EFA-FTI CATALYTIC FUND[1]

(A TRUST FUND OF THE GLOBAL PARTNERSHIP FOR EDUCATION)

2012 QUARTERLY FINANCIAL UPDATE

FOR THE QUARTER ENDING 30 SEPTEMBER 2012

Prepared by the Global Partnership for Education Secretariat

Data in this report are as of 30 September 2012

[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 2012

SUMMARY OF FUND POSITION AT 30 SEPTEMBER 2012

1. **Aggregate Signed Donor Pledges to the Catalytic Funds** through end-September 2012 totaled US$2,066.2 million equivalent, up from US$2,064.3 million equivalent at end-June 2012 and US$2,055.4 million equivalent at end-December 2011. The increase in the quarter is due to favorable foreign exchange movements on the balance of unpaid contributions. *NB: The US dollar value of unpaid pledges in currencies other than US dollars is subject to exchange rate fluctuation until fully paid.*

2. **Cumulative Cash Receipts** against signed donor pledges totaled US$2,025.5 million, up from US$2,024.9 million at end-June 2012, and US$1,988.5 million at end December 2011. A contribution was made by France in the quarter.

3. **Unpaid Pledges** against cumulative signed pledges totaled US$40.7 million equivalent reflecting agreed schedules for payment in CY2012 and CY2013.

Attachment 1 shows pledges, cash receipts and pledges due by Donor and by calendar year since Catalytic Fund inception.

4. **Cumulative Investment Income** earned on cash balances from inception through end-September 2012 totaled US$88 million, up from US$86.2 million at end-June 2012. Investment income is earned on cash balances and is added back into the Catalytic Funds for allocation by the GPE Board.

5. **Cumulative administrative fees** since inception totaled US$4.0 million through end-September 2012 and are unchanged from end-March 2012. Administrative fees are assessed at cash receipt.

6. **Cumulative Catalytic Fund resources available for approved activities** since fund inception calculated as the current US$ equivalent of total signed pledges plus reflows from previously approved allocations (where funds were unutilized and returned) plus investment income less cumulative administrative fees equaled US$2,176.7 million equivalent up from

US$2,149.1 million equivalent at end-March 2012. The increase is primarily attributed to reflows of US$26 million received in the quarter from Kenya.

EDUCATION PLAN IMPLEMENTATION GRANT ALLOCATIONS

7. **Cumulative Education Plan Implementation Grant Allocations** as of end September 2012 totaled US$2,414 million. Of the allocations, US$2091.4 million has been allocated from the Catalytic Fund, the balance of $322.6 million is expected to be funded from the GPE Fund. Attachment 2 shows all Implementation Grant allocations by calendar year of approval since fund inception.

SUMMARY OF FUNDS AVAILABLE AS OF 30 SEPTEMBER 2012

8. Table 1 below shows the available funds position as of 30 September 2012 for each of the funds that make up the aggregate Catalytic Fund.

9. As of 30 September 2012, the GPE Board approved a total of US$2,437 million for Implementation Grant allocations and associated fees and supervision allocations. It is planned that funding for these allocations will be made available from both the Catalytic Funds (US$2,103 million) and the Global Partnership for Education Fund (US$333.8 million). Efforts are made to match Board approvals to Catalytic Fund resources in the first instance, but restrictions related to two of the three Catalytic Funds, namely TF070518 and TF070968, limit the applicability of those funds for current approvals. Use of TF070518, which is funded by the EC, is restricted to allocation of Education Implementation Grants only in Africa, Caribbean and Pacific countries and only where the World Bank is Supervising Entity. Use of TF070968, which is funded by the EC and Germany, is open to all GPE eligible countries, but may be used only for Education Implementation Grants where the World Bank is Supervising Entity. Further, discussion is underway with donors to TF070968 to extend the closing date of this fund (currently December 2013) in order to make use of the available funds for three year grants.

