

Mid-Term Evaluation of the EFA Fast Track Initiative

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Management Response

The FTI Board of Directors has prepared a management response to this evaluation. It appears at the end of this report.

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¹ What was originally Annex E was later redesignated as Appendix VIII. Similarly Appendix VII was formerly designated Annex I. To minimise confusion, remaining annexes have kept their original letters.

Acronyms and Abbreviations

CA	Coordinating Agency
CAR	Central African Republic
CD	Capacity Development
CF	Catalytic Fund
CFC	Catalytic Fund Committee
CRS	Creditor Reporting System
CSR	Country Status Report
DAC	Development Assistance Committee
DFID	Department for International Development (UK)
DIF	Donor Indicative Framework
DP	Development Partner
DPO	Development Policy Operation
DRC	Democratic Republic of the Congo
EC	European Commission
ECD	Early Childhood Development
ECF	Expanded Catalytic Fund
EFA	Education for All
EMIS	Education Management Information System
EOC	Evaluation Oversight Committee
EPDF	Education Program Development Fund
ESP	Education Sector Plan
ESSP	Education Sector Support Programme
ETF	Education Transition Fund
EU	European Union
FF	Financial Framework
FPE	Free Primary Education
FTI	Fast Track Initiative
FTIS	Fast Track Initiative Secretariat
GA	Grant Agreement
GBS	General Budget Support
GDP	Gross Domestic Product
GEQIP	General Education Quality Improvement Project
GER	Gross Enrolment Rate
GIR	Gross Intake Rate
GMR	Global Monitoring Report
GNI	Gross National Income
GNP	Gross National Product
GRP	Global or Regional Partnership
GTZ	German Technical Cooperation
H&A	Harmonisation and Alignment
HDI	Human Development Index
HIPC	Heavily Indebted Poor Country
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HLQ	High Level Evaluation Question
HQ	Headquarters
IBRD	International Bank for Reconstruction and Development (World Bank)
IDA	International Development Association (World Bank)
IF	Indicative Framework
IIEP	International Institute for Educational Planning
IMF	International Monetary Fund

INEE	Inter-Agency Network for Education in Emergencies
JRM	Joint Review Mission
KESSP	Kenya Education Sector Support Programme
LDG	Local Donor Group
LEG	Local Education Group
LIC	Low Income Country
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
MTEF	Medium Term Expenditure Framework
NETF	Norwegian Education Trust Fund
NGO	Non-governmental Organisation
NER	Net Enrolment Rate
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
OECD DAC	OECD Development Assistance Committee
OPM	Oxford Policy Management
PAD	Project Appraisal Document
PD	Paris Declaration
PDR	Peoples Democratic Republic
PF	Progressive Framework
PFM	Public Finance Management
PM	Partnership Meeting
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
SBS	Sector Budget Support
SBSiP	Sector Budget Support in Practice
SC	Strategy Committee
SE	Supervising Entity
SPA	Strategic Partnership with Africa
SWAp	Sector-Wide Approach
SWG	Sector Working Group
TA	Technical Assistance
TOR	Terms of Reference
TT	Task Team
TTL	Task Team Leader
UIS	UNESCO Institute for Statistics
UK	United Kingdom
UN	United Nations
UNESCO	United Nations Educational Scientific and Cultural Organisation
UNGEI	United Nations Girls' Education Initiative
Unicef	United Nations Children's Fund
UPC	Universal Primary Completion
UPE	Universal Primary Education
USA	United States of America
USAID	United States Agency for International Development
USD	United States Dollar
WB	World Bank
WG	Working Group
YOE	Year of Endorsement

EXECUTIVE SUMMARY

Overview

S1 The Education for All Fast Track Initiative (EFA FTI) is a unique partnership, which aims to accelerate progress towards quality universal primary education.

S2 The FTI was launched in 2002. It arose out of the commitments of the World Education Forum in Dakar (2000) which adopted a range of goals and targets to achieve Education for All. It styled itself as a "compact" in which credible education sector plans would receive support to ensure their fulfilment. It tried not to operate as a global fund: it emphasised coordinated action at country level, and put primary responsibility on in-country donors to mobilise and deliver external support for education sector plans that were endorsed by the FTI. However, a centrally operated Catalytic Fund (CF) has become an increasingly important feature of the FTI, which has also provided technical support through an Education Program Development Fund (EPDF). By the end of 2008, 36 countries' education sector plans had been endorsed.

S3 This is the final report of a mid-term evaluation, required to review progress and to make recommendations going forward. It finds that the FTI has both strengths and weaknesses. It has made positive contributions towards universal primary education, but these fall short of the FTI's ambitions. This reflects weaknesses in the FTI's design and implementation. However, the FTI has many strengths, and the need for the FTI is as great as ever. The FTI should be thoughtfully redesigned and reinvigorated, building on its strengths, to become a more effective partnership in pursuit of the EFA objectives.

Origins and characteristics of the FTI

S4 The 164 governments which are party to the Dakar Framework for Action affirmed that *"no countries seriously committed to Education for All will be thwarted in their achievement of this goal by lack of resources"* (World Education Forum 2000). The aftermath of the World Declaration of Education for All (Jomtien, 1990) had been disappointing. The instigators of the FTI were determined that the follow-up to Dakar should be more effective. The launch of the FTI was part of a broader movement to operationalise international commitments to the Millennium Development Goals (MDGs) and the Monterrey compact on financing for development (March 2002). The G8 group pursued the primary education objectives although its work was later integrated with preparatory work that had been led by the World Bank (WB).

S5 The WB proposals were embodied in a 2002 Action Plan. This built on research which explored the reasons why some countries had been more successful than others in achieving universal primary education. The Action Plan advocated Universal Primary Completion (UPC) as the key test of progress towards EFA. The Plan also identified four "gaps" that needed to be addressed simultaneously – data, policies, capacity, financing – and called for coordinated action by donors to scale up aid to those countries with credible education sector plans (ESPs). A test of the ESP's credibility would be its attention to the guidance embodied in what became known as the Indicative Framework (IF) – a set of policy benchmarks based on the experience of a group of good performers.

S6 The original proposal was to pilot this approach in a small number of countries, but from the outset there was pressure to be more ambitious. When the FTI was formally launched, 18 countries were invited to submit proposals, and a further five large countries (India, Pakistan, Bangladesh, Nigeria and the Democratic Republic of the Congo) were invited to join an "analytical fast track".

S7 The urgency to convert deeds into actions explains why the FTI was launched in 2002, supported by a very small secretariat based in the World Bank, before the details of its purpose, structure and operations had been worked out. These details were the subject of extended discussion and the agreements that were eventually reached were only finalised in the FTI Framework document published in 2004.

S8 In its origins, the FTI was entirely a donor initiative. Gaining agreement on the initial design and aims of the FTI was difficult, and the lengthy process of reaching consensus amongst donors required much negotiation and compromise. Differing interpretations about its design and implementation have persisted, and have influenced continuing debate about, and adjustments to, the FTI's governance arrangements.

The design and governance of the FTI

S9 The FTI's design was crystallised in the 2004 FTI Framework document. By then it had already been agreed that the FTI would open up to all low income IDA countries which could meet the criteria for endorsement.

S10 As outlined in the Framework document, the FTI's **goals** are to accelerate UPC by promoting: (a) more efficient aid for primary education; (b) sustained increases in aid for primary education; (c) sound sector policies in education; (d) adequate and sustainable domestic financing for education; (e) increased accountability for sector results; and (f) mutual learning on what works to improve primary education outcomes and advance EFA goals. The FTI is guided by five **principles**: country ownership, benchmarking, support linked to performance, lower transaction costs, and transparency.

S11 The FTI design reflects a conscious effort to avoid operating as a vertical global fund. It gives the responsibility to in-country donors first to assess education sector plans (ESPs) and then to mobilise support for credible plans that are endorsed by the partnership. The endorsement of an education plan that satisfied certain criteria (including taking into account the technical benchmarks of the FTI Indicative Framework) would serve as a signal to donors that a committed government, implementing a credible plan, deserved their support. A "compact" between the partner government and donors would then commit country partners to working towards improved planning, monitoring and greater domestic commitment, whilst development partners would agree to scale up funding, support capacity enhancement, and align with government priorities and systems.

S12 It was expected that additional external financing (to fill the "financing gap") would come through the regular channels of bilateral and multilateral support. However, a Catalytic Fund (CF) was also established in March 2003. The CF was originally intended as a transitory arrangement only for "donor orphans". The CF was reviewed in 2007 and expanded to provide longer term and more substantial volumes of funding for which almost all FTI-endorsed countries could be eligible.

S13 The Education Program Development Fund (EPDF) was set up in November 2004 as a second trust fund to provide technical assistance for the development of sustainable national education sector programmes. Both trust funds have been managed by the World Bank under separate governance arrangements which involve only those donors contributing to the funds.

S14 The governance arrangements of the FTI involved a large annual (later two-yearly) forum – the Partnership Meeting – to set strategy, with a small Steering Committee as the main decision-making body. The Steering Committee, which operated by consensus, had rotating co-chairs – one G8 donor and one non-G8 donor, reflecting the G8 origins of the initiative. Later, representation was given to partner countries and to civil society

organisations. Topical issues were taken forward by working groups and task teams; the Secretariat, although it has grown, has remained very lean.

S15 Efforts to refine and adapt the FTI's governance have continued. These have included recent efforts to define country-level processes more clearly, and to agree on the aid modalities that should be preferred. The original focus on the Local Donor Group (LDG) has been broadened to emphasise the role of Local Education Groups (LEGs), which include government and civil society representatives. Work to define the FTI's relationship with "fragile states" began in 2005, but an FTI funding mechanism for such states has yet to be finalised.

S16 Major governance reforms agreed at the end of 2008 give decision-making powers to a Board, which (as of mid-2009) replaces the Steering Committee. The Board has an independent chair who will also chair the CF and EPDF committees. The present EPDF arrangements expire in 2010 and a task team has conducted a thorough review of its role. There is now also provision for agencies other than the World Bank to be "supervising entity" for CF grants; the Netherlands in Zambia is so far the only non-WB agency to take on this role.

The implementation of the FTI

S17 Over time, access to the Catalytic Fund has become an increasingly important feature of involvement in the FTI. By the end of 2008, the education plans of 36 countries had been endorsed by the FTI and 30 of them had received allocations from the CF. Total CF allocations stood at USD 1.4 billion, of which USD 890m was reflected in grant agreements with the recipients, and USD 445m had been disbursed. 17 donors had made contributions to the CF, but just three of them – Spain, the Netherlands and the United Kingdom – accounted for more than 70% of pledges. 56 countries had benefited from EPDF funding (about USD 29m in total), with three of the "analytical fast track" countries – India, Pakistan and Bangladesh – among the largest recipients.

S18 Country-level experience of the FTI has been diverse. Some countries that were invited to join the FTI in the initial round did not submit proposals: the reasons included confusion about the nature of the FTI, lack of in-country capacity to fulfil technical requirements, and some governments' judgment that they had little to gain by doing so. Many countries already had ongoing processes to improve and fund education sector plans before joining the FTI. In some other countries (e.g. Nicaragua) the FTI endorsement influenced the establishment of more coordinated planning and monitoring. Several countries (e.g. Burkina Faso, Mozambique and Ethiopia) have had two rounds of engagements with the FTI, with contrasting experiences. In the early round, they were not eligible for the Catalytic Fund under "donor orphan" rules, and any financial effect of endorsement was to be through the support of existing donors; more recent engagement has directly focused on the (expanded) CF. Some endorsed countries (e.g. Vietnam) have had only a low profile engagement with the FTI since endorsement.

S19 Countries vary in terms of the use to which CF funds are put. In some countries funding goes to specific priorities within the sector plan; in others the funding has gone into pooled mechanisms (e.g. Mozambique). This has often been a function of the context (e.g. the existence of a pooled fund) and the donor personnel in country when the FTI process starts. Funding by the FTI through the CF has been provided for a variety of activities, in some cases outside of primary education (e.g. in Moldova for Early Childhood Education).

Task and methods of the evaluation

S20 The FTI set up an Evaluation Oversight Committee (EOC) to commission an independent mid-term evaluation. The evaluation team was fielded by a consortium of Cambridge Education, Mokoro Ltd. and Oxford Policy Management contracted by the World Bank on behalf of the FTI partnership. The evaluation has been guided by the OECD Development Assistance Committee (DAC) evaluation guidelines, and by guidelines for evaluating global partnerships.² The terms of reference (TOR) require the evaluation to consider the FTI's relevance, effectiveness and efficiency, and also to make recommendations to strengthen it. The high level evaluation questions are as follows:

- (1) *The Relevance of FTI Objectives and Goals to Country Educational and Development Needs:* Is what FTI aims to accomplish consistent with current needs and priorities of FTI client countries? What can be done to ensure the relevance of FTI going forward?
- (2) *FTI's Contribution to Country Progress in Accelerating Action on EFA and Related Processes:* To what extent is the FTI accomplishing what it was designed to do, namely, accelerating progress on EFA? Are FTI mechanisms and processes contributing effectively to this? How can FTI mechanisms and processes be improved to maximise their contributions going forward?
- (3) *FTI's Contribution to Improved Resource Mobilisation and Aid Effectiveness:* Has the FTI helped mobilise domestic and international resources in support of EFA and helped donor agencies to adopt more efficient development assistance strategies based on Paris Declaration ideals? How can FTI best help mobilise resources and improve aid effectiveness going forward?

S21 The evaluation methodology has been based upon contribution analysis. This approach recognises that FTI's activities are (often deliberately) interwoven with a wider set of activities oriented towards the same objectives in individual countries and internationally. It seeks first to establish the broader set of activities and effects, and then to use both quantitative and qualitative evidence to assess the FTI contribution to them. This reflects the fact that the evaluation's task is not simply to discover *what has happened in FTI-endorsed countries*, but to assess *what difference the FTI has made to those countries*. The complexity of the FTI itself, and of its interactions with other activities, are a recognised challenge for the evaluation. Other challenges include the relatively short duration of the FTI (which makes it impractical to assess impact at this stage), continual changes in the FTI's design since it began, and the difficulties of obtaining internationally comparable data of high quality, especially for more recent years.

S22 The evaluation began in September 2008 and has involved extensive documentary analysis, data analysis at global and country levels, interviews with over 750 stakeholders representing the full range of FTI constituencies, and a set of country case studies.

S23 The FTI has stressed its country-driven approach, and this gives the evaluation's country case studies particular importance. Case studies cannot be statistically representative of the whole set of countries with which the FTI has interacted, but care was taken to ensure that the case study countries covered a range in terms of geographical and other attributes, and in terms of the nature and length of their engagement with the FTI. Nine full case studies involved substantial country-level work during the first half of 2009. They covered Burkina Faso, Cambodia, Ghana, Kenya, Mozambique, Nicaragua, Nigeria,

² World Bank, Independent Evaluation Group (2007), *Sourcebook for Evaluating Global and Regional Partnership Programs: Indicative Principles and Standards*.

Pakistan and Yemen. Desk studies were undertaken for a further eight countries: Ethiopia, Malawi, Mali, Moldova, Rwanda, Uganda, Vietnam and Zambia.

S24 The designated audiences for the evaluation are: *the full FTI partnership (partner country actors at the national and sub-national levels, and representatives from participating development agencies and civil society organisations), the FTI Steering Committee (which commissioned the study), and the FTI Secretariat* (TOR ¶16). The methodology also included ongoing dialogue with the members of the partnership and solicitation of inputs into the intermediate products of the evaluation. These products included a detailed evaluation framework, a series of working papers, a preliminary report which was presented to the Copenhagen Partnership Meeting in April 2009, the draft country reports, and the draft of this final report.

S25 The TOR specify an evaluation of the FTI from its origins until September 2008. In practice, the evaluation and its recommendations take account of FTI developments through October 2009, including the most recent changes to the FTI's governance.

Evaluation conclusions

Conclusion 1 The FTI's aims were and remain important.

S26 The reasons for giving global importance to basic education remain valid. EFA Global Monitoring Reports (2002–2009) show that there has been some encouraging progress towards UPC but many countries are off track for achieving the education MDGs and the EFA goals and targets. Most progress towards UPC has been achieved through national efforts drawing on domestic resources and initiatives, but international assistance has made a valuable contribution. Overall, there has been less progress than was hoped towards the education MDGs and EFA targets, and global efforts need to be reinvigorated.

Conclusion 2 The FTI has made positive contributions.

S27 In the context of the efforts at promoting EFA, the evaluation finds that the FTI has made significant tangible and intangible contributions both at global level, and in selected countries.

S28 On available education indicators since 1999, the countries endorsed by the FTI have tended to perform better than the eligible countries that are not yet endorsed. Since (a) the FTI selects better performers, (b) FTI inputs are in most cases a small part of overall inputs, and (c) many endorsements are very recent, this cannot be taken as proof of the FTI's effectiveness. The evaluation's overall conclusions are based on a careful review of global data and the country case studies, following the contribution analysis methodology set out in the Evaluation Framework.

S29 *The FTI has been an important, inclusive global forum, especially for donors.* It is valued by education donors at headquarters level as a mechanism that enables them to work together across agencies and to develop common strategies and approaches to shared issues and problems.

S30 *The FTI has played an important role in keeping UPC and EFA on the international agenda.* There has also clearly been more systematic monitoring of basic education overall since Dakar. This work has been done by partners (UNESCO Institute of Statistics (UIS), the EFA Global Monitoring Report (GMR), OECD DAC) with whom the FTI Secretariat has collaborated for its own reporting.

S31 *The FTI has reinforced the focus of education donors on supporting country-owned plans and processes.* In doing so, it has built on and complemented existing trends towards

sector approaches and more systematic planning to achieve such goals as EFA and the MDGs. Efforts to make FTI guidelines more comprehensive reflect donor collaboration at global level to align their approaches. The value of performing policy simulations and checking their fiscal realism has been recognised, as has the importance of many of the policy issues highlighted by the Indicative Framework.

S32 *The FTI has sought to further the aid effectiveness agenda.* By advocating for ownership, for using existing structures and processes, and for harmonisation and alignment, the FTI has sought to ensure the application of the Paris Declaration principles to the education sector, both globally and at country level.

S33 *The Catalytic Fund has been an important additional channel of support for basic education.* For a few committed donors the CF has provided a means for scaling up their financial effort. The CF is seen at country level as being the main added value of the FTI, and is for most countries the main reason to seek endorsement. In some countries, a significant proportion of basic education funding is provided through the CF, and in some settings the CF has provided innovative financing. The CF contribution to aid commitments to basic education has been modest in global terms but has been rapidly increasing. Operations funded through the CF have made substantial tangible contributions towards UPC and other EFA goals in the beneficiary countries.

S34 *The EPDF has provided useful technical support.* For example, support for the use of simulation models to strengthen sector analysis and planning has been important in a number of countries, and has improved the quality of ESPs.

Conclusion 3 Overall, however, the FTI's contributions have fallen short of its ambitions and of its reasonable expectations.

With respect to resource mobilisation, the results have been disappointing, globally and in most countries.

S35 The FTI identified finance as one of the key constraints to accelerating UPC. It specifically set out to promote: (a) sustained increases in aid for primary education; (b) more efficient aid for primary education; and (c) adequate and sustainable domestic financing for education.

S36 Aid commitments to education generally and to basic education in particular increased significantly between 1999 and 2004, but there has been little growth in either since then. By 2007, aid commitments to basic education were 25% lower than at their peak in 2004. The global evidence therefore does not indicate that the FTI has had the large positive effect on the level of external financing for education or basic education that was envisaged at its inception.

S37 With some exceptions, there has been significant real growth in current expenditure on education and basic education from domestic sources. Nevertheless, in most cases the influence of the FTI on this trend was judged by the evaluation to be marginal. Government commitment to primary education was already evident in the pre-endorsement period, and other major drivers have played a more significant role, such as economic growth, the move to sector-wide approaches (SWAps), debt relief through the Heavily Indebted Poor Countries (HIPC) initiative, a strong increase in general budget support (GBS) levels, and/or political changes which put more emphasis on primary education.

S38 Two key elements in the FTI's resource mobilisation strategy appear from the country case studies not to have met their intended objectives. Firstly, the use of the financing gap as an aid mobilisation tool and as a basis to decide upon CF allocations has been problematic: financing gaps have not been calculated in consistent or objective ways, and

CF allocation criteria have not been consistent or strategic in their application. Secondly, the catalytic effect of endorsement has not met expectations in terms of scale or sustainability, mainly due to lack of understanding of the key drivers of donor allocations, weak communication between global and local level, and a lack of monitoring.

S39 Various factors were found to have limited the influence of the FTI processes on domestic budget allocations. These included a lack of engagement with Ministries of Finance and national Medium Term Expenditure Framework (MTEF) processes, and the choice of projects or pooled funds as aid modalities. There are some notable exceptions where the FTI has had a positive influence on domestic budget allocations, in particular when the CF has been provided through sector budget support and Ministries of Finance have been actively involved.

The FTI's added value in addressing the key gaps has generally been less than the FTI has expected or assumed.

S40 In addition to an impact on financing, the FTI expected to address other important "gaps" by promoting stronger policy and planning processes, strengthening capacity, and promoting data collection and monitoring and evaluation. While the FTI has made some contributions to these areas, the evaluation found that overall its added value has been considerably less than expected.

S41 **On policy and planning.** This is an area where the FTI has sought to play a key role. However, most of the policy and planning emphasis has been on the endorsement process, with far less attention given to the subsequent monitoring and review of implementation at country level. The Indicative Framework has not been the central feature of endorsed ESPs that was anticipated. In several countries, the IF was interpreted as an instrument of conditionality; in others it was used – more in line with FTI guidelines – to inform dialogue; and in some it was not used at all. Its use as a framework for monitoring country performance has been very limited.

S42 The guidelines for appraisal and endorsement have tended to keep the donors in the forefront of the action, and much responsibility has been placed upon the activities of the LDG and especially the lead donor ("coordinating agency"). The participation of in-country stakeholders has been very variable, and the evaluation found that there are serious issues related to the capacity of both LEGs and LDGs. Changes in donor staffing policies and practices have tended to reduce the capacity of in-country donor groups. Most engagement by LDGs has been during the process of plan preparation (or adaptation) and endorsement, and has tended to diminish once approvals and funding have been granted. There is still much scope for improvement in the part played by key civil society actors and by parliaments.

S43 A Poverty Reduction Strategy Paper (PRSP) was a prerequisite for FTI endorsement, but FTI processes (appraisal, endorsement, CF funding) have tended to focus principally on the education sector (and on primary education in particular). Finance ministries, other relevant ministries, as well as relevant sections within aid agencies (related to macro finance), have not, in general, been sufficiently involved in FTI-related processes. Finally, there has also been a lack of clarity on the emphasis to be given to UPC relative to other EFA goals and indeed to the wider education sector.

S44 **On capacity development.** The FTI's perspective on capacity has moved forward from the original depiction of "capacity gaps" to the more holistic approach that is now reflected in the FTI's *capacity development* guidelines – but these are recent and have yet to be widely used at country level. Most countries continue to lack comprehensive capacity development approaches, and the FTI has not significantly contributed to increasing their prevalence or strengthening country ownership of capacity development support. The FTI's

own direct contributions to capacity development have tended to be piecemeal through support to selected short-term activities. A lack of awareness of the EPDF outside the WB has meant that the opportunity for widespread engagement in the use of the EPDF to build capacity has been missed. In practice, the FTI has focused mainly on upstream assistance with plan preparation, and paid insufficient attention to the continuing needs for capacity development during implementation.

S45 **On data, and monitoring and evaluation (M&E).** The FTI's agenda included promoting cross-country performance measures, in particular through the IF and with a specific focus on the Primary Completion Rate (PCR). There has been more attention to UPC data, but reporting on IF indicators in general has not improved significantly. At global level there continue to be key data weaknesses (e.g. in the enumeration of out-of-school children, and in data on public expenditure for education) where the FTI could have advocated for improvements. Only a small portion of CF grants has been used in some countries for activities to strengthen data reporting and use. The EPDF supported numerous activities to increase data coverage and use, but overall its activities appear fragmented given the bigger data gap issues.

