



**Fast Track Initiative**

A global partnership to achieve Education For All

**FTI Country Level Process Guide  
FEBRUARY, 2009**

**Prepared by the FTI Task Team on  
Strengthening Country Level Processes and the FTI Secretariat**  
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## Abbreviations and Acronyms

AG	Appraisal Guidelines
CA	Coordinating Agency
CF	Catalytic Fund
CFC	Catalytic Fund Committee
CSOs	Civil Society Organizations
EPDF	Education Program Development Fund
ESP	Education Sector Plan
FTI	Fast Track Initiative
HQ	Headquarters
LDG	Local Donor Group
JSR	Joint Sector Review
LEG	Local Education Group
PRSP	Poverty Reduction Strategy Paper
SE	Supervising Entity
SWAp	Sector-Wide Approach
WB	World Bank

## Introduction

1. The Education for All – Fast Track Initiative (FTI) is a global partnership that focuses on accelerating progress toward the core Education for All goal of universal primary completion, for girls and boys alike, by 2015. It was established in 2002 following the development consensus reached at Monterrey and is a compact that explicitly links increased donor support for primary education to recipient countries' policy performance and accountability for results. Partner countries commit themselves to developing and implementing a sound and sustainable Education Sector Plan and to increasing domestic finance for primary education. Donors, multilateral organizations and civil society organizations commit themselves to supporting this Education Sector Plan with increased harmonization and support, including financial support.

2. In this compact, partner countries take the lead in designing and implementing education programs through broad-based consultation. These programs use benchmarking and monitoring of progress against output and outcome indicators. They emphasize promoting faster progress in quality primary education for all children. Governments will provide adequate domestic financing and put in place improved financial management capacity enabling the implementation of the agreed programs. Donors, multilateral organizations, and civil society organizations then commit to aligning their support with the country's education program. They provide support for its capacity development, mobilize predictable and long-term financing, and align their procedures (as much as possible) with the government systems and among themselves. This requires real commitment to work together, realistic expectations, and firm leadership of the process from the country level.

3. The FTI is underpinned by the principles set out in the March 2005 Paris Declaration on Aid Effectiveness [\(link\)](#) globally reaffirmed in the Accra Agenda for Action adopted by the Third High Level Forum on Aid Effectiveness in September 2008 [\(link\)](#). The Accra Agenda for Action identified three issues to move on from the Paris Declaration: country ownership, more effective and inclusive partnerships, and accountability for achieving development results. The Outcome Document from Round Table 8 in Accra ([link to be added](#)) is of particular relevance for the FTI approach. The emphasis by FTI on joint assessment of country systems, transparent plans for using country systems, the importance of 'cross-cutting issues' as well as a strong commitment to provide aid through program-based approaches, are all in line with the above mentioned documents. Since its inception in 2002, FTI has been hailed as a new aid paradigm supporting aid effectiveness as a key objective. The FTI strongly encourages nationally-owned approaches aligned with countries' own processes and harmonized across donors. Improvements in aid effectiveness can only be achieved with support for education strategies through more aligned modalities, making greater use of country systems. This Guide offers several key ways of achieving these aims. Notable changes of the process introduced recently and also elaborated in this Guide include:

- jointly undertaking most of the analytic work, which builds the basis of endorsement and support for the education sector plan, further upstream of any specific application for funding; and
- by providing the flexibility of using an alternate Supervising Entity (SE) for funds provided by FTI depending on the country circumstances.

5. FTI as a partnership has been operating since 2002, the Catalytic Fund was established in late 2003 and the Education Program Development Fund was formed in 2004. The partnership has evolved considerably over that time and the two funds have undergone various important changes. The lessons learned are the basis of further changes in the FTI process that were agreed in 2007-2008. The resulting FTI process ([link](#)) is explained in this guide. The Guide is intended to be a key resource for those working at country level (the government, donors, civil society organizations and the private sector) to help clarify the basic process of joining and working within the FTI partnership. Overall, this guide aims to assure consistency and quality across the global partnership. To gain a better understanding of how country-level processes fit within the broader FTI-governance, please read the FTI Framework ([link](#)) and the document on Governance of the Partnership (to be added). This Guide refers to and links other FTI documents, such as the Appraisal Guidelines ([link](#)), the Progressive Framework ([link](#)), EPDF guidelines (to be added), Modality guidelines ([link](#)), Equity and Inclusion Tool ([link](#)), and more detailed Catalytic Fund guidelines (to be added) and Transition Fund guidelines (to be added) which can be found at the FTI website: [www.education-fast-track.org](http://www.education-fast-track.org) and through the links provided above.

6. FTI is not a blueprint, nor is it merely the Catalytic Fund. It is a broadly shared commitment to a different way of working. The value added of FTI depends on the context, and could include enhanced dialogue with and support from partners across government, parliament, civil society and the international community. Working within the FTI partnership could also result in access to more external finance, improved technical assistance, better plans and implementation, as well as enhanced aid effectiveness. However, FTI experience shows that there are no simple answers to questions like:

- How much money is available for my country's education plan?
- How long will it take for the funding application to be approved?
- What exactly do we have to do?

