



EFA FTI: Reinvigorating the Partnership, Reforming the FTI 2010 – 2013

Midway to 2015, EFA FTI is at a cross roads. Developed originally as a flexible and evolving Partnership to support countries to reach Universal Primary Completion, and grounded in principles of country ownership and donor harmonization, EFA FTI can claim some significant successes in contributing to universal access to and completion of primary education. At the same time, EFA FTI is falling short of the ambitions originally envisaged for it by its founding Partners.

This paper, drafted by the Secretariat, submits to the Board a proposal for a re-examination and reform of the overall Partnership model based on lessons learned since EFA FTI's inception in 2002, and informed by the recommendations and observations of the Mid-Term External Evaluation and the 2010 UNESCO Global Monitoring Report. This is intended to set the stage for the special Board retreat.

We look forward to substantive participation by Board members to collectively vet and prioritize reforms and actions. Under the guidance of the Board, the FTI Secretariat will lead efforts to implement agreed reforms – both short-term and longer-term.

BACKGROUND

This section provides a brief background on the EFA FTI since its inception.

The EFA FTI was created in 2002 as an evolving Partnership of developing and donor countries and agencies to support global EFA goals with a specific focus on Universal Primary Completion (UPC). The EFA FTI Partnership model is a compact of mutual accountability linking increased donor support for primary education to recipient countries' policy performance and results. Its goals are:

- ❖ more efficient aid,
- ❖ sustained increases in aid,
- ❖ sound education sector policies,
- ❖ adequate and sustainable domestic financing for education, and
- ❖ increased accountability for sector results.

In sum, the EFA FTI was designed to increase the quality of country education strategies and the quantity and quality of external support for them, rather than be an additional development partner or a global fund. Its role was to help countries prepare and implement “endorsable” education sector plans and to attract bi-lateral and multi-lateral donor funding, and to facilitate harmonization, alignment, results orientation, and mutual accountability linked to that funding.

The FTI Catalytic Fund (CF) was established in 2003 to address the resource needs of countries with few external partners by providing transitional grant financing over a maximum of two to three years to enable these countries to scale up implementation of their sector programs, and establish a track record that could help leverage longer-term support.

The scope of the CF was expanded in 2007 – extending eligibility to all low-income countries with endorsed sector plans, and allowing for funding beyond the original three-year maximum. With the expansion of the CF, there has been an increasing tendency to equate the FTI with the Catalytic Fund.

The Board of Directors (formerly the Steering Committee) is the governing body of the FTI. However, it currently has no direct authority over fund allocation decisions.

Some selected FTI Achievements over its seven years of operation include:

- ❖ 40 countries have had their education sector plans endorsed.
- ❖ Pledges to FTI trust funds between 2004 and 2009 totaled US\$1.7 billion.
- ❖ Disbursements against the Catalytic Fund have grown steadily each year, reaching just over \$220 million in 2009.
- ❖ Fifteen countries are expected to request CF support in 2010.

A CASE FOR REFORM

The Partnership commissioned a mid-term evaluation report in 2008. The evaluation confirmed that the overall FTI model—based on country-owned education sector plans—remains relevant, but found that more emphasis needs to be put on implementing plans and strengthening accountability mechanisms. It found that countries received insufficient external support, with the consequence that FTI’s achievements have fallen short of expectations. The evaluation recommends a greater focus on results, a major increase in funding, and a bigger voice for developing country partners in decision-making. It notes that not enough emphasis has been put on improving the quality and quantity of overall aid for country education plans and too much emphasis has been put on the Catalytic Fund. It sees the World Bank as too dominant a partner, and calls for emergence of a more even distribution of responsibilities across FTI partners, and a stronger Secretariat.

The evaluation report calls for a fundamental re-ordering of priorities and responsibilities for the FTI partners. While stating that the FTI is the best available vehicle for achieving the EFA goals, it nonetheless underlines the need for significant change.

