



Fast Track Initiative

A global partnership to achieve Education For All

**EDUCATION PROGRAM DEVELOPMENT FUND
(EPDF)**

SUMMARY PROGRESS REPORT

OSLO, NORWAY

DECEMBER 2008

Prepared by the FTI Secretariat

**Education for All (EFA) – Fast Track Initiative (FTI)
Education Program Development Fund (EPDF)
Summary Progress Report**

Objective and content

This report provides a descriptive update on the implementation of EPDF grants since the EPDF Committee meeting in Dakar (Senegal) in December 2007. The regional progress reports and the new funding requests, both prepared by the World Bank (WB), are being circulated separately. The proposal of the Global Campaign for Education (GCE) is also a separate document. After the Oslo meeting, these documents will be posted on the FTI website (www.education-fast-track.org), as well as other pertinent websites.

Financial Execution

Since the inception of EPDF, \$58.5 million have been allocated to the six World Bank regions. This figure includes US\$25.02 million in connection with the Dakar meeting in December 2007, and an additional US\$ 1.3 million in Tokyo in April 2008. Contracts have been signed for 56 percent (US\$33.2 million) of the funds. To date, about 50 percent has been disbursed (US\$28.8million). The disbursement rate for the Dakar/Tokyo allocations is 28%. Total disbursement has doubled since the last update in December 2007, when the figure was US\$ 14 million. Reviews of allocations that have not been fully disbursed are being carried by WB regional managers; this exercise has resulted in selected reallocations. See Tables 1 and 2 below for details.

The disparities in Table 2, between allocations and disbursements, are a point of concern. It is unclear at this point if the issue is that capacity constraints have prevented more rapid disbursement, or simply that most activities by their nature take well over a year to implement. If the former hypothesis is borne out, urgent attention should be given to identifying and addressing the capacity constraints. If the latter hypothesis proves valid, changes in assumptions around EPDF grants may be necessary, as well as the periodicity of EPDF grant-making processes. In particular, there should be assurances that activities approved for implementation beginning in 2009 have sufficient lead time to be successfully concluded before the end date for the EPDF.

**Table 1
EPDF, Allocations, Expenses & Disbursements since 2004 (US\$ thousands)**

Regions	Cumulative allocations	Expenses incurred	Disbursements	Disbursements as % of allocations
Sub-Saharan Africa	34,740	19,251	17,025	49%
East Asia & Pacific	6,800	2,909	2,396	35%
Europe & Central Asia	3,210	1,119	1,033	32%
Latin America & Caribbean	3,080	2,361	2,035	66%
Middle East & North Africa	2,685	1,796	1,396	52%
South Asia	7,991	5,766	4,945	62%
Total	58,506	33,202	28,830	49%

Source: FTI Secretariat

Table 2**EPDF disbursement progress made relative to Dakar & Tokyo allocations**

Regions	Allocations	Disbursements	Disbursements as % of allocations
Sub-Saharan Africa	15,400	5,300	35%
East Asia & Pacific	3,900	596	15%
Europe & Central Asia	2,150	88	4%
Latin America & Caribbean	900	100	11%
Middle East & North Africa	1,269	8	0.6%
South Asia	2,711	1,165	43%
Total	26,330	7,257	28%

Source: FTI Secretariat

Projected Finances

To date, the EPDF has received pledges amounting to US\$96 million. So far, approximately US\$58.5 million has been allocated to activities managed by the six WB regions. About US\$37.5 million is available for new allocations by the EPDF Committee. New pledges should leave the EPDF in a satisfactory position for financing over the next year. The EPDF situation beyond 2009 is unclear.

Donors and Pledges

The EPDF has now eleven donors, after the joining of Australia this year. To date, EPDF donors have pledged a total of US\$96 million. Table 3 summarizes donor pledges and payments received as of the end of October, 2008.