The reason is simple: every country's context is different, and changing. Because country contexts, including the way their donors are organized, are different, the way the FTI process unfolds is also likely to vary. Country-specificity is a common theme throughout this guide. Yet there are certain fixed points or requirements that need to be met. For instance, the local donor group will need to apply the Appraisal Guidelines in full before endorsing the education sector plan. Another example is that if an application to the Catalytic Fund is made, this will need to be reviewed by an external panel advising the Catalytic Fund Committee. How you at the country level organize yourselves to meet these requirements depends on the context and starting point.

### **Key players at country level**

These general descriptions, and the use of these terms throughout the guide, need to be understood according to each specific context.

7. The Government is responsible for the development, implementation and monitoring of the Education Sector Plan (ESP), and for ensuring wide consultation with stakeholders including the Local Donor Group and Civil Society Organizations. The Ministry of Education ensures that other parts of the Government, notably the Ministry of Finance and local administrative units as well as the parliament and other stakeholders, are involved as needed in the FTI processes.

8. The Local Education Group (LEG) refers to a structure or series of meetings where representatives of the government (including or solely the Ministry of Education) discuss education strategies, plans, programs, funding and policies with representatives of international organizations (including bilateral and multilateral donors and NGOs) and civil society (e.g. local NGO coalitions, trade unions, advocacy and user groups as well as private sector service providers). It will already exist in some countries or it may be formed in response to the wish to improve effectiveness in the education sector, to build a Sector Wide Approach (SWAp), or to join the FTI. The LEG, led by the Government, joins resources and efforts to support the education sector strategy. The specific composition, terms of reference, and working arrangements of the LEG will vary from country to country. Where structures and processes already work well, there may be no reason to change; where relationships are just beginning or working unsatisfactorily, engagement with the FTI may provide the right opportunity to agree to changes or to formalize what exists.

9. The same applies to the Local Donor Group (LDG) which is a subset of the LEG and is a forum for organization and coordination of donor support to the education sector, whether through project, program or budget support, so as to advance the aid effectiveness agenda. The LDG supports the development, implementation, and monitoring of the ESP, and takes an active role in Joint Annual Reviews. In the context of FTI, the LDG is responsible for the appraisal of the ESP.

10. The Coordinating Agency (CA) or Lead Donor is designated by the LDG in consultation with the partner country. The CA acts as the communications link between the Government of the partner country, the LDG and the FTI Secretariat, and may be given other agreed roles such as managing the appraisal process or facilitating discussions.

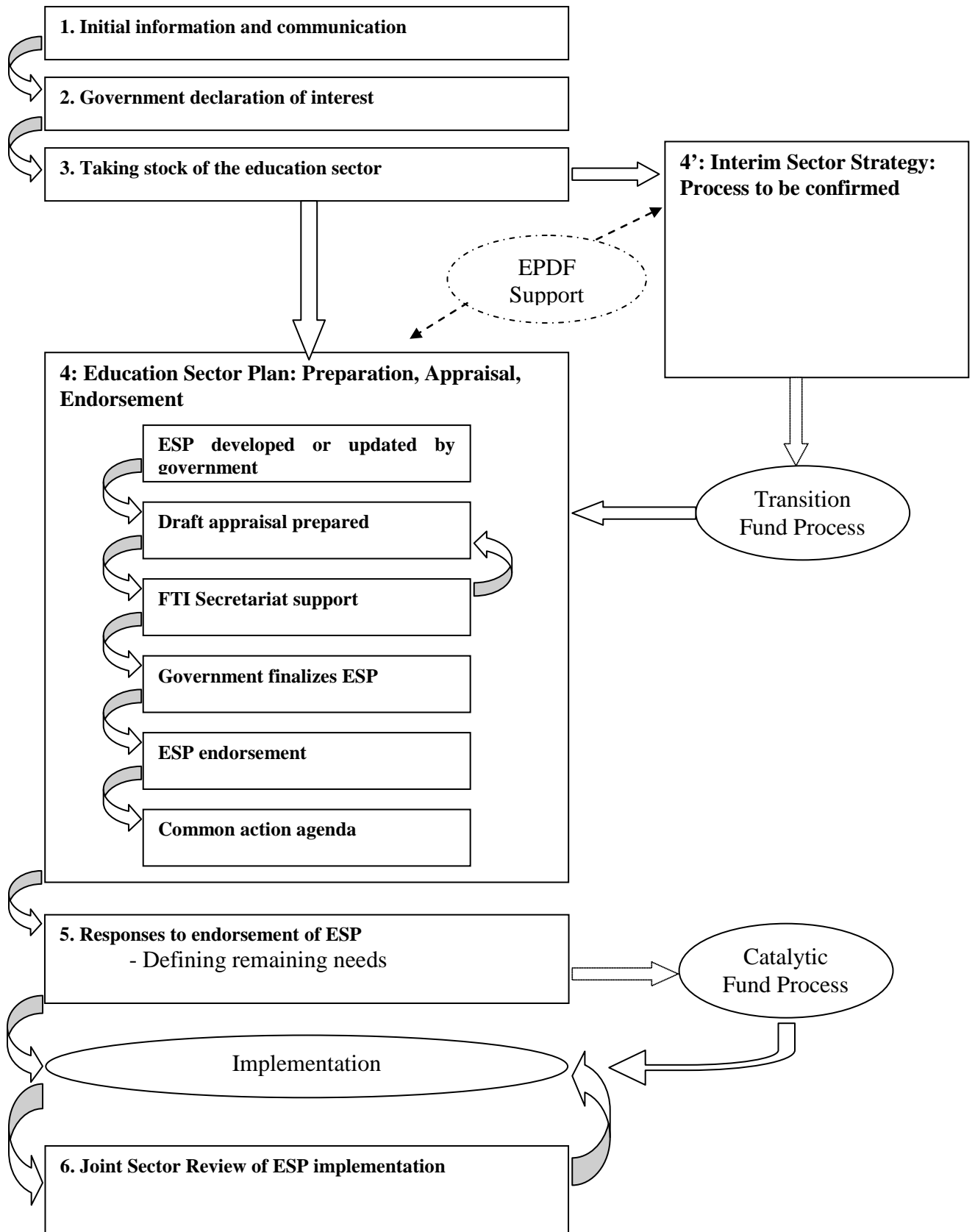
11. Civil Society Organizations (CSOs) participate in FTI processes at the country level through their representation in the LEG and other fora. They help ensure operational links with organizations or groups working in both service provision and advocacy toward the achievement of Education for All.