S46 The envisaged strengthening of ESPs at country level to include monitoring and evaluation and annual targets for measuring progress has only partially taken place. Moreover, evidence from the country case studies shows that progress in using data for planning has remained limited, that the FTI's contribution to such progress has been minor, and that too often donors themselves remain the principal audience for any analyses of the data.

S47 The anticipated monitoring by the FTI Secretariat of the country-level performance of all partners has been very weak. Countries themselves have not systematically set and reported against targets based on the IF, and donors have not made monitorable commitments about their own performance.

The FTI is viewed predominantly as a source of funding, with less attention to its wider agenda.

S48 The FTI espouses a strong aid effectiveness agenda, and is designed to address policy, capacity and data gaps, as well as finance. However, at country level, the FTI is predominantly viewed as another funding source, not only by partner countries and civil society, but also by donors.

The FTI's aid effectiveness agenda has not been strongly delivered in practice.

S49 In spite of the FTI's global advocacy of the Paris Declaration principles and some country-level gains, delivery of the aid effectiveness agenda at country level has been disappointing. Poor communication of the FTI's aid effectiveness aspirations (both by the Secretariat and by donor headquarters) has meant that the FTI's aid effectiveness agenda is not understood at country level as well as it should be. In many cases the FTI is seen too narrowly in terms of opportunities for funding from the CF, while in turn the CF is often perceived as a financing window of the WB.

S50 A lack of clarity about FTI procedures (partly reflecting its hurried start and continual adjustments) has resulted in high transaction costs. In a number of countries with existing ESPs, parallel plans were developed for the FTI and misunderstandings about the IF meant extra work. Adopting the most aligned aid modality has often been difficult because of the WB's limited flexibility and a heavy reliance on the WB as the supervising entity in FTI countries. More fundamentally, there has been limited mutual accountability, poor monitoring of the FTI "compact", and insufficient linking up with national poverty reduction

strategies. In practice therefore, the FTI has tended to reflect existing patterns in aid management, rather than galvanising significant departures from "business as usual"

S51 Thus, while operations funded through the CF and EPDF have made substantial tangible contributions towards UPC and EFA in the recipient countries, they have only rarely also achieved the more demanding and ambitious aims of the FTI.

Conclusion 4 The FTI has considerable strengths...

S52 The FTI nevertheless has important strengths. These include the strong involvement of a broad coalition of OECD DAC donors (though the number of donors providing significant financial support for its activities remains very limited) as well as its willingness to learn from experience, to be self-critical and to adapt.

S53 In the area of governance in particular, the FTI has shown willingness and commitment to reform. Progress has been made in strengthening the FTI's governance both at global and country levels. Many (though not all) of the issues highlighted in the first external review of the FTI in 2005 have been reflected in subsequent governance changes. The FTI today includes better representation of its various constituencies in decision-making, its governance structures have been streamlined, the dominant role of the WB has been somewhat modified, and country processes have been clarified.

S54 Many of the FTI's original design principles and insights remain pertinent. These include: the principle of country ownership; the importance of coherent sector policies and plans; the need to address the dimensions of policy, data and capacity as well as finance; the need for more effective aid and the recognition that business as usual will not suffice – education especially needs more predictable aid, often extending to the funding of recurrent costs; the need for more relevant and efficient modalities, while education plans and budgets need to be linked to national level – hence the importance of linking ESPs with overall poverty reduction strategies; the concept of partnership and of results-focused reciprocal commitments between governments and donors (the "compact").

Conclusion 5 ... but the FTI also has serious weaknesses.

S55 The FTI has weaknesses in design (explained in part by its hasty beginning and the compromises necessitated by the diverse nature of the partnership); in implementation; in governance and management; and in monitoring and evaluation.

In terms of design

S56 The tensions surrounding the FTI's initial launch and design have persisted, and the FTI has continually had to balance forces pulling it in different directions. There have been tensions between:

- (a) The pilot approach to prove the effectiveness of the good practices embodied in the Indicative Framework, versus a more inclusive and ambitious approach which placed more emphasis on achieving the MDGs and EFA goals, thus seeking to recruit more countries more rapidly into the partnership.
- (b) "Needs"-based versus "performance"-based support – i.e. should support go to those countries that are in greatest need, or to those that have demonstrated that they meet key conditions which will allow them to meet their EFA goals? This issue has come to the fore in the FTI's discussion of how to deal with "fragile states" (with concern expressed on some fronts about the risk of devaluing the FTI's "gold standard" of ESP endorsement).

- (c) Addressing the "finance gap" versus other gaps (capacity, planning, monitoring and evaluation, etc.), and hence the extent to which the FTI should be judged by its achievements in resource mobilisation.
- (d) Specific targets relating to primary education versus wider objectives of supporting EFA and education sector planning as a whole.

S57 The tensions inherent within the FTI come particularly from the different agendas and aspirations of the various donor partners involved. The FTI has had to move forward cautiously in order to keep a broad donor coalition together. Especially because of the quest for consensus decisions, this has often resulted in long negotiations marring the FTI's operational effectiveness and diluting some of the FTI's original intentions.

S58 The evaluation finds that the FTI's design has in practice:

- (a) Placed too much weight on the Indicative Framework (both as a guide to policy and as a means of judging the credibility of plans). The Indicative Framework is not such a robust set of benchmarks as originally portrayed. It was right to be flexible in its use, but this has left a gap between the way the FTI is portrayed to work and the way that it actually does.
- (b) Put too strong an emphasis on a "gold standard" being applied to the ESPs which the FTI endorses. This has gone hand-in-hand with too much emphasis on a one-off endorsement, rather than a continuing relationship of working alongside government through successive cycles of planning and implementation. In turn, this has hindered the adoption of a coherent strategy for addressing the needs of fragile states. (As noted below, the "Progressive Framework" approach that has been developed specifically for "fragile states" could usefully be applied more widely.)
- (c) Placed unrealistic expectations on education donor groups at country level, and particularly their role in supporting country processes and in mobilising resources.
- (d) Applied the concepts of the four "gaps" too simplistically:
 - The "financing gap" is a problematic concept and has been used inconsistently. It has become a matter of negotiation, and has sometimes distorted the realism of country plans. Its use in influencing CF allocations has lacked coherence and transparency.
 - The "capacity gap" is too static a concept and in practice too focused on planning rather than implementation and service delivery. Indeed the upstream focus on planning rather than downstream on service delivery is a more general concern.
 - Emphasis on missing data should have been balanced by more attention to flaws in the quality of data available, and to the difficulties of addressing the "data gap" in terms of using evidence as a basis for policy making.
 - As already explained, there was too much emphasis on the Indicative Framework as the remedy for a "policy gap", and insufficient attention to ensuring that endorsed plans comprehensively address the other gaps.

In terms of implementation

S59 There have also been considerable weaknesses in implementation, with important aspects of the original design not carried through.

S60 The FTI has been (and despite some modifications still is) an unbalanced partnership. Although described from the outset as a partnership and a compact, it was a donor initiative, with very little involvement of partner countries in its design, and it has

remained more a donor collaboration than a genuine partnership. Partner countries, in particular, still have a very limited role and are not involved in financial decisions.

S61 In its implementation the FTI has been too dependent on the World Bank. The Bank continues to play several roles within the partnership. It hosts the Secretariat of the FTI, and the Head of the Secretariat is answerable to both the FTI Steering Committee (Board) and to WB line management. The WB has also acted as a trustee for the three trust funds (the CF, the EPDF and also the Trust Fund which funds the Secretariat itself). It manages the EPDF and acts as the default "supervising entity" for the CF. The WB is obliged to exercise its functions in accordance with its own rules and regulations; in this context, much criticism of the WB has been unfair. The WB remains vitally important to the FTI. Nevertheless, concerns around these multiple roles – with the lack of a clear demarcation between the FTI and the WB, leading to ambiguity and potential conflicts of interest – are still evident. Efforts to make the partnership more balanced – including the recent reforms in governance – have not adequately addressed these points.

S62 Implementation at country level has been very variable. In a number of countries the FTI's intervention has focused strongly on the endorsement process and been very weak after this. Changing rules and unclear processes (and hence unclear communication from the FTI Secretariat), have led to confusion and high transaction costs. At country level, the lead donors have been less effective than expected as a communication channel to government and to other local representatives. Country implementation has also been affected by the lack of monitoring, leaving the FTI with insufficient information to adjust its actions.

In terms of governance and management

S63 In spite of the positive commitment to reform noted above, **governance reform** has been inordinately time-consuming, underscoring the lack of efficiency in governance processes, and some key issues are yet to be adequately addressed. Decisions have been taken in an ad hoc fashion without adequate consideration of their strategic implications and implementation requirements (the series of decisions to broaden the scope of the partnership and the role of the Catalytic Fund are the most obvious examples).

S64 At the level of **management**, the concept of a "light touch" and of a "lean" secretariat was never reconciled with the extensive roles the Secretariat was required to perform if the FTI was to carry through effectively the design that was embodied in the FTI Framework. The country studies document the inefficiency and poor communications that have resulted. As a consequence, the FTI's decision-making procedures and criteria have often been opaque, undermining its principle of transparency as well as its credibility.

In monitoring and feedback

S65 The FTI did not establish a proper results-oriented M&E framework at the outset, and so it has not been able adequately to monitor country and global level processes. Basic management monitoring systems were not set up to establish whether the FTI was achieving the inputs, let alone the outputs, that its "business plan" required. The FTI has blurred the distinction between objective monitoring and advocacy. Weaknesses in monitoring have prevented the FTI from recognising key differences between FTI aspirations and the reality (particularly the gap between its aspirations as a global partnership and the reality of country-level implementation).

Conclusion 6 Thus, the FTI has remained a weak partnership, with weak accountability, and has not delivered the "compact" to which it refers.

S66 The failure to record or monitor donor commitments at country level has meant that there has been, in practice, no genuine country-level compact. Nor has there been any

systematic monitoring of donor commitments to the compact at global level. Accountability has remained asymmetrical. The FTI began as a donor initiative and has essentially remained one, with partner countries having only a limited voice.

Conclusion 7 The FTI has expanded its definition of client countries (both generally and for the Catalytic Fund), but has not adapted its design to match.

S67 The FTI is now in principle accessible to all low-income IDA countries, but this has implications for design and for scale that have not been fully addressed:

- (a) The decision to expand to all IDA countries (like the earlier decision to expand the initial list of invitees) was taken without proper consideration of, and provisions for, the management and financial implications that would follow (notably the much greater demands on the Secretariat and potentially on the CF).
- (b) Concerning *large/federal countries*: The FTI has put these on the agenda and some have benefited from EPDF support; but the FTI has never devoted enough attention to the special design issues of working in such states. The FTI's approach would need to be customised separately for each of the "analytical fast track" countries (though not all would necessarily be interested in full engagement with the FTI).
- (c) Concerning *fragile states*: a long process of designing an approach to accommodate fragile states has still not reached fruition. The FTI has sought to incorporate a "transition fund" to cater for fragile states within the overall FTI process, but this has yet to be established. A well-thought-out "progressive framework" for engaging with fragile states has been developed but not yet applied.

Conclusion 8 On the balance between UPC and other EFA targets, FTI's "offering" has become increasingly broad over time. There are good reasons for this, but the FTI has not yet properly addressed the strategic implications.

S68 Highlighting the importance of primary education (as the MDGs did) was a simple way of galvanising support. In practice, the FTI's scope has been broader, but there are unresolved issues about reconciling a sector-wide plan with a primary education specific concentration of support and about achieving an appropriate balance amongst all the EFA objectives.

S69 The evaluation's case studies did not find evidence that the FTI was actually diverting resources from other EFA objectives. (In some cases there was direct FTI support to other components of EFA, or broad support to a sector programme that extended beyond primary.) However, there is a case that other EFA goals (such as adult literacy) have tended to be neglected by governments and donors alike, and that the FTI has not challenged this. A narrow focus on primary education may be less appropriate in the context of fragile states (where secondary education and adult learning may have an important role in addressing causes of fragility). And the more success there is in expanding primary education, the greater the pressure on other levels of the education system (as manifested in the increased political attention to secondary education in several of the case study countries). However, discussions within the FTI about expanding its scope have not adequately addressed the resource implications of doing so.

Recommendations

Perspective on the evaluation's recommendations

S70 The FTI is at a crossroads. The remaining challenges of EFA, including the goal of universal primary education for all, are huge, and deserve a high place on the international agenda. The FTI itself has some notable accomplishments but also has some fundamental shortcomings which will need to be addressed.

S71 The FTI is in the midst of a period of reform. The evaluation team acknowledges that serious efforts have been made to address a number of important issues. However, the evaluation's judgement is that reform has not yet been taken far enough. The evaluation team also considers that a reformed FTI would be a much better option than seeking to compensate for the FTI's shortcomings by establishing a new global fund for education. Frustrations with the FTI have led to an increasingly vocal lobby for such a fund but this risks fragmenting the global effort, and could easily replicate the design weaknesses from which the FTI has suffered.

S72 The evaluation's recommendations are pitched at the strategic level, and need to be taken as a whole. They call for a thorough redesign and reinvigoration of the FTI, in which the FTI needs to be much clearer about the realistic mechanisms through which its objectives can be achieved, and about matching its resources to its objectives.

Principal recommendations

The FTI³ as a partnership

S73 The FTI should be made into a much stronger partnership. This will require:

- (a) Much stronger partner country representation, including participation in financial decisions.
- (b) Reducing dependence on the World Bank, disentangling the different WB roles and guarding against conflicts of interest.
- (c) Enhancing accountability for donors as well as governments. All partners should be clearly committed to certain principles and obligations as members and the partnership should monitor whether these are met. In the case of donors, it should include a commitment to mobilise resources with agreed mechanisms for doing so.
- (d) On the donor side, making influence proportional to donors' contributions to the partnership (which include, but are not limited to, contributions to the FTI trust funds).
- (e) Strengthening key governance structures – in particular the Local Education Groups and Local Donor Groups for the critical role which they play – and ensuring that country level processes have adequate technical support.

S74 The FTI Secretariat needs to be greatly strengthened. It needs to be operationally independent of the WB and seen as such. This does not exclude being "hosted" by the WB, provided its functions are adequately "firewalled" in operational terms.

³ Both the FTI and the Catalytic Fund should be re-branded with names that better express their purpose. To avoid confusion, the existing names are used in the recommendations.

The scope and configuration of the partnership's activities

S75 *Which education goals?* Decisions about which EFA goals and which education sub-sectors the FTI should support, and the extent to which such support should be financial or merely technical, must be taken carefully in the light of resources available and the commitments of partners. There is a strong case for more explicitly expanding the FTI's focus beyond UPC, but there will be little benefit in doing so unless the financial implications are factored in. In particular, it would be counterproductive to expand the focus of the Catalytic Fund unless there is a commensurate increase in its resources.

S76 *What types of support?* Support provided through the FTI should be both financial and technical, and support for capacity development should not be separate from other financial support; i.e. the EPDF component should in future be much more closely integrated with the CF component. Funds for capacity development – whether for "endorsement" or for programme implementation – should be continuous, predictable, and probably even more long-term than funds for other purposes. At the same time, countries accessing technical support through the FTI should have a choice of providers, and country-level ownership and management of support to capacity development should mirror the strengthening of partners' voice at global level.

S77 *For which countries?* The FTI should be open to all IDA-eligible countries as already agreed, but it must not be assumed that it will be in the interests of all IDA countries to seek financial (CF) support from the partnership. However, this is a decisive move away from the initial idea of focusing on "best performers", and requires a corresponding change in the paradigm for eligibility.

S78 *With what entry requirements?* The original paradigm was a "credible plan" based on the criteria of the Indicative Framework. The evaluation found that the idea of a "gold standard" based on the Indicative Framework is an illusion. In any case, the idea of a one-off entry threshold (whether or not it is based on the IF) is unhelpful. The underlying principles of the Progressive Framework should be applied to all. In this way, entry to the FTI "club" would not be based on a one-off "threshold" but linked to a credible commitment to improve, with support tailored to circumstances, and renewed according to accomplishments.

S79 This approach has corollaries. "Fragile states" should not be seen as a separate category. In reality there is always a continuum of "fragility" with states moving back and forth. There needs to be one common process that all countries follow, but with support tailored to circumstances. This approach would provide a "one-stop shop" with flexible facilities, and avoid the fragmentation of activities into separate funds with different rules and processes. To maintain flexibility the approach needs to be protected from the present rigidity of WB project procedures.

Operation of the Catalytic Fund

S80 The CF should do things that would not happen in its absence. It should build on the potential strengths of a global pooled funding mechanism, while seeking to avoid the drawbacks that can be associated with vertical funds. It should be made much more effective in leveraging additional resources for basic education, and in enhancing aid effectiveness, by:

- (a) Prioritising funding for countries which lose out because of the vagaries of how bilateral agencies allocate their aid.

- (b) Making multi-year renewable commitments with an expectation that countries would be able to draw on the fund for the necessary length of time as long as they were showing improvement (i.e. a presumption that funding would be long term).
- (c) Providing funds in ways which promote and reward successful planning, policy and performance at country level; and which encourage progress in country-level coordination, harmonisation and alignment.
- (d) Building parallel donor commitments on ESP finance into Fund approval and monitoring procedures, in order to reinforce accountability of donor commitments and ensure the additionality of CF support.
- (e) Engaging with Ministries of Finance, and pursuing the original objective of ensuring that education sector plans and budgets are strongly anchored in national budgets and plans.
- (f) Adopting key measures aimed at ensuring greater transparency with: clearer eligibility and allocation criteria; allocation decisions being made by an independent panel rather than a donor committee; a defined procedure of funding rounds as well as advance indications of funding amounts potentially available; partner countries not being excluded from the governance of the funds; transparent feedback on all country applications, including those that are rejected; and a transparent procedure to appeal decisions.
- (g) Committing to a stronger default requirement on the use of most aligned modalities, including use of sector budget support and maximum use of country systems.
- (h) Being open to a variety of implementing channels, with no assumption that the WB is the default supervising entity, and encouraging other agencies to compete for the management of the funds.
- (i) Ensuring complementarity with other funds:
 - domestic funds – by including government commitments on public expenditure for basic education as part of the grant agreement, with the Ministry of Finance as a signatory;
 - external funds – by requiring information on parallel commitments by other donors to be submitted as part of the application, and reported on as part of the disbursement process;
 - encouraging use of the fund as part of joint financing agreements with specific commitments from other donors;
 - using funds to buy down IDA credits to grant level (this would reduce the risk of the WB and Ministries of Finance allowing the CF grant to displace IDA credits, and increase the likelihood of the WB remaining engaged in basic education).

Monitoring and evaluation

S81 A crucial part of the redesign of the FTI must be to devise a framework, agreed to and owned by all partners, for monitoring and evaluating the FTI's own activities. This must involve a clear understanding about the making and monitoring of commitments by all partners (the "compact"), at both country and global level.

S82 This report (in Appendix VI) provides detailed recommendations on the development of an M&E framework for the FTI, and also addresses the issue of future impact evaluation for the FTI.

Implementation of recommendations

S83 There have been many piecemeal changes to the FTI over the years. In discussion of the evaluation's findings, the need now to adopt a more comprehensive approach has been recognised. This should involve redrafting the FTI framework document in a way that obviates the need for separate guidelines on governance, on country-level processes and on preferred aid modalities. A practical strategy and framework for monitoring and accountability within the partnership should be described in the new framework document, to which partners should explicitly sign up.

S84 Hitherto, hasty design dominated by donors has undermined the credibility of the FTI as a partnership, and has resulted in an architecture that has not worked well. It is vital that all stakeholders are involved in the redesign of the FTI towards a more genuine and effective partnership. This evaluation therefore strongly recommends using this report as the basis for a thorough discussion among the partnership. The imminent replenishment process should be used as a (vitally important) holding operation to allow the FTI to be redesigned and reinvigorated.

1. Introduction

Objectives of the evaluation

1.1 The Education for All Fast Track Initiative (FTI) was launched in 2002 and is designed to accelerate progress towards both the Education For All (EFA) goals and the Millennium Development Goals (MDGs) – see Exhibit 1.⁴ As the FTI has now been running for half of its expected lifetime the partnership commissioned a mid-term evaluation to assess whether the FTI is attaining the goals it set for itself and to provide ideas and direction for reform and change if necessary.

1.2 The FTI set up an Evaluation Oversight Committee (EOC) to ensure the quality and independence of the evaluation. The evaluation has been conducted by an independent team.

1.3 As described in the terms of reference (TOR):

The main purpose of the evaluation is to assess the effectiveness of FTI to date in accelerating progress towards achievement of EFA goals in participating countries, with particular attention to country movement towards universal primary completion (UPC). The evaluation will also assess FTI's contributions to improving aid effectiveness at both the country and global levels. The evaluation will assess the Initiative's added value, identify lessons learned from its strengths and weaknesses, and formulate recommendations for improved partnership programming and effectiveness. (TOR, ¶12)

1.4 The TOR specify an evaluation of the FTI from its origins until September 2008. In practice, the evaluation has tracked FTI developments to date. FTI country case studies were undertaken by the evaluation team in the first half of 2009 and have been made as up-to-date as possible.

1.5 The main high level evaluation questions (HLQs) from the TOR are shown in Box 1 below. Each HLQ has a series of related sub-questions which have guided the evaluation's enquiry.⁵

Box 1 High Level Evaluation Questions

1. The Relevance of FTI Objectives and Goals to Country Educational and Development Needs

Is what FTI aims to accomplish consistent with current needs and priorities of FTI client countries? What can be done to ensure the relevance of FTI going forward?

2. FTI's Contribution to Country Progress in Accelerating Action on EFA and Related Processes

To what extent is the FTI accomplishing what it was designed to do, namely, accelerating progress on EFA? Are FTI mechanisms and processes contributing effectively to this? How can FTI mechanisms and processes be improved to maximise their contributions going forward?

3. FTI's Contribution to Improved Resource Mobilisation and Aid Effectiveness

Has the FTI helped mobilise domestic and international resources in support of EFA and helped donor agencies to adopt more efficient development assistance strategies based on Paris Declaration ideals? How can FTI best help mobilise resources and improve aid effectiveness going forward?

⁴ Exhibits appear at the end of this volume (from page 97). Annexes are in Volume 2, and Appendices are in subsequent volumes. The complete Terms of Reference are included in Appendix V.

⁵ Appendix VIII provides the full list of HLQs and shows how they have been addressed in the evaluation's outputs.

Methodology

1.6 The evaluation team started work in September 2008. Evaluation activities are summarised in Exhibit 2 (page 100). They included the preparation of the Evaluation Framework, interviews, data analysis, documentary research, working papers, and – of particular importance – a series of country case studies.

1.7 The full methodology was laid out in the Evaluation Framework (Cambridge Education, Mokoro & OPM 2009a) and is also described in detail in Appendix V of this report. A summary of the logical framework for the evaluation is depicted in Exhibit 3 (page 101). This follows the five streams of effects that FTI was aiming for (on education policy and planning, education finance, capacity development, data and monitoring and evaluation, and aid effectiveness). Henceforth, these five streams are called workstreams.

1.8 The evaluation methodology has been based upon contribution analysis. This approach recognises that the FTI's activities are (often deliberately) interwoven with a wider set of activities oriented towards the same objectives in individual countries and internationally. It seeks first to establish the broader set of activities and effects, and then to use both quantitative and qualitative evidence to assess the FTI contribution to them. This reflects the fact that the evaluation's task is not simply to discover *what has happened in FTI-endorsed countries*, but to assess *what difference the FTI has made to those countries*.

1.9 This approach requires the evaluation team to bring together and balance different kinds of evidence. All of the evaluation's reports have tried to distinguish clearly between the factual findings of the evaluation, the conclusions drawn from those findings, and any recommendations, so that the basis for the conclusions is clear.

