

BOD/2011/05—DOC 08

Meeting of the EFA FTI Board of Directors

Kigali, Rwanda, 18-19 May 2011



OVERVIEW OF THE STRATEGY FOR A REPLENISHMENT CAMPAIGN

For Decision

1. Purpose

The purpose of this paper is to seek endorsement of the EFA FTI Board of Directors of the Replenishment Strategy described in this paper.

2. Background

The EFA FTI Board of Directors has called for greater attention by the EFA FTI Secretariat to the replenishment of the Catalytic Fund and new Education for All Fund on a number of occasions. This paper responds to these requests and captures much work that has already begun on a replenishment campaign.

3. Decision Requested

The EFA FTI Board of Directors is requested to approve the following decision:

BOD/2011/05-XX – Replenishment Strategy: The EFA FTI Board of Directors endorses the Replenishment Strategy described in BOD/2011/05—DOC 08.

The EFA FTI Secretariat also seeks approval from the EFA FTI Board of Directors on the venue and co-sponsors of the replenishment event, as well as the funding scenarios that will be sought in the replenishment campaign. The EFA FTI Secretariat will provide the EFA FTI Board of Directors with further information on these items prior to the May 2011 EFA FTI Board meeting.

4. Reasons for Recommendation

4.1 Introduction

4.1.1 A major replenishment effort requires a solid policy platform and strong operational coherence. Furthermore, the EFA FTI needs to be seen to be on the front foot, responsive to partner demands, and setting out a bold and dynamic policy platform. The EFA FTI can and should step into a real, publicly recognized, global education leadership role.

4.1.2 This strategy outlines the core policy and operational elements of the replenishment effort in very broad terms. Significantly more detail lies behind this with work plans and individual strategies. The primary focus of the replenishment will be on traditional donors and some of the emerging donors (e.g., Republic of Korea). The replenishment will lay the groundwork for further work with the private sector and foundations, but it is unrealistic to expect a significant return from these in the short term. Widespread courting and marketing will be required before the EFA FTI can begin to attract reasonable private sector and foundation funding.

4.1.3 Staff resourcing for a major replenishment is limited and will require clear targeting. The work load for the EFA FTI Secretariat will be significant.

4.2 Some Basic Fundraising Requirements

4.2.1 The EFA FTI Secretariat, for historical reasons, has not been geared for serious engagement in fundraising. Given the breadth of the EFA FTI's activities and the increasing demands on its funds, that has to change. A sophistication is required that can begin to match other global funds. This means that the work plan for the EFA FTI Secretariat is also fundamentally the work plan for the replenishment effort. Everyone will need to be involved to a greater or lesser extent, but significant fundraising cannot be done separately to the rest of the work load. It is part of the EFA FTI Secretariat's core business. An additional question is how to translate the expertise and knowledge within the EFA FTI Partnership into a global leadership role in mobilizing resources for education. Primarily this will involve simplifying

messages that convey why education works in development and also what development outcomes partners will get for their investment in the EFA FTI.

4.2.1 The EFA FTI needs a stronger, simpler marketing story, communicated in plain language. Much can be learned from the Global Fund to Fight AIDS, Tuberculosis and Malaria (the “Global Fund”) and its approach. As a starting point, it would be much easier if the EFA FTI could be rebranded to describe what it is and does: for example the “Partnership for Global Education.” The words “global”, “education” and “partnership” seem core, since they are the three words that one immediately uses to identify FTI. A separate paper is being presented to the EFA FTI Board of Directors on rebranding.

4.2.2 A core element of the replenishment exercise involves defining a clear business case for investing in the Education for All Fund. This will require a series of short, pithy statements/data on the following communications themes:

- Education outcomes: e.g., improvements in primary completion rates and continuation into secondary education.
- Health outcomes: e.g., education impact on reduced child mortality; best health investment is in education.
- Gender outcomes: e.g., investing in girls’ education increases agricultural output by 25%.
- Economic growth outcomes: e.g., 10% increase in potential lifetime income/year of education.
- Climate change outcomes: e.g., adaptability improvements (N.B. the climate change arguments are underdeveloped and may just be mentioned in passing).
- Aid effectiveness: e.g., Paris-friendly principles and it works.
- Domestic financing: e.g., EFA FTI countries saw an average 6-9% increase in domestic financing/annum.
- Efficiency: e.g., the EFA FTI is highly competitive in terms of administrative costs; more efficient than the Global Environmental Facility in disbursements and similar to the Global Fund in cash balances.

4.2.3 Essentially the story will be positive and simple in terms of outcomes. This will be supported by messages around the **urgency** of the need for funding. The Global Fund and the GAVI Alliance can rightly claim to be saving lives immediately. Education saves even more lives in the longer term. There is an extraordinarily strong impact, and the education sector has to generate a sense of urgency as well.

4.2.4 Of the themes outlined above, more investigation is necessary on education's impact on economic growth and also on the EFA FTI's impact on mobilizing domestic financing. The EFA FTI Secretariat will commission background studies to strengthen its understanding of these linkages.

4.2.5 EFA FTI Partners have been asking for more detail on what they can expect for their investments in the Catalytic Fund and new Education for All Fund. Answers will be provided as a part of the business case.

4.2.6 The EFA FTI Secretariat's replenishment team will require dedicated marketing and communications expertise.

4.3 Timing of a Replenishment Campaign

4.3.1 The main replenishment event will be held in mid-October 2011. The best location would be in Europe and ideally three or four co-sponsors of the event should be approached. More detail on this will be provided by the time of the meeting of the EFA FTI Board of Directors in Kigali, Rwanda, where agreement will also be sought for the co-sponsors and venue. The inclusion of a developing country partner as co-sponsor is desirable. Other meetings and conferences during the year will act as lead-up events.

