PROTOCOL REGARDING MISUSE OF EFA FTI FUNDS

by Tal Sagorsky, EFA FTI Secretariat
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

- Supervising Entity/Implementer
- Local Education Group Members
- Donor Headquarters and BoD
- Developing Country Partner
- Secretariat
Balancing Act: Information on fraud and corruption is *sensitive* information

**Transparency**
- Deterrence of future fraud
- EFA FTI takes fraud seriously
- EFA FTI protects taxpayers $

**Confidentiality**
- Protect investigation
- Protect reputation of EFA FTI
- Risk of Legal Actions

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

- Supervising Entities, Implementers and others should direct information to Secretariat Head

- Consider how/what to share with Board of Directors

- Can lead to public disclosure

*NB: Refunds in compliance with Trust Fund Governance document*
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