1.10 The FTI has stressed its country-driven approach, and this gives the evaluation's country case studies added importance. Case studies cannot be statistically representative of the whole set of countries with which the FTI has interacted, but care was taken to ensure that the case study countries covered a range in terms of geographical and other attributes and in terms of the nature and length of their engagement with the FTI.

1.11 Full case studies, including country visits, covered nine countries: Burkina Faso, Cambodia, Ghana, Kenya, Mozambique, Nicaragua, Nigeria, Pakistan and Yemen. Desk studies covered another eight countries: Ethiopia, Malawi, Mali, Moldova, Rwanda, Uganda, Vietnam, and Zambia.⁶ In order to maximise consistency and comparability across the case studies, each followed the methodology laid out in the Evaluation Framework, and their reports follow a standard format, supported by an analytical matrix⁷ to identify FTI inputs against the overall context and consider their relevance, effectiveness, efficiency and sustainability.

1.12 The evaluation interviewed nearly 150 persons at global level, from a wide range of stakeholders. Over 650 persons were interviewed for the full country case studies and desk studies. Interviews are confidential, but all were shared among the evaluation team for review and analysis. The evaluation's consolidated interview notes run to more than 1,500 pages and over 700,000 words. Annex J provides an overview of global and country level interviews and their breakdown among stakeholders.

⁶ Table 1 (on page 10) shows the endorsement context of these countries, Exhibit 9 (page 111) shows some basic data for them, and Annex D provides summaries of the country studies.

⁷ Presented overall and for each workstream.

1.13 The FTI has continually adapted during its existence, and there have been significant differences of opinion as to what the partnership's objectives are or should be. The evaluation has sought to explain and to take account of the evolving context (which is reviewed in Chapter 2; see also the concise timeline at Exhibit 4 on page 102). In assessing the FTI's performance the evaluation has taken account of the goals, the principles and the design expressed in its formative documents (Exhibit 5 on page 104).

1.14 An aim throughout the evaluation process was to engage with stakeholders and to take account of their perspectives. The evaluation team's working papers were circulated for comment to interested parties and placed on the external evaluation website (<http://www.camb-ed.com/fasttrackinitiative/>). A Preliminary Report was presented to the FTI Partnership Meeting in April 2009.⁸ Comments and feedback on the working papers and the Preliminary Report were also sought from interviewees. Debriefings were organised in each of the countries visited, and Country Visit Notes and draft Country Reports were circulated to the stakeholders the team had met in country. These documents were also made more widely available for comment on the evaluation website.⁹

Role and structure of this Synthesis Report

1.15 The role of the full report is indicated in the TOR as follows:

Insights from completed case studies will be compiled and analyzed and used together with Stage 1 preliminary findings for the full report, presenting overall findings, lessons learned, and recommendations which can be used by the partnership to change course as needed and improve relevance, effectiveness and efficiency. (TOR ¶27)

1.16 The report is organised as follows: Chapter 2 covers the origins of the FTI, its objectives, an overview of its activities, and how it has evolved over time; it includes a review of the FTI's governance. Chapter 3 draws together global and country work to present findings against each of the workstreams of the study. Chapter 4 builds on the previous chapters to present the evaluation's conclusions on the performance of the FTI, explaining the analysis behind the conclusions. Chapter 5 then explains the evaluation team's recommendations for the future of the FTI.

1.17 Additional volumes include a series of detailed annexes and appendices which lay out the evaluation's findings and analysis in more detail. These are listed in the Table of Contents above and cross-referenced within this main volume. The draft country studies also supplement the main report.

1.18 This report takes account of comments received on the draft which was released for public discussion in early December 2009. The evaluation team hopes that this report will help to engage the whole partnership in fruitful discussions about the future direction of the FTI.

⁸ Final version: Cambridge Education, Mokoro & OPM 2009b.

⁹ For a review of the evaluation's consultation process see Appendix V.

2. The FTI's Origins, Objectives, Evolution and Governance

Introduction

2.1 This chapter explains the origins and objectives of the FTI and provides an overview of its design. It then briefly summarises its implementation, including adaptations to its design (analysis of performance is deferred to the next chapter). The chapter then focuses on the FTI's governance and how it has evolved. The chapter concludes with a brief reflection on how the FTI's history and continuing evolution affect the task of its evaluators.

Origins, objectives and launch

2.2 The World Education Forum, held in Dakar in 2000 resulted in the adoption of a *Framework for Action for Education For All* (World Education Forum 2000). The aftermath of the World Declaration of Education for All (Jomtien, 1990) had been disappointing. The instigators of the FTI were determined that the follow-up to Dakar should be more effective.

2.3 Prospects for EFA had also been enhanced by other developments. During the 1990s there had been a reappraisal of aid effectiveness, increasing attention to poverty as the focus of aid efforts, an increasing concern for children's rights instanced by the Convention adopted in 1989, a global movement for debt relief, and a growing acceptance that country ownership was an essential ingredient of effective development plans and programmes. Through the Heavily Indebted Poor Countries (HIPC) initiative, debt relief was linked to the preparation of Poverty Reduction Strategy Papers (PRSPs), and frequently gave a boost to basic services including primary education. In the same year as Dakar, the Millennium Development Goals (MDGs) were adopted as tangible, time-bound targets for the reduction of poverty, and the major Western donors committed themselves to the scaling up of aid. Two of the EFA goals from Dakar were echoed as MDG2 and MDG3 (see Exhibit 1 on page 99).

2.4 However, it was not easy to get agreement on the form that effective action to follow up Dakar should take. The idea of a "fast track" for education eventually emerged from the confluence of work undertaken by the G8 and by the World Bank (see Box 2 below). The FTI was announced as a "compact" between donors and governments in the spirit of Monterrey. The compact was based on a concept of mutual commitment. Donors would agree to provide growing levels of financial and technical support to country education plans in an increasingly coordinated, aligned and harmonised manner and under government leadership. Partner countries, on the other hand, would agree to develop and implement sound and sustainable education sector plans and to ensure accountability for the results achieved.

2.5 Among those involved in launching the FTI, there was a sense of urgency – not just because of the importance of its objectives, but because of the desire to seize a rare political opportunity to get some momentum behind EFA. This urgency helps to explain why the details of how the FTI would operate were not worked out until after the initiative had been launched, and also why there have been continual adjustments to the FTI's design and governance since then. Gaining agreement on the initial design and aims of the FTI was a significant achievement, involving discussions among a diverse group of donor partners. As Box 2 below explains, getting the coalition together and keeping it together took much negotiation and compromise.

2.6 In this early period of FTI design, a "fast track" concept was put forward as a way to start things moving, even as the details on the objectives and operating mechanisms of the FTI were still being discussed among donors. (It was in essence a donor initiative; the

designated beneficiary countries were not involved in the design.) As early as mid 2002 – with the FTI still under design – eighteen countries were invited by the FTI to apply for endorsement.¹⁰ In addition five large countries were offered an "analytical fast track", as explained in Box 2 below.

Box 2 The G8 dimension and keeping a coalition together

The final declaration of the 2001 G8 summit in Italy – held one year after the Dakar meeting – contained a strong commitment by the G8 supporting EFA. This meeting mandated a task force of senior officers from various agencies to identify how the G8 could better support EFA. The subsequent Canadian presidency of the G8 took forward this work and at the G8 meeting in Kananaskis in 2002 EFA was put at the centre of the agenda.

The G8 meetings underscored the general principle that all partners were committed to EFA and to meeting the MDGs. Substantial time was spent discussing what was understood by EFA. There was also a strong assumption in the discussions that partnership was needed with countries, and that whatever structure was designed would build on national systems, moving away from the fragmented project approaches which had been typical of donors' involvement.

In parallel to G8 developments, the Netherlands and the WB had been working on an initiative to support the best performing countries in basic education. To merge the discussion on the Netherlands/WB proposal with that of the G8 Task force a meeting was organised in Amsterdam (in April 2002). At the time some prominent individuals played a major role. They included the President of the World Bank and the Ministers of Development Cooperation of countries such as the Netherlands and Norway, all of whom expressed strong commitment to EFA.

The Amsterdam discussion concentrated on a World Bank study (Bruns et al 2003) which sought to explain what made some countries more effective than others in expanding educational opportunities. The concept emerged of an Initiative which would assist a limited number of countries that were prepared to adopt more effective policies. Their domestic efforts would then be allied with financial and other support from the international community. The initiative would work first with promising performers, and once the model got results it would be replicated to include other countries.

The origins of the FTI influenced the subsequent model of having both G8 and non-G8 countries as co-chairs of the FTI. This was also intended to maintain the engagement of the G8, not all of whom were equally enthusiastic about the venture.

The FTI "coalition" was put under considerable stress from the outset. Some key figures, including WB President Wolfensohn, were not content to announce an initiative which would focus only on a few countries in its initial phase. When he announced the initiative, the invitation to participate directly was extended to more countries (18) than several G8 donors had expected. Moreover, five large countries (Bangladesh, DRC, India, Nigeria, and Pakistan) were invited to join the "analytical fast track", so that the initiative could be headlined as targeting more than half the world's out-of-school population.

As a result some G8 donors felt that they had been "bounced" into the agreements that launched the FTI, and that their initial agenda had been taken over by the WB. These donors had agreed to a pilot approach on a small number of countries but found it announced as something much more ambitious. Their names were attached to commitments which they felt they had not agreed to. Some were especially unhappy about echoing the Dakar pledge that *"no countries seriously committed to Education for All will be thwarted in their achievement of this goal by lack of resources"*.¹¹ (World Education Forum 2000).

¹⁰ The nature, process and consequences of "endorsement" by the FTI are recurring subjects of this report.

¹¹ For a more extensive treatment of contrasting perceptions within the partnership, see this evaluation's Preliminary Report (Cambridge Education, Mokoro & OPM 2009b).

2.7 Invitations for participation in the FTI were sent out by a small FTI Secretariat which was set up in the World Bank (WB); to begin with, it had just a Head and one additional staff member. This Secretariat requested nominated countries to submit FTI plans based on their Education Sector Plans (ESPs). In each country an endorsement by donors of the prepared plan was seen as the critical step towards scaled-up mobilisation of aid.

2.8 Meanwhile, the work on designing the FTI continued. Differing ideas about what the FTI should be and which countries should benefit, concerns about avoiding the establishment of another global fund, and issues related to how the FTI could be put into practice meant that crystallising the design of the FTI took almost two years. In November 2002 and March 2003 – with details of the FTI still being worked out – the donors endorsed the first seven country plans (Burkina Faso, Guinea, Guyana, Honduras, Mauritania, Nicaragua and Niger).

2.9 For the first one and a half years the FTI was designed and developed for the early group of selected strong performers in line with the recommendations of Bruns et al. However, there was a lot of criticism of the FTI approach. For example it was argued at High Level EFA meetings (hosted by UNESCO) that the FTI should not just be for best performers. As a result it was decided at the Oslo meeting in November 2003 that the FTI would open up to all low-income/IDA countries which could meet the criteria for endorsement. This required designing a strategy which would cater for more diversity – essentially allowing good performers to move fast, and others to get help to move in this direction. An operating framework – based on these developments and the agreements reached among the donors – was drafted following the Oslo meeting, and laid down in the FTI Framework document published in 2004 (FTI 2004a).

Overall design

2.10 The design of the FTI is embodied in two key documents. The first was the 2002 Action Plan (World Bank 2002), with which the World Bank initiated the implementation of the FTI; the second was the FTI Framework which described the consensus on the purpose and structures of the FTI that had emerged by 2004. Exhibit 5 (on page 104) provides an overview of these documents, and of other key formative documents of the FTI.

2.11 The 2002 Action Plan advocated Universal Primary Completion (UPC) as the test of progress towards EFA, even though it contended that UPC was a more demanding target than Universal Primary Education (UPE). The Plan also identified four "gaps" that needed to be addressed to reach this goal – data, policy, capacity, resources – and called for the scaling-up of aid to those countries with credible plans. A test of the plan's credibility would be its attention to the guidance embodied in the Indicative Framework (IF) that had emerged from the World Bank research (Bruns et al 2003). The Action Plan saw the IF's technical benchmarks as a common frame of reference for all countries, although the exact mix of policy actions required would be country-specific.¹²

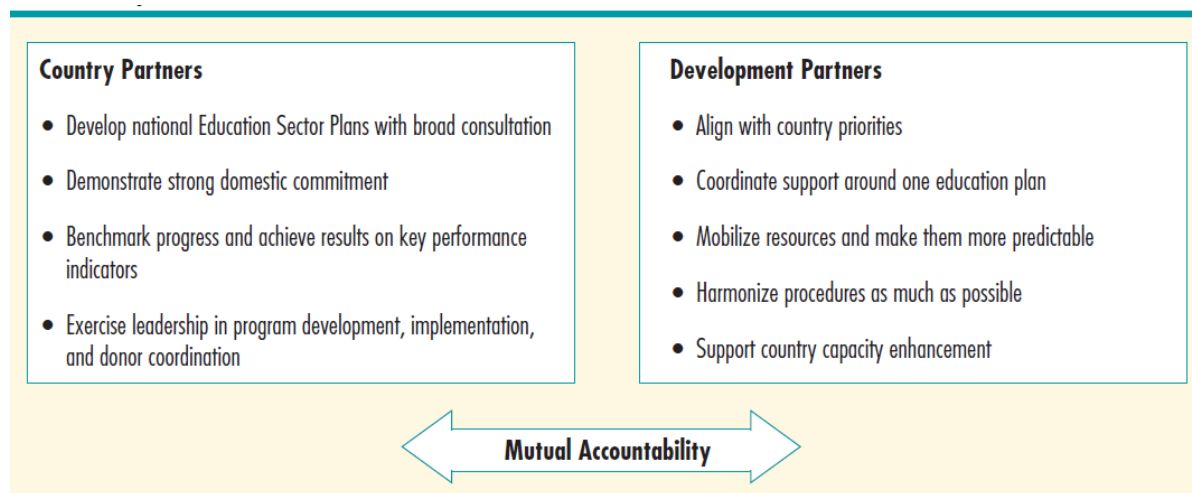
2.12 The 2004 FTI Framework document (FTI 2004a) describes the FTI design that had emerged from the consultation among donors over the previous two years. It describes the FTI's goals, guiding principles, participation criteria, review and endorsement process, resource mobilisation, implementation procedures and governance structures and functions (see Exhibit 6, on page 106, for a summary). It underscores the Initiative's emphasis on reinforcing collective action at country level through a compact between partner countries and development partners (see Box 3 below). Agreeing a written Framework forced the

¹² Exhibit 14, on page 127, reproduces the IF as it appeared in the FTI Framework and notes how it has been referred to in various FTI guiding documents over the years.

partnership to compromise on what the FTI was trying to do, although even reaching this agreement proved difficult.

2.13 As outlined in the Framework document, the FTI's **goals** are to accelerate UPC by promoting: (a) *more efficient aid for primary education*; (b) *sustained increases in aid for primary education*; (c) sound sector policies in education; (d) *adequate and sustainable domestic financing for education*; (e) *increased accountability for sector results*; and globally (f) *mutual learning on what works* to improve primary education outcomes and advance EFA goals. The FTI is guided by five **principles**, namely: country ownership, benchmarking, support linked to performance, lower transaction costs, and transparency (FTI 2004a).

Box 3 The FTI Compact



Source: FTI 2007a

2.14 The paradigm of the FTI is to provide support to sector wide approaches (SWAs) at country level. The FTI was based on the assumption that the endorsement of an education plan that satisfied certain criteria (including taking the Indicative Framework sufficiently into account¹³) would serve as a signal to donors that a committed government, implementing a credible plan deserved their support. The plan itself, which would most likely be linked to a sector wide approach,¹⁴ was seen as providing the focus for donor support. It was expected to be accompanied by reciprocal commitments by the government and its donor partners, with country partners working towards improved planning, monitoring and greater domestic commitment, whilst development partners committed to scale up funding, support capacity enhancement, and align with government priorities and systems. Donor groups at country level were expected to take the lead in mobilising financial support for the country's ESP (see Exhibit 7 on page 109).

2.15 The FTI was outlined in the Framework Document as being open to all interested funding agencies, and to low-income countries that seek and receive endorsement through the FTI review process of their plans to achieve the relevant MDG and EFA goals.

¹³ The Indicative Framework could be "locally adapted" and it provided indicators that countries were encouraged to track. See Exhibit 14 (page 127 of this volume) and Annex C for more on the different interpretations of the IF in practice.

¹⁴ At sector or sub-sector level. According to the FTI Framework:

Endorsement through the FTI review process normally requires ... [a] sector-wide program for education agreed with in-country donors;...

The FTI encourages partners to ... coordinate their interventions at the country level in a sector-wide approach and common work program (FTI 2004a).

2.16 The FTI Framework Document also outlined the governance structure for the FTI. At global level, governance includes the Partnership Meeting (PM), the FTI Steering Committee,¹⁵ the FTI Secretariat, Working Groups and Task Teams, and the FTI Trust Funds. Exhibit 8 (on page 111) provides a chart showing the different governance structures in place during 2004–2008.¹⁶

2.17 The governance arrangements for the FTI were designed to be "light touch", with non-bureaucratic decision making, and a streamlined management. Donors were keen that the FTI should not become another "global fund" along the lines of those that had recently been established in the health sector, which were criticised for having top-heavy management and making vertical/parallel interventions.

2.18 The Framework put the leadership of the FTI at country level. Local governments (Ministries of Education in collaboration with other government agencies) were responsible for developing sector plans, for implementing them and for monitoring and evaluation. At the same time, these processes and products were expected to involve close consultation with civil society and development partners. In this context, the local donor group (LDG) – led by the lead donor (also known as the coordinating agency) – was assigned the responsibility for assessing the scope, volume and timing of development assistance needs, and for endeavouring to mobilise finance in accordance with the regulations of each donor and in consultation with their headquarters (HQ).¹⁷

2.19 To support the roll-out of the FTI, two Trust Funds were established – the Catalytic Fund (CF) and the Education Program Development Fund (EPDF). The CF was established in March 2003 as a multi-donor, multi-recipient trust fund to offer temporary support – for a maximum of 2 to 3 years – for the implementation of sector plans. It is managed by the World Bank, which is the default "supervising entity"¹⁸ of the projects or programmes that it funds. The Catalytic Fund was originally intended as a transitory arrangement for "donor orphans"¹⁹ – given that it would take time for countries with only a few donors and reduced levels of external support to see an effective scaling-up of aid by development partners. The CF was reviewed in 2007 and broadened to become the "Expanded" CF which provides longer term and more substantial volumes of funding for which almost all FTI-endorsed countries could be eligible.²⁰

2.20 The EPDF, also managed by the World Bank, was set up in November 2004 with the key objective of supporting the preparation of sector plans through financing of technical assistance to the planning and preparation processes. It was modelled on the earlier Norwegian Education Trust Fund (NETF) which had supported World Bank-led analytical and policy work in Africa, but was extended to other regions.²¹

2.21 The adoption of the FTI Framework and the establishment of the two Trust Funds set the stage for full scale implementation of the FTI. As more countries were endorsed, further refinement and, in some cases, reconsideration of approaches took place. The major

¹⁵ Reconstituted as a Board in 2009.

¹⁶ Their evolution is reviewed in detail in Annex B.

¹⁷ These provisions from the FTI Framework are included in Exhibit 7.

¹⁸ A supervising entity is the donor which manages and distributes funding from the Catalytic Fund in country.

¹⁹ Defined initially by the FTI as countries with fewer than five donors disbursing more than USD 1 million annually.

²⁰ A detailed review of the Catalytic Fund is provided in Appendix III.

²¹ A detailed review of the EPDF is provided in Appendix IV.

changes which took place after 2004 are captured in the time-line in Exhibit 4 (on page 102) and in the series of "guiding documents" which are summarised in Exhibit 5 (on page 104).

Implementation

2.22 This section provides a brief overview of the activities undertaken by the FTI partnership since its inception.

Country endorsements

2.23 Table 1 below shows how the endorsement of countries has progressed since 2002. By the end of 2008 a total of 36 countries had been endorsed by the FTI. The table also highlights which countries were included in the evaluation's full case studies and desk studies. Exhibit 9 (on page 112), gives basic data for these case study countries and demonstrates the range of country contexts and FTI histories covered by the case studies.²²

Table 1 FTI endorsements and evaluation case study countries

Countries with endorsed plans by year of endorsement (as of December 2007)			Countries expecting endorsement ²³		Other FTI eligible countries
			In 2008	In 2009	
2002	<u>Burkina Faso</u> Guinea Guyana Honduras	Mauritania <u>Nicaragua</u> Niger	Bhutan Burundi Chad Malawi	Angola Bangladesh Comoros Congo, Dem Rep of Congo, Rep of Eritrea Guinea-Bissau Lao PDR	Afghanistan Côte d'Ivoire India Indonesia Kiribati Myanmar Nepal Nigeria (other states) <u>Pakistan</u> Somalia Sri Lanka Sudan Zimbabwe
2003	The Gambia <u>Mozambique</u>	Vietnam <u>Yemen</u>	Papua New Guinea	<u>Nigeria (3–4 states)</u> Solomon Islands Tanzania Togo Tonga	
2004	<u>Ghana</u>	Ethiopia	Uganda Vanuatu		
2005	<u>Kenya</u> Lesotho Madagascar	Moldova Tajikistan Timor-Leste	<i>of which, countries who achieved endorsement in 2008^x</i>		
2006	Albania <u>Cambodia</u> Cameroon Djibouti Kyrgyz Republic	Mali Mongolia Rwanda Senegal		<i>countries which achieved endorsement in 2009^y</i> Lao PDR Nepal	
2007	Benin Georgia Liberia	Sierra Leone Sao Tome & Principe			

Key: full case study indicated **thus**; desk study indicated **thus**.

^x Table updated with information from FTI 2009f.

^y Table updated with information from FTI website, October/November 2009.

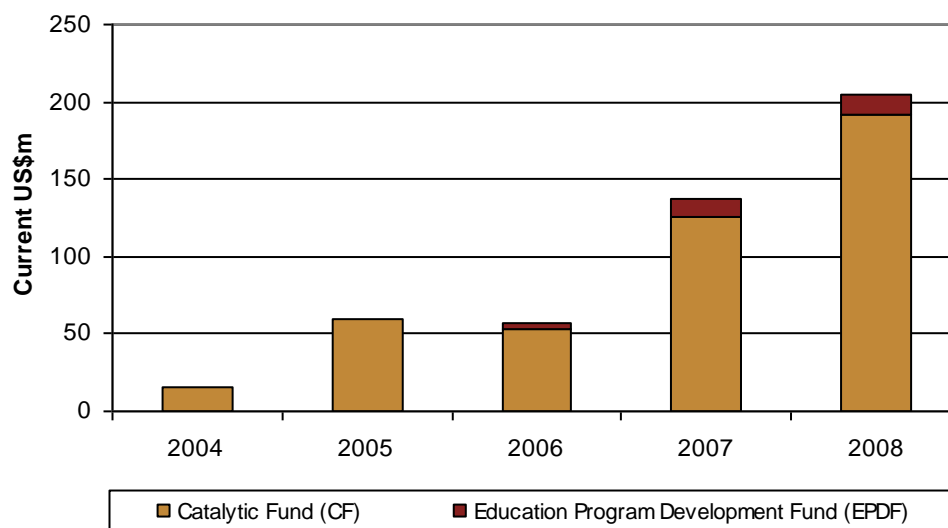
²² See also Exhibit 11, on page 116, for snapshots of some of their varied experiences.

²³ Lists of countries "expecting endorsement" in a particular year have always proved optimistic.

The Catalytic Fund and the Education Program Development Fund

2.24 Figure 1 below summarises total disbursements from the Catalytic Fund and EPDF. It highlights the increasing importance of the CF, especially since 2007. Growing volumes of funding have been provided to an increasing number of countries – see Exhibit 10 (on page 115) which shows which countries have accessed the CF and when. Over USD 1.4 billion has been allocated among 30 countries; as of December 2008, USD 890m had been the subject of signed grant agreements, and just over half (USD 445m) had been disbursed.