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## **I - The FTI Process**

The flow chart on the next page gives an overview of the FTI process and how the different parts relate to one another. The FTI process chart was approved by the Steering Committee (SC) in September 2008 ([link](#)). At the same meeting the SC also approved the inclusion of the Education Transition Fund (managed by UNICEF) as an integral part of the FTI process emphasizing that there will be only one single FTI process. The flow chart incorporates this decision. The text following the flow chart subsequently includes the decision that has to be made at stage 3 (Taking Stock). A full text for the interim strategy will be included when ready.

## SUMMARY OF FTI PROCESS



### **Stage 1. Initial Information and Communication**

FTI Secretariat provides information to the Local Education Group (LEG) to ensure clear understanding at the country level about the FTI partnership and processes.

The FTI Secretariat will help clarify the potential added value of FTI in the specific country context. Possible transaction costs and the time scale involved can be discussed and the FTI Partnership and trust funds explained. Through the information provided, countries will gain a realistic expectation of what joining FTI will entail. The Government can consult with the Local Donor Group and use the information to reach a decision on whether it will seek FTI endorsement.

### **Stage 2. Government Declaration of Interest**

The government expresses interest in engagement with the FTI through a letter addressed to the chairperson of the Local Donor Group (LDG) or to the Coordinating Agency, who immediately communicates this to all members of the Local Donor Group (LDG) and the FTI Secretariat.

Following discussions with the LDG, the Government may decide to express interest in FTI endorsement. The statement of intent by the Government indicates ownership of the process. The early liaison between country and global levels of the partnership is important to ensure the full backing of all the stakeholders throughout the process.

### **Stage 3. Taking stock of the sector**

The key objectives of these first steps, following the decision to join the FTI, are to consider fully the status and needs of the education sector and its context, and how best to build on what is already there that will meet current and future needs:

- by updating and/or strengthening the policies, strategy and ESP if necessary,
- by scaling up and improving both domestic and international support to the sector.

The duration, scope and intensity of this phase will depend very much on the country-specific context, e.g. is there already an ESP and how is its implementation proceeding? The stock-taking involves the Local Education Group that already existed or may have been established in the context of entering the FTI Partnership. It is important that the Ministry of Education seeks the participation of other Government entities, e.g. Ministry of Finance, Public Service Commission, local administrative units, and ministries responsible for labor, youth, gender, etc. The Local Education Group should also seek the most appropriate level and form of participation of CSOs and other stakeholders, while keeping the size of the group manageable.

3 a The Local Education Group considers the status and needs of the country's education sector and what further work will be required to achieve FTI endorsement of the country's Education Sector Plan (ESP).

*(Once Transition Fund guidelines are agreed, this is a decision point for a possible interim strategy.)*

The exercise of 'taking stock' of the sector is an opportunity to gather all the relevant information together: data, reports, policies, legislation, budgets, institutional structures,

projects and programs, etc. This may be the first time that stakeholders have looked at the whole picture together. If there are information gaps, joint analysis can be undertaken at this point in time. In those countries where an ESP is already well developed and under implementation this exercise may be very light. In situations where there is no operational ESP or where the ESP is ready for an update, this stage offers an important platform for dialogue and identification of additional work needed. This dialogue could take the form of a SWOT-analysis: considering *strengths and weaknesses* (of the education system as a whole, aid effectiveness, the budget process, for example) and *opportunities and threats* (of the poverty reduction strategy, macro-economic situation, etc). What evidence is there to make the right choices for policies, resource allocation, priorities, etc? What are the key facts and issues to address? Development tools such as problem, risk and stakeholder analysis can be useful.