Table 1 Summary of Available Funds by Catalytic Fund Account US$m					
	TF070518	**TF070968**	**TF051061**	**BNPP a/**	**Total**
Signed Donor Pledges	86.1	89.4	1,851.7	39.0	2,066.2
Investment Income Earned	-	1.5	86.5	-	88.0
Reflows	-	-	26.5	-	26.5
Less Fees on Signed Pledges	0.2	0.1	3.7	-	4.0
Total Available for Allocation	**85.9**	**90.8**	**1,961.0**	**39.0**	**2,176.7**
Education Implementation Grant Allocations through 2010	79.5	64.4	1,835.6	39.0	2,018.5
Education Implementation Grant Allocations approved in 2011 /a	-	-	72.9	-	72.9
Supervision Allocations through 2010	-	-	10.0	-	10.0
Supervision Allocations for grants approved in (est) /b	-	-	1.2 -	-	1.2
Agency Fees for allocations approved in 2011 (est) /c			0.6		0.6
Total Committed	**79.5**	**64.4**	**1,920.3**	**39.0**	**2,103.2**
Balance Uncommitted	**6.4**	**26.4**	**40.7**	**-**	**73.5**

/a Program Implementation Grants for Afghanistan (US$55.7m), Moldova (US$4.4m), Mongolia (US$10m) and Timor Leste (US$2.8m) have been allocated against TF051061. All other Program Implementation Grants approved in 2011 and in July of 2012 are expected to be funded from the GPE Fund.

/b Supervision Allocation amounts are calculated based on $100k per year for up to 4 years, subject to Board approval. UNICEF has chosen to forgo the supervision allocation for its supervision of the grant to Afghanistan.

/c Agency fees show against TF051061 represent UNICEF's 1% fee for Afghanistan. There are no agency fees assessed for Program Implementation Grants funded by TF051061 for which the World Bank is Supervising Entity For Program Implementation Grants funded by the GPE Fund where the World Bank is Supervising Entity, the agency fee is equal to 1.75% of the grant amount.

DISBURSEMENTS

10. **Cumulative Disbursements** through end-September 2012 totaled US$1,630.8 million of which US$305.2 million was disbursed in CY2012. Cumulative disbursement reflects funds moving out of the main Catalytic Fund trust funds as i) disbursements against individual implementation grant allocations where the World Bank is Supervising Entity; ii) transfers to other Supervising Entities (UNICEF, DFID, the Netherlands); iii) expenses related to approved supervision allocations; and iv) administrative fees.

    Cumulative disbursement against program implementation grant allocations totaled US$1,617.5 million, of which US$300 million was disbursed in CY2012. Attachment 2 provides actual disbursement for each allocation through end Q2 CY2012.

11. **Cash Balance:** As of end-September 2012, the aggregate cash balance of the Catalytic Funds was US$509.2 million, down US$221.2 million from end CY2011.

GRANT PROCESSING

12. **Grant and Transfer Agreements signed:** In relation to the catalytic funds, one grant agreement was signed in Q3 CY2012 – with UNICEF as Supervising Entity for an allocation to Afghanistan of US$55.7 million. At the end of Q3 CY 2012, the remaining unsigned grant agreements from 2011 Board approvals were for Cote d'Ivoire, Guinea-Bissau, and Mali. Cote d'Ivoire was approved for US$41.4 million with the World Bank as Supervising Entity and the grant agreement has subsequently been signed in October 2012. Coups in both Mali and Guinea-Bissau halted planned implementation of the programs as approved. Guinea-Bissau (US$12 million) was resubmitted to the Board due to a change from World Bank as Supervising Entity to UNICEF as Managing Entity. This arrangement was approved by non-objection in September. The allocation for Mali will be resubmitted to the FAC for their review in December 2012. In relation to Board approvals in July 2012 for Nicaragua, Sudan, Ghana, and Vietnam all with the World Bank as Supervising Entity, these grants are expected to be signed within the deadline.

13. **Grant Closings:** No grants were closed in Q3 2012.

Attachment 1

Summary of Donor Contributions by Calendar Year (US$m)

