

# *Education for All – Fast Track Initiative*

Accelerating progress towards quality universal primary education

**EDUCATION PROGRAM DEVELOPMENT FUND**

**STATUS REPORT**

**DECEMBER 2005**

Prepared by the FTI Secretariat for the EFA-FTI Annual Partnership Meeting  
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# EFA-FTI - EDUCATION PROGRAM DEVELOPMENT FUND STATUS REPORT

## A. Introduction

The Education Program Development Fund (EPDF) was established in November 2004. It provides a funding window within the FTI context for low-income countries to improve the quality and sustainability of their education sector planning and program development. It aims to strengthen technical and institutional capacity within countries, or within regional networks, and seeks to foster participative evidence-based policy dialogue within the sector..

The fund provides both upstream support for country-led development of education sector programs and downstream support to generate knowledge from experience to share across countries. The range of activities that can be supported under the EPDF includes the costing of national education plans, the assessment of fiscal impact and support for consensus building. Support can also be provided for third-party evaluations and case studies.

This report presents a summary of the major activities and results of the EPDF in the year since its creation.

## B. EPDF Operations

### Overview

To date Norway has provided the bulk of EPDF financing and pledges. Additional support from Ireland and the UK has also been received. Sweden, the Netherlands and Belgium have indicated that they will provide EPDF financing.

Since its inception, total pledges for the EPDF have increased from \$5.8m to a cumulative total of \$29.73 million, covering a three-year allocation period from 2005 – 2007. Proposals have already been approved for the World Bank’s LAC, MENA, EA, and SA Regions. A proposal from the ECA Region has not yet been received. The Norwegian Education Trust Fund will be integrated into the EPDF beginning in 2006 to provide SSA financing (see Table 3 ii).

### Pledges and Receipts

Tables 1 presents pledges in donor currency and equivalent US \$ conversions are in Table 2.

**Table 1: EPDF Donor Pledges 2005-2007, Currency millions**

	2005	2006	2007	Total	Currency
Ireland		0.25	-	0.25	EUR
Norway	30.00	110.40	-	140.40	NOK
Sweden		20		20	SEK
UK	0.5	1.2	1.2	2.9	GBP

**Table 2. EPDF Donor Pledges and receipts 2005-2007, US \$ equivalent millions**

	2005	2006	2007	
	Receipts	Pledges	Pledges	Total
Ireland	-	0.31	-	0.31
Norway	4.87	17.00	-	21.87
Sweden	-	2.43	-	2.43
UK	0.94	2.09	2.09	5.12
Total	5.81	21.83	2.09	29.73

Pledges for the period 2005 – 2007 increased from \$US 8.3 million at the beginning of the year to \$US 29.73 due to additional pledges by Norway, the UK, Sweden and Ireland. It is expected that the amount will increase in the coming months, as potential contributors make their announcements.

### Allocations and Disbursements

Funding proposals were approved this year for East Asia, Latin America and the Caribbean, South Asia, and Middle East and North Africa (MENA) regions and funds have been transferred to the respective regions. In all, \$5.9 million has been received, \$5.4 million has been allocated and released to the Regions and so far \$0.8 million has been disbursed by the Regions. The low disbursement rate is a result of many programs in the pipeline that have to be completed and paid for before they can be reflected in disbursements.

A detailed financial statement for the EPDF is attached in Annex 1.

**Table 3 (i) Regional Allocations, 2005 (US \$ millions)**

	2005/2006				Beyond 2005/06
	Approval Date	Approved Allocation (a)	Total Released (b)	Difference (a-b)	Annual Estimated Demand
East Asia	March 2005	1.0	1.0	0.0	2.0
South Asia	Jan 2005	4.5	2.9	1.6	5.0
Middle East & North Africa	Feb 2005	0.5	0.5	-	1.0
Latin America & Caribbean	July 2005	1.0	1.0	0.0	2.0
Africa Region	Not applicable		-	-	15.0
Europe & Central Asia	No proposal	0	-	-	0.5
<b>Total (excluding Africa )</b>		<b>7.0</b>	<b>5.4</b>	<b>1.6</b>	<b>10.5</b>
<b>Total (including Africa)</b>					<b>25.5</b>