Another part of the stocktaking exercise is the initial overview of the status of the policy-strategy-plan framework that exists in the country and the consideration of questions that will aid the planning of further work. Does an ESP exist at all, or are there several sub-sector plans? If an ESP exists, is it more of a vision document or a detailed planning and implementation tool? Is performance measured against it? Are lessons learnt fed into the plan? Does the ESP need updating or elaborating? How does the ESP link with the national budget, decentralized expenditure on education, donor support and NGO activities? Have processes like Public Expenditure Reviews or Public Expenditure Tracking Surveys been undertaken and fed into the ESP? What is the confidence in public financial management overall and in the sector? Is the balance right between the sub-sectors? What are the political or legislative constraints? Does the plan adequately and concretely address the key issues of access, equity, quality and learning achievement?

There can be no correct set of answers, but the plan needs to be developed by all partners helping to **ask the right questions**, marshalling the evidence and agreeing on the ways forward. The monitoring and evaluation framework should be discussed from the start, so that data collection is designed to aid policy development and implementation.

The purpose of the FTI process is to help countries reach their education objectives in the most appropriate way. One size does not fit all: it is about getting the right fit between what the sector needs and the implications of seeking it. Within this single process, the FTI distinguishes two routes a country can choose: a direct route to endorsement and a more indirect route that leads via a transition or interim phase. The direct path is most suited for countries that already have a fairly comprehensive ESP or can develop one in a relatively short time. The path with an interim phase is more suitable for countries where the education sector operates in an especially challenging and complex context and that can currently produce only an interim strategy. Both routes share the key characteristics of FTI: they aim to advance all the aspects of the aid effectiveness agenda, they focus on filling all four gaps identified in the FTI framework (data, policy, capacity and finance) and both routes can call upon the Education Program Development Fund. The way in which these FTI features take shape will be quite different so as to provide a best fit with the actual circumstances of the country.

A good way for the country to determine which route to choose is to review at this point both the Appraisal Guidelines (AG) ([link](#)), which need to be applied in full when a country strives for full endorsement (and possible later funding from the Catalytic Fund (CF)), and the CF process (section II). If there are many questions in the AG that cannot be addressed or if the

benchmarks included in the Indicative Framework ([link](#)) are difficult to achieve, it would be good to review the Progressive Framework ([link](#)) and the Transition Fund process (section III to be added). The Progressive Framework has been designed especially for countries that are quite far removed from the benchmarks in the Indicative Framework and it offers a way of moving towards a fully endorsed Education Sector Plan.

Both options have advantages and disadvantages and these are important to consider. These can be summarized as follows:

- The fully developed ESP would attract more significant resources for a longer period, but it requires a very solid plan and the process to access it is somewhat longer and more complicated due to the higher requirements. Allocations are normally done only twice a year by the Catalytic Fund Committee after an external panel has reviewed the proposals.
- It is the intention that countries through the Interim Plan pathway can deliver the most needed education services while at the same time they (re)build capacities and systems so that they can make the transition to a comprehensive ESP, FTI endorsement, and possible application to the Catalytic Fund.

**3 b** In this context, the Local Education Group decides on a division of roles and responsibilities, (including fiduciary assessment which will in most cases be led by the World Bank, and a mapping of current and future aid to the education sector). The Coordinating Agency then communicates these decisions to all members of the LEG.

Once there is a shared understanding of the sector context and the work that needs to be done the Local Education Group decides which pathway/route will be followed. The work is then mapped out and roles and responsibilities can be assigned. One of the most important gains of the FTI process is that it is a **joint process leading to a common understanding** of the challenges and an open and constructive dialogue on how to jointly address those challenges. A division of roles and responsibilities should be based on existing capacities, mandates, comparative advantages and efficiency considerations. It is important at this point to honestly consider capacity constraints among all constituent parts of the LEG, including the LDG. Especially in countries with very small donor groups or where the donor community has not yet worked with joint programming, it may be necessary to draw in external expertise. Efficiency considerations and comparative advantages should never mean that important partners are excluded from certain aspects. After all, the results need to be shared conclusions that everyone can buy into.

One of the issues that will need to be addressed is that of the most appropriate modality for supporting education interventions in the country. In view of its comparative advantage in this area and because for the CF the WB is normally Supervising Entity, the WB will in most cases lead a fiduciary review of the sector and the aid provided, building heavily on prior existing work in this area. The Terms of Reference will be shared and participation by bilateral donors and government is recommended. If the Transition Fund pathway is chosen, existing assessments will also be used and the involvement of the WB may also be requested.

