OBJECTIVE

To achieve a consensus on the scope of the FTI Partnership and whether to include a broader focus beyond the goal of good quality universal primary education (UPE).

BACKGROUND

As the FTI Partnership has evolved, inconsistencies have developed between its stated objective – achieving universal primary school completion for boys and girls by 2015 – and the practices of developing comprehensive plans for the entire education sector and providing technical and financial support for non-primary education activities. The increasing use of budget support, which is a positive development for the sector, creates additional challenges in terms of the scope of the FTI policy dialogue.

In April 2009, the FTI Steering Committee approved in principle to consider expanding the scope of the FTI to a whole sector approach. To this end, a Task Team was formed, with support of the FTI Secretariat, to explore the implications for the FTI Indicative Framework and the analytical tools necessary to broaden the scope of FTI, including financial needs and mechanisms.

The FTI Secretariat hired a consultant to prepare an issues paper clarifying the implications of extending the scope of the EFA FTI based on an Options Paper presented by the Danish Co-chair at the April 2009 FTI Steering Committee Meeting. The options for consideration were as follows:

**Option 1.** The scope of the FTI Partnership continues to be defined by MDGs 2 and 3 of universal primary completion and gender equity. The current practice and policy interpretation of supporting all basic education, including up to nine years of schooling, is regularized, clearly stated and communicated to all. This would mean that the scope of FTI would include all basic education, including capacity development, policy guidelines and financing eligibility.

**Option 2.** All six EFA goals could be supported by the FTI. This would still encompass all basic education as in the first option, but would put additional focus on learning needs, life-long learning, adult literacy and all aspects of quality of education.

**Option 3.** Adopt a whole sector approach to FTI whereby the entire national education sector plan, at all levels, may be supported in terms of capacity development, policy guidelines and financing eligibility.
IDA 3 ELIGIBILITY

In addition to the issue of “sector scope” there is also the issue of “geographic scope”; currently, the only low-income countries considered eligible for Catalytic Fund support are those in IDA categories 1 and 2, as well as small island economies. Blend countries that satisfy the above criteria are also eligible. Given the large number of children out-of-school in IDA 3 countries, there is a strong argument for extending CF eligibility, or at least FTI aid coordination to these countries, because of their large number of out-of-school children and the poor quality of learning.

FTI SECRETARIAT RECOMMENDATIONS FOR BOARD CONSIDERATION:

While there remain differences yet to be fully resolved among the members of the task team on scope, particularly as pertains to financing, there is general consensus that the Partnership has from the start set its focus on basic education within an overall sector approach, and that this should be reflected in its policy dialogue with countries and its support to sectoral planning processes. There is also wide recognition that unless greater attention is given to post-basic opportunities, this will have a negative impact on the number of students who complete primary and basic education.

OPTIONS FOR THE BOARD TO CONSIDER:

Recommendation 1: The FTI Partnership in its policy dialogue, capacity development and planning support, including financing through the successor program to the EPDF, should cover the whole education sector for all low-income countries.

Recommendation 2: Scope of CF financing
There are three scenarios proposed for consideration. In each of these scenarios, policy dialogue, capacity development and planning would be supported for the whole sector as per the above. Every effort would be made to ensure that domestic and external financing for the sector provide an appropriate share of support for basic education.

Scenario 1
The current practice and policy interpretation of supporting all basic education, including up to nine years of schooling, is regularized, clearly stated and communicated to all. This would mean that early childhood education, primary education (including second-chance programs), lower secondary education, and adult literacy would be eligible for financing under the FTI trust funds. In the case of sector or general budget support, performance indicators would primarily be pegged to outcomes in the basic education cycle. IDA 3 countries with significant numbers of out-of-school children would be eligible for support through the single FTI trust fund.

Scenario 2
All six EFA goals would be eligible for financing through FTI’s Single Fund. This would still encompass all basic education as in the first option, but would put additional focus on learning needs, life-long learning, adult literacy and all aspects of quality of education. IDA 3 countries with significant numbers of out-of-school children would be eligible for support through FTI’s Single Fund.

Scenario 3
The whole sector would be eligible for support through FTI’s Single Fund in terms of capacity development, policy guidelines and financing.

The Secretariat recommends that the Partnership opt for the second scenario, while setting the third scenario as a target over time, whereby the entire national education sector plan may be supported
in terms of capacity development, policy guidelines and financing eligibility. Milestones should be agreed for a phasing-in period, which would include availability of sufficient funding and appropriate progress on policy issues and monitoring criteria. Agreement would also be needed on appropriate safeguards for maintaining an appropriate overall level of support to basic education, and on clear objectives, indicators and targets. This will be achieved through the consultation process that will be used to set up the results framework for the Partnership.

**Recommendation 3: FTI as the aid coordinating mechanism**

The FTI should be the main aid coordinating mechanism for the whole sector, but operationalizing this decision should be done in close consultation and dialogue with other partners to avoid overlapping mandates.