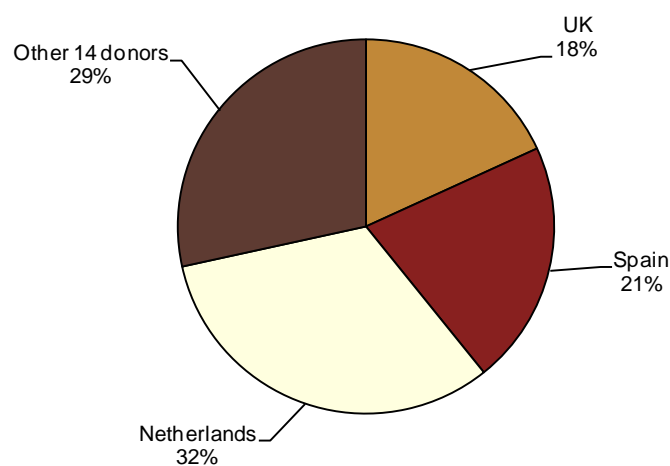
Figure 1 Annual disbursements from the FTI CF and EPDF, 2004–2008



Source: FTI trust fund reports; data from the FTI Secretariat.

2.25 Figure 2 below shows that the financial base of the CF has been rather narrow: although 17 donors had contributed up to the end of 2008, just three of them – The Netherlands, Spain and the UK – accounted for over 70% of the pledges.

Figure 2 Catalytic Fund: signed pledges by donor, from inception to Dec 2008



Sources: FTI Catalytic Fund Annual Status Reports; data provided by FTI Secretariat.

2.26 Exhibit 10 also provides an overview of EPDF funding, which has supported a total of 56 countries since 2004. There is a wide range, with countries like South Africa, Indonesia, Niger, Lesotho Eritrea, and Honduras receiving very small allocations. At the other end of the scale are four countries (Bangladesh, Pakistan, Yemen and India) which have each accounted for between USD 1– 2.1m in EPDF allocations.

Overview of the FTI at country level

2.27 The country level experience with the FTI has been varied. Exhibit 11 (page 117) provides some country snapshots and the evaluation's country case studies fully document this diversity. A number of points emerge:²⁴

- (a) Some countries that were invited to join the FTI in the initial round did not submit proposals: the reasons included confusion about the nature of the FTI, lack of in-country capacity to fulfil technical requirements, and some governments' judgment that they had little to gain by doing so.
- (b) A number of countries already had processes ongoing to improve and fund education sector plans before joining the FTI. In other countries (e.g. Nicaragua) the FTI endorsement influenced the establishment of more coordinated planning and monitoring, as it highlighted the need for an in-country donor group.
- (c) Several countries (e.g. Burkina Faso, Mozambique and Ethiopia) have had two rounds of engagements with the FTI with contrasting experiences. In the early round, they were not eligible for the Catalytic Fund under "donor orphan" rules, and any financial effect of endorsement was to be through the support of existing donors. More recent engagement has directly focused on the (expanded) CF.
- (d) Some countries (e.g. Vietnam) have been endorsed but have had only a low- profile engagement with the FTI since endorsement.
- (e) Countries vary in terms of the use to which funds are put. In some countries funding goes to specific priorities within the sector plan; in others the funding has gone into pooled mechanisms (e.g. Mozambique). This has often been a function of the context (e.g. the existence of a pooled fund) and the donor personnel in country when the FTI process starts.
- (f) Funding by the FTI through the CF has been provided for a variety of activities, in some cases outside of primary education (e.g. in Moldova for Early Childhood Education).
- (g) Zambia represents the first (and very recent) case where a bilateral donor is the supervising entity for the FTI (the first time the WB has not assumed the role).
- (h) Increasing numbers of countries have sought funding from the CF as the fund has been made more widely available over the life time of the FTI. This has enabled countries that were previously ineligible, such as Ethiopia, Burkina Faso and Mozambique, to access CF funds.

²⁴ For fuller summaries of all the evaluation's case studies, see Annex D.

Adaptations

2.28 The FTI has seen important changes and adaptations over the years, and others are still under way:

- (a) More countries have become eligible and the FTI has expanded from covering an early group of invitees to a partnership open to all IDA countries that can meet the standards for endorsement.
- (b) The financial centre of gravity of the partnership changed when the "donor orphan" rule for the Catalytic Fund was relaxed. Instead of relying solely on regular donors to provide financial support for their endorsed plans, all endorsed countries became eligible to apply for the CF.
- (c) Work on a specific approach and mechanism for Fragile States is still ongoing.²⁵
- (d) The FTI is currently undertaking a complete re-scoping of the EPDF (see discussion of capacity development in Chapter 3E).
- (e) Amendment of the CF framework to allow for supervising entities other than the World Bank in recognition of the importance of using flexible aid modalities for the provision of CF to countries (see Chapter 3G).

2.29 Linked to these changes, the FTI has also made considerable changes to its governance. These are further discussed in the next section below (§2.32ff).

2.30 The tensions surrounding the FTI's initial launch and design have already been noted. These tensions persisted, and, in its implementation, the FTI has continually had to balance forces pulling it in different directions:

- (a) There has been tension between a pilot approach to prove the effectiveness of the good practices embodied in the Indicative Framework, versus a more inclusive and ambitious approach which placed more emphasis on achieving the MDG and EFA goals, and so would recruit more countries more rapidly to the partnership. In practice, the FTI has made recruitment of more endorsed countries a key indicator of performance, but has not yet endorsed any of the large ("+5") countries it initially approached.²⁶
- (b) This overlaps with the tension between "needs"-based and "performance"-based support (i.e. should support go to those countries that are in greatest need, or to those that have demonstrated that they meet key conditions which will allow them to successfully meet their EFA goals?). This issue comes to the fore in the FTI's discussion of how to deal with "fragile states" (with concern expressed on some fronts about the risk of devaluing the FTI's "gold standard" of ESP endorsement).
- (c) There have been different perceptions about the importance of the "finance gap" relative to other gaps (capacity, planning, monitoring and evaluation, etc.), and hence the extent to which the FTI should be judged by its achievements in resource mobilisation.
- (d) There have also been tensions between specific targets relating to primary education and wider objectives of supporting EFA and education sector planning as a whole.

²⁵ There is a full discussion in Annex H.

²⁶ Pakistan, India, Nigeria, DRC and Bangladesh were added to the initial list of invited participants.

- (e) Different partners had different strategic perceptions, in a context where the FTI has opted to keep the partnership among donors as inclusive as possible.
- (f) "Light touch" approaches to management have had to contend with the scope of the partnership's ambitions.

2.31 The tensions inherent within the FTI come from the diversity of its partnership and particularly from the different agendas and aspirations of the various donor partners involved. The FTI has had to move forward cautiously in order to keep a broad donor coalition together. This has often resulted in long negotiations detracting from the FTI's operational effectiveness, and has diluted some of the original FTI intentions.²⁷ The next section discusses how such matters have been resolved in terms of governance and Chapter 3 notes their effects on different aspects of the implementation of the FTI.

FTI governance – design and evolution

The importance of FTI governance issues

2.32 FTI governance involves both the country level and the global level, and includes how these levels relate to one another. As noted earlier, the FTI was launched before its structures, functioning, lines of accountability and basic purposes had been fully worked out. As a result FTI governance has seen considerable changes in the seven years since the FTI was established. This reflects the complexity of the FTI's intentions as a global partnership, as well as the varying perceptions of partners as to how it should work. Moreover, the same problems that necessitated change also made changes difficult to agree on.

2.33 Governance has been a key agenda item in many FTI meetings, and major external and internal reviews and reflections around governance took place between 2005 and 2009. These included two external reviews on governance (Buse 2005 and Buse 2007) and the establishment in 2007 of a governance task team. In that same year, the Netherlands volunteered at the Partnership Meeting in Tokyo to write a "visioning paper" which was to feed into the ongoing discussion on governance. Further impetus came from Denmark's decision to prioritise governance during the Danish co-chairmanship. These and other governance events and their implications for the partnership are discussed in detail in Annex B. The present chapter focuses on the key changes that have occurred and the issues that are still outstanding.

2.34 The 2004 FTI Framework document has been the basic reference document for governance for most of the history of the FTI. The Framework outlines different elements²⁸ of governance and their functions and how the FTI was expected to operate. The Framework document has been supplemented more recently with other documents, notably a detailed *Country Level Process Guide* (FTI 2009b), and the 2009 *FTI Governance of the Partnership* (FTI 2009e) which embodies reforms adopted at the end of 2008. The latter document reflects a number of far reaching governance decisions – on representation, decision-making structures, mandates of the different governing bodies, relationships between them, and functioning at country level – which are expected to improve the efficiency and effectiveness of decision-making. Their importance is discussed further below (see ¶2.51ff) and elaborated on in Annex B.

²⁷ This careful walking of the fine line between different donor agendas is apparent in the Steering Committee and Trust Fund meetings.

²⁸ The key FTI governance documents (2004 and 2009) refer to governance "levels". However, this induces a misplaced sense of hierarchy. The evaluation team has therefore opted to use the word "elements" in cases where "levels" may mislead.

Evolution of FTI governance

2.35 The governance review by Buse in 2005 aimed to assess the strengths and weaknesses of the FTI until then and to identify options for strengthening its governance. It highlighted that the loose governance structures which had been in place until then had been successful in keeping a wide and not always compatible group of stakeholders together, but it also underscored that shortcomings in the governance arrangements had created confusion over where authority lay and stood in the way of decision making. The review identified a number of critical issues which are summarised below. These are highlighted because they clearly indicate the nature of the challenge which the FTI faced and because a number of them continued to be relevant in the years that followed:

- (a) The FTI was being rolled out (and therefore perceived) as a vertical programme – with decisions made at global level – by donors.
- (b) There was substantial lack of clarity on where decisions were to be made. This led to duplication of tasks and mandates, and complicated progress within the partnership.
- (c) Countries were unclear on the process by which they could become part of the FTI and on the relationship between the ongoing efforts at education improvement (through the development of sector wide approaches (SWAps) for example) and the FTI process.
- (d) Access to the FTI was by invitation only to countries which met a series of strict criteria. This had the result of limiting the sense of ownership and participation in the Initiative.
- (e) The focus of the FTI was mainly on increased financing (as opposed to other important factors such as capacity building).
- (f) The FTI was perceived as "slow moving" and insufficiently responsive to country needs and concerns, and was not sufficiently in touch with what was happening at country levels. (Buse 2005)

2.36 Buse's report presented a number of options to improve the governance of the FTI. Key recommendations were that: (a) only one of the governing bodies should have decision-making status, and the roles of the different governing bodies of the FTI should be more clearly defined; (b) the FTI should focus more on country level by including country-level representation on the governing body (which had not been the case until then), and improving channels of communication between the FTI and the country levels; (c) there should be greater agreement on what the partnership aimed to achieve, so as to address the credibility issues which had arisen as a result of differing donor views and the lack of obvious progress in donor education spending patterns; (d) the FTI should be led by "heavy hitting champions" (Buse 2005, p31), rather than technical education experts; (e) the functions of the FTI Secretariat should be reviewed and staffing and resources increased, so as to better accommodate the growing workload; and (f) country-level consultations on the findings of the report should be carried out to elicit the views of stakeholders at this level (Buse 2005).²⁹

2.37 Governance changes following the Beijing PM in 2005 addressed some of the concerns raised by Buse. This included the important decision to open the partnership up to non-donor constituencies. The FTI SC was expanded from five to eight members, which

²⁹ This evaluation was unable to find evidence that such consultations were held; if they were held, they were not reported in the minutes of FTI meetings.

would now also include Unicef, one civil society representative, and one representative of partner countries. To enhance continuity, it was also agreed that co-chairs would join the SC as members six months before and after their tenure and that henceforth the PM would be held every two years rather than yearly.

2.38 However, as noted in the Netherlands' visioning paper, which reflected back on the Buse report: *The report contained some very valuable insights and recommendations. However, as a report it was somewhat ill-fated ... only some of its conclusions were used to make proposals for change ... but many of the core observations [were left] untouched* (Netherlands MOFA 2008, p4). The "core observations" on which very little progress was made in Beijing included the observation that governance was essentially very loose, that FTI meant different things to different people, that there was no strategic plan, and that it was difficult to reach decisions because they had to be made by consensus. Furthermore the roles of the various entities (Steering Committee, Partnership Meeting, Task Teams, etc) continued to lack sufficient definition, and the report noted that, despite the much praised compact of the FTI, it was difficult for words to be translated into actions.

2.39 Governance continued to figure on the FTI agenda. In October 2006, a drafting committee/team on governance was established at the FTI Technical Meeting, and drafted a Governance Issues Paper (FTI 2006b). The document outlined key partner concerns about issues related to representation and observer status in the SC, the responsibility of lead donors, the need to define which organisations qualify as civil society, extending membership to other stakeholders (E9 members,³⁰ private sector representatives of parents and communities), quality assurance for country level processes, and the need to ensure country dialogue in between biannual Partnership Meetings. A number of these concerns were taken forward at the Cairo PM in 2006, but, as with the earlier Buse report, other issues remained pending. An important decision at Cairo was again to expand the representation of constituencies in the SC, which increased to 14 members, including four bilateral donors, three multilaterals, four partner countries, and three civil society representatives.

2.40 2007 and 2008 saw further work on governance, including contributions by the Netherlands through its visioning paper, by a governance working group and by Denmark as the co-chair. This eventually resulted in a revised governance document, approved by the SC Meeting in Oslo in December 2008 (FTI 2009e), which embodied the following far-reaching governance decisions:

- (a) The Steering Committee to become a Board of Directors with the requirement of senior level representation from the various constituencies (rather than the hitherto more technical representation on the SC) – also reflecting one of the key observations by Buse.
- (b) Decision-making power transferred from the Partnership Meeting to the FTI Board (addressing the major issue of insufficient clarity on decision-making raised by Buse in 2005).
- (c) The size of the Board increased from 14 members to 17³¹ (six bilateral donors instead of four, four partner countries with at least two seats for African countries, three CSOs, and four standing representatives of multilateral agencies).

³⁰ The E9 countries are Bangladesh, Brazil, China, Egypt, India, Indonesia, Mexico, Nigeria and Pakistan, and account for more than 50% of the world's population.

³¹ However, out of the various constituencies represented in the governance structures, partner countries continue to have rather limited representation and the latest round of changes to the SC composition has shifted the balance back in favour of donors. Partner countries (and civil society) are not represented on key financial bodies i.e. the EPDF and CF committees.

- (d) Representation for the biggest donors to the FTI enhanced by assigning three of the Board seats to the five biggest contributors to FTI Trust Funds.
- (e) A single independent full time non-voting Chair to preside over the Board (instead of two co-chairs); the Chair to be chosen through an open recruitment process, to hold the position full-time for a three-year period³² and to be contracted by UNESCO.
- (f) Two-thirds majority to be applied for decision making, although consensus will still be preferred.
- (g) The independent Chair of the FTI to chair the FTI Trust Fund Committees (EPDF and CF) to encourage closer linkages between the management of the Funds and the FTI as a whole.
- (h) Strengthened linkages between the Board and the FTI Trust Funds by making the Trust Funds report annually to the Board, which in turn will monitor that funds are used according to FTI objectives and policies.

2.41 Several factors facilitated these governance decisions (many of which, as already noted, had been proposed before but not followed up). One such factor was the process by which the various drafts were discussed (in smaller sub-groups with representation of the constituencies in a task team rather than in the full cumbersome environment of the PM). Decisions by a few bilateral donors to make a substantial technical input into the process played a role. In addition, some of the governance problems that the FTI was facing were having implications for endorsement processes at country level, for CF disbursements, and for arrangements which were being put in place at country level, thus generating additional pressure for change.

Selected specific governance issues

2.42 The World Bank, the Trust Funds, and country level governance have been three particularly critical areas of governance. These are therefore reviewed in detail in Annex B. This section provides a brief overview of what the key issues have been.

The World Bank

2.43 The WB played a key formative role in the Fast Track Initiative. The World Bank President at the time – James Wolfensohn – was an early champion of the need for a Fast Track Education Fund. The research carried out by the World Bank Education Department (Bruns et al 2003) provided the intellectual foundation for the FTI.³³ Several key building blocks of the FTI originate in the WB, such as the Indicative Framework, the country status reports and associated simulation models often used in-country to calculate the financing gap and prepare the ESP. The World Bank also drafted the 2002 Action Plan, the founding document which initiated the FTI process. The FTI Secretariat was set up in the World Bank.

³² Recruitment of this Chair was ongoing when the evaluation team was preparing the present report. An appointment was made at the FTI Board meeting in Rome on 4 November 2009.

³³ Bruns and her colleagues acknowledged that they themselves were building on previous work by others.

2.44 The World Bank continues to play several roles within the partnership. It hosts the Secretariat of the FTI which is placed under the responsibility of the Vice Presidency for Human Development (VPHD).³⁴ As a result, the Head of the Secretariat is answerable to both the FTI Steering Committee and to WB line management. In terms of staff management, according to current arrangements Secretariat Staff (WB employees or seconded by the WB) are subject to WB staff regulations and management procedures. In addition, the WB provides in-kind support to the Secretariat. The World Bank also acts as a trustee for the three trust funds (the CF, the EPDF and also the Trust Fund which funds the Secretariat itself). The WB provides both financial intermediary services (including treasury and accounting services, management of donor contributions and fund transfers) and operational support – i.e. implementation in the field, when it acts as a supervising entity. Responsibility for trust fund management was transferred from the Secretariat to the World Bank Vice-Presidency for Concessional Finance and Global Partnerships in 2006. At the global level, the WB input to the FTI has also been in terms of policy work, drawing on WB education expertise. The FTI may also benefit from the "convening power" of the WB to bring partners around the table.

2.45 At country level, the expectation is that the WB provides inputs through its country presence, knowledge and capacity and that country staffs are supported by a variety of education expertise in Washington. The WB also has a certain advantage in being able to capitalise on its general role vis-à-vis PRSPs and PRSP monitoring, its Poverty Reduction Support Credits (PRSCs) and other general budget support which it provides in some countries. The WB is often a key player in local donor groups and country aid coordination mechanisms, both at country and at sector level, although the degree of its participation in such groups varies.

2.46 In practice, the multiple roles of the WB within the FTI have raised both opportunities and concerns. Opportunities have developed in terms of synergies between WB programmes and the FTI, taking advantage of the WB technical capacity, potential FTI influence on the WB, and cost saving. On the other hand, concerns have been raised in relation to the lack of a clear division of responsibility between the FTI and the WB, leading to ambiguity and potential conflicts of interest.

The FTI Trust Funds

2.47 The WB has both legal and fiduciary responsibility over the CF and EPDF, which it manages on behalf of the FTI. World Bank Task Team Leaders (TTLs) supervise CF projects³⁵ and manage EPDF projects in return for which management fees are provided. The TFs are overseen by Strategy Committees involving donors contributing to the fund. Partner countries and CSOs are not represented on the Strategy Committees. The decisions about strategy, policy and the allocation of the CF funds in response to particular country requests are all taken by the Strategy Committee, often during the same meeting.

2.48 Two key issues for the Strategy Committee (in particular of the CF) have been the role of the Bank at country level and a lack of clarity on steps (for example for financial allocations and disbursements) at country level. These issues have been discussed at recent FTI meetings and steps were taken, both in terms of approaches and processes, as part of the latest governance reform. The development of a Process Chart and an FTI

³⁴ Previously the head of the Secretariat reported to the director of the Bank's education department (who is the head of the education network at the Bank and chair of the Bank-wide management team for education).

³⁵ This applies to those cases where the WB is the supervising entity. As of October 2009 this was the case for all countries except Zambia.

Process Guide (FTI 2009b) for country level processes has helped clarify how the FTI process is supposed to take place at country level.

2.49 To address risks associated with administering a rapidly growing, and increasingly complex, trust fund portfolio, and to mainstream trust funds into Bank strategies and operations, the Bank's management introduced a Trust Fund Management Framework (TFMF) that was endorsed by its Board in late 2007. This Framework has had major implications for the functioning of the FTI, as it implied that CF funds should be provided using existing WB aid modalities and instruments when the WB is the supervising entity. The issues that have arisen as a result of these changes are further discussed in the finance and aid effectiveness sections of Chapter 3.

Country level governance

2.50 At country level, the FTI seeks to build on existing processes and structures. The LDG has an important role to play in this respect, in particular with respect to the endorsement process. Buse's 2005 report highlighted a number of key governance concerns with respect to the country level (see ¶2.35 above). A number of such concerns persisted, including:

- (a) The operation of the FTI at country level has varied and has been significantly influenced by individuals in country (the adoption of the Country Process Guidelines in 2009 is an attempt to address this).
- (b) In a number of the case study countries the LEG and LDG seemed to be indistinct, non-existent, or functioning only sporadically. In other countries, although an LEG existed, it was not involved in the FTI-related key decisions such as endorsement or CF funding. There are thus concerns about the legitimacy of the LEGs and the extent of their genuine participation in the planning process.
- (c) Most of the LDGs have faced difficulties in providing sufficient capacity across the breadth of inputs required. The LDG's designated role includes developing and appraising the ESP, assessing the financing gap and advising on funding modalities, but this capacity is not always present and rotation within LDGs affects understanding, follow-up, and commitment to processes.
- (d) Information sharing on the FTI with partner governments has been less than optimal, partly due to the fact that LDGs are used as a conduit for the FTI Secretariat to pass on information.

Overview of key changes and adaptations over the years

2.51 Key governance changes over time have thus included:

- (a) *Greater clarity on where and how decisions are to be taken:* An important development has been the approval, in the recent governance reform, of a move away from the large and politically dominated PM to the more manageable structure of an FTI Board. Equally important is the two-thirds majority decision-making rule which should make decision-making more manageable than the previous requirement of consensus.
- (b) *Improved representation of constituencies:* the FTI started out as an initiative of donors. Over the years, the need for partner country representation and for CSO representation has been recognised. Partner countries and CSOs have gained seats in the key decision-making body of the FTI (the SC which is now the FTI Board). Changes have also been made to give a greater voice to the biggest donors to the

FTI trust funds (previously donors had a voice regardless of the volume of their financial contribution).

- (c) *Streamlining governing bodies and improving clarity on which structures do what, and ensuring better accountability*: this is reflected in the revised arrangements for governance of the partnership (FTI 2009e). It has also involved eliminating those governance structures that had no particular added value, such as the Technical Meetings, and replacing working groups with task teams which were task specific. In particular, the 2009 governance reforms of the FTI have addressed some of the concerns raised with regard to the WB. Efforts have been made to ensure a better division of responsibility and enhanced independence of the FTI vis-à-vis the WB, in particular through the appointment of an independent Chair of the Board (formerly Steering Committee). The independent Chair of the Board will also take over chairing of the Catalytic Fund and EPDF committees and be contracted through UNESCO, partly in order to avoid dual accountability (to the FTI and the WB), and should have a more continuous relationship with the Head of the FTI Secretariat than the two rotating co-chairs could have had.
- (d) *Greater clarity on country level governance and FTI endorsement processes at country level*: this has included more clarity on the country level governance processes and structures in the new Governance Paper (FTI 2009e) and in the guidelines for country processes (FTI 2009b). It has been recognised that flexible aid modalities for the CF are critical and this has led to the amendment of the FTI framework to allow for supervising entities other than the Bank.

Outstanding FTI Governance Issues

2.52 Over time, substantial effort has been made to address issues that have affected the governance of the FTI. However, a number of key issues have not been tackled by the governance reforms and still remain to be addressed. Other issues have been addressed, but have taken a long time to be resolved, underscoring the lack of efficiency in the governance processes.

