EFA-FTI CATALYTIC FUND[1]

(A TRUST FUND OF THE GLOBAL PARTNERSHIP FOR EDUCATION)

QUARTERLY FINANCIAL UPDATE

FOR THE QUARTER ENDING 30 SEPTEMBER 2011

Prepared by the Global Partnership for Education Secretariat

Data in this report are as of 30 September 2011

[1] Catalytic Fund refers to three main Trust Funds (see below) plus allocations from the Bank-Netherlands Partnership Program which preceded the establishment of these main Trust Funds.

TF051061: EFA-FTI Multidonor Trust Fund
TF070518: EC's contribution to the Education For All-Fast Track Initiative Catalytic Trust Fund (ACP only)
TF070968: Education For All Fast Track Initiative Catalytic Trust Fund II

EFA-FTI Catalytic Fund

Quarterly Financial Update as of 30 September 2011

1. Fund Position

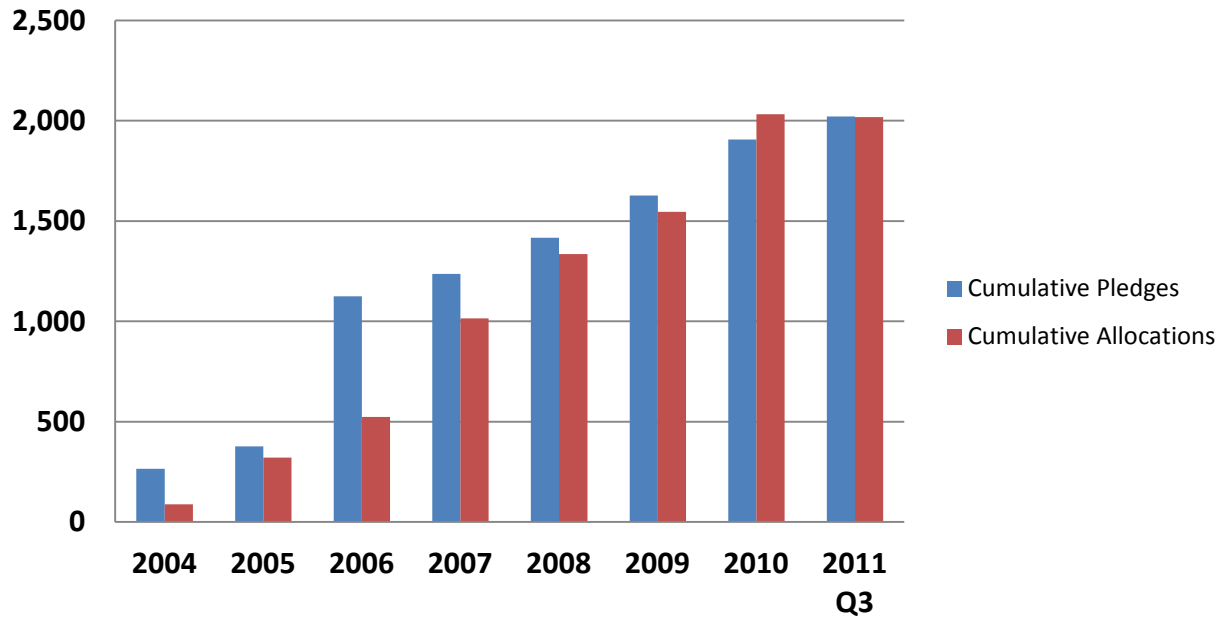
- **Summary of Cumulative Allocations:** As of 30 September 2011, cumulative allocations from the Catalytic Fund (CF) remained at US$2,018.4 million. No new allocations were made in the quarter.

- **Administration Agreements Signed in the Quarter:** Between 1 July 2011 and 30 September 2011 an amendment to an existing agreement with Belgium was signed reflecting a supplemental contribution of Euro 5 million. Attachment 1 shows pledges and receipts by Donor and by year since CF inception.

- **Cumulative Pledge Total**: As of 30 September 2011, the value of all signed pledges totaled US$2,020.3 million equivalent up from US$2,014.1 million as of 30 June 2011. This total reflects Belgium's supplemental contribution as well as the effect of currency fluctuations on the unpaid portion of signed pledges which stood at US$99.5 million equivalent.[2] Figure 1 below shows trends in cumulative signed pledges and cumulative allocations for the CF from inception through 30 September 2011.