	Contributions Paid In									Unpaid			Total
CF Donors	**2004-2007**	**2008**	**2009**	**2010**	**2011**	**2012 Q1**	**2012 Q2**	**2012 Q3**	***Total Paid in***	**2012**	**2013**	***Total Unpaid***	
Australia	-	1.4	-	18.9	12.9	-	9.9	-	*43.0*	-	-	-	**43.0**
Belgium	5.1	2.9	1.3	6.9	8.1	-	-	-	*24.3*	-	-	-	**24.3**
Canada	17.4	-	8.2	19.8	-	-	-	-	*45.4*	-	-	-	**45.4**
Denmark	-	19.4	26.7	25.3	51.7	-	-	-	*123.0*	-	-	-	**123.0**
EC (ACP)	40.3	24.7	-	-	21.1	-	-	-	*86.1*	-	-	-	**86.1**
EC	-	13.7	6.5	16.5	3.9	-	-	-	*40.6*	-	7.8	*7.8*	**48.4**
France	-	7.9	15.4	-	22.5	-	19.9	1.1	*66.8*		19.4	*19.4*	**86.2**
Germany	-	6.2	7.4	6.7	7.2	-	-	-	*27.5*	6.5	7.0	*13.5*	**41.0**
Ireland	19.2	9.9	12.1	5.0	-	-	-	-	*46.3*	-	-	-	**46.3**
Italy	10.4	4.4	12.6	4.0	3.7	-	-	-	*35.2*	-	-	-	**35.2**
Japan	-	1.2	1.2	1.2	0.7	3.0	-	-	*7.3*	-	-	-	**7.3**
Netherlands	387.1	42.9	-	42.2	-	-	-	-	*472.2*	-	-	-	**472.2**
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	2.0	-	-	-	*10.0*	-	-	-	**10.0**
Spain	14.9	65.3	164.8	79.4	-	-	-	-	*324.4*	-	-	-	**324.4**
Sweden	15.7	-	29.9	45.3	55.7	-	-	-	*146.6*	-	-	-	**146.6**
Switzerland	-	-	2.5	1.3	1.6	-	1.6	-	*7.1*	-	-	-	**7.1**
UK	129.1	132.0	12.6	81.3	49.6	-	-	-	*404.6*	-	-	-	**404.6**
TOTAL	**703.8**	**333.4**	**332.4**	**374.5**	**245.9**	**3.0**	**31.4**	**1.1**	***2,025.5***	**6.5**	**34.2**	***40.7***	**2,066.2**

Attachment 2

Summary of Allocations and Disbursements by Calendar Year (US$m)

			Allocations (US$m)								Cumulative Disbursements	
	Country	SE	2003-06	2007	2008	2009	2010	2011	2012 (to Q3)	2003-12	Total	%
1	Afghanistan	UNICEF	-	-	-	-	-	55.7	-	55.7	9.0	16%
2	Benin	WB	-	76.1	-	-	-	-	-	76.1	69.8	92%
3	Burkina Faso	WB	-	-	102.0	-	-	-	-	102.0	102.0	100%
4	Cambodia	WB	-	57.4	-	-	-	-	-	57.4	55.6	97%
5	Cameroon	WB	47.3	-	-	-	-	-	-	47.3	47.1	100%
6	Central African Republic	WB	-	-	37.8	-	-	-	-	37.8	33.0	87%
7	Cote D'Ivoire	WB	-	-	-	-	-	41.4	-	41.4	-	0%
8	Djibouti Allocation 1	WB	8.0	-	-	-	-	-	-	8.0	8.0	100%
	Djibouti Allocation 2	WB	-	-	-	-	4.0	-	-	4.0	1.9	48%
9	Ethiopia Allocation 1	WB	-	70.0	-	-	-	-	-	70.0	68.1	97%
	Ethiopia Allocation 2	WB	-	-	-	-	98.0	-	-	98.0	88.5	90%
10	The Gambia Alloc 1	WB	13.4	-	-	-	-	-	-	13.4	13.4	100%
	The Gambia Alloc 2	WB	-	-	28.0	-	-	-	-	28.0	25.0	89%
11	Ghana Allocation 1	WB	19.0	-	-	-	-	-	-	19.0	19.0	100%
	Ghana Allocation 2	WB	14.2	-	-	-	-	-14.2	-	0.0	-	
	Ghana Allocation 3	WB							75.5	75.5	-	0%
12	Guinea	WB	-	117.8	-	-	-77.8	-	-	40.0	22.4	56%
		UNICEF	-	-	-	-	24.0	-	-	24.0	24.0	100%
13	Guinea-Bissau	WB	-	-	-	-	-	12.0	-	12.0	-	0%
14	Guyana Allocation 1	WB	12.0	-	-	-	-	-	-	12.0	12.0	100%
	Guyana Allocation 2	WB	-	-	20.5	-	-	-	-	20.5	20.7	101%
15	Haiti	WB	-	-	-	-	22.0	-	-	22.0	19.5	88%
16	Kenya	WB	121.0	-	-	-	-	-	-	121.0	121.0	100%
17	Kyrgyz Republic	WB	15.0	-	-	-	-	-	-	15.0	13.4	89%
18	Lao PDR	WB	-	-	-	-	30.0	-	-	30.0	13.1	44%
19	Lesotho Allocation 1	WB	11.9	-	-	-	-	-	-	11.9	11.6	97%
	Lesotho Allocation 2	WB	-	-	-	20.0	-	-	-	20.0	1.4	7%
20	Liberia	WB	-	-	-	-	40.0	-	-	40.0	7.3	18%
21	Madagascar Alloc 1	WB	60.0	-	-	-	-	-	-	60.0	60.0	100%
	Madagascar Alloc 2	UNICEF	-	-	-	15.0	-	-	-	15.0	15.0	100%