Table 3**EPDF Pledges and Payments by Donor 2005-2011 as of October 31, 2008, in US\$ millions equivalent**

Donor	2005	2006	2007	2008	2009	2010	2005-2009	Receipts
Australia				1.06	1.72	1.63	4.41	1.06
Canada	-	3.40	-	-	-	-	3.4	3.40
France	-	1.74	2.00	2.1	1.74	-	7.58	5.84
Ireland	-	0.95	1.06	1.32	-	-	3.33	2.01
Japan	-	-	1.2	-	-	-	1.20	1.2
Luxembourg	-	1.30	0.91	1.24	-	-	3.45	3.45
Netherlands	-	1.50	6.00	6.00	-	-	13.50	1.5
Norway	4.87	30.00	6.7	-	-	-	41.57	41.38
Russia	-	-	1.20	2.00	-	-	3.20	3.20
Sweden	-	2.60	-	-	-	-	2.60	2.60
United Kingdom	0.94	4.98	4.96	1.00	-	-	11.88	10.9
Total	5.81	46.47	24.03	14.72	3.46	1.63	96.12	76.54

Source: FTI Secretariat; exchange rates as of October 31, 2008.

Overall Funding Request for December 2008

Table 4 shows the total amounts requested by the WB regions, for consideration in the Oslo meeting in December 2008. It does not include the GCE proposal, which requests

US\$22.2 million. This table presents the distribution of requests according to the four strategic objectives of EPDF. As expected, the Africa region (AFR) accounts for more than 50 percent of the total requested; this high percentage is similar to AFR's funding requests in 2007. As stated earlier, the actual regional proposals are a detached annex to this progress report. The reallocation covers earlier allocated activities that were not, or not fully, implemented.

Table 4
EPDF, Summary of Funding Requests by Region (US\$ thousands) (1)

Region	ESP	CD	MEKS	SDP	Other (2)	Re-allocated (3)	Total
Africa	6,200	2,000	4,500	500	4,500	(3,800)	13,900
East Asia and Pacific	0	1,362	535	0	0		1,897
Latin America & Caribbean	200	750	250	0	0		1,200
South Asia Region	960	1,380	1,950	0	214		4,504
Middle East and Nord Africa							0
Total	7,360	5,492	7,235	500	4,714	(3,800)	21,501

(1) Key:

ESP = Education Sector Planning

CD = Capacity Development

MEKS = Monitoring, Evaluation and Knowledge Sharing

SDP = Strengthening Donor Partnerships

(2) "Other" includes program administration, staff costs, and reserve for contingencies.

(3) From previous EPDF allocations.

Conditions linked to the 2008 allocations

During the process of appraising funding requests for 2008, in connection with the Dakar meeting, the EPDF Committee established conditions for four (out of six) regions of the WB. These conditions were to be met before the funds could be utilized for the proposed activities. Mostly the conditions had to do with the need for the following:

- provision of more information;
- stronger, evidence-based rationale;
- clear linkages of outputs with education strategy for region;
- clear connection of activities with EPDF strategic focus;
- more transparency at all phases; and
- increased consistency with FTI processes.

More specifically, the EPDF Committee reiterated the following principles of EPDF.

- The identification and development of proposals should be consistent with FTI country-level processes and signed off by local education groups.
- Lessons learned should be fed back into the EFA-FTI processes.

- Clearer descriptions on how regions work with different partners at country level are necessary.
- The rationale for requests for EPDF resources for Early Childhood Development (ECD), post-primary, and/or post-secondary activities should be explicitly articulated.

The regions were to include, in their 2008 progress report, evidence that they met the conditions, or, at least, explanations about why they could not. In their respective documents, in general terms, some regions responded to this demand. The specific regional responses will be summarized in the presentation by the World Bank at the EPDF Committee meeting in Oslo.

The Future of EPDF

Positive actions have already been implemented to improve EPDF's performance, by the WB/HDNED, the Committee itself, and the FTI Secretariat. More actions will follow, such as the development and adoption of EPDF guidelines. By the time all planned improvements are in place, in late 2009, the EPDF will be just one year away from its closing date. As soon as possible, the EPDF decision makers need to start the dialogue about whether or not there will be another EPDF after 2010. The meeting in Oslo in December 2008 could become an appropriate forum for this dialogue.

X – X