Figure 1

CF Cumulative Signed Pledges vs Cumulative Allocations (US$ millions)



[2] Until all pledges in currencies other than US dollars are paid in, the US dollar equivalent of the cumulative pledge total will continue to change as the result of exchange rate fluctuation.

➢ **Cash position:**

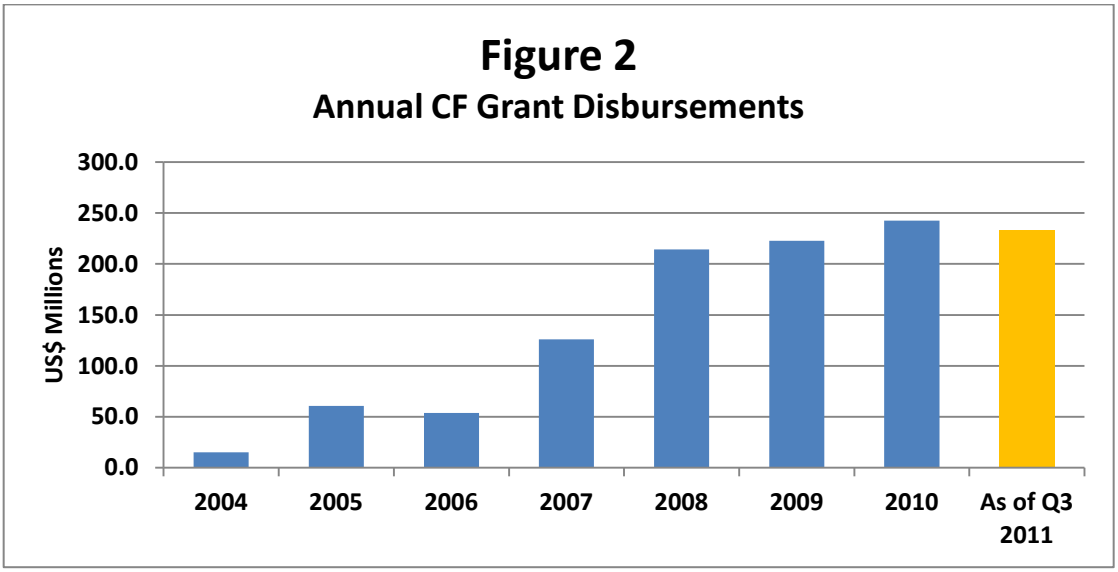
- **Cash Receipts:** Cash receipts in the second quarter of CY2011 totaled US$10.1 million, representing funds received from Germany, Belgium and Norway. Cumulative cash receipts since inception total US$1,920.8 million.

- **Investment Income:** Income earned on undisbursed cash balances totaled US$2.4 million in Q3 CY2011 with investment income earned since inception totaling US$82.4 million. Investment income earned on cash balances is added back into the CF for allocation by the FTI Board of Directors[3].

- **Disbursements:** Disbursement of *aggregate* CF resources totaled US$98.7 million in Q3, US$230.4 million for full year CY2011 through Q3, and US$1,189.5 million since CF inception. The aggregate disbursement reflects all funds moving out of the main CF trust funds, namely i) disbursements against individual grant agreements where the World Bank is Supervising Entity; ii) transfers to agencies other than the World Bank as Supervising Entity (e.g. the Netherlands or UNICEF); iii) transfers to other World Bank trust funds based on CF Committee approval (as in the case of Guyana and Haiti); iv) expenses related to approved supervision allocations; and v) administration fees.