The 2010 UNESCO Global Monitoring Report similarly calls for a substantive reshaping of the FTI partnership. The GMR proposes several ways in which the FTI partnership could draw on lessons learned from the experience of other global funds, including better measurement of results, establishment of partnerships with the private sector, including foundations, and greater use of high-level expert panels and advocates.

BEYOND BUSINESS AS USUAL

Our vision for FTI is that of an effective, results-oriented Partnership that reinvigorates the global community in support of the 2015 EFA goals. The Partnership would be characterized by well understood and mutually agreed accountabilities among all Partners to contribute according to their skills, resources and comparative advantage to:

- ✓ Significantly increasing external funding to basic education in low-income countries, along with increased domestic funding.
- ✓ Decreasing the ratio of children out of school in low-income countries from 21.5% in 2007 to under 5% in 2015.

- ✓ Increasing the ratio of children able to read after two years of schooling from under 10% in 2009 to 50% by 2015.

Building on the country-led groups and structures, the Partnership would promote a single FTI process that would recognize that countries “are where they are” in their capacity to develop and implement education sector plans. While it would continue to target FTI support according to both need and performance, the Partnership would define performance on a continuum recognizing the different starting point for each country. It would agree on shared indicators of success and a system by which all Partners are held accountable for results.

PROPOSED REFORMS

Six areas for reform are proposed. Other areas may emerge from the Board meeting. The proposed reforms are guided by the principle that FTI should continue to benefit from “learning by doing”. Reforms reflect a shift from the input-based Indicative Framework to a result-focused monitoring and evaluation framework built around universal provision of good quality basic education. This shift would serve to:

- ✓ Define sustainable service delivery within the sector, with agreed country-specific standards (informed by international experience) to be met – providing specific indicators for reaching the most marginalized children, along with systematic attention to learning outcomes and a strong gender focus;
- ✓ Establish learning standards and an expectation that all children will learn to read, to be good citizens, to achieve basic overall competencies; and
- ✓ Promote mutual accountability among the three main Partner groupings in FTI—the developing countries, the donors and agencies, and civil society – emphasizing FTI’s grounding in Paris Declaration Principles by which all partners agree to harmonize programs, and reviewing those efforts regularly as mutually agreed indicators of success.

1. Re-define what it means to be a Partner and agree on a new division of responsibilities across the FTI partners.

The Mid-Term Evaluation Report states that the FTI Partnership has taken insufficient advantage of existing capacity among its Partners, and has placed too much responsibility on the World Bank. This is a perspective that is widely shared among the FTI Partners, including the World Bank. With a view toward renewed commitment of all Partners to contribute according to their comparative advantages, and leveraging rather than duplicating skills and tools, some proposed actions include:

- *Establish and agree on roles, responsibilities and behaviors* for each Partner constituent group and have public re-commitment by the Partners to the FTI goals and to their respective obligations as a Partner (this would include expression of willingness of agencies other than the World Bank to serve as Supervising Entity for an FTI allocation)
- *Define roles and delivery performance standards*
- *Develop a comprehensive 3 year work program and budget* covering work of the various contributing Partners

2. Strengthen the country focus of the FTI partnership, including countries affected by conflict or other challenges

Country focus is important both for relevance—those who are closest to the challenges are in the best position to evaluate priorities and proposed solutions—and sustainability. The role of all Partners is to

help ensure that policy dialogue and programming are informed by the best available evidence, and that country systems and within-country expertise are used to the extent possible in delivering aid.

A particular challenge for the Partnership is to adopt a transparent strategy for providing support to countries affected by conflict, or with limited capacity to develop a full education sector program. Such countries require an approach that recognizes potential as well as areas of weakness, with targets for capacity development. Recognizing the limitations of the term ‘fragility’, and that circumstances in countries affected by conflict or other severe challenges may evolve rapidly, it is proposed that a single financing mechanism be used across all countries, with the Progressive Framework to be the basis for determining what constitutes a good plan along the continuum represented by the various countries.