As the ESP is developed, projections for domestic finance will be made. At this time it will also be useful to start mapping current and possible future aid to the sector. Together this can offer a point of reference for the ESP, although possible resource constraints should not be the key determinant for setting ambitions.

#### **Stage 4. Education Sector Plan: Preparation, Appraisal, Endorsement**

This stage is again very country-specific, and it includes the three core elements of preparation, appraisal and endorsement. How much time is needed for this stage depends to a large extent on what is already there in terms of ESP and how well donors and government are already working together. It is important to note that the ESP is not prepared especially for the FTI.

**4 a** The ESP is developed or updated by the Government in consultation with the Local Education Group. EPDF support may be requested by the Government. The ESP should be fully-costed with links to the PRSP or equivalent, and should include a detailed implementation and monitoring framework for at least the first year.

The first of the three core elements of this stage is the **preparation or update or revision of the Education Sector Plan**. This plan reflects the policy choices and objectives of the partner country government and as such is its responsibility. An ESP that is a ‘credible plan’ will not have been formulated in a vacuum or be simply derived from global ambitions, but will be anchored in the country’s existing circumstances and implementation capacities, while at the same time pushing those boundaries by strengthening policies and making the changes needed so as to seriously enhance the capacity to ensure quality education to all. Consultation with key domestic stakeholders (including parliament, civil society organizations and the private sector) is important. The country may request assistance from its donors and/or the EPDF to support certain elements of ESP preparation, but true ownership of the process on the part of the country is vital. Within the FTI process, any support by donors will have been discussed during the division of roles and responsibilities. All education interventions in a country should support the ESP, i.e. be ‘on plan’.

The ESP may already be fully operational, it may be about to be revised or it may still be under development when the country declares its interest to join FTI. As the ESP will be appraised by the Local Donor Group using the FTI Appraisal Guidelines ([link](#)) and guided by the Indicative Framework included as Annex 1 in the FTI Framework ([link](#)), it is worthwhile for the country to review these guidelines at an early stage, so that the ESP addresses all the necessary issues. For example, it is essential that the ESP be fully costed and clearly embedded into the country’s overall poverty strategy (PRSP or equivalent) as well as medium-term expenditure frameworks, but also in terms of other policies and strategies around public service reform, decentralization, gender and other cross-cutting issues such as HIV/AIDS, equity, inclusion, and learning outcomes. If the already existing ESP is insufficiently linked to other relevant policies and plans or is not fully costed, then this requirement will prompt a revision. Simulation models can be very useful at this stage to review the financial implications of policies and thus make informed choices between various options. It is also important that the multi-year ESP has an implementation and monitoring framework for at least the first year. Most countries work with annual work plans. Experience has shown that having a solid ESP, fully costed and with clear work plans, helps to leverage not only external support but also domestic support. It strengthens the position of the Ministry of Education in the (normally annual) negotiations with the Ministry of Finance over resource envelopes.

In addition to the Appraisal Guidelines (which are compulsory) there are several very helpful resources available on the FTI website. These include:

- Capacity Development Guidelines ([link](#))
- HIV/AIDS toolkit ([link](#))

- Equity and Inclusion Tool ([link](#))
- Modality guidelines ([link](#))

**4 b** As one element of continuing dialogue and partnership, a draft Appraisal Report of the ESP is prepared by the LDG, using the FTI Appraisal Guidelines fully, with input from Civil Society representatives, and with the involvement of donor HQs as appropriate.

Once a draft ESP is available, the Local Donor Group starts its joint appraisal process, fully using the FTI Appraisal Guidelines (AG). The LDG seeks inputs from Civil Society representatives and, where appropriate, from their own headquarters. The purpose of the latter is to gain commitment at global level for the eventual endorsement, so that donor agencies can respond adequately either by increasing or redirecting their current and future financial commitments and/or by supporting a request for additional financing through the CF.

The FTI Appraisal Guidelines provide the framework for posing the pertinent questions and the Indicative Framework gives benchmarks which can be used to discuss and set appropriate targets in key areas. The AG thus set out the essential elements of an effective Appraisal Report. Although the bulk of the appraisal will pertain to the substance of education reform and expansion, a fiduciary assessment will also form part and parcel of the appraisal of the ESP, because this appraisal will later on guide the development partners' support for this plan. A joint fiduciary review will inform the choice of the most appropriate modality for future donor support, including for possible support through the Transition and the Catalytic Funds. Considering the FTI's desire to catalyze aid effectiveness in the education sector, sector budget support needs to be seriously considered and the fiduciary review of the education sector needs to be guiding future increased use of country systems. Proposed mitigating measures should be linked to general reforms in the areas of public finance management and procurement. The World Bank is likely to take the lead in these reviews because of their involvement with these wider discussions but the review needs to be undertaken jointly with other donors.

**4 c** The FTI secretariat supports and advises the LDG on the need for any further work on appraisal. This may be an iterative process, depending on the readiness of the ESP for endorsement as a credible sector plan, fully owned by the country, and of plans to harmonize, align and scale up support for it.

