Action Plan and Timetable to a Single Fund

by Nancy Pinto
Current Fund Structure

Catalytic Funds
(USD 1,740m)

EPDF
(USD 116m)

Sec TF
(USD 23m)

Multi-donor CF

EC + Germany

EC ACP
Current Funds: *Objectives & Governance*

**Catalytic Funds**
- Support ESP Implementation
- Are governed by Admin Agreements with donors to the CFs
- Decisions made by the CF Committee (primarily CF donors)

**EPDF**
- Supports ESP development through TA and analytical assistance
- Is governed by Admin Agreements with donors to the EPDF
- Decisions made by the EPDF Committee (primarily EPDF donors)

**Secretariat Trust Fund**
- Supports delivery of Secretariat core services; funds Chair of the Board position and activities
- Is governed by Admin Agreements with donors to Sec TF
- Decisions made by the Board and the Sec TF donors
Single Fund Structure

Single Fund
All FTI interventions

Country Activities
PACE-type support
ESP/IEP implementation support

FTI Chair
FTI Sec

Global & Regional Activities

Trustee
Single Fund: *Objectives & Governance*

**Objectives**

**Country Level**
- Support capacity to develop and implement ESP
- Help increase effectiveness of education investments
- Help the LEG coordinate support to the education sector
- Support implementation of ESPs or IEPs

**Global Level**
- Global and regional knowledge development & dissemination
- FTI Secretariat core work program
- FTI Chair position and activities
- Trustee activities

**Governance**
- Governed by Admin Agreements with donors to Single Fund
- Decision-making authority delegated by donors to Board
Assumptions: *World Bank as Trustee*

- **Establishes Fund**
  - Sets up systems to account for receipts, disbursements, income earned on donor contribution
  - Sets up reporting and auditing systems

- **Manages Legal Agreement Processes**
  - Negotiates, signs donor agreements
  - Manages/responds to day-to-day donor queries

- **Invests & Manages Resources**

- **Disburses Resources based on instruction from Board**
  - NB: Fund recipient designated by Board (SE or Implementing Entity) applies its own operating regime – fiduciary, procurement, etc.

- **Accounts and reports on contributions and transactions**
Implementation Dependencies

- Final decision on Scope (to inform eligibilities)
- Final decision on Board composition, roles and responsibilities
- Development of Board procedures for decision-making
  - Technical support or Finance Committee?
  - Quality Assurance entry points?
  - Rolling approvals based on Risk-based criteria?
- Finalization of Country Process Guide and applications
Implementation Challenges

- Convincing donors who do not hold Board seats that their views will be solicited and their concerns considered/reflected in Board decisions

- Agreeing on a common set of fund objectives and eligibilities

- Agreeing on the use of the Transfer mechanism

- Raising longer-term, sustainable funding levels
## Proposed Timetable for Fund Establishment

<table>
<thead>
<tr>
<th>TIME</th>
<th>ACTIVITY</th>
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<tbody>
<tr>
<td><strong>End-May</strong></td>
<td>Draft terms and conditions of proposed fund circulated to current and prospective donors</td>
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<td><strong>Mid-July</strong></td>
<td>Donor comments solicited/collected/integrated in revised draft</td>
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<tr>
<td><strong>Mid-July</strong></td>
<td>Terms of Reference for technical review of country applications drafted for review by Board (will depend on outcome of Board composition and roles and responsibilities exercise)</td>
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<tr>
<td><strong>End-July</strong></td>
<td>Full draft agreement, including draft contribution letter circulated to Donors for review and comment</td>
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<tr>
<td><strong>Until early-September</strong></td>
<td>Donor comments received, integrated in revised draft</td>
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<tr>
<td><strong>Mid-September</strong></td>
<td>Agreement finalized, ready to receive donor contributions</td>
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<tr>
<td><strong>January 2011</strong></td>
<td>First allocations made from single fund</td>
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Decisions for the Board

1. Agree on timeline for Single Fund implementation

2. Agree that the Board commits to promoting the Single Fund among constituencies