2.53 Issues which still need resolution include the following (in several cases the evaluation's full documentation and analysis of these issues is set out in supplementary Annexes which are referenced below):

- (a) A number of proposals made under the recent governance reform process have either been postponed or not adopted. This includes the proposal to institute a two-thirds majority decision-making rule for the Trust Funds and the suggestion to merge the two Trust Funds into one to ensure greater coherence between them.
- (b) The constraints on the Trust Funds that derive from the application of current WB roles and requirements have yet to be fully addressed (see the discussions under finance and aid effectiveness in Chapter 3).
- (c) Resolving the conflicts of interest which arises out of the multiple roles of the World Bank within the FTI (as trustee, supervising entity, partner in the LDG/LEG, provider of technical services, host of the secretariat, and its EPDF related roles). These have been only partially addressed through the reforms so far. The multiple roles of the WB have affected the balance in the partnership by giving one partner a much more prominent role. It has led to the FTI being identified at country level (and to a lesser extent at global level) as a WB programme. Conflicts of interest have been a serious constraint on the Secretariat's ability to serve the interests of the partnership as a whole.

- (d) In spite of improved representation, the FTI still has less inclusive mechanisms than some other global partnerships, and broader representation does not extend to some of the key decision-making bodies of the FTI – in particular the Trust Fund committees where only donors who contribute to the funds are represented. Thus, in terms of its financial decisions, the FTI continues to be donor dominated. Some key procedures in the FTI process – such as the presentation of country proposals by the lead donor rather than the country government – continue to reinforce this.
- (e) Transparency of criteria and of decision-making by the Trust Funds continues to be an issue, with different standards being applied to different countries/proposals (this is fully documented in Annex K).
- (f) A number of key functions of the FTI (e.g. financial mobilisation) float within the partnership, and depend to a significant extent on the good will and voluntary work of members. In contrast, other global partnerships have specific professional expertise in the Secretariat for dealing with "external relations", thus ensuring continuous and high quality professional attention to these issues.
- (g) The preference for a small Secretariat has persisted, and most donors continue to argue for the benefits of a "lean" secretariat. However, there is a mismatch between the roles the secretariat is expected to perform and the resources it is given.³⁶ A number of issues related to the Secretariat need addressing, including: subordination/placement within the World Bank; the lack of internal structure/organisation of the Secretariat; and inadequate staffing.
- (h) The FTI does not have monitoring and evaluation mechanisms which give it sufficient insight into the reality of processes at country level and the progress which the partnership is making globally to achieve its goals. This limits its capacity to react in an appropriate and timely manner to issues which arise (see Chapter 3F and Annex F).

2.54 Chapter 3 discusses the evaluation findings against each of the five analytical workstreams of the Evaluation Framework. A number of the issues raised in that chapter both reflect and further illustrate the governance issues faced by the partnership and how these have been addressed. Governance issues, which are crucial for the performance of the FTI as a whole, are also taken up in Chapters 4 and 5, which explain the evaluation's conclusions and recommendations.

Implications for the evaluation

2.55 The FTI's origins and evolution have a number of implications for the evaluation:

- (a) There is controversy over the FTI's objectives and therefore over the criteria for judging its success. It is appropriate not only to ask whether the ambitious goals for the FTI have been reached, but also to ask whether the ambitions themselves were achievable, and whether FTI has achieved as much as it could have.
- (b) The evaluation has had to consider to what extent the different perceptions of different partners themselves affect FTI performance.
- (c) The FTI emphasis on a country-led approach puts a premium on the evaluation's country case studies as way of assessing FTI performance.

³⁶ The many instances of "poor communication" from the Secretariat that are reported by the evaluation reflect the insufficient staffing and uncertain role of the Secretariat.

- (d) The FTI's emphasis on supporting and reinforcing efforts at country level through existing structures and processes raises a real challenge in assessing the FTI's contribution to the changes that have occurred.
- (e) The evaluation has to take account of changing practice as the FTI went forward (more recently-endorsed countries have had a different context – e.g. in terms of CF rules – from the early ones).
- (f) A number of important revisions to the FTI's approach and management are very recent (too recent to have been tested in practice in the countries the evaluation has studied). The evaluation team has an analytical challenge in assessing whether the more recent reforms of the FTI adequately address the performance issues that the evaluation reveals.

3. What has the FTI Achieved – Evaluation Findings

3A Introduction

3.1 This chapter presents evaluation findings against each of the five analytical workstreams of the Evaluation Framework (see Exhibit 3, on page 101). It draws on general analysis of data and literature, supplemented by interviews, together with findings from the country case studies. Each workstream section begins with a summary of the objectives and design of the FTI, followed by global and country level findings. First, section 3B considers the relevance of the FTI in the context of global EFA objectives.

3B The case for EFA and the general relevance of the FTI

Progress towards EFA

3.2 FTI efforts need to be seen in the context of overall progress towards the EFA goals. The FTI has evolved as a set of mechanisms which aim to maintain an international focus on basic (and especially primary) education, to stimulate increases in aid to the sector and discussions among donors and aid recipients on the modalities of its delivery, and to help improve the quality of policy-making and planning in developing countries and the efficiency with which sector resources are allocated and used. The case for such mechanisms to further the EFA goals remains strong. In spite of some considerable achievements over the past ten years, many countries remain far from having achieved the EFA goals or being likely, on current trends, to achieve them over the next decade.

3.3 Detailed information on education indicators from 1999 onwards to 2006 is available from the 2009 EFA Global Monitoring Report³⁷ (UNESCO 2008) based on data from the UNESCO Institute for Statistics (UIS). These provide evidence of some success in broadening access to primary schooling.

3.4 Between 1999 and 2006 the average primary net enrolment ratio increased from 56% to 70% in sub-Saharan Africa – an annual increase six times greater than during the decade before Dakar, from 75% to 86% in South Asia, and from 78% to 84% in the Arab States. About two thirds of all countries (with data) have achieved gender parity at primary level.³⁸

3.5 Further, changes in the net enrolment ratios underplay the actual growth of enrolments, partly because the ratios are influenced by population increases and partly because some of the newly enrolled are over-age students, who are not all captured in the ratios. Several African countries in particular have relatively high birth rates and have launched successful enrolment programmes which have also attracted older children. Overall, in sub-Saharan Africa between 1999 and 2006, new entrants to class 1 increased by almost a half. In several countries, including Burkina Faso, Burundi, Congo (Brazzaville), Ethiopia, Liberia and Madagascar, they at least doubled.³⁹

3.6 However, in spite of some significant successes in recent years, many countries remain a long way from the goal of universal primary education. The GMR indicates that, on current trends, the global target of achieving UPE by 2015 will be missed. There continue to be significant gaps in the data, but it is estimated that between 1999 and 2006 the number of children globally aged 6–13 years who were not in school decreased from 103 million to

³⁷ The 2010 GMR (UNESCO 2009) was not available at the time this report was drafted; its updated findings do not materially alter the points made in this chapter.

³⁸ Table 2.13, GMR 2009, p98. 116 countries out of total sample of 187. UNESCO 2008

³⁹ Statistical Table 4, GMR 2009, p292. UNESCO 2008

75 million. Some countries, such as India and Ethiopia, have reduced the numbers considerably, while others, such as Nigeria and Pakistan, have been less successful. Almost half of all children out of school are estimated to live in sub-Saharan Africa and a further quarter in South Asia. Of the 17 countries which the Global Monitoring Report (GMR) lists as having over 500,000 children out of school in 2006, only three are projected to achieve universal primary schooling⁴⁰ by 2015. With around 19% of the world's primary-school-age population, sub-Saharan Africa accounts for 47% of out-of-school children. Further, more than half the countries in sub-Saharan Africa, South and West Asia and the Arab States had not reached gender parity in primary in 2006.

3.7 Overall, the GMR anticipates that the number of children out of school in 2015 will still be around 60% of what it was in 2006.⁴¹ This evaluation's Working Paper 3 (Carr-Hill 2009) stresses that difficulties of enumerating certain groups of the population (notably the homeless, pastoralists, those in disjointed households and those in urban slums) are likely to be a source of significant under-estimation of the out-of-school population, and hence of the remaining challenge for EFA.

3.8 Most of the attention given to EFA has understandably concentrated on the enrolment and gender parity goals at primary level. Data on the other goals are much less reliable, though the GMR estimate of 776 million adult illiterates is commonly reported, and patchy enrolment data on pre-schooling indicate gross enrolment ratios averaging just 14% in sub-Saharan Africa and 39% in South Asia. In sub-Saharan Africa, 75% of secondary-school-age children are not enrolled in secondary school.⁴²

Comparing FTI-endorsed and non-endorsed countries

3.9 In this context, Table 2 below contrasts key features of FTI-endorsed and eligible (but non-endorsed) countries (respectively 38⁴³ and 30 countries), both on basic features and on the education sector.

3.10 The two groups differ in terms of population, growth, and ODA per capita. While the majority of the 38 endorsed countries have a population under 10 million, and only two (Ethiopia and Vietnam) have a population above 40m, the 30 eligible but non-endorsed countries are much more varied in population size, seven of them having a population above 40m. A higher proportion of endorsed countries had a GNP per capita above USD 2,000 in 2006, and had a higher GNP growth rate between 1998 and 2006 than eligible countries. Eligible countries tend to receive much less ODA per capita compared to endorsed countries.

3.11 Regarding education data, eligible and endorsed countries show a similar pattern in relation to Gross Enrolment Rate (GER) in 2006. The Gender Parity Index tended to be slightly higher in the endorsed countries. More striking, over the period 1999–2006, 16 (out of 38) endorsed countries had a GER growth above 20%, compared to only seven (out of 30) eligible countries.

⁴⁰ Based on Total Net Primary Enrolment Ratio.

⁴¹ Table 2.5, GMR 2009, p66. UNESCO 2008.

⁴² Refers to lower and upper secondary.

⁴³ As of end 2008 – see Table 1 on page 10 above.

3.12 It is difficult to compare primary completion⁴⁴ indicators for the two groups in a meaningful manner due to the lack of data availability.⁴⁵

3.13 The FTI's own reports focus strongly on the educational performance of the endorsed countries (see for example FTI 2007a, FTI 2008a, FTI 2009i). However, there are strict limits to what can properly be inferred about the FTI's performance from reviewing endorsed countries in isolation, or from simple comparisons between endorsed and unendorsed countries.⁴⁶ The endorsed countries are not a homogeneous group (apart from anything else, some of these countries have been endorsed for much longer than others – see Table 1 on page 10 above), and there is a deliberate selection bias, since the endorsement criteria favour good performers.⁴⁷ Moreover, where good performance is demonstrated, it cannot be assumed that the FTI is the cause, since there are many other factors also at play.

3.14 The evaluation team explored the possibility of drawing valid inferences from statistical analyses of the performance of endorsed countries compared with unendorsed countries. The results were presented in Annex E of the Preliminary Report (Cambridge Education, Mokoro & OPM 2009b). It was clear that data limitations (gaps in available data and the short time period since endorsement even for the early-endorsed countries) and the small sample sizes with available data made it impossible to use this approach to draw any overall conclusions about the effects of endorsement on country performance. This reinforced the importance of the evaluation's case studies in understanding what the effects of the FTI have been.

3.15 After the main body of this evaluation had been completed, the 2010 GMR⁴⁸ was published. This not only added an additional year to the main data series but also filled some of the gaps in data for earlier years. This makes it possible to compare performance before and after endorsement for a number of countries. This exercise is undertaken in the Technical Note appended to this volume (page 139). The picture it provides is a very mixed one, both between countries, and often, between different indicators within the same country: there is no unambiguous pattern of stronger performance after endorsement than before. This should not be surprising, given that the FTI is only a part of the influence on

⁴⁴ Formally, the Primary Completion Rate (PCR) is defined as: the ratio of the total number of students successfully completing (or graduating from) the last year of primary school in a given year to the total number of children of official graduation age in the population. This is the UN definition and matches the one used in the FTI Framework (FTI 2004a). The concept is intuitively straightforward but in practice the PCR is tricky to calculate because of possible ambiguities in recording the number of completers (the numerator) and uncertainty about the relevant population cohort (the denominator). The EFA Global Monitoring Reports have been publishing a similar "Survival Rate" defined as: total number of new entrants in the last grade of primary education, regardless of age, expressed as a percentage of the theoretical entrance age to the last grade. The number of new entrants is the total number of new children in the last grade of primary minus the number of repeaters. For further discussion on the primary completion rate, see Annex C.

⁴⁵ It can nevertheless be noted that in both groups, data coverage is increasing significantly. Data coverage on survival at grade 5 is improving as eight countries among the endorsed ones had data in 2005 but not in 1999 (but two of the endorsed countries had data in 1999 but not in 2005). Similarly, 11 of the eligible countries that did not have data in 1999 had data in 2005, and two countries which had data in 1999 had none in 2005.

⁴⁶ The FTI's reporting and advocacy has frequently crossed these limits. See section 3F ¶3.163ff, Box 9 in section 3G, and Annex F (Data, Monitoring and Evaluation). The Technical Note on page 137 also gives some examples of inappropriate inferences from endorsed country data.

⁴⁷ An additional factor is that several of the non-endorsed countries are closer to achieving the EFA goals and it is a lot more difficult to close the final gap between, say, an NER of 95 and 100 than it is to improve the NER from, say, 60 to 70.

⁴⁸ UNESCO 2009, which itself draws from the latest available UIS data.

performance in any country. Moreover, the data by themselves do not provide direct evidence that the FTI was significantly responsible for trends in either direction. These findings are a further caution that data on the performance of endorsed countries need to be used very circumspectly.

Continuing relevance of the FTI

3.16 The need for continuing donor support for the EFA goals remains large. At the same time it is increasingly difficult to maintain the focus of the international community on the goals. Basic education has receded somewhat from whatever spotlight it gained at the beginning of this decade. Other priorities, including climate change, governance and agriculture have caught the attention of donor governments. Strong EFA champions within the international organisations and the donor governments have moved on or sideways and new ones have not emerged. Also, basic education has not benefited from the support of large private foundations in the same way that some types of disease control programmes have. The drivers of international support for basic education are explored in a recent study (Steer & Wathne 2009) which is summarised in Exhibit 12 on page 119.

3.17 Compounding the weaker spotlight on basic education is the recent slowdown in the growth of aid overall, particularly that available for funding social and economic programmes in countries of relatively low strategic interest to donors. At the same time, within many developing countries, the competing demands of secondary and tertiary education have grown stronger – partly because of the expansion of primary access that has already been achieved.

3.18 The concerns that led to the establishment of the FTI remain valid today. But given the more difficult international environment facing the provision of aid for basic education, it is vital that the mechanisms of the FTI should be strong and dependable.

Table 2 Key features of FTI endorsed and eligible countries

	38 endorsed countries	%	30 eligible countries	%
Key country data				
Population				
Under 10 million	21	55%	13	43%
Above 40 million	2	5%	7	23%
GNP per capita¹				
Under 1000 USD (PPP 2006)	8	21%	8	27%
Above 2000 USD (PPP 2006)	13	34%	9	30%
Growth 1998–2006 below 50%²	17	45%	20	67%
Aid per capita³				
Below 50 USD	17	45%	18	60%
Above 60 USD	14	37%	7	23%
Education data				
GER 1999⁴				
Below 70%	7	18%	9	30%
GER 2006⁵				
Below 70%	4	11%	3	10%
Between 70% and 120%	25	66%	22	73%
Above 120%	7	18%	0	0%
Gender Parity Index (GPI)⁶				
Above 0.9	22	58%	15	50%
GER evolution 99–06⁷				
Decreased 99–06	4	10%	4	13%
Increased less than 20% 99–06	12	32%	10	33%
Increased between 20% and 49%	11	29%	4	13%
Increased by 50% or more 99–06	5	13%	3	10%
Survival rate grade 5⁸				
Data available for 1999	17		9	
Above 70% in 1999	8		4	
Data available in 1999 and 2005	15		7	
Decrease between 1999 and 2005	3		3	
Increase above 5 percentage points	9		1	
Total number of children enrolled in primary⁹	61m		248m	
Total number of out of school children¹⁰	15m		26m	

¹ Data are not available for 5 eligible countries (Myanmar, Zimbabwe, Congo, Somalia, Afghanistan).

² Data are not available for 5 eligible countries (Myanmar, Zimbabwe, Congo, Somalia, Afghanistan) and 2 endorsed countries (Sao Tome and Principe, Timor Leste).

³ Data are not available for 3 eligible countries (Kiribati, Afghanistan and Somalia) and 1 endorsed country (Liberia).

⁴ Data are not available for 6 eligible countries (Papua New Guinea, Pakistan, Indonesia, Sri Lanka, Somalia, Afghanistan) and 5 endorsed countries (Honduras, Timor Leste, Central African Republic, Sierra Leone, Haiti).

⁵ Data are not available for 5 eligible countries (DRC, Angola, Guinea Bissau, Somalia, Afghanistan) and 2 endorsed countries (Vietnam, Haiti).

⁶ Data are not available for 9 eligible countries (DRC, Angola, Guinea Bissau, Somalia, Central African Republic, Timor Leste, Honduras, Sierra Leone, Afghanistan) and 6 endorsed countries (Vietnam, Haiti, Papua New Guinea, Pakistan, Sri Lanka, Indonesia).

⁷ Data are missing in 12 of the 30 eligible countries (Côte d'Ivoire, Vanuatu, Papua New Guinea, Solomon Islands, Sri Lanka, Angola, Congo, DRC, Guinea Bissau, Somalia, Zimbabwe, Afghanistan) and in 14 of the 38 endorsed countries for 2005 (Cameroon, Guyana, Kenya, Albania, Mongolia, Moldova, Kyrgyzstan, Tajikistan, Timor Leste, Haiti, Gambia, Ghana, Liberia, Sierra Leone).

⁸ Data are missing in 21 of the 30 eligible countries (Uganda, Pakistan, Myanmar, Nigeria, Togo, Comoros, Kiribati, Indonesia, United Republic of Tanzania, Burundi, Tonga, Papua New Guinea, Solomon Islands, Sri Lanka, Angola, Congo, DRC, Guinea-Bissau, Somalia, Zimbabwe, Afghanistan) and 20 of the 38 endorsed countries (Central African Republic, Sao Tome and Principe, Senegal, Benin, Niger, Guinea, Honduras, Georgia, Kenya, Albania, Mongolia, Moldova, Kyrgyzstan, Tajikistan, Timor Leste, Haiti, Gambia, Ghana, Liberia, Sierra Leone) in 1999.

⁹ Missing data in 1 endorsed country (Haiti) and 5 eligible countries (DRC, Angola, Guinea Bissau, Somalia, Afghanistan).

¹⁰ Missing data in 5 endorsed countries (Guyana, Cameroon, Sierra Leone, Vietnam, Haiti) and 12 eligible countries (Uganda, Côte d'Ivoire, Kiribati, Comoros, Chad, Sudan, Papua New Guinea, DRC, Angola, Guinea Bissau, Somalia, Afghanistan).

Source: GMR 2009 Background Statistics p260–267, p292–299, p300–305. (UNESCO 2008)

3C Mobilising education finance

3.19 This section reviews the FTI's record in relation to resource mobilisation and financing for primary education.⁴⁹ It is complemented by Annex K, which covers in more detail the issue of the financing gap;⁵⁰ it clarifies the conceptual issues involved, and reviews the various ways in which the financing gap concept and terminology have actually been used in the context of the FTI. It is also supported by Appendix II on Trends in Financing of Basic Education, and by Appendix III on the Catalytic Fund. Basic background data tables are in Appendix I. Finally, it draws from the findings of the country case studies, which are summarised in Annex D and provided in full as separate reports for each country.

FTI finance objectives and design

3.20 In the FTI Framework document (FTI 2004a), finance was identified as one of the key constraints (or gaps) to accelerating UPC.⁵¹ Three of the five FTI goals, and their underlying assumptions, relate to resource mobilisation:

- (a) *Sustained increases in aid for primary education*: the FTI's call for more sustainable support assumed that longer-term and more predictable aid to education would allow countries to plan better and take the needed bold steps forward.
- (b) *More efficient aid for primary education*: the FTI assumed that countries could focus more attention and resources on service delivery if aid partners coordinated better among themselves and adopted more efficient, harmonised approaches to support, along lines that were eventually codified in the Paris Declaration (2005) and Accra Agenda for Action (2008).
- (c) *Adequate and sustainable domestic financing for education*: most increases in financing would still come from domestic sources and these needed to be substantial and sustainable to allow for breakthroughs in service delivery.

3.21 The logic behind these goals and assumptions came from the World Bank study (Bruns et al 2003) which concluded that the following changes were needed in external funding:

- a step increase in the level of aid for basic education;
- better targeting of aid to countries furthest from UPC;
- a greater proportion of aid used to support recurrent costs via the use of flexible, predictable and sustainable modalities; and
- improvements in the efficiency of aid along alignment and harmonisation principles.

⁴⁹ In many countries there is an important distinction between primary education and basic education. The definition varies between countries and agencies. The OECD Development Assistance Committee (DAC) defines basic education as covering primary education, basic life skills for youths and adults and early childhood education. Some countries include several years of junior secondary education in their definition. Since the focus of the FTI is UPC, ideally the financial analysis in this evaluation would concentrate on primary education. Unfortunately, it is not possible to isolate aid flows for primary education using global level data because the most comprehensive dataset is from the OECD DAC which uses its basic education classification. Global level data on public finance for education do include a primary education classification and so these data are used in this report.

⁵⁰ The terminology of "financing gaps" has been central to FTI discussions from the outset and assisting countries to close their financing gaps was one of the four key objectives (four gaps) highlighted at the creation of the FTI.

⁵¹ See Annex C for more information on the FTI's objective of accelerating progress towards Universal Primary Completion.

3.22 The FTI envisaged that the main mechanism for scaling up aid to basic education would be via a compact made at country level between the local education sector donors and the government. Once the ESP and its financing framework had been endorsed by the FTI, local donors would commit to scale up external funding (if so required) and the government would commit to providing the domestic resources set out in the financing framework. The FTI Catalytic Fund (CF) was intended to be relatively small and to provide short-term financing to "donor orphan" countries⁵² so that they could demonstrate good performance and thereby attract increased and longer-term support through regular bilateral and multilateral channels.

3.23 The FTI financing strategy changed in May 2007 in recognition that the catalytic effect in "donor orphan" countries was not working, nor were there indications of substantial increases in aid following endorsement in other countries.⁵³ The eligibility for the CF was expanded to include all low income countries with endorsed ESPs, and the potential duration of CF allocations was extended to three years to enhance predictability.

Financing trends at global level

3.24 The following paragraphs present the findings of the evaluation regarding financing trends at the global level, based on the analysis of global data sets on aid and on public finance, and on the available documentation of private funding in the education sector. All figures reported below are in constant 2007 USD unless otherwise stated.⁵⁴

External aid

3.25 *Little growth in aid commitments to education and basic education since 2004.* Aid commitments increased significantly between 1999 and 2004 both to the education sector (by 45% to USD 12 billion) and to the basic education sub-sector (by 80% to USD 5.6 billion from a very low base).⁵⁵ Since 2004 there has been almost no growth in aid commitments to education: there was a sharp drop in 2005, followed by a return to more or less the 2004 levels in 2007. Basic education is in an even worse situation. By 2007, aid levels to basic education were 25% lower than they were in 2004 at their peak (despite there being very many more children in primary schools). Education lost ground to other sectors during the post-2004 period.⁵⁶

⁵² "Donor orphan" is the common phrase. Formally the CF was set up to assist countries facing "exceptional limitations". As noted when the expanded CF concept was under consideration:

to date, the Strategy Committee has adopted an operational guideline, that "exceptional limitations" would be interpreted to mean having fewer than five bilateral donors in the education sector who provide more than \$1 million each per annum. Reflecting on the experience of the Catalytic Fund, the CF Strategy Committee has agreed that this operational guideline should be adjusted for the Expanded Catalytic Fund to refer to the financing need rather than the number of donors (Catalytic Fund Strategy Committee: December 2006) (FTI 2007b).

⁵³ The Concept Note for the Expanded Catalytic Fund stated:

.. experience has shown that donors have not stepped in to transit countries from the Catalytic Fund to more sustainable and predictable education sector financing at the end of the three year period to the extent anticipated. This note details a proposal for creating a mechanism to provide more long term predictable financing. (FTI 2007b)

⁵⁴ This section draws on Appendix II, where full data citations are given.