The ESP and draft appraisal will be shared with the Secretariat, which can advise the LDG on the need for any further work. It is important that the process of appraisal is fully owned by the LDG since they have the first responsibility to harmonize, align and scale up support for the plan they are appraising. It is important that the standard of work is high, as the endorsement of an ESP is supposed to be a reliable signal to all stakeholders, whether a parliamentary budget oversight committee, the Ministry of Finance, heads of local donor offices or the international community, that this is a sound plan. In due course, the ESP and its appraisal may need to convince the Catalytic Fund Committee, where many members have no representation in a particular country, that this plan should be funded.

If the draft appraisal meets FTI standards, it is shared with Government and this may prompt further discussion about aspects of the ESP, possibly leading to changes. Throughout this

process, the appraisal report can best be seen as a living document that is adjusted to take account of accumulating evidence, policy, budget and financing decisions and agreement on the way forward.

**4 d** The Government finalizes the ESP, which is approved at the highest appropriate level.

Once the ESP is finalized, it should be approved at the highest appropriate level in the partner country. Firm ownership and approval of the ESP by government (not only the Ministry of Education) and other in-country stakeholders (for example Parliament and civil society coalition) are an expression of broad commitment to the financing and implementation of the ESP.

**4 e** The LDG reviews the ESP, finalizes the Appraisal Report and recommends FTI endorsement, which is approved at the highest appropriate level in country by the donor organizations.

Once the ESP is finalized, the LDG draws up its final Appraisal Report. Assuming that the LDG concludes that the ESP overall constitutes a credible sector plan<sup>1</sup>, it will recommend FTI endorsement. Signing off on this endorsement is done at the highest appropriate level in country by donor organizations. This commits the donor agency to supporting the ESP. The Coordinating Agency informs the FTI Secretariat of the endorsement, which in turn informs the FTI Partnership. Partners are invited to give comments on the ESP and Appraisal Report – via the Secretariat – to the LEG. This can be particularly helpful for those countries that are intending to apply for Catalytic Funding, as it will frame how the ESP and Appraisal are perceived elsewhere.

**4 f** The Government and LDG agree a common action agenda in support of the endorsed ESP. Donor organizations, at the appropriate level, confirm commitments, and plans to scale up and align support around the ESP, including through General Budget Support.

When an ESP is endorsed as a credible education plan, it does not mean that all the work is done and that there are no outstanding issues. In most cases, the ESP and/or the Appraisal Report will have identified areas that need further work (policy decisions, capacity development, PFM and procurement reforms, and aid effectiveness). On the basis of outstanding issues in the ESP as identified in the Appraisal the LEG will agree on a common action agenda. This agenda will cover critical areas on which the LEG agrees to work on in the years to come – in addition to and in support of the actual implementation of the Plan. Donor organizations will also, at the appropriate level, confirm their commitments and plans to scale-up and align support around the ESP, including General Budget Support.

*This is where text on the interim process will be inserted.*

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<sup>1</sup> i.e. that the ESP is an appropriate response to the challenges the country faces and that it is realistic in the sense that (a) domestic resource mobilisation and (b) all projected other finances could actually be used effectively (turning resources into results).

## **Stage 5. Responses to Endorsement of ESP**

**5 a** Any remaining financing needs are identified, factoring in additional domestic and external contributions.

**5 b** Where application to the Catalytic Fund will be necessary, agreement is reached on the Supervising Entity (SE) and the most aligned modality for CF support.

Once the responses to the endorsement (including commitments of existing and possibly new donors) have been registered, it will be clear whether there is still a financing gap. If this is the case, the LEG will most likely seek a contribution from the Catalytic Fund or the Education Transition Fund. If only an Interim Plan has been developed the Catalytic Fund Process (II) or the Transition Fund Process (III) below should be followed. The most aligned/appropriate modality will have already been determined in the joint appraisal. Selecting the Supervising Entity is part and parcel of the CF application process.

## **Stage 6. Joint Sector Reviews of ESP Implementation**

This is the agreed mechanism for monitoring implementation of the ESP.

The implementation of the ESP is monitored by the LEG, normally through a Joint Sector Review (JSR), based on the monitoring framework for the sector outlined in the sector plan that combines a number of input, process, output and outcome indicators. This monitoring framework should guide policy dialogue, including the JSR. There are no fixed or prescribed formats for JSRs, although some good practices have been distilled from existing review processes (see box 1) and the Secretariat is developing a more elaborate document with suggestions for effective JSRs. A key feature is that the JSR looks at the performance of the implementation of the ESP and provides input to the on-going planning process, ensuring that lessons learned are included in future plans. In view of the two-sided FTI compact between the government and donors it is highly recommended that progress on aid effectiveness, especially changes in donor behavior, is also included in the JSR. The agreed results of each review, as documented in an Aide Memoire or similar document, should be communicated to the FTI Secretariat so that the partnership can track progress at the global level and foster cross-country sharing of lessons and good practice. It is good practice for the LEG to agree on a schedule for periodic external evaluations of the ESP.