Proposed actions to strengthen country focus and education sector plan development and implementation are:

- *Engage the partnership more substantially, under government leadership and ownership, in the development and implementation of education sector plans.* This involvement by the partnership would promote uptake of international best practice as reflected in key FTI tools (e.g. ESP Appraisal Guidelines) and a stronger role for the Secretariat in reviewing and if necessary challenging ESPs.
- *Strengthen capacity in education policy, planning and implementation,* including implementation of the proposed PACE-type interventions and improved knowledge sharing across FTI partner countries.
- *Facilitate a broader, deeper stakeholder engagement in education,* including agreeing on a broader range of Supervising Entities for CF-type funding and more effective monitoring of domestic investments in education.
- *Monitor and communicate sector results transparently; recognize success; and promote dialogue around challenges to achieving results,* including much more use of Joint Sector Reviews; consideration of results-based financing; and strengthened education budget preparation, management and monitoring.
- *Promote more, and more effective, aid,* including commitment to the use of the most aligned modality and a focus on developing longer term modalities.
- *Broaden the FTI partnership to include countries in crisis and transition situations,* including adoption of the Progressive Framework and the development of a single FTI trust fund.

3. Develop and use a robust monitoring and evaluation strategy

This measure would shift the focus of FTI processes from initial endorsement of education sector plans to the results of their implementation. Monitoring and evaluation reports would be among the main documents discussed in the future by the Board of Directors, and at the country level by the Local Education Group, providing a clear evidence basis for actions to improve areas of weakness.

Local Education Groups would receive greater ongoing support from the FTI Secretariat – both on request and where significant issues emerge-- and would have access to more readily available data to measure progress. Strategies to improve mutual accountability among donors, country partners, civil society partners and the Secretariat staff could include:

- *Development of a robust results-focused monitoring and evaluation framework* reflecting country specificities, with appropriate expertise and engagement of all partners whereby partners would agree on indicators, assess available data and monitor utilization of data, including classroom-level delivery of education services. An annual report card on education

financing would assess how well donor agencies and governments are meeting needs and performance targets, especially indicators on budget execution and efficiency. This report card would be prepared by governments, with support from LEG donors and informed by pro-forma templates provided by the Secretariat.

- *Collaboration with international audit agencies* to build audit and accountability functions in countries

4. More financing, made available more innovatively

External financing for basic education in low-income countries has stagnated over the past five years. Most countries with FTI-endorsed education sector plans have increased their own budgets for basic education over this period, thanks to generally good macroeconomic performance, but they could achieve much more with more sustainable, long-term external support, especially to hire additional qualified teachers, as well as continuing to strengthen their own efforts. Much of the available external support continues to come with high transaction costs, and without significant LEG input.

The FTI partnership must help to align all sources of support to the sector, and not just the CF or its successor fund. The LEG needs support to become a forum both for such alignment, with agreements by all partners to this end, and for seeking additional sources of funding beyond the CF in the context of support for education as a whole. Options would include organization of meetings of donor headquarters staff and LEGs for the purpose of seeking sources of ESP support in addition to the CF. The Secretariat, with support from the Chair, could help raise questions of adequacy of overall funding, through periodic reporting, discussion at FTI meetings, and support as needed on country-specific issues with relevant key donors. This broader approach to external funding – going back to the initial objectives of the FTI -- is important for all countries in the FTI, including those not eligible for Catalytic Fund support. Targets could also be set for increasing the amount of funding that flows directly to schools as part of the Results Framework.

Increases in ODA alone are unlikely to be sufficient to meet all needs for external education support in coming years, even assuming continued strong growth in domestic budgets. FTI will need to diversify funding sources as has the global health sector. This would include working more closely with the private sector, foundations and sports organizations, developing new initiatives to generate donations and tapping into capital markets. The following actions would serve to diversify funding sources and improve sustainability and predictability.

- Move to a multi-year fund-raising with donors agreeing to a minimum allocation to the FTI Funding instruments on the basis of criteria to be agreed;
- Agree on an initial target for the FTI to mobilize \$1 billion of commitments annually for the FTI trust funds;
- Establish a fund-raising unit within the Secretariat;
- Seek much higher-level political dialogue around overall financing levels for the sector, supported by high-profile champions.