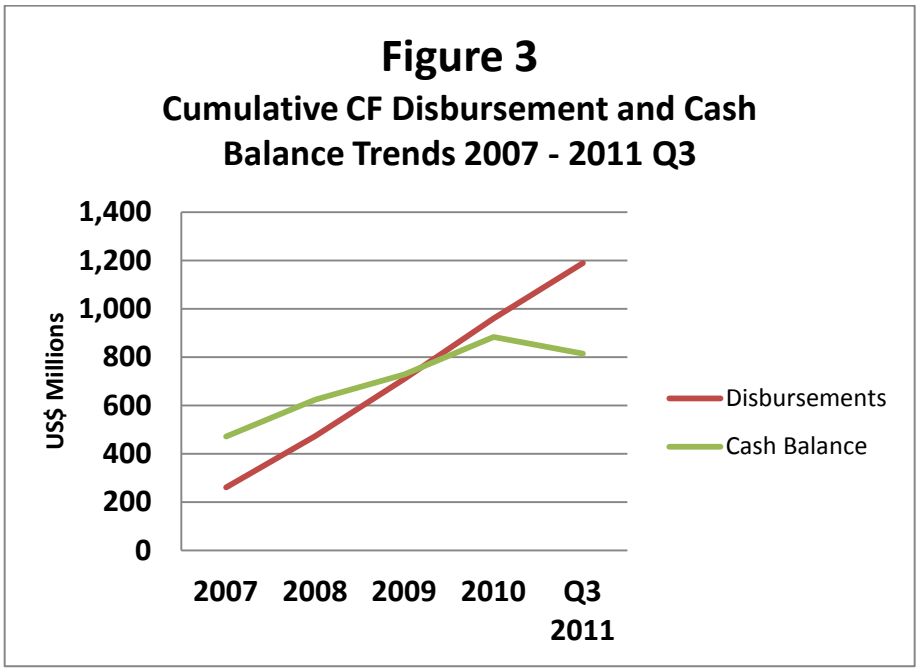
  CF *grants* disbursed US$100.1 million in Q3 disbursement, US$233 million for full year 2011 disbursement and US$1,165 million since fund inception. CF grant disbursement at end Q3 2011 was 96% of 2010 full year grant disbursement. [NB: CF grant disbursement for the quarter is higher than aggregated disbursement for the same period. That is because disbursement against allocations transferred to other World Bank trust funds (for Guyana and Haiti) is reflected when the funds move out of the World Bank trust fund. For those same grants, the aggregate disbursement number recognizes disbursement when the funds move out of the CF main accounts to the World Bank trust fund.]

  Figure 2 shows annual CF *grant* disbursements since fund inception. Attachment 2 shows all CF grant allocations since fund inception and actual disbursement for each grant as of 30 September 2011.



[3] Except for investment income earned on the balance in TF070518 EC's contribution to the Education For All-Fast Track Initiative Catalytic
Trust Fund (ACP only) which by agreement with the donor reverts to the donor balance account.

- **Cash Balance:** As of 30 September 2011, the cash balance of the CF was US$813.5 million, down US$86.1 million from 2011 Q2. Figure 3 below shows year-on-year trends for cumulative cash received (donor contribution receipts plus investment income), disbursements, and cash balance over the period 2007 – 2011 Q3.



2. GRANT PROCESSING

➢ **Signing of CF Grant and Transfer Agreements**: A grant agreement was signed in Q3 between the World Bank as Supervising Entity and Mozambique, and a transfer agreement was signed between the World Bank as Trustee and DFID as Supervising Entity for a Board approved allocation for Rwanda. There are currently no unsigned grant or transfer agreements for allocations that have been approved by the Board.

3. SUMMARY OF FUNDS AVAILABLE AS OF 30 SEPTEMBER 2011

- Table 1 below shows the CF available funds position as of 30 September 2011, disaggregated by the three individual funds that make up the aggregated CF. The aggregated CF is almost fully committed with approximately US$70.2 million available for allocation by the Board to country implementation grants. As mentioned previously, the signed pledges total includes approximately US$99.5 million equivalent in unpaid pledges in non-US dollar currencies. This value is subject to exchange rate fluctuations that may result in a lesser amount being available.

Table 1

Summary of Available Funds by Trust Fund Account

	TF070518	TF070968	TF051061	BNPP	Total
Total Signed Donor Pledges	86.1	91.2	1,801.5	41.5	2,020.3
Investment income earned	-	1.2	81.2	-	82.4
Total Available for Distribution	**86.1**	**92.4**	**1,882.7**	**41.5**	**2,102.7**
Less Cumulative Grant Allocations	79.5	64.4	1,833.1	41.5	2,018.5
Less Fees on Total Signed Pledges (0.2%)	0.2	0.2	3.6	-	4.0
Less Supervision Allocations	-	-	10.0	-	10.0
Total committed	**79.7**	**64.6**	**1,846.7**	**41.5**	2,032.5
Current balance available/uncommitted	**6.4**	**27.8**	**36.0**	**-**	**70.2**

Attachment 1

Summary of Signed Donor Pledges to the CF as of 30 September 2011
(US$ million equivalent)