The JSR may also discuss any updates to the ESP, the possible need for re-endorsement if there are substantial changes, as well as the endorsement of a new ESP when the period of the endorsed plan expires.

If a country receives support from the Catalytic Fund or the Transition Fund, then monitoring of the progress under this grant agreement should be part and parcel of the JSR.

### **Box 1 - Some good practices in JSRs**

As the education sector and collaboration in the sector develop, the JSR also evolves and changes are made in order to follow progress and issues more effectively. Often, changes in JSR practice will have important impacts on alignment and harmonization, for example, therefore the review needs to be designed to look forward as well as back on past performance. It can be useful to take stock of current Monitoring and Evaluation practice in the sector, and consider whether the JSR could be improved as part of the FTI process. Some practical examples of strengthening JSR practice from FTI members include:

- Widening government ownership - beyond the Ministry of Education's leadership to Ministries of Finance, Planning, Women, Youth, Public Service Commission, etc.
- Considering joint organization – e.g. government and coordinating agency, to help a very thorough and timely preparation by sharing resources.
- Planning right from the start of the annual cycle the output of the JSR: e.g. an annual report to government and donors; an aide memoire with agreed policy directions and indicators for the next year, the next stage of a SWAp-building process, a focus on a neglected sub-sector or issue, etc
- Varying the organization of the event to provide for different types of participation, discussion and objectives for specific sessions – to strike a balance between breadth and depth, technical and political, national and sub-national, for example.
- Considering a mix of plenary and small group sessions; presentations and workshop formats.
- If more than one JSR is organized annually, one could be brief, focused and technical, the other broader and participatory; perhaps one short and based in the capital, the other longer and based around field experience.
- Consulting widely in advance over the agenda.
- Circulating important documents well in advance, especially new data, finance reports, etc.
- Linking the timing to new data availability.
- Linking the timing to the budget cycle.
- Agreeing in advance the process and format for a joint Aide Memoire: e.g. a representative sub-group to draft with high level agreement on a final version, a maximum number of recommendations to be agreed (to keep focus), quarterly follow-up meetings on defined 'next steps' and progress indicators, etc.
- Organizing time for field visits and time to share feedback from these, including a way of summarizing key conclusions for the Aide Memoire.
- Including structured participation from civil society and decentralized levels of the system.
- Building the program around a key theme or two – perhaps with an injection of new ideas and evidence from local or international institutions.

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## **II - Catalytic Fund Process**

If it becomes clear that increased domestic and donor resources are insufficient to implement the endorsed ESP, the country can decide to apply for funding from the Catalytic Fund. This has rules associated with it, which are explained in the following section. The Government works in close cooperation with both the CA and the proposed SE. The principle of the Catalytic Fund is that it should support ESP implementation, which was jointly appraised. Because all the important work related to deciding how to support ESP implementation was done as part of this joint appraisal/endorsement process, preparing a CF application will be a relatively streamlined process.

### **A. Catalytic Fund (CF) Program Proposal**

Based on the endorsed ESP, and taking into account the appraisal report (including fiduciary assessments) and common action agenda, the government develops a CF program proposal for CF funding in consultation with the LDG and Civil Society representatives. The proposal should outline funding priorities, include the first year's implementation plan, and identify the CF modality and SE.

The CF program proposal and the Supervising Entity's (SE) due diligence would constitute a program document outlining funding priorities, including the first year's implementation plan, and identifying the CF modality. The due diligence will to the extent possible be based on the fiduciary reviews made during the appraisal for the ESP. It would be recommended that a cover note summarize the application in a country CF presentation document that would clearly make the case for funding. The country presentation should, apart from explaining why the application should be approved, summarize the program document as well as:

- (a) specify what the CF would fund and how it would complement the Government and other donors' funding;
- (b) summarize all domestic and external resources, along with an explanation of the limitations in increasing bilateral and multilateral funding to cover the identified funding gap;
- (c) specify the amount and duration of the requested CF funding; and
- (d) specify the agreed grant modality and the Supervising Entity.

The full justification for the CF program proposal would include:

- (i) the fully costed medium or long term ESP;
- (ii) the appraisal and endorsement of the ESP by the local donor group;
- (iii) the program document;
- (iv) a country CF presentation document; and
- (v) additional documents upon request.

The FTI Secretariat would advise the SE and the CA on the country CF presentation document. The FTI Secretariat would communicate CF program proposal submission deadlines to countries as CF Committee meetings were planned.

There are basically three scenarios for the modality and link to the ESP:

- (a) There is no joint funding of the ESP as yet and the CF contribution takes the shape of a separate project, or if feasible sector budget support. It is important to show how the CF fits into the ESP and how it complements the activities of others.

(b) In countries where there is a joint financing mechanism operational, it is expected that the CF will co-fund this. In that case, it is important to show what share of the joint fund will be covered by the CF and how this joint fund complements the efforts of government and possible donors outside the joint fund.