4.3.2 The replenishment event will be an inclusive exercise, seeking to galvanize funding for basic education in general, not just raising money for the Education for All Fund. This is a critical element to underlining the nature of the EFA FTI Partnership.

4.3.3 A critical part of the replenishment campaign will be the role of developing country partners. The EFA FTI Secretariat will seek support from Board members, representing developing countries, in securing a strong public endorsement of FTI and effective lobbying for more resources by their Heads of State. This will be a topic for discussion at the meeting of the EFA FTI Board of Directors meeting in Kigali, Rwanda.

4.4 Targets

4.4.1 A preliminary paper is being prepared that outlines the predicted needs for EFA FTI developing country partners over the replenishment period (2011-14). This will not be on the basis of a “funding gap.” The “funding gap” approach is of limited value in establishing priorities and setting the policy conditions for the inevitable choices and trade-offs that must be made. Various funding scenarios for the replenishment will be presented with different indicative, weighted burden share options. This paper will act as the core of the replenishment. This paper will be ready for distribution to the EFA FTI Board of Directors in late April 2011. The EFA FTI Board of Directors will be asked to approve the replenishment funding scenarios recommended in that paper.

4.4.2 Much is being made of the need to expand the funding base of the EFA FTI. This is correct. However, a strong degree of realism needs to be observed. The EFA FTI currently has very limited dedicated fundraising resources: one senior adviser, part of the time of the EFA FTI Chair, part of the time of the Head of the EFA FTI Secretariat, one research assistant and the limited support of the Communications team. This means that we need to be very disciplined in targeting funding sources. In addition, there will need to be more staff added to the replenishment team from June 2011.

4.4.3 The primary attention needs to be placed on the traditional donor base, the existing contributors to the EFA FTI trust funds. It is important that we lock our traditional donors into ongoing support. Some of these donors need to be targeted for substantial increases. We will target potential donors who have yet to contribute (e.g., New Zealand, Republic of Korea, and Finland). Finally we will use the replenishment to invite other non-traditional donors and foundations into the Partnership, even as observers. These latter donors can be approached in the subsequent 24 months for contributions if they are unable/unwilling to pledge in 2011. However, it is not sensible to invest large amounts of scarce time in this category in the coming months.

4.5 The Policy Framework

4.5.1 The policy framework is critical to a successful replenishment and needs to put the EFA FTI on the front foot. Management has determined that the three strands of the policy framework will be:

- i) Post-conflict/fragile states;
- ii) Quality (especially early childhood reading and writing); and
- iii) Gender (especially the transition from primary to early secondary education for girls).

4.5.2 In addition the replenishment will be results-based, using the new results framework.

4.5.3 Preliminary policy papers for the three focus areas and the results framework have been developed for the meeting of the EFA FTI Board of Directors in May 2011, for endorsement by the EFA FTI Board of Directors. These papers will then be expanded and turned into full policy documents, to be available for comment and feedback in good time prior to the replenishment event in October 2011. Public comment will be sought.

4.6 The Operational Framework

4.6.1 However solid the policy framework, if the EFA FTI does not have a robust operational framework as well, then any replenishment effort will not get very far. For some key donors the main issues with the EFA FTI that they highlight are operational in nature (prioritization in allocations and clawing back unused funds being the most oft-cited).

4.6.2 The prioritization issue being discussed by the Financial Advisory Committee for recommendation to the EFA FTI Board of Directors will be the core pillar of the operational framework. Following the meeting of the EFA FTI Board of Directors in May 2011, a summary operational paper will be prepared for inclusion in any replenishment effort that will include policies and approaches to:

- Prioritization and changes to the Needs and Performance Framework
- Roles and responsibilities of Supervising Entities and Implementers
- Approaches to “soft earmarking” in the Education for All Fund

- Approaches to performance top-ups to grants
- Relationship with the International Development Association
- Rates of disbursement and handling of cash balances with associated performance indicators
- Refunds of unused allocated funds
- The funding of global and regional activities

4.7 Civil Society Organizations

It will be necessary to mobilize as much support as possible from civil society organizations (CSOs) in the lead-up to the replenishment. A strategy has been developed for working with CSOs; this will be refined in discussions scheduled with the Global Campaign for Education (GCE) and others in April. A summary of this will be presented at the meeting of the EFA FTI Board of Directors in May 2011.

5. Costs of Initiative and Source of Funding

5.1 In addition to the replenishment team advisor and research assistant, the EFA FTI Secretariat intends to hire two additional staff members to assist the efforts of the replenishment team from May 2011, for an approximate cost of US \$486,000 (total staff cost).

5.2 The replenishment event planned for mid-October 2011 is expected to cost approximately US \$200,000. The EFA FTI Secretariat will endeavor to obtain co-sponsors to offset the total cost of the replenishment event. US \$185,000 is anticipated for additional meetings/travel by the replenishment team.

5.3 For the rebranding exercise, a short-term consultant and design/marketing firm will be hired for approximately US \$118,000. Additional details on the rebranding exercise can be found in “Rebranding of the Education for All Fast Track Initiative” (BOD/2011/05—DOC 10).

5.4 In sum, the total costs needed for both the replenishment event and rebranding exercise are approximately US \$989,000. Note that these costs are included in the “EFA FTI Secretariat’s Work Plan

for FY 2012” (BOD/2011/05—DOC 11a) being presented for approval at the May 2011 EFA FTI Board of Directors meeting.

7. Contact

Board members and others with questions on these matters are invited to contact Senior Replenishment Advisor, Charles Tapp, at: ctapp@educationfasttrack.org.