforts

The EFA FTI Model: Partnership and Shared Responsibility



Balancing Act: Information on fraud and corruption is *sensitive* information



ALL FTI PARTNERS SHOULD SHARE INFORMATION IN COMPLIANCE WITH THEIR OWN DISCLOSURE REGIMES

Protocol: Requirements

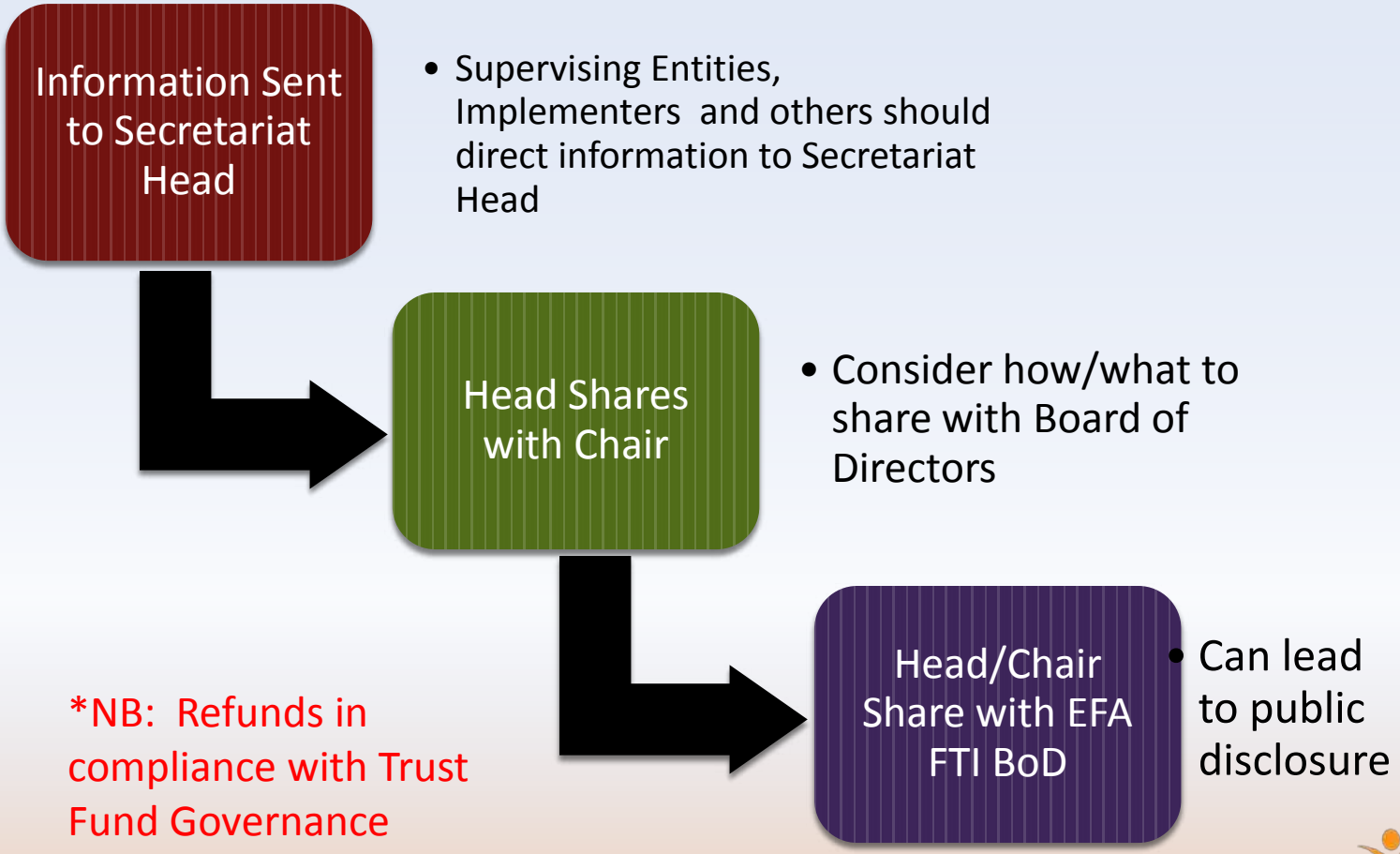
EFA FTI relies on Supervising Entities' and Implementers' Policies, but Policy has some basic minimal requirements:

- Transfer Agreements from Trustee: Supervising Entity/Implementer uses its *own systems* for prevention, detection and management, sanction and disclosure to manage allocations

- Grant Agreements between Supervising Entities and developing country partner must include provisions on communications about fraud and corruption

- Supervising Entity/Implementer must have "whistleblower" provisions

Communications with the EFA FTI Board of Directors



NB: Refunds in compliance with Trust Fund Governance document

Decision Requested

BOD/2011/05-XX – Protocol Regarding Misuse of EFA FTI Funds: The EFA FTI Board of Directors approves the Protocol Regarding Misuse of Education for All Fast Track Initiative Funds, attached as Annex 1 to BOD/2011/05—DOC 13.