(c) In cases where support to the sector takes the form of Sector Budget Support it is evident how the CF complements government and other donors' funding and it is sufficient to indicate what share of expenditures will be covered by the CF.

During the appraisal of the ESP a joint fiduciary review, usually led by the WB, was carried out with the aim of assessing the public financial management capacity of the sector and determining what is the most appropriate modality for supporting the implementation of the ESP. Bearing in mind the common commitment to providing more aligned support, this fiduciary review should explore whether sector budget support is a possibility. The Modality Guide ([link](#)) provides a useful flow-chart and other information for the selection of the most appropriate modality. Once the desired modality has been decided, the Supervising Entity can be determined. It is important to note that in the agreement between the Catalytic Fund donors and the World Bank (WB), the latter is normally the Supervising Entity. However, if the WB, due to its rules and regulations, cannot 'deliver' the desired modality, the Local Education Group can select an alternative Supervising Entity. Mostly this will be one of the bilateral agencies that contribute financially through this modality by its own sources. The FTI Secretariat would facilitate the discussions on the choice of a SE if needed.

The Catalytic Fund Committee requires that a recommendation on the SE is made by the Local Education Group before the Catalytic Fund Committee (CFC) allocates resources, enabling the SE to finalize all preparations before submission to the CFC, so that soon after an allocation is made the CF can actually be made available. Another reason why it is important that the Supervising Entity is known before the allocation is made, is that this SE will take – as the name suggests – responsibility for ensuring that CF money is spent properly. This also means that it has to apply its normal level of due diligence. In the case of a WB Investment Operation, for example, this also means that environmental and other social safeguard assessments need to be carried out. Because any Supervising Entity will already have been involved in the Appraisal of the ESP and signed off on the endorsement, the additional due diligence work at this stage should be limited in scope. The shape and composition of the CF Program Document that the WB requires when it is the SE is described in the WB internal guidelines ([link](#)). When an alternative SE is proposed then the rules of that SE apply, so to enable the CFC to make an informed decision about the transfer of this responsibility, the SE needs to explain how it would effect its supervisory role.

## **B. Review of CF proposal by the Catalytic Fund Committee**

**B i** The CFC calls upon an independent, desk review of the proposal to aid decision-making.

An independent desk review of the final CF program proposal is required once it is submitted to the CFC. This independent desk review facilitates the decision making of the CFC by providing a short analysis and assessment of the CF program proposal. An external team consisting of a group of international experts then assesses the CF program proposal on its own merits (looking for internal consistency and quality of the application) and provides a

statement on whether or not the request for additional financing should be approved. The FTI Secretariat facilitates the independent desk review.

**B ii** The CFC agrees CF modality and Supervising Entity (SE) and decides on CF allocation.

At this point the allocation decision is made. The principles of the presentation to the CFC are set by the Committee and could include a presentation and interview with the Coordinating Agency and/or the Government. The CA, through the Secretariat, provides the CFC with the following documentation by mail at least three weeks before the CFC meeting:

1. Program Document and country CF presentation.
2. Summary report from the independent desk review.
3. Recommendation from the FTI Secretariat based on allocation model decisions.
4. Draft Transfer Agreement if an alternate Supervising Entity is proposed.

**B iii** The implementation plan may be adjusted to correspond with the CF allocation decision.

Based on the CFC decision, the Government and the SE make the necessary adjustments. If agreed, final discussions enabling the signing of a transfer agreement between the WB and an alternate Supervising Entity are held. The grant agreement is then signed by the Government and the SE.

### **C. Monitoring of Implementation through Joint Sector Review**

The implementation of the ESP is monitored according to targets and outcomes as described in FTI Process Stage 6. The monitoring of the CF contribution and CF supported activities is made through the Joint Sector Review. Any additional CF contribution after three years would largely be based on this overall assessment. The SE produces the internal reporting needed to report to the CFC and to fulfill its responsibility for due diligence.

### **D. Closing of CF grant and Re-application for CF (if necessary)**

At least a year before the closing of the CF grant, preferably as a part of the Joint Sector Review, the LEG considers the need for further support from the CF and the possible need for an updated ESP. Based on the monitoring of the implementation of the ESP and the CF supported activities, the LEG decides which part of the process would need to be repeated. Updating the ESP is normally a systematic activity that is already part of the implementation and monitoring of the ESP. Such updates should be discussed and agreed during the Joint Sector Reviews. If this is the case, the process of getting additional CF resources should normally start with the common action agenda (see FTI Process Stage 4.f). Lessons from the Joint Sector Reviews provide important inputs to the documentation needed for the possible re-application process.

At the end of the CF grant, normally six months before the closing date, the LEG agrees on the division of labor among the partner country, the local donors and the SE, to produce a completion report outlining the results achieved and the lessons learned for the ESP and the CF during the implementation of the CF.

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### **III - Transition Fund process**

*– this part of the Process Guidelines to be completed later.*