**Table 3 (ii) Funding requested for Africa US\$ millions**

2005 funded by NETF	Beyond 2005 by EPDF
10	15

## **C. Issues for Discussion**

### ***Issue 1: Timing of Annual Consultations and Allocation Decisions:***

The strategy committee is currently expected to meet annually to review progress of the previous year's activities, to approve plans and to allocate resources to the Regions for the following year. The regional managers are expected to present reports of the previous year's activities and plans for the subsequent year during the annual strategy committee meetings. However, this year, regional funding proposals were approved at different times between January and July 2005. Implementation of activities has just begun in some regions while in others it is more advanced. Given the importance of reporting progress made in each of the regions, it is crucial that a suitable schedule for allocations and for reporting be agreed.

### ***Options:***

- (a) Present annual reports in March during the FTI Technical meetings, and schedule the decision regarding allocations at the time of the Annual Partnership meetings in November. This option would enable the regions to complete a full year cycle to implement and report on achievements of the past year and activities planned for the following year. However, this option would be asynchronous between reporting and allocation decisions.
- (b) Schedule reporting and funding allocation decisions during the Annual Partnership meetings in November each year. This option will enable the reporting to coincide with the funding allocation decision but may create unnecessary delays in the coming year.
- (c) Provide for flexible allocation and reporting arrangements depending on disbursement progress, donor contributions to the EPDF and the timing of the approval of proposals. This would be consistent with the fact that regional proposals have not all been agreed at the same time, and donor funding may be provided at different periods of the year. However, each of these factors can lead to very different implementation and reporting schedules. This option would also be burdensome on the committee members.
- (d) Provide for reporting and allocation decisions to be taken before the end of the World Bank's fiscal year (June 30). This would allow regional managers to plan EPDF budgets in a manner consistent with other budgetary planning. However, this would be an extremely busy time for the sector managers who would be occupied with other end of year reporting activities.

*Recommendation:* We recommend option (a)

### ***Issue 2: Establishment of Regional Reference Groups:***

The establishment of Regional Reference Groups has been presented at discussed at several Strategy Committee meetings. Such a group would provide a mechanism within the partnership that facilitates dialogue and coordination on a range of issues relating to education program development and implementation. The group will also help ensure that the support that the fund provides for activities is beneficial and appropriate for end users in the regions.

During the last meeting in September, the SC recommended that the presented draft TORs for the RRGs need to be revised to spell out more clearly the role of the RRGs and the frequency of meetings. The terms of reference have now been revised.

*Does the SC agree with the contents of the revised TORs?*

## Annex 1 Educational Program Development Fund (EPDF)

### SUMMARY OF CONTRIBUTIONS, ALLOCATIONS, DISBURSEMENTS AND FUND BALANCE

For the period December 2, 2004 (inception) to November 7, 2005 ( till date)

#### Expressed in U.S. dollars

		<b>UNAUDITED</b>
		December 2, 2004 (inception) to November 7, 2005
<b>Receipts</b>		
Contributions	\$	
United Kingdom		936,800
Norway		4,872,108
Total contributions		5,808,908
Investment income		124,203
Total receipts		5, 933,111
<b>Disbursements</b>		
Regional disbursements		
Middle East and North Africa		97,693
South Asia		305,578
East Asia		97,930
Total project disbursements		501,201
Administration fee		290,445
Total disbursements		791,646
Excess of receipts over disbursements		5,141,465
Fund balance, beginning of period		-
Fund balance, end of period	\$	5,141,465
<b>Note</b>		
<b>(A) Summary of regional Allocations</b>		
South Asia		2,900,000
East Asia and the Pacific		1000,000
Middle East and North Africa		500,000
Latin America and the Caribbean		1000,000
Europe and Central Asia		0
Total allocation*	\$	5,400,000
<b>(B) Summary of donor pledged amount</b>		
Ireland	EUR	250,000
Norway	NOK	140,400,000
Sweden	SEK	20,000,000
United Kingdom	GBP	1,300,000