			Allocations (US$m)								Cumulative Disbursements	
	Country	SE	2003-06	2007	2008	2009	2010	2011	2012 Q1 + Q2	2003-12	Total	%
		UNICEF	-	-	-	-	22.0	-	-	22.0	22.0	100%
		UNICEF	-	-	-	-	27.0	-	-	27.0	27.0	100%
22	Malawi	WB	-	-	-	-	90.0	-	-	90.0	38.2	42%
23	Mali	WB	-	8.7	-	-	-	-	-	8.7	6.6	75%
	Mali	WB	-	-	-	-	-	41.7	-	41.7	-	0%
24	Mauritania Allocation 1	WB	9.0	-	-	-	-	-	-	9.0	9.0	100%
	Mauritania Allocation 2	WB	-	14.0	-	-	-	-	-	14.0	14.0	100%
25	Moldova	WB	8.8	-	-	-	-	-	-	8.8	8.8	100%
	Moldova	WB	-	-	-	-	-	4.4	-	4.4	0.3	6%
26	Mongolia Allocation 1	WB	17.1	-	-	-	-	-	-	17.1	17.1	100%
	Mongolia Allocation 2	WB	12.3	-	-	-	-	-	-	12.3	12.3	100%
	Mongolia Allocation 3	WB	-	-	-	-	-	10.0	-	10.0	2.0	20%
27	Mozambique	WB	-	79.0	-	-	-	-	-	79.0	79.0	100%
	Mozambique allocation 2	WB	-	-	-	-	90.0	-	-	90.0	13.6	15%
28	Nepal	WB	-	-	-	120.0	-	-	-	120.0	68.0	57%
29	Nicaragua	WB	24.0	-	-	-	-	-	-	24.0	24.0	100%
	Nicaragua Allocation 2	WB							16.7	16.7	-	0%
30	Niger	WB	21.0	-	-	-	-	-	-	21.0	20.6	98%
31	Papua New Guinea	WB	-	-	-	-	19.2	-	-	19.2	1.1	6%
32	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	44.0	63%
33	Sao Tome & Principe	WB	-	3.6	-	-	-	-	-	3.6	3.6	100%
34	Senegal	WB	-	81.5	-	-	-	-	-	81.5	54.4	67%
35	Sierra Leone	WB	-	13.9	-	-	-	-	-	13.9	11.4	82%
36	Sudan	WB							50.7	50.7	-	0%
37	Tajikistan Allocation 1	WB	18.4	-	-	-	-	-	-	18.4	18.3	99%
	Tajikistan Allocation 2	WB	-	-	-	13.5	-	-	-	13.5	8.6	64%
38	Timor Leste Alloc 1	WB	8.2	-	-	-	-	-	-	8.2	8.2	100%
	Timor Leste Alloc 2	WB	-	-	4.9	-	-	-	-	4.9	4.9	99%
	Timor Leste	WB	-	-	-	-	-	2.8	-	2.8	-	0%
39	Togo	WB	-	-	-	-	45.0	-	-	45.0	14.0	31%
40	Vietnam	WB							84.6	84.6	-	0%
41	Yemen	WB	40.0	-	-	-	-	-	-	40.0	40.0	100%
42	Zambia	Netherlands	-	-	60.0	-	-	-	-	60.0	60.2	100%
	TOTAL		**550.6**	**522.0**	**253.2**	**203.5**	**503.4**	**153.8**	**227.5**	**2,414.0**	**1,617.5**	**67%**
	Catalytic Funds		***550.6***	***522.0***	***253.2***	***203.5***	***503.4***	***58.7***	***0***	***2,091.4***	***1,617.5***	***77%***
	GPE Funds		***0***	***0***	***0***	***0***	***0***	***95.1***	***227.5***	***322.6***	-	***0%***