⁵⁵ As explained in Appendix II, commitment data are used because disbursement data are less complete. The data follow the GMR convention of counting 10% of general budget support and 50% of aid to "education not specified" as aid to basic education.

⁵⁶ Outside the education sector the three sectors showing the biggest increases in aid commitments between 2004 and 2007 are population and reproductive health, multi-sector/cross-cutting, and government and civil society. Although direct aid to both education and basic education has declined since 2004, as has total aid to basic education, total aid to education has risen marginally. This is due to increases in aid to post-primary education (secondary and post-secondary), and even more so to a [...footnote continues on next page...]

3.26 These trends have occurred against a backdrop of collective donor failure to meet international promises on total aid levels, both globally and to Africa. In 2005 at the Gleneagles G8 meeting and the UN "Millennium +5" and European Union summits, the donor community undertook to increase aid. Combining the pledges, the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD DAC) estimated that meeting these commitments would increase official development assistance (ODA) from USD 80 billion in 2004 to USD 130 billion by 2010 (2004 prices). Half the increase was earmarked for sub-Saharan Africa. The OECD recently reported that of the promised increase in programme aid of USD 50 billion, almost USD 30 billion remains to be committed.⁵⁷

3.27 *Clear differences in donor priorities to basic education since 2000.* Of the six largest donors to basic education, the USA stands out as having made particularly large increases in the share of its education aid commitments devoted to basic education; however this has to be set against the relatively minor proportion of total US aid going to education (3% on average compared to around 10% for other key donors and 25% for France). Three bilateral donors (the Netherlands, the UK and the USA) have also greatly increased absolute levels of aid to basic education. On the other hand, the EC and France have seemingly shifted their aid priorities away from basic education.⁵⁸ Basic education commitments from IDA show a mixed picture. This mix of donor effort in financing basic education has meant that while a few donors have made a substantial step increase in levels of aid, this has simply helped to keep aggregate levels of aid to basic education from falling too drastically in the latter part of the period.⁵⁹

Domestic Finance

3.28 *Strong real growth in current expenditure on education and basic education financed from domestic sources in a sample of African countries since 2000.* A sample of 33 African countries for which data are available⁶⁰ show real growth in current expenditure on education financed from domestic sources over the first five years of the decade (about 8% per annum on average for both groups). This rate of resource growth is considerably higher than school-aged population growth rates in many countries, and suggests that current expenditure on

relatively large increase in aid to "education sector unspecified"; in fact aid to "education unspecified by sector" is one of the top three sectors in terms of increased aid allocations since 2004. Given that total aid to basic education is calculated according to assumptions about the proportion of aid going to basic education sector from both education unspecified and GBS (which also rose during this period), data reported here may understate actual amounts of total aid to basic education in certain countries; by the same token they could also overstate it. In addition, different donors report aid in different ways – e.g. the WB already divides GBS according to the proportion allocated to each sector – which also means actual amounts committed to basic education may differ from reported amounts (Ten Have et al 2009).

⁵⁷ GMR 2009, p206–207. UNESCO 2008.

⁵⁸ It should be noted that over the period 1999–2007 both France and the EC have increased aid using budget support modalities, including multi-sectoral aid and GBS, significant portions of which do end up in the basic education sector. The EC has also significantly increased its aid to education unspecified, as has France, whose aid to education unspecified has almost trebled since 2002. The GMR data assume that 10% of GBS and 50% of "education unspecified" constitute support to basic education.

⁵⁹ Exhibit 12 summarises the findings of a concurrent study (Steer & Wathne 2009) on drivers of donor decisions about aid to basic education.

⁶⁰ Pôle de Dakar financial data set; relating to education from 2000 and 2005 for African countries (51 in total), published in the Pôle de Dakar reports for 2004, 2005 and 2007. Standard definitions are applied and adjustments made to the data to make them comparable across countries (published by UNESCO/BREDA). See Appendix I and Appendix II for a discussion of the data sets and an analysis of issues pertaining to data availability.

education *per child* has grown considerably in many African countries. It does not automatically follow that similar growth has taken place in current expenditure on education *per student*, since education systems in some countries have been rapidly expanding from a base of low intake rates.

3.29 The average rate of real growth in current spending on primary education from public domestic resources was 9% per annum for the group of early FTI-endorsed countries (up to 2004) compared with 6% per annum for the later FTI-endorsed/eligible group. The lower rate for the latter group is related to a marked shift downwards in the share of current total education expenditure going to primary education. For the early-endorsed group, this indicator increased modestly.

3.30 *Real growth in domestic financing for education since 2000 (in the sample of African countries) has been largely driven by GDP growth.* There has been little change in the proportion of GDP captured as domestic revenue or in the share devoted to current expenditure on education on average for the sample of African countries. This implies that real growth in current expenditure on education has been largely driven by GDP growth, which averaged 6% per annum over the five-year period. In the light of the current global economic difficulties, and the negative economic outlook for developing countries currently being forecast, the prospects of sustaining these levels of growth in education spending seem weak. This does not necessarily mean that absolute levels of domestic funding to education will fall in real terms, but growth rates will be much lower unless governments shift public financing priorities towards education (and basic education) at the expense of other sectors.

Private funding

3.31 *The cost of accessing primary education, even in countries where primary schooling is ostensibly free, remains a real barrier to the achievement of UPE and other EFA goals, and the significance of household financing of primary education remains under-analysed at both global and country levels.* A hugely important factor within the education system of any country is the amount of education expenditure borne by households. These costs can place a significant burden on households, especially the poorest, and act as real barriers to the achievement of UPE. Currently, data on household education expenditure are not systematically available, and data collection remains costly and complicated. It is recognised that though the greater share of household education expenditure goes towards secondary education, spending on primary education remains significant for many households in a variety of contexts, and the share of total household education expenditure commanded by different levels of education varies across different income and demographic groups. In addition, private (financial) participation in education has grown markedly in the last 20 years. Governments remain the main providers of primary education, but an increasing variety of forms of private participation in the delivery of education services proliferate.

Summary of findings: the contribution of the FTI

3.32 *Global evidence does not suggest that the FTI has had a large positive effect on the level of external or domestic financing for education or basic education as envisaged at its inception.* Since there has been little growth in aid commitments to education or basic education in recent years, the FTI has clearly not generated the step-increase in global aid for basic education that it sought. As regards domestic expenditure, comprehensive data from all low income countries are not available, but evidence from more than 30 African countries suggests that GDP growth largely explains the real growth in domestically financed expenditure on education which has occurred in many of these countries. Accordingly, these gains are vulnerable to the economic downturn now under way.

Country level: "financing gaps" and FTI support

3.33 The next section examines the country-level evidence on the FTI's influence on finance for basic education, through the identification of financing gaps, the endorsement process, and funding from the Catalytic Fund.

Financing gaps

3.34 At global level, financing gaps referred to in the World Bank 2002 EFA Action Plan (and the Global Monitoring Reports) are defined as the external financing needed in order to achieve EFA in 2015 after allowing for the feasible scaling up of domestic financing for primary education.

3.35 At country level, as outlined in the FTI Framework, in order to qualify for FTI endorsement by local donors, candidate countries must prepare a "credible" ESP linked to a financial framework. The financial framework consists of cost projections for the various sub-sectors, domestic resource projections for education, and residual financing gap projections (with and without projections of known or promised external resources for education). The FTI appraisal, which is conducted prior to endorsement, examines the financing framework and its underlying parameters partly in relation to the set of FTI IF benchmarks as locally adapted.⁶¹

3.36 The post-endorsement process requires local donors and government to confirm their commitments to providing the resources set out in the ESP. Endorsed countries can apply to the CF for the amount estimated as the residual financing gap for the primary or basic education programme, but they do not always receive the amount requested. In many cases, provided that sufficient funds were available, countries have been awarded their requested allocation. However, in some cases the Catalytic Fund committee (CFC) has adjusted allocations downwards if domestic or external financing has fallen recently, or is projected to fall, in order to leave room for (potential) catalytic effect on other donor resources. In other cases, a more formal method, known as the step-down formula,⁶² has been used to reduce allocations because of a concern that CFs may lead to a crowding-out of other external sources. See Annex K for further discussion of the use of the concept of a financing gap as a CF criterion.

3.37 Given that CFs have been allocated on the basis of financing gaps, it is important to ask how objective are the financing gaps contained in the endorsed ESPs and those presented to the CFC. Do they represent long-term financing gaps akin to those calculated in global EFA costing studies, which assume a pace of reform needed to reach EFA/UPC goals by 2015 or are they influenced by expectations of aid availability? Annex K presents a more detailed discussion of conceptual and practical challenges to the use of financing gaps as a driver for aid allocation, and evidence from country studies.

3.38 *Overall, no broadly consistent approach to calculating financing gaps is evident from the country studies in terms of sector coverage, student flow targets and timeframe, method for including estimates of external aid, and broader considerations such as aid dependency, absorption capacity and aid mobilisation requirements.*

⁶¹ The degree of attention to the financing framework included in the plans submitted to FTI seems to have increased over the years, from a marginal attention (Nicaragua and Burkina Faso in 2002 endorsement process) to the requirement for Rwanda to go back and carry out further analysis of its financing gap and financing framework in 2009 (recommendations of the External Quality Review).

⁶² The step-down formula assumes that local donor funds increase by 25% in year two and 50% in year three compared with their year one level, with the CF allocation adjusted accordingly to meet the residual funding gap – hence leading to the decision not to completely fill the financing gap.

3.39 *The lack of a clear, common and consistent approach to calculating financing gaps has led to significant misunderstanding and confusion.* When the CFC did not allocate the amount requested, the reasons were often not explained, not clearly communicated, and not understood in country (Mali, Burkina Faso, Nicaragua, Moldova), or strongly disagreed with (Ethiopia).

FTI endorsement: domestic financing

3.40 *In almost all of the 13 endorsed case study countries (with the exception of Mozambique), domestic financing for primary education has increased significantly in the post-endorsement period. Nevertheless, in most cases, the influence of the FTI on this positive trend was judged by the country study teams to be marginal.* Government commitment to primary education was already evident in the pre-endorsement period, and other major drivers have played a significant role, such as economic growth, the move to SWAp processes (Nicaragua), HIPC (Burkina Faso, Ghana, Nicaragua, Malawi, Mali, Rwanda, Cameroon – interview data), a strong increase in GBS levels (Rwanda, Burkina Faso, Nicaragua), or political changes which put more emphasis on primary education (Nicaragua, Kenya). Most case studies highlight the strong government commitment to increased domestic financing for primary education. They also stress that major threats to the sustainability of this increase come from the evolving macro-economic and trade situation, potential political tensions (Ethiopia, Yemen, Nicaragua, Mozambique, Burkina Faso, Zambia), and increasing expenditure on secondary education (Rwanda, Burkina Faso, Mozambique, Ethiopia) or tertiary education (Ghana).

3.41 *There are some notable exceptions where the FTI looks to have had a positive effect.* In Burkina Faso and Rwanda, the use of a sector budget support (SBS) modality for CFs meant that the Ministry of Finance was fully involved in making domestic commitments to funding primary education, and the amount provided by the CF represented a very significant proportion of both internal and external financing to education. In other countries several factors have contributed to minimising the influence of the FTI processes on domestic budget allocations: (a) the lack of involvement of the Ministry of Finance in these costing exercises; (b) the lack of integration with the existing sector budgeting tools and national MTEF process; (c) the lack of associated capacity development; and (d) the choice of projects or even pooled funds as aid modalities (Kenya, Mozambique, Ghana, Mali, Yemen).

3.42 A notable increase in expenditure on EFA goals other than primary did take place in some case study countries. In a few of them, the FTI has directly contributed in a positive way to such increases. In most endorsed case study countries, however, there is no evidence to suggest that domestic spending priorities for EFA goals other than primary have changed in the post-endorsement period (but information is partial). The most striking example where the FTI made a positive contribution is Moldova, where domestic funding for early childhood development (ECD) increased dramatically in the post-endorsement period. This was primarily attributed to the influence of the general UNESCO-driven EFA agenda, but the FTI helped to reinforce this policy priority and supported the development of a consolidated plan. In Burkina Faso, negotiation of the FTI CF support starting in 2009 has directly contributed to progress toward sector wide planning, and is expected to contribute to increased financing for other EFA goals. CF funding also encompassed EFA goals outside primary to cover the whole of basic education in Burkina Faso and Mozambique; primary and secondary education in Ethiopia; and the whole of the education sector in Kenya and Rwanda. In Burkina Faso, Mozambique, Ghana, Uganda and Rwanda, the use of some of the analytical tools made available by the FTI (Country Status Report (CSR), simulation model, appraisal guidelines), helped to influence domestic spending priorities and enhanced the analysis of intra-sectoral trade offs.

Box 4 Catalytic effect: evidence and elements of analysis

The main FTI strategy for supporting countries in scaling up aid to basic/primary education and filling their financing gap was to stimulate an increase in aid for basic/primary education through the endorsement of "credible" Education Sector Plans by the FTI or through limited amounts of financial support through the Catalytic Fund.

Based on global data analysis, FTI endorsement has not triggered a consistent increase in aid commitments for basic education in early endorsed countries. There is no consistent upward trend in aid commitments to education or basic education in the years following endorsement for the early group of endorsed countries on aggregate (or on average). By the third year after endorsement, aggregate aid to education and basic education for these countries was actually below where it was one year prior to endorsement. There is a wide variety of individual country trends underpinning the aggregate for this group. Yemen shows the biggest increase in commitments in absolute terms since the year prior to endorsement, and Guinea the biggest decline.

From some of the country studies (Ethiopia, Vietnam) it was clear that the early endorsement process could not reasonably be credited with any effect on donors' funding decisions.

In six country studies evidence was found of a catalytic effect of FTI endorsement on the mobilisation of external aid for primary education. However, across the six countries, the catalytic effect fell significantly short of providing sufficient, predictable and sustainable resources. These countries are Yemen, Burkina Faso, Mali, Rwanda, Mozambique and Nicaragua. The most significant effect was found in Yemen, which is in line with the fact that it is considered a "donor orphan". Following FTI endorsement in 2003, existing donors increased their support until 2006 and four new donors entered the sector. Nevertheless, donor support has fallen subsequently and current prospects for further increases in donor support do not appear to be strong. In the other five countries, the role played by FTI endorsement in attracting a greater amount of ODA was more limited in amount, and more difficult to disentangle from other significant drivers such as the preparation of a credible Education Sector Plan, improved aid coordination at sector level, and internal donor decisions, often linked to the Education For All initiative. In Nicaragua, the FTI also contributed indirectly through its influence on the establishment of the Education Sector Roundtable and better planning processes, which then contributed to the establishment of a pooled education sector fund.

The weakness of the catalytic effect compared to initial FTI expectations is explained by several factors in the various case studies: (a) the lack of understanding of local donors of their intended role in the FTI partnership (Nicaragua); (b) the fact that changes in donor support were related mainly to HQ decisions based on internal donor incentives (Burkina Faso) or to political changes in country (Kenya); (c) the fact that the FTI is not seen by local donors as a major influence on strong education sector planning and donor coordination, which are in turn seen as having led to increased support to education. The presence of a well regarded ESP provided the main reason for increased external support in many case studies (Kenya, Ghana, Mozambique, Burkina Faso, and Rwanda). In these countries either the ESP pre-dated FTI endorsement (or even the creation of the FTI) and can therefore not directly be attributed to FTI influence, or it is very difficult to discern the FTI contribution amongst other factors (Mozambique). Another reason leading to increased aid to basic education in some countries was the presence of good donor coordination and steps taken to achieve more effective aid modalities (Burkina Faso, Rwanda, Mali, Ethiopia) – all of which appeared before FTI endorsement, and the adoption of a PRSP (Ghana, Burkina Faso) or significant political developments (Kenya).

The fact that two main drivers for increased aid to basic education (good ESP and enhanced donor coordination and aid effectiveness) are in line with FTI objectives nevertheless shows that these objectives are relevant, and that the attempt to encourage additional donor support through a strengthened ESP and donor coordination is a logical approach.

FTI endorsement: external financing

3.43 *FTI endorsement has not triggered a consistent increase in aid commitments for basic education in early-endorsed countries.* Analysis of global data showed that there is no consistent upward trend in aid commitments to education or to basic education in the years following endorsement for the early group of endorsed countries on aggregate (or on average). By the third year after endorsement, aggregate aid to education and basic education for these countries was actually below where it was one year prior to endorsement. However, there is a wide variety of individual country trends underpinning the aggregate for this group.

3.44 In most of the case study countries, external funding for primary education has increased in the post-endorsement period. Whilst not the key driver of these increases in most cases, the FTI has made a considerable positive contributions in some countries, mainly through the Catalytic Fund and to a much lesser extent through a limited catalytic effect on other donors.

3.45 *Box 4 above presents evidence from the global level analysis and from country studies on the catalytic effects of the FTI, where and why it has worked, and why overall it has failed to lead to desired increases in aid to education.*

3.46 With regard to the sustainability of increases in external funding for education and basic education, several countries (Mozambique, Burkina Faso, Zambia, Rwanda, Mali, Nicaragua) mention the possibility of donors moving out of the sector in the near future due to commitments to limit the number of donors involved in each sector (in particular illustrated by the EU Code of Conduct). In a few countries, case studies outline the decrease in World Bank direct funding to basic education (Nicaragua: decrease in amount; Rwanda: shift from project to inclusion in PRSC and support to secondary education; in Burkina Faso: decrease in amount). The risk that an increasing number of donors shift away from direct support to basic education is therefore potentially a collateral effect of the implementation of the aid effectiveness agenda (division of labour, move to general budget support). Although it should in theory not imply a decrease in the level of funding available for basic education, it has other implications in terms of capacity of the local donor groups, and would require close monitoring. In no country has the FTI partnership so far been proactive in monitoring these issues on a regular basis, beyond one-off discussions during CFC meetings.

The Catalytic Fund

3.47 *At a global level, contributions from the FTI CF to aid commitments to basic education are modest but increasing.* In 2004, the CF accounted for less than 1% of aid commitments to basic education, rising to 3.5% three years later. This share looked set to rise substantially in 2008 when a very sharp rise in CF commitments can be seen.⁶³

3.48 It is not possible to judge whether the CF represents a net addition to aid commitments to basic education at a global level. However, for the three main donors to the CF, Spain, Netherlands and UK, it can be seen that pledges to the CF do not fully account for increased support to the sector: Spain's pledges to the CF represented the lion's share (88%) of its total increase in aid to basic education over the period in which those pledges were made, while for the UK the equivalent figure was just 33%. For the Netherlands, in the

⁶³ CF grant agreement figures are used to represent CF commitments made to countries. This is based on the definition of a commitment taken from the OECD DAC directive. The GMR also follow this method. The total volume of CF allocations announced each year is far higher than the volume of grant agreements. Part of the reason for this disparity has been delays in the processing of grant agreements. (See the technical note on p173–175 of this evaluation's Preliminary Report, May 2009 (Cambridge Education, Mokoro & OPM 2009b), and the final section of Appendix III.)

years when basic education support increased, pledges to the CF accounted for around one quarter of those increases; in 2007 when aid to basic education decreased, pledges to the CF offset the decline to the tune of 15%.

3.49 *Distribution of FTI CFs amongst its recipients has not favoured those countries most in need of external financing to reach EFA goals.* The selection of countries eligible for the CF and the distribution of the CF allocations between them so far, appear not to have prioritised the countries which had the largest expected long-term funding gaps at the outset of the FTI (based on available financing gap calculations from the Bruns et al study). The available evidence suggests that within the group of 30 countries that have received CF allocations, the distribution of CF allocations per child has been skewed to the better-off low income countries and those that started the decade in a relatively better position in terms of aid to basic education per child. There does not appear to be a relationship between the level of CF allocation per child and the proportion of out-of-school children in a particular country. This being said, in comparison to other donors, the CF clearly focuses its support more tightly on Lower Income Countries (LICs), and within that group on Least Developed Countries (LDCs), than any other major donor.

3.50 *In a significant number of country case studies, access to additional funding from the CF was quoted as the main added value of the FTI and the main reason for seeking endorsement (Zambia, Mozambique, Rwanda, Cambodia, Burkina Faso, Nicaragua – although at the time Nicaragua was endorsed the CF did not exist).* Failure to access CF funding, on the other hand, caused misunderstanding and often frustration, and led to a lack of interest in the FTI after the initial endorsement (Burkina Faso 2004–2006; Ethiopia 2004–2006; Mozambique 2003–2005 and Nicaragua). Several countries did not apply for endorsement by the FTI until the implementation of the expanded Catalytic Fund (Rwanda – 2006; Zambia – 2008, Uganda – not yet endorsed), illustrating again that a lot of countries see the main value of the endorsement process as a way to access CF resources.

3.51 *As a corollary, in some case study countries, the CF has come to represent a very significant proportion of education financing, and, in particular, of external aid for education.* Examples include 37% of KESSP pooled fund resources in Kenya in 2005–08, 35% of aid to basic education in Yemen in 2006, 25% of education pooled fund funding in Mozambique in 2008, expected at roughly 40% of total ODA to education in Burkina Faso in 2009, potentially 36% of the whole GEQIP programme in Ethiopia,⁶⁴ and 40% in 2007 and 70% in 2008 of total Sector Budget Support to the education sector in Rwanda, i.e. respectively 13% and 31% of Rwanda's total education budget. These large shares of CF funding raise major issues in terms of predictability and sustainability, as well as questions about the actual objective of the CF, even in its expanded form: is it a "donor of last resort aiming to fill the financing gap", or is it a "catalytic fund"?

3.52 *The country case studies also indicate that only in Burkina Faso⁶⁵ and Rwanda does the CF funding contribute directly to financing of recurrent expenditure, including teacher salaries.⁶⁶* These are the only two countries where CF funds are disbursed through earmarked and non-traceable⁶⁷ Sector Budget Support. This is a significant departure from

⁶⁴ Although GEQIP (General Education Quality Improvement Programme) is dwarfed by the support to basic education through the quasi-budget support modality of Protecting Basic Services (PBS).

⁶⁵ Expected to start in 2009.

⁶⁶ In Cameroon, FTI CF funds contribute to funding of contractual and volunteer teacher salaries through an earmarked and traceable fund, jointly with French debt cancellation money. This choice was made in order to ensure quick absorption of funds (interview data).

⁶⁷ The study on Sector Budget Support in Practice (Mokoro & ODI 2009a – see Exhibit 13 on page 122) identifies three main features that define the broad types of SBS funding. These are [...footnote continues on next page...]

the original requirements outlined in the study by Bruns et al that a greater proportion of aid be used to support recurrent costs. The FTI's recent report aimed at raising funds for the CF specifically highlights that donors need to support recurrent financing given that teacher salaries represent an estimated 60% of the financing gap for primary education (FTI 2009i p14). Yet the CF in its past and ongoing operations has in most cases not proved able to do so. See Exhibit 13 (page 123) on findings of the Sector Budget Support in Practice study (Mokoro & ODI 2009a) for further details on the nature, achievements and challenges of SBS in practice.

3.53 *In terms of predictability, the FTI CF has had either a negative or a marginal impact on both short-term and long-term predictability.* In the short term, many country studies describe disbursements late in the budget year and later than planned, often linked with difficulties in implementing (standard) WB procedures (Ghana, Yemen, Nicaragua, Mali, Rwanda, and Moldova). In the long term, the shift of the CF from one-year to three-year commitments is a notable improvement, but it has yet to become widespread, as several countries continue to receive allocations of less than three years (Mali 2 years in 2007; Burkina Faso 2½ years in 2009; Rwanda 1 year in 2009; Zambia 2 years in 2009). In most case study countries, overall external aid commitments for education provide a maximum of three years' predictability, but start tailing off even sooner. Mozambique, Burkina Faso and Rwanda are examples of this.