CF Donors	Contributions Paid In						Contributions Unpaid				Total Pledges
	2004-2007	2008	2009	2010	2011	*Total Paid in*	2011	2012	2013	*Total Unpaid*	
Australia	-	1.4	-	18.9	12.9	*33.2*	-	-	-	-	**33.2**
Belgium	5.1	2.9	1.3	6.9	1.4	*17.6*	7.1	-	-	*7.1*	**24.7**
Canada	17.4	-	8.2	19.8	-	*45.4*	-	-	-	-	**45.4**
Denmark	-	19.4	26.7	25.3	51.7	*123.1*	-	-	-	-	**123.1**
EC (ACP)	40.3	24.7	-	-	21.1	*86.1*	-	-	-	-	**86.1**
EC	-	13.7	6.5	16.5	3.9	*40.6*	-	-	8.5	*8.5*	**49.1**
France	-	7.9	15.4	-	22.5	*45.8*	-	22.4	22.4	*44.8*	**90.6**
Germany	-	6.2	7.4	6.7	3.6	*23.9*	3.5	7.1	7.6	*18.2*	**42.1**
Ireland	19.2	9.9	12.1	5.0	-	*46.2*	-	-	-	-	**46.2**
Italy	10.4	4.4	12.6	4.0	2.1	*33.5*	1.7	-	-	*1.7*	**35.2**
Japan	-	1.2	1.2	1.2	0.7	*4.3*	-	-	-	-	**4.3**
Netherlands	387.6	42.9	-	42.2	-	*472.7*	-	-	-	-	**472.7**
Norway	61.6	-	31.1	16.7	5.1	*114.5*	-	-	-	-	**114.5**
Romania	-	0.5	-	-	0.1	*0.6*	-	-	-	-	**0.6**
Russia	3.0	1.0	-	4.0	-	*8.0*	2.0	-	-	*2.0*	**10.0**
Spain	14.9	65.3	164.8	79.4	-	*324.4*	-	-	-	-	**324.4**
Sweden	15.7	-	29.9	45.3	-	*90.9*	15.7	-	-	*15.7*	**106.6**
Switzerland	-	-	2.5	1.3	1.6	*5.4*	-	1.5	-	*1.5*	**6.9**
UK	129.1	132.0	12.6	81.3	49.6	*404.6*	-	-	-	-	**404.6**
TOTAL	**704.3**	**333.4**	**332.3**	**374.5**	**176.3**	***1,920.8***	**30.0**	**31.0**	**38.5**	***99.5***	**2,020.3**

/a Based on exchange rates as of 30 September 2011

Attachment 2

CF Grant Allocations and Disbursements as of 30 September 2011

			Allocations							Disbursements	
	Country	SE	2003-06	2007	2008	2009	2010	2011 thru Q3	2003-11	Total	%
1	Benin	WB	-	76.1	-	-	-	-	76.1	46.3	61%
2	Burkina Faso	WB	-	-	102.0	-	-	-	102.0	67.0	66%
3	Cambodia	WB	-	57.4	-	-	-	-	57.4	29.6	52%
4	Cameroon	WB	47.3	-	-	-	-	-	47.3	22.5	48%
5	Central African Republic	WB	-	-	37.8	-	-	-	37.8	19.8	52%
6	Djibouti Allocation 1	WB	8.0	-	-	-	-	-	8.0	8.0	100%
	Djibouti Allocation 2	WB	-	-	-	-	4.0	-	4.0	0.4	10%
7	Ethiopia Allocation 1	WB	-	70.0	-	-	-	-	70.0	64.7	92%
	Ethiopia Allocation 2	WB	-	-	-	-	98.0	-	98.0	60.0	61%
8	Ghana Allocation 1	WB	19.0	-	-	-	-	-	19.0	19.0	100%
	Ghana Allocation 2 /a	WB	14.2	-	-	-	-	(14.2)	-	-	-
9	Guyana Allocation 1	WB	12.0	-	-	-	-	-	12.0	12.0	100%
	Guyana Allocation 2	WB	-	-	20.5	-	-	-	20.5	15.0	73%
10	Guinea /b	WB	-	117.8	-	-	(77.8)	-	40.0	-	0%
		UNICEF	-	-	-	-	24.0	-	24.0	24.0	100%
11	Haiti /c	WB	-	-	-	-	22.0	-	22.0	13.5	61%
12	Kenya	WB	121.0	-	-	-	-	-	121.0	121.0	100%
13	Kyrgyzstan	WB	15.0	-	-	-	-	-	15.0	9.9	66%
14	Lao PDR	WB	-	-	-	-	30.0	-	30.0	2.4	8%
15	Lesotho Allocation 1	WB	11.9	-	-	-	-	-	11.9	11.9	100%
	Lesotho Allocation 2	WB	-	-	-	20.0	-	-	20.0	1.1	6%
16	Liberia	WB	-	-	-	-	40.0	-	40.0	6.0	15%
17	Madagascar Alloc 1	WB	60.0	-	-	-	-	-	60.0	60.0	100%
	Madagascar Alloc 2 /d	WB	-	-	85.0	(58.0)	(27.0)	-	-	-	0%
		UNICEF	-	-	-	15.0	-	-	15.0	15.0	100%
		UNICEF	-	-	-	-	22.0	-	22.0	22.0	100%
		UNICEF	-	-	-	-	27.0	-	27.0	-	0%
18	Malawi	WB	-	-	-	-	90.0	-	90.0	15.0	17%
19	Mali	WB	-	8.7	-	-	-	-	8.7	6.5	75%