5. Governance and management

The FTI evaluation emphasizes the need to revisit governance and management at both the global and local level, with a view to increasing Partner country voice. Options for changes in global level governance include increasing Partner country representation on the Board by:

- Increasing the number of seats on the Board held by developing partner countries,

- Including finance ministry representation on the Board as well as education ministry representation ;
- inviting middle-income countries to serve on the Board to foster greater south-south collaboration;
- developing a system of representation whereby both donor and partner country representatives on the Board would consult with and represent the views of non-Board member countries;
- Providing greater logistical support to developing country partners who are board members (office staff, for instance, to help with correspondence, preparation of briefs, etc.);
- linking Board membership of donors to overall contributions consistent with the Paris aid effectiveness principles; and
- increasing the presence of national civil society representatives.

Each of these options presents trade-offs which need thoughtful consideration—optimal Board size overall, incentive of donor countries to contribute to FTI trust funds, complexity of decision-making processes, etc. At the local level, there is also a need to clarify the composition of Local Education Groups in order to strengthen the presence of partner country participants in the overall policy dialogue and to consider how to encourage a meaningful role in decision-making and sector planning for civil society.

6. A Stronger Secretariat

The proposed direction of the FTI requires the support of a much stronger and more proactive Secretariat with enhanced capacity in communications and external relations, monitoring and evaluation functions, operational and policy support to LEGs, innovative knowledge capture and sharing – with particular focus on leveraging the work of other Partners and promoting south-south experience exchange, and promoting fund-raising efforts.

With respect to communications and external relations, priority action areas are:

- *Advocacy/Branding*: including establishment of an active network of high level spokesperson representatives from both donor and recipient countries to help promote FTI and raise the profile of the partnership and establish a FTI “brand”. They would engage in a more structured and intense way with civil society and media organizations both at the global and country level.
- *Communications for results*: establishment of a systematic process for collecting data to provide a clear storyline on results and our presence on the ground while communicating with our country partners frequently and prominently. Facilitate knowledge/best practice sharing among partner countries (South-South collaboration).
- *Streamlining operational communications*: development of better communications tools for FTI products and clear messages around FTI processes at the country level. Establish two-way communications channels with partner countries and define clear communications links with countries from pre endorsement to program implementation.

KEY ACTIONS PROPOSED TO LAUNCH THE REFORM AGENDA

While not comprehensive, some key actions proposed for the short-term include:

1. Mandate the Secretariat to work with Partners and external expertise to develop a results-focused framework to replace the current Indicative Framework, as well as an overall process for monitoring

and evaluating progress. *A draft results-focused framework would be submitted by the Secretariat for general Board approval at the spring board meeting, after dialogue with Partners.*

2. Agree on a Single Process/Single Fund approach for FTI trust funds with fund allocation decisions vested in the Board of Directors, and financial support for all countries made on the basis of the Progressive Framework, with special consideration – but not a separate window -- for fragile states. *The target date for effectiveness of a new Fund with the revised decision-making processes would be mid 2010.*
3. Develop, approve and fund the general staffing plan of a strengthened Secretariat with the expectation that key additional staff will be recruited by mid-2010.
4. Increase the cadre of Supervising Entities with no default supervising entity.
5. Increase Board representation of partner countries and CSOs to be equal to donor/agency representatives, with a specific formula to be agreed at the spring meeting of the Board.
6. Link Board membership of donors to overall Paris/Accra-compliant contributions
7. Investigate options for legal status of the FTI partnership.
8. Launch a reformed FTI by mid 2010 with, among other things, a new name that more clearly communicates its nature and purpose. Consult all major funders – current and potential – in this process.
9. Reserve for the spring meeting of the Board further discussion and decision on the scope of the FTI partnership, prioritization, financing, and specific partner roles.
10. Agree responsibilities for organization of a pledging conference at the time of the World Cup events.