Summary of findings: the FTI contribution on financing

3.54 The following findings stand out from the global level evidence reviewed:

- (a) The FTI financing strategy of generating additional bilateral and multilateral funds for basic education does not appear to have worked on a significant scale.
- (b) Catalytic Funds have not been delivered to countries on anything like the scale required to compensate for donors not stepping up their levels of support, except in a small number of countries (although this was not the intended function of the CF initially).
- (c) There is a large gulf between aid commitments to basic education as they stand and estimates of what is needed for countries to reach EFA goals by 2015.⁶⁸ In addition there is a risk that CF allocations may be displacing other donor financing for basic/primary education at the country level (e.g. IDA in some cases).⁶⁹

Earmarking, Traceability and Additionality. The important and new distinction this study makes is between earmarking and traceability. These features of aid instrument design are regularly conflated. Earmarking refers to the ex ante justification of the provision of aid (here SBS) against a defined set of expenditures. Earmarking can be broad, linked to expenditures in a sector overall, or narrow, relating to specific budget lines. Traceability refers to whether the expenditures funded by SBS are separately identifiable in the budget classification and associated budget documents and reports, or not. This distinction yields three main types of SBS funding – non-traceable earmarked SBS, traceable earmarked SBS and un-earmarked SBS.

⁶⁸ The 2007 GMR (UNESCO 2006) cited an estimate of the total volume of external aid needed to substantially meet EFA goals (including universal primary education and gains in early childhood education and adult literacy) of USD 11bn per annum (in 2003 prices). Aid commitments to basic education averaged USD 4.6bn per annum between 2005 and 2007.

⁶⁹ Data received directly from the WB show that:

- Between 2003 and 2008 total WB education lending (IDA+IBRD) across all projects remained basically static at around USD 2 billion, but there was a big rise in 2009, mainly due to a strong increase in IBRD commitments. The share of total WB education lending as a percentage of total WB lending has nevertheless decreased since 2003.

[...footnote continues on next page...]

- (d) The failure of donors collectively to step up aid in line with commitments, together with the absence of FTI mechanisms to monitor donor performance against commitments at country level or globally, indicates that the donor part of the FTI "compact", which was supposed to ensure accountability for aid commitments to basic education at country level, is extremely weak.

3.55 As for evidence from this evaluation's country case studies:

- (a) Overall, the findings from the country studies are broadly consistent with the findings from the global analysis on the effect of the FTI on domestic and external financing for education.
- (b) Two key elements in the FTI's resource mobilisation strategy appear from the country case studies not to have met their intended objectives. The use of the financing gap as an aid mobilisation tool and as a basis to decide upon CF allocations has raised major issues in terms of coherence and objectivity. The catalytic effect has not met expectations in terms of scale or sustainability, mainly due to lack of understanding of the key drivers of donor allocations, weak communication between global and local level, and a lack of monitoring.
- (c) Country studies also outline the role of the CF as the key motivation for countries to seek FTI endorsement, and the fact that the CF has become a major donor at country level in several cases. They nevertheless also stress key challenges posed by the CF in terms of predictability and aid modalities. As it currently operates, the CF has in most cases not been able to contribute to recurrent costs, in particular teacher salaries. Overall it has either a negative or a neutral effect on both short term and long term predictability of aid to basic education. These issues are further discussed in Section 3G (the FTI and aid effectiveness); further analysis and explanation of key findings of the evaluation are provided in Chapter 4 (lessons learned and conclusions).

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- In the Africa region, the share of IDA and IBRD education commitments going to primary decreased between 1995–99 and 2005–09 from 52% to 24%.
 - The share of primary education in total IDA education lending has fallen steeply between 1995–99 and 2005–09, from 57% in 1995–99 to 30% in 2005–09. In parallel, commitments show a strong growth in the share of general education (from 5% in 1990–94 to 32% in 2005–09) and support to secondary education (from 9% to 17% over the same period).
 - The increase in "general education sector" lending reflects the increasing share of multi-sectoral lending originating outside the WB education sector. On average over the past five years (FY05–09), 35% of IDA and 37% of IBRD support to education were "non-education operations". The increase is even more marked in the Africa region, where the share of "non-education operations" has increased from 40% to 61% over the same period. These "non-education sector operations" include general budget support programmes, social funds and community-driven operations.
 - The greatest share of these "non-education operations" (62% on average over FY05–09) is classified as "general education" in WB reporting, therefore blurring the picture of how much WB support is provided to primary education.
 - The five-year-average annual new IDA commitments for primary education (including 50% of commitments classified as general education) increased from about USD 450 million during the period FY00–FY04 to about USD 600 million in FY05–FY09. In terms of IDA+IBRD lending, the level of new commitments for primary education (including 50% of the commitments classified as general education) has increased from just under USD 500 million in 2000 to about USD 900 million in 2005 and to USD 1,700 million in 2009.

3D Strengthening Education Policy and Planning

3.56 This section examines the FTI's influence on education planning and policy. It starts with a description of FTI objectives and design. It then reviews FTI activities at global level and at country level, recognising that there are many interactions between the two levels. Further sections consider fragile states, which represent a particular challenge for the FTI, and recent evolutions in FTI operations and tools.

FTI objectives and their context

3.57 The FTI was launched in a context of strong emphasis on the need for credible plans at national and at sector level, as well as more transparent, results-based and participatory planning and implementation processes. The FTI's creation was inspired by the Dakar commitment that "no country with a credible plan would be thwarted from implementing it for a lack of resources". Thus the quest for credible plans – based on sound policies – lay at the heart of the FTI's design and activities.

3.58 The FTI process built on the good practices developed in Sector Wide Approaches (SWAs), which became increasingly popular in the early 2000s. Moreover, the FTI stressed the need for ensuring appropriate linkages between sector and national processes, through channels such as the Poverty Reduction Strategy Papers (PRSPs).

3.59 In the immediately post-Dakar period, UNESCO issued *Country Guidelines on the Preparation of National EFA Plans of Action*.⁷⁰ They stressed national ownership, the need for the Plan to go beyond "a mere document", and high level national political support. They also asserted that responsibility for the goal of EFA lay both with government and "the whole of society". An EFA Forum was specified, representative of government, civil society and international partners. Its main functions were to be advocacy, resource mobilisation, and monitoring, together with the generation and sharing of knowledge. UNESCO provided technical guidelines and advice, much of which was later echoed in the FTI guidance. EFA plans were nevertheless often disconnected from pre-existing sector-wide planning within ministries of education.

3.60 In parallel with rising demands across development aid for mutual accountability, participatory processes and grass-roots consultation, civil society organisations have come to play an increasingly prominent role in advocacy and in holding governments to account. In the education sector in particular, the emergence of a number of global level structures has created "opportunity spaces for civil society engagement at the global level, as well as pointed to the absolute necessity for action on the international as well as the national and local stages" (Gaventa & Mayo 2009, p19). It has also fostered an evolution of the role of civil society in the sector from service providers to advocacy and monitoring of public performance.

3.61 In this context, the FTI was designed to reinforce some existing trends, but also to promote the adoption of more effective policies and to link to planning that was more coherent and integrated with national planning processes and systems. Thus the World Bank's Action Plan sought in particular to "bring technical rigor, transparency and financial discipline into the EFA planning process" (World Bank 2002, p15).

⁷⁰ http://www.unesco.org/education/efa/bulletin/en/documents/country_guidelines.shtml downloaded 7 March 2009.

FTI design

3.62 The 2002 Action Plan and the 2004 FTI Framework outline the key processes related to the FTI's assessment of and support to the development of credible and sustainable plans. The FTI Appraisal Guidelines were subsequently published in March 2006⁷¹ to provide further guidance on the endorsement process and appraisal by the Local Donor Groups (LDGs). These documents provided the basic guidance for most of the period under review. Within these guidelines a prominent role is assigned to the Indicative Framework.⁷² Additional elements of the design were the availability of EPDF support for planning activities, and, with growing importance, the Catalytic Fund as a means of financing the implementation of plans.

Scope of plan and of FTI support

3.63 The FTI's main policy emphasis has been on the EFA elements of plans, with a focus on UPC. Since the EFA goals were already established, the objectives of the FTI were to be nested within the EFA agenda. The FTI was seen as acting to "support global EFA goals by focusing on accelerating progress towards the core EFA goal of universal primary school completion (UPC), for boys and girls alike, by 2015" (FTI 2004a, p). The UPC indicator was considered vital.⁷³ With regard to the Education Sector Plan (ESP) supported by the FTI, the 2002 Action Plan highlights the need for it to cover the whole education sector – "Education policy is most effective when it is comprehensive, strategic, and balanced across all levels of the education system" (World Bank 2002, p16). The FTI Framework states that FTI endorsement requires "a sector-wide program for education" and that this plan would "align primary education priorities with those for pre-school, secondary, tertiary, and non-formal education" (FTI 2004a, p5). Nevertheless, the focus of the endorsement process itself is clearly primary education: "For FTI endorsement, the primary education component of the sector plan is assessed" (ibid, p6). The Appraisal Guidelines clarify that "although the focus is on primary education, the technical appraisal takes a sector-wide approach where appropriate (e.g. on the financing aspects), so that the issues relating to this level of education are put in their proper context" (FTI 2006a, p3).

How a plan is assessed as credible

3.64 The objective of the FTI endorsement of ESPs is to signal credible and sustainable plans. The credibility and sustainability of plans is to be judged on the appropriateness of policy choices, a list of issues to be addressed in the plan, the alignment of objectives and targets with Indicative Framework benchmarks,⁷⁴ the existence of an M&E framework, the financing framework underlying the plan, and the degree of ownership of the plan.

3.65 The FTI Framework defines the key components of a credible plan as follows:

In general, the sector plan would address key constraints to accelerating UPC in the areas of policy, data, capacity, and financing and align primary education priorities with those for pre-school, secondary, tertiary, and non-formal education. It would:

- provide a costed strategy for accelerated progress towards UPC;
- identify nationally-appropriate policy actions designed to improve education quality, equity, efficiency and fiscal sustainability;

⁷¹ Draft versions had been in use earlier.

⁷² The 2007 FTI Annual report states that:

The FTI has two main tools for strengthening countries' ESPs: the Appraisal Guidelines, which list practical steps to help in-country donors assess a country's education plan; and the Indicative Framework, which proposes a common set of indicators for planning and monitoring in the education sector, drawn from an empirical study of low-income countries. (FTI 2007a, p20).

⁷³ See Annex C for a discussion of this indicator.

⁷⁴ Exhibit 14 on page 127 reviews how the IF has been portrayed in various FTI guidance documents.

- provide an appropriate strategy for addressing HIV/AIDS, gender equality and other key issues;
- identify implementation capacity constraints and strategies to address them;
- review the total resources available (domestic and external) to implement the sector plan and estimate the incremental domestic and external resource requirements in light of short-to-medium-term implementation capacity;
- indicate how the country intends to carry out monitoring and evaluation; and
- identify annual targets for measuring progress on key policies and outcomes, including those of the FTI indicative framework as locally adapted (FTI 2004a, p5).

3.66 A key requirement for the endorsement process is also the existence of a country PRSP or similar national strategy in order to "ensure that education strategies are anchored in country level consultative and budgetary processes" (FTI 2004a, p5).

3.67 Additional guidance for assessment of the ESP was set out in the Appraisal Guidelines, to assess the "soundness of the country's strategic directions toward universalising primary completion and gender equality by 2015", the readiness of the 3 to 5 year action plan for implementation, and the "degree of ownership" and consultation process of the ESP (FTI 2006a).

The appraisal and endorsement Process

3.68 The technical appraisal is conducted or commissioned by the local donors in the country who then endorse the plan on behalf of the FTI, as specified in the Appraisal Guidelines. The objective of the appraisal and endorsement is to certify the credibility and sustainability of the country's ESP as a sound basis for donor support and investments. The FTI Framework states that local donor agency representatives are "best placed to evaluate the feasibility and credibility of sector plans" (FTI 2004a, p8).

3.69 Prior to endorsement FTI processes envisage provision of support to countries in developing credible plans; this could include support from the EPDF for upstream technical studies and capacity building.

3.70 Following endorsement, regular in-country reviews are foreseen, integrated with the regular annual education sector review. The in-country dialogue is therefore expected to continue – following SWAp good practices – and to provide the framework for monitoring the implementation of the endorsed ESP. As outlined in the FTI Framework, "annual sector reviews are conducted by the recipient country and its donor partners in a spirit of peer reviewing and learning; it is good practice also to bring teachers' associations, private providers, parents' associations, and other civil society organisations into the review process" (FTI 2004a, p11).

3.71 Finally, a critical element of the envisaged endorsement process is that – as promised in Dakar – once a plan is judged credible and sustainable, local donors (with the support of their headquarters and the FTI) are committed to mobilise the external funding required in the underlying financial framework. The Catalytic Fund is expected to provide support when a residual financing gap remains.⁷⁵

⁷⁵ Under the "expanded CF" approach adopted in 2007. As noted in section 3C, the CF was previously restricted to "donor orphans".

Channels of influence

3.72 The FTI has aimed to have influence on education policy and planning both at global level, through advocacy on UPC/EFA, thus raising the profile of primary education, and also at country level.

3.73 The FTI design implied that its influence on policy and planning at **global level** could be through: generally encouraging donors to line up behind country plans; policy influence via the implicit prescriptions of the IF; refining the general understanding of credible plans and policies, e.g. through additional policy guidance linked to appraisal guidelines or by modifying the list of indicators.

3.74 The FTI design implied that its influence on policy and planning **within country** could be via: upstream assistance in preparing plans; the endorsement process and approval of the plan; subsequent review through annual reviews etc; and through CF funding – what it funds, how relevant it is to the ESP and how effectively and efficiently it supports progress towards ESP objectives, both directly and indirectly.

3.75 The following sections deal with global and country aspects in turn. However, the two levels are intertwined (as for example when global debates lead to a modification of guidelines applied at country level, or when feedback on country performance leads to refinement of the global guidelines).

FTI activities at global level

ESP endorsements and evolving guidelines/tools

3.76 Before 2004, little specific guidance was provided to those countries invited to submit their plans. The first eight country plans, which were endorsed in 2003, had a very "light touch" appraisal under the guidance of the newly-established FTI Secretariat.⁷⁶ A key early move within the FTI was a shift to country-level endorsement (as specified in the FTI Framework). This was prompted by eagerness to ensure better alignment with country processes and the recognition that in-country representatives of government and donor agencies were better placed than the FTI Secretariat or FTI donors at global level to assess the credibility and sustainability of the ESP.⁷⁷

3.77 The definition of the endorsement process and associated guidelines provided the opportunity for donors at global level to exchange views and agree on which was the best level at which to assess the credibility and sustainability of ESPs, and how best to support and address issues related to the improvement of the content of the plans. Two important influences of the FTI are apparent in these activities: it provided a forum for donors to collaborate and agree on common approaches; and it reinforced the idea that it was crucial to focus on influencing countries' own plans (as opposed to relying on separate projects and programmes to influence country performance and policy choices).

Additional guidance on cross-cutting themes.

3.78 FTI discussions at global level on the quality of ESPs led to a series of reviews and guidelines on specific cross-cutting issues such as disability, equity, gender, and HIV/AIDS. The Capacity Development Guidelines, (FTI 2008c), which provide a related tool to help

⁷⁶ Some countries had been asked to produce separate FTI plans for the endorsement process e.g. Burkina Faso, Nicaragua, Uganda (initial attempt at endorsement in 2002), Mali, Malawi and Rwanda.

⁷⁷ Roles were later to be further clarified for the LEG, comprised of government ministries and other key country stakeholders, and the LDG. The wider focus to include LEGs was spelled out in the Country Level Process guidelines (FTI 2009b).

develop the capacity development component of an ESP, are reviewed in section 3E. Developments in other cross-cutting guidance are discussed below.

3.79 Gender: A 2005 study into the integration of gender into EFA FTI processes and national ESPs, focusing on the twelve countries which had their plans endorsed at that time, found that the breadth and depth of gender analysis in the ESPs varied considerably (Seel & Clarke 2005). Gender was often not explored in relation to other dimensions of disadvantage and exclusion (e.g. disability, HIV/AIDS, child labour, and ethnicity, and geography). Most countries had specific objectives to improve girls' school enrolments, but only four had the specific strategic objective of achieving gender equality in education. Systematic planning for capacity-building and institutional development for addressing gender inequality was generally neglected, especially for ongoing gender analysis, gender mainstreaming or gender-sensitive monitoring and evaluation. Some countries had specific funding earmarked for girls' education.

3.80 The report concluded that the FTI may have added value to the wider movement to support gender responsiveness and that the possibility of additional funding provided a motivation for countries to set more ambitious goals. In some cases, donors used the appraisal and endorsement process to push for a clearer, more strategic focus on gender issues. However, such actions appear "to have depended country to country on the specific group composition and capacity of the group of Development Partners in education. Some have been far more proactive than others in taking advantage of the opportunities provided by any particular context" (ibid). The FTI had not systematically encouraged a proactive stance on gender, or provided support for in-country Development Partners to be more effective.

3.81 The report welcomed the 2005 revision of the Guidelines for Assessment and Endorsement. However, it concluded that there were some gaps, including the absence of a requirement to summarise overall strategies to achieve full equitable access/participation/completion, and acceptable (and equitable) quality and learning outcomes. It also highlighted that there was no consideration of capacity (including suitable institutional structures) for ongoing gender analysis, mainstreaming and monitoring. The report recommended that the FTI Goals and Guiding Principles be revisited to include an explicit commitment to the gender equality goals and to ensure that the FTI promotes a consistent, holistic, rights-based approach to gender. It also made specific suggestions for further strengthening the assessment and endorsement guidelines.

3.82 HIV/AIDS: The FTI Appraisal Guidelines drew attention to HIV/AIDS as a priority area. However, reviews of endorsed ESPs (Clarke & Bundy 2004; Clarke & Bundy 2007) found that the initial twelve endorsed plans did not adequately address HIV/AIDS and that in the second group of eight ESPs the FTI appraisal and endorsement process was performing unevenly on HIV/AIDS. Recommendations were made to strengthen FTI processes. The FTI Annual Report 2008 acknowledged these concerns stating that, "the current FTI processes for education plan preparation, appraisal and endorsement do not yet provide a systematic approach to ensure that the key components of an HIV/AIDS response for the sector are adequately addressed" (FTI 2008a, p15).

3.83 Disability: In 2007 a review was conducted of all 28 ESPs which had been endorsed up until that time in order to analyse their disability policies and strategies (FTI 2006a). It concluded that "having an explicit policy on disability is not identified as a critical aspect of endorsement of education sector plans". The report recommended that the Appraisal Guidelines be strengthened to ensure more consistency and attention to disability and inclusion, and clarity on policy approaches, particularly the differences between "integration" (location of individual children in current provision) and "inclusion" (systematic changes to accommodate diversity). However, it did find "examples of promising practice in both FTI-

endorsed and other selected countries, initiated both by governments and international and local NGOs" (FTI 2006a). These examples demonstrated both the benefits and practicalities of inclusion and "had the potential to be scaled up" (ibid). The report was, however, unable to identify any examples where EPDF had included disability as a priority or had been used to foster information exchange on policies and strategies in relation to disability and inclusion.⁷⁸

3.84 Equity and inclusion: the FTI has also contributed to the development of "Equity and Inclusion in Education tools" (UNGEI 2008).⁷⁹ The overall purpose of the tools is to "improve the quality of the education sector plans by supporting ministries of education and other stakeholders to include excluded groups by considering gender, HIV/AIDS, disability, child labour, and other equity and inclusion issues relevant at the national level to the development and financing of education sector plans". The first, main tool, sets out five key aspects of planning for equity and inclusion and appears to be designed for countries which are making progress towards equity and inclusion but are not yet in a position to develop a comprehensive approach. The second tool is more detailed, listing a fuller set of questions to help countries move towards a more comprehensive approach to equity and inclusion. This tool focuses on gender, HIV and AIDS, disability and child labour "as both exemplars and as critical aspects of equity and inclusion which have an impact on numerically very significant groups of children". The third tool provides "a framework which can be used to assess a particular country's position on the trajectory towards equity and inclusion. This tool also suggests a number of entry points and actions to move along this trajectory". However, although this tool has been piloted by the interagency group that developed it, it is yet to be integrated into the FTI guidelines or framework.

3.85 The FTI Annual Report 2008 recognised the need for equal access to education for all vulnerable groups and acknowledged that "more work needs to be done to guarantee these children's right to education. FTI partner countries are responsible for ensuring that during the preparation of their education sector plans, vulnerable groups are not neglected" (FTI 2008a, p12–13).

Concerns regarding the quality of education

3.86 The Indicative Framework's focus on Universal Primary *Completion* was advocated precisely because children who did not complete the primary cycle were seen as unlikely to have obtained a quality education with lasting learning benefits.⁸⁰ Thus, education quality was an early FTI concern and although the Indicative Framework did not contain any indicators of learning outcomes, the Appraisal Guidelines did include a question relating to quality: "what structural policies are being adopted to ensure that student learning continues to improve in a context of rapid expansion?" (FTI 2006a).

3.87 In 2006 the FTI mandated a Task Team under the leadership of Russia (at that time a G8 co-chair) on Quality of Learning Processes and Student Outcomes to develop concrete proposals to accelerate the progress on improving learning outcomes in FTI countries. A subsequent issues paper (FTI 2007c) distinguished "between the interrelated aspects of ensuring quality education and measuring its effects (in the form of learning outcomes)", but appeared to put the emphasis on the latter. "Measuring the outcomes is an important input into policy making process on different level of education system [sic] (school, municipal,

⁷⁸ In Cambodia and the East Asia Regional EPDF some of the money spent has had precisely this focus.

⁷⁹ This work was led by UNGEI with the support of an interagency group in which the FTI secretariat participated.

⁸⁰ Completion of a primary cycle is by no means a guarantee that primary graduates will remain functionally literate.

regional and country level of system)". It also suggested that the "FTI Indicative Framework should include a few indicators related to the conditions for improved learning outcomes" and identified teacher qualifications and relevant curricula as important, with other indicators still to be identified.

3.88 The results of a desk review of existing assessment initiatives on quality (35 ESPs) were presented at the UNESCO "Learning Counts" Seminar in Paris in October 2008.⁸¹ Discussions continued and it was subsequently announced that two additional (quality) indicators were to be added to the IF, and become reporting requirements, viz. reading ability (a) at the end of grade 2, and (b) at the end of primary (FTI 2009h).⁸² It is worth noting that these indicators would require careful interpretation and use, given such factors as the variation in country specific policies on the use of vernacular or other languages at early grades, whether reading ability is to be measured at "functional" or "international standard" level, and the administration of reading tests by whom and under what conditions.

FTI activities at country level

3.89 This section draws particularly upon the evaluation's country studies (see Annex D for summaries). Each country case study looks in detail at the history of basic education, the national education strategy and the progress made (pre-FTI) towards EFA. The country case studies then look in detail at the process of the FTI's involvement and its influence on the country's education policy and planning.

The planning and endorsement process

3.90 Two general findings come out across all case study countries. The first one is that the principal motivation for countries to seek FTI endorsement is access to additional funding, specifically funding from the CF. This affects both parties: partner countries do not think endorsement is worth it without the prospect of additional funding; for donors, the desire to see the country gain access to CF funding inevitably affects their perspective on the credibility of plans put forward for endorsement. A second recurring theme is of confusion caused by poor communication between the Secretariat and country level.

3.91 **Which plan would count?** The FTI's intervention at country level may start before the endorsement itself, with the preparation of the ESP and related dialogue and support – in particular from the EPDF. Most of the case study countries nevertheless had already developed an ESP before even considering seeking FTI endorsement. Most of these plans had been developed in the framework of the PRS process, of a SWAp, and/or of EFA, and had been – except in a few cases – prepared in a generally satisfactory participatory manner as assessed by local donors. The FTI and the prospect of FTI endorsement in itself, therefore, did not constitute the main incentive for countries to develop an ESP.⁸³

3.92 This implies three options: firstly that the existing plan could be adopted as is for the sake of ownership; secondly that the FTI guidelines and tools (IF, CSR,⁸⁴ policy simulation model etc.) be used to strengthen the existing plan. Alternatively, a separate FTI plan could

⁸¹ "The UNESCO draft desk review "Overview of Approaches to Understanding, Assessing and Improving the Quality of Learning for All" served as a background paper for the discussions and will, in its final form, provide a working document with recommendations for action by EFA partners" (quote from Meeting Note).