			Allocations						Disbursements		
	Country	SE	2003-06	2007	2008	2009	2010	2011 thru Q3	2003-11	Total	%
20	Mauritania Allocation 1	WB	9.0	-	-	-	-	-	9.0	9.0	100%
	Mauritania Allocation 2	WB	-	14.0	-	-	-	-	14.0	12.1	86%
21	Moldova	WB	8.8	-	-	-	-	-	8.8	8.7	99%
22	Mongolia Allocation 1	WB	17.1	-	-	-	-	-	17.1	17.1	100%
	Mongolia Allocation 2	WB	12.3	-	-	-	-	-	12.3	12.3	100%
23	Mozambique	WB	-	79.0	-	-	-	-	79.0	79.0	100%
	Mozambique allocation 2	WB	-	-	-	-	90.0	-	90.0		0%
24	Nepal	WB	-	-	-	120.0	-	-	120.0	30.0	25%
25	Nicaragua	WB	24.0	-	-	-	-	-	24.0	24.0	100%
26	Niger	WB	21.0	-	-	-	-	-	21.0	18.3	87%
27	Papua New Guinea	WB	-	-	-	-	19.2	-	19.2	-	0%
28	Rwanda Allocation 1	WB	70.0	-	-		-	-	70.0	70.0	100%
	Rwanda Allocation 2	WB	-	-	-	35.0	-	-	35.0	35.0	100%
	Rwanda Allocation 3	DFID	-	-	-	-	70.0	-	70.0	-	0%
29	Sao Tome & Principe/e	WB	-	3.6	-	-	-	-	3.6	3.6	100%
30	Senegal	WB	-	81.5	-	-	-	-	81.5	26.6	33%
31	Sierra Leone	WB	-	13.9	-	-	-	-	13.9	7.4	53%
32	Tajikistan Allocation 1	WB	18.4	-	-	-	-	-	18.4	18.4	100%
	Tajikistan Allocation 2	WB	-	-	-	13.5	-	-	13.5	3.2	24%
33	The Gambia Alloc 1	WB	13.4	-	-	-	-	-	13.4	13.4	100%
	The Gambia Alloc 2	WB	-	-	28.0	-	-	-	28.0	14.0	50%
34	Timor Leste Alloc 1	WB	8.2	-	-	-	-	-	8.2	8.2	100%
	Timor Leste Alloc 2	WB	-	-	4.9	-	-	-	4.9	4.9	100%
35	Togo	WB	-	-	-	-	45.0	-	45.0	8.2	18%
36	Yemen	WB	40.0	-	-	-	-	-	40.0	39.0	98%
37	Zambia	Netherlands	-	-	60.0	-	-	-	60.0	30.0	50%
	TOTAL: /f		**550.6**	**522.0**	**338.2**	**145.5**	**476.4**	**(14.2)**	**2,018.5**	**1,165.0**	**58%**

/a Original 2006 allocation was cancelled in 2011.

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

/c Original approval in 2009; resubmitted for approval in 2010 after earthquake.

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

/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.