⁸² "The FTI Secretariat will work closely with LEGs to facilitate a gradual and smooth implementation" (FTI 2009h).

⁸³ Although the FTI Framework envisaged either the "development or revision" of a sector plan.

⁸⁴ The preparation of Country Status Reports (CSRs) had been assisted by the World Bank, with particular support in Africa from the Norwegian Education Trust Fund (NETF) the forerunner of the EPDF.

be drafted for the purposes of the FTI endorsement process. It is noteworthy that a significant number of case study countries have had to draft another plan in addition to their existing one for FTI endorsement. This was recognised as an issue in the 2004 status report (as quoted below), but country studies show that it continued to be an issue well after the early endorsements (Rwanda 2006, Mali 2007, Malawi not endorsed yet).

The FTI was widely perceived as a parallel source of financing through a global fund. The perception was reinforced by FTI communications, which invited partners to submit FTI plans for endorsement for FTI financing. In most cases, this also created confusion at the country level as to which plan was the FTI plan – the country's existing plan(s) or a different plan. In many cases, the FTI had the unintended effect of creating a parallel planning process. This situation was exacerbated in Catalytic Fund recipient countries, which were requested to submit a separate proposal for Catalytic Fund financing. (FTI 2004c p4)

3.93 *Inconsistent endorsement requirements.* The lack of consistency in the requirements for endorsement between countries has led to confusion and numerous frustrations. In several cases, these specific FTI plans were prepared "in line with IF benchmarks", as it was understood that this was a requirement for FTI endorsement (Mali, Rwanda, Burkina Faso in its 2002 endorsement). This assumption that "credible plans" had to be in line with the IF benchmarks (e.g. benchmarks on repetition rates, teacher salaries) and with the target of achieving UPC in 2015⁸⁵ was held not only by partner governments but also by local donor groups, since ESPs were endorsed despite comments that they were unrealistic. Ambiguities about the role of the IF persist today, as illustrated in Exhibit 14 (page 128).

3.94 *The impact of the Indicative Framework:* The IF was mentioned in several case studies as having been useful to focus the policy discussion (Burkina Faso – teachers' salaries, contact hours, unit costs; Rwanda – share of education funding to primary; Mozambique – unit costs for classrooms, teachers' salaries; Zambia – contact hours; Malawi – fast tracking of teacher and classroom supply, Ghana – teachers' salaries). However in the remaining cases the IF was not part of the policy dialogue, presented nothing new to existing dialogue, or was judged irrelevant. More seriously, given the design of the FTI (¶3.62ff), the IF was not used in a consistent way to monitor performance within or across endorsed countries.⁸⁶

3.95 *EPDF support:* Section 3E and Appendix IV present the ways in which the EPDF has provided support to strengthen country plans and planning processes. In Yemen for example, EPDF resources contributed to better understanding and stimulated demand for education (e.g. the effect of the elimination of school fees and the design of a pilot conditional cash transfer scheme, currently implemented with donor support). In various other countries, the EPDF has funded Country Status Reports,⁸⁷ carried out either by the WB or by the Pôle de Dakar in Africa.

3.96 *Costing the plan.* Several country studies (Nicaragua, Yemen, Moldova and Rwanda) highlighted the usefulness of the FTI requirement for costing of the ESP. The policy simulation model (required for the costing of the plan) was mentioned as having been

⁸⁵ However, although plans were expected to be oriented to achievement of UPC by 2015, the appraisal guidelines envisaged a plan and financing framework covering the next two or three years. This had implications for the way "financing gaps" are calculated, an issue which is explored further in Annex K.

⁸⁶ See Annex C for further documentation and evidence of this.

⁸⁷ For more detail on CSRs see Annex F.

a useful input in several countries (Rwanda, Mozambique, Ghana, Yemen). In particular the model informed the analysis of the financial implications of policy options.

3.97 The impact of the financing gap. Calculating a financing gap can be viewed from (at least) two perspectives: a policy simulation that shows a large financing gap could be taken as a sign that the plan is unrealistic; alternatively it may be used to highlight the need for additional finance. The use of the financing gap as an aid mobilisation tool is identified in several country case studies as leading to unrealistic planning (e.g. Ethiopia, Nicaragua, and Uganda): "the principal objective of the financial gap calculation was to attract aid. This was of more importance than producing realistic plans from a financial perspective" (Visser-Valfrey et al 2010). Different interpretations and ways of calculating financing gaps are reviewed extensively in Annex K.

Box 5 Capacity of LDGs – global influences

Trends in donor staffing practices have tended to make it less likely that LDGs will have the capacities required by the FTI's country-level design. The following extracts are from a recent study exploring the drivers of donor involvement in basic education (Steer & Wathne 2009).

Donor cost-saving exercises, the restructuring of donor agencies and the use of new aid modalities all seem to have contributed to a weakening of education expertise in donor agencies (pXIII).

Bilateral donors had seen a decline in demand for education experts in countries where they provided GBS. A recent study for the EC points out that donors using GBS are much less involved in education sector dialogue in comparison with donors using other types of modalities. This increases the risk of donors losing contact with the policy dialogue in the sector and failing to conduct adequate monitoring to anticipate problems before they become too serious (p34).

For different reasons, multilateral agencies such as the World Bank have also seen a significant drop in their number of education experts. This has owed largely to internal reorganisation and a move towards multi-sectoral operations, which shifted the responsibility for education dialogue to generalists and macroeconomists.⁸⁸ The net result of both this decline and the drop in the number of bilateral donor education experts is an overall fall in the capacity of local donor groups at the very time when this capacity is most needed (p34).

The capacity of donor agencies in the education sector is decreasing owing to restructuring efforts and cost savings in donor agencies as well as the move towards programmatic approaches. ... Our case studies illustrate that the internal education expertise of a number of donor organisations has significantly weakened, including of agencies that focus specifically on providing technical assistance. USAID, for example, currently has 31 education officers, compared with 90 10 years ago⁸⁹ ... DFID has 30 education advisors, about 1% of total staff, and one-third of those are not working on education (having moved into more generalist positions). Several relatively new donors (e.g. Spain and South Korea) also have few sector specialists (p39).

⁸⁸ The World Bank's Education Strategy Update (2005) notes that the number of education sector staff declined from 228 to 185 between 1999 and 2005. This decline continued in 2008 when the number reached 168 (World Bank Education Department).

⁸⁹ Although there are plans to at least double the number of education experts in USAID in the next two years.

Capacity of the donor group

3.98 The FTI appraisal process demands considerable professional skills from the various actors involved. Due to the FTI's commitment to keep the endorsement process country based, the potential demands upon LDGs and more recently LEGs, are significant (Annex B includes a section on governance at country level which traces the evolving roles assigned to LDGs and LEGs over time).

3.99 ***Need for diverse capacities.*** LDGs are subject to a number of constraints: in many countries the trend is to decrease the number of donors which are engaged in any one sector.⁹⁰ See Box 5 above for analysis drawn from a recent study which finds "an overall fall in the capacity of local donor groups at the very time when this capacity is most needed", and Box 6 below for illustrations from country studies carried out for this evaluation.

Box 6 Capacity of LDGs – case study evidence

These general trends are reflected in the following observations from this evaluation's country case studies:

The increasingly demanding role of the donor group and particularly of the lead donor, especially in the preparation of new applications for CF funding, raises the question of the capacity of the donors for such responsibility. While a number of individuals in the current Education Donor Coordinating Group (EDCG) have substantial knowledge and experience of sector wide approaches, joint funding mechanisms and the FTI, including within the Kenya context, others do not. This raises a concern that at any one time a donor group may lack the capacity to provide the required inputs, and in such circumstances could require substantial technical assistance (Kenya case study).

The WB was nevertheless appointed as supervising entity, despite the fact that it did not have a specific instrument at its disposal to provide SBS and that it was not strongly involved in the sector coordination, mainly for reasons of capacity (Rwanda case study)

As donors scale up their support to the sector, there is a need for donors to strengthen their own capacity for, and regularity of, policy dialogue through harmonised systems (or move to silent partnerships [as] has been the case for various donors). Donor technical capacity for policy dialogue needs strengthening, especially as it moves from broad policies to the implementation of those policies. In particular, the shift towards SBS requires enhanced donor capacity in the education donor group on PFM and budget-related issues – or an enhanced coordination with economists in charge of GBS (Rwanda case study).

The collective capacity of the local education sector donors is generally seen as having declined over time. This is due to frequent turnover of agency staff and to replacement of education professionals by persons with other backgrounds. There is also a perception that communication between country offices and headquarters is erratic in many cases. Another trend is that some former [Ministry of Education] officials have been recruited to work in donor agencies. In comparison with the present capacity of [the education ministry], the capacity represented by the agencies is not conducive to effective dialogue, and this issue is now being discussed (Mozambique case study).

⁹⁰ Reduction of donor personnel in country is occurring both to reduce the demands caused by too many, and also to lessen the transaction costs for individual bilaterals through silent partnerships etc. Some bilaterals have combined responsibilities (e.g. governance and education, health and education) and some assign education responsibilities to staff with little or no relevant expertise in the sector beyond their own academic education.

3.100 High turnover of donor staff can also be problematic, as can the timing of donor staff rotation policies, undermining institutional memory. All of these factors reduce the likelihood that in any one situation there will be a strong in-country presence of sufficiently experienced education specialists. However, the required expertise goes beyond educational expertise – public financial management, governance, social development and economics expertise are also required for a thorough review of the plan, and for subsequent monitoring of its implementation. Donors frequently need to supplement their expertise by drawing upon international consultants or headquarters; but if this occurs too frequently it may undermine in-country leadership, ownership and capacity development.

Standards of "credibility" in practice

3.101 **How "credible" is defined by the LDG.** The appraisal and subsequent endorsement of the ESP by the LDG requires the assessment of whether it is a "credible plan". In practice, plans were judged credible by LDGs on the basis of a variety of criteria (a) being in line with the IF – Burkina Faso in 2002, Rwanda in 2006, Mali in 2007; (b) their financing framework; (c) the use of adequate tools (Country Status Report, policy simulation model) as a basis for the preparation of the plan (Burkina Faso in 2007, Rwanda's in view of 2010 request); (d) using the appraisal guidelines, including considerations such as whether cross-cutting issues were mentioned.

3.102 Overall, it should be noted that the "credibility" and the "realism" of plans have been seen as two different things. LDGs have tended to endorse plans that were judged credible because they showed government ownership and commitment, covered the key issues and provided a reasonable basis for implementation, even if their targets were judged unrealistic. The fact that access to the Catalytic Fund is conditional upon the endorsement of a "credible plan" assessed at local level created certain pressures and incentives for both the government and donors. It enabled the local donor group or the FTI Secretariat to require specific undertakings (e.g. Rwanda;⁹¹ Mozambique⁹²). Conversely, in other countries, donors could be pressured into endorsing a plan, despite perceived flaws, so as not to jeopardise access to CF resources for a country they supported (e.g. Rwanda⁹³). This dilemma is particularly acute in the case of fragile states, (see ¶3.109ff below).⁹⁴

Cross-cutting issues

3.103 On cross-cutting issues, the appraisal guidelines (FTI 2006a) refer to specific strategies for addressing high priority areas such as gender equity, rural access, HIV/AIDS prevention, etc. Very little guidance was provided by the FTI in these areas at the country level, and in general insufficient attention was paid to them. This is reflected in the global-level efforts to strengthen FTI and other guidelines as reviewed earlier. Nevertheless, in a

⁹¹ Where, during the technical appraisal, the FTI Secretariat – based on a request by local donors and although this is not a standard requirement for the FTI endorsement – informally requested that the government follow up on the Abuja meeting of finance ministers and develop a 10-year plan and financing framework for the education sector, which was done.

⁹² Where the local education sector donors and the FTI Secretariat communicated in clear terms the need for more sustainable policies on teacher training and deployment as well on school construction. Gender and HIV/AIDS action plans were also defined as important conditions for endorsement.

⁹³ In Rwanda in 2009, donors endorsed the plan because postponing endorsement would have had too great a negative impact on education sector funding.

⁹⁴ As noted in Annex H, interviews carried out for the evaluation suggest that there was great pressure on the local donor group to endorse the plan for Haiti quickly, resulting in a lower quality education sector plan: "The strategy is a wish-list which has not properly considered trade-offs in the context of a budget constraint...personally I wouldn't have endorsed this plan. I think the reason it got endorsement was that lots of progress had been made and that it [Haiti] is the poorest country in the northern hemisphere" (interview).

number of case study countries there has been positive movement in the prioritisation of cross-cutting issues in FTI-endorsed plans compared to pre-endorsement plans.⁹⁵ In Yemen, with the highest gender gap in the world, the FTI was able to assist through both the CF and the EPDF. The CF supported construction of classrooms in rural areas with appropriate sanitation facilities for girls; also a female teacher training institute and a training scheme for women, including recruitment of volunteer female teachers to be upgraded to paid professionals over three years. In Kenya, the attribution of some CF funds may have helped to prioritise HIV/AIDS. FTI-related processes contributed to better understanding and a higher profile of equity and gender issues in some countries through the plan appraisal process (Mozambique), in others through EPDF-supported Country Status Reports or studies (Yemen, Burkina Faso in 2006–07, Cambodia). In Nicaragua, IF indicators mentioned in the endorsement report specifically highlighted the importance of addressing equity and inclusion.

Participatory process, dialogue and review mechanisms

3.104 The FTI Framework and subsequent guidelines identify the need for engagement of central government (including education and other relevant ministries), civil society and other key stakeholders. FTI Appraisal Guidelines stressed that "the technical appraisal should thus document the consultations with various branches of government, civil society, stakeholders and donors and comment on their quality ... The appraisal should also review the extent to which stakeholders will continue to be involved during the implementation process." (FTI 2006a, p6)

3.105 In a number of countries there was significant engagement by a range of stakeholders in the preparation of the plans used for FTI endorsement (e.g. Kenya, Yemen and Ghana, Rwanda). In others (Cambodia, Nicaragua, Burkina Faso, Mozambique, Zambia, Mali, Moldova) there was minimal involvement by civil society representatives. A number of ESPs were written mainly by consultants, and developed over a short period of time which raises questions over the ownership of partner governments. In other countries, existing participatory processes were bypassed as plans were prepared specifically for the FTI (Mali in 2007, Burkina Faso in 2002, and Nicaragua in 2002). Overall, one obvious agency which was missing or under-represented in most preparatory activity has been the key teachers' unions.

3.106 As outlined in Section 3G (the FTI and aid effectiveness), most countries in the evaluation sample already had an ongoing and institutionalised joint sector dialogue before the endorsement took place. An exception was Nicaragua, where the FTI is seen as having catalysed better dialogue and coordination, as well as a better involvement of civil society.

3.107 In several of the country case studies the broader LEG seemed to be non-existent, indistinct or functioning sporadically. In other countries although a LEG existed it was not involved in the FTI-related key decisions such as endorsement or CF funding (e.g. Rwanda and Burkina Faso). The 2007 FTI Annual Report (**Error! Reference source not found.**) mentions the need for further efforts to build national ownership of ESPs, including among parliament and civil society. Efforts have been made to strengthen the role of civil society and a wider range of stakeholders in FTI processes. The EPDF has recently provided funding to support better inclusion of civil society in sector dialogue (approved funding for the GCE to continue work such as that of the Commonwealth Education Fund (CEF)⁹⁶). The FTI

⁹⁵ Although this is often due to influences other than FTI.

⁹⁶ The Commonwealth Education Fund (2002–2008), while not specifically related to FTI endorsed countries, functioned in 16 Commonwealth countries, eight of which have been endorsed by FTI. One of its objectives was "More comprehensive EFA plans developed, with gender equality addressed" and one of its key components was to strengthen the capacity of civil society organisations to [...footnote continues on next page...]

concern to strengthen participation at country level is reflected in revised guidance discussed under "recent evolution and adaptations" (see ¶3.113ff below).

Sector scope of the FTI

3.108 There are various examples across the case study countries where FTI support has covered other EFA goals outside primary education (e.g. sector wide ESPs in Kenya, Ghana, Cambodia, Nicaragua, Vietnam, Ethiopia, Zambia, Malawi and Rwanda). Section 3C provides examples of financial support from the CF to early childhood education (Moldova), and use of fungible (unearmarked or flexibly allocated) aid modalities (e.g. sector budget support in Burkina Faso and Rwanda, pooled fund support in Kenya). However, there has been inconsistency in the way that the FTI's focus has been interpreted. Thus, for example, a strict interpretation of the FTI's focus has been used in Mali and Ethiopia to justify the choice of an aid modality less aligned than the most aligned one available.⁹⁷

The challenge of fragile states

3.109 The FTI was initially designed to support "fast-tracking" countries with good policies and credible plans. This paradigm has been challenged by the recognition that there were countries which would have difficulty meeting the standards for a credible plan, but needed help. Such cases have been commonly referred to as "fragile states".⁹⁸

3.110 De facto, the FTI had included states recognised as fragile on its agenda from the very start, as was the case for instance with the inclusion of DRC⁹⁹ in the original (2002) list of countries on the "analytical track". Even more strikingly, countries that had been through periods of great instability have been endorsed in increasing numbers over the lifetime of the FTI: e.g. Yemen (2003), Ethiopia (2004), Kenya (2005), Timor Leste (2006), Sierra Leone (2007), Liberia (2008), CAR (2008), and Haiti (2008).¹⁰⁰ In fact right from its early formation the FTI has been inviting "fragile states" to join the partnership and endorsing their ESPs, and in some cases providing funding.

3.111 Annex H presents the particular challenge posed by fragile states to the FTI. From a policy and planning point of view, it was recognised that it was impractical to request fragile states to meet the FTI "gold standard" (credible and sustainable, in line with the IF benchmarks). Since 2005 there has been a process to try to develop a consistent and appropriate way for the FTI to deal with fragile states, involving work by a Fragile States

participate in national EFA planning and monitoring. It reported that the project had identified at least 92 significant changes of policy directly resulting from its influence.

⁹⁷ In Ethiopia, the GEQIP PAD says: "the FTI CF grant could not be included in the PBS [quasi budget support to the devolved tiers of government] since it has been provided specifically for quality improvements in general education". In Mali the main justification for the CF funding to be provided through project modality is provided in the CF project appraisal document (World Bank 2007): "sector budget support. This option is not used since the sector budget support is for the entire sector and the CF needs to target basic education in this operation".

⁹⁸ Definition and classification of fragile states is a complex and sensitive issue, which is extensively reviewed in this evaluation's working paper on the subject (Dom 2009a). It is important to note that there is no hard and fast classification, that states may transition in and out of fragility, and that "fragility" may affect only parts of a country (referred to as "pockets of fragility").

⁹⁹ A country widely accepted as "fragile", despite the controversy around term and concept.

¹⁰⁰ All of these countries, with the exception of Kenya, appear on the Save the Children Conflict Affected and Fragile States (CAFS) list and between them they show something of the variability of fragility. The analysis in the fragile states working paper (Dom 2009a, p23) shows that, indeed, 44% of the countries endorsed by the FTI are classified as fragile states when using the Save the Children classification (focusing on conflict-affected and fragile states) and adding to it those states included in one or more other authoritative lists.

Task Team and efforts to complement the Catalytic Fund with an Education Transition Fund that would be adapted to the circumstances of fragile states. An alternative "Progressive Framework" (Exhibit 15 on page 132) was therefore developed to provide a more flexible and adapted approach to fragile states applying for endorsement.

3.112 The Progressive Framework separates access to funding from the definition and endorsement of a "credible and sustainable plan". It is premised on the idea that in some countries, interim arrangements are necessary at the outset so that they can then move gradually towards more comprehensive arrangements, with continuous support. It introduces the idea of providing financial support to "interim strategies" – a model which contrasts with the absolute threshold implied by the FTI Framework's description of endorsement. This implies that substantive financing could be provided to countries in addition to potential EPDF support to strengthen planning and capacity. The Progressive Framework was approved by the Steering Committee in May 2007, and the Country Level Process Guide anticipates that it will be incorporated in the process chart once difficulties over establishing a financing mechanism have been resolved.¹⁰¹ In the meantime, the Progressive Framework has not actually been used. Annex H reviews the endorsement process for four fragile states (Liberia, Sierra Leone, the Central African Republic (CAR) and Haiti) and shows that these have been extreme cases of the endorsement dilemma already noted (§3.101–3.102 above).

Recent evolution and adaptations

Concerns regarding the quality and consistency of FTI policy/planning processes

3.113 A review was carried out in 2007 of twenty-eight education sector plans. The review highlighted in particular that the Indicative Framework and appraisal guidelines were not used systematically or consistently. It also outlined the "varying quality of donor endorsement and appraisals", and recommended, among other things, "expand[ing] the role of the Secretariat in the process of ESP preparation and endorsement", strengthening the role and capacity of the Lead Donor, and strengthening the appraisal and endorsement process by donors (FTI 2008b, p3).

3.114 Continuing and deepening concerns about non-compliance with the Indicative Framework and the appraisal guidelines and the need for new measures to strengthen in-country processes were identified in the FTI Annual Report 2007:

To strengthen these processes, two forms of quality assurance are being introduced into the process of preparing an ESP. The local donor group, together with the partner country, will be able to request a quality support review from external experts. In addition, the FTI Secretariat will conduct a "light touch" review of the proposed plan to ensure compliance with the Appraisal Guidelines and the Indicative Framework. (FTI 2007a, p20)

3.115 Country case studies carried out for this evaluation illustrate the two forms of quality assurance mentioned above – in Uganda where the FTIS provided an external review of the ESP, and in Rwanda where an external quality review was carried out before discussion of the request by the CFC in 2009. Both cases outline the risk of these reviews leading to a heavier FTI-related process and the need to ensure that the scope and terms of reference

¹⁰¹ "...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" (FTI 2009b, p9).

for these reviews are clear and precise. The role of these reviews as a complement to the LDG appraisal of the ESP also remains to be clarified.

Sector scope of the FTI

3.116 The sector scope of the FTI has been an issue from the beginning. There has always been criticism that the FTI focuses too narrowly on primary education to the exclusion of other EFA goals. Increasingly it is also argued that the FTI should broaden its scope even more. Most recently, Denmark raised the issue at the Copenhagen meetings in 2009, and proposed that the FTI, while maintaining its commitment to UPC, should extend its scope to the entire education sector, including for financial eligibility. An intermediate option would be to extend its scope to the whole of the EFA, and in either case financial eligibility might be more restricted than the scope of planning and analytical support. A paper was presented which usefully set out the dimensions of the issue (see Box 7 below). The Netherlands had already argued along similar lines in its "visioning" paper of 2008: "We feel very strongly about the need to broaden out. ... There is a serious tension between endorsing a comprehensive sector plan but only investing in part of it." (Netherlands MOFA 2008) But other viewpoints have also been expressed (e.g. by civil society representatives), including a concern that extension (especially of financial eligibility) beyond the EFA goals (or the MDGs) would cause a dilution of focus and have undesirable implications for equity and for the timely attainment of EFA goals/MDGs.

Box 7 Broadening the focus of the FTI – options and implications

A paper submitted by Denmark to the April 2009 meetings noted that "Financing implications of adopting a whole sector approach – based on the current ratio of aid for basic education to education as a whole – could more than double financing needs". It recommended to "adopt a whole sector approach of FTI where the entire national education sector plan, at all levels, may be supported in terms of capacity development, guidelines and financing eligibility." and argued: "Taking a whole sector approach will increase transparency of the FTI by acknowledging that all the education sub-sectors are interrelated, also with regard to financing allocation decisions and fungibility of funds. It will also allow the analytical capacity of FTI to be brought to bear on developing guidelines and good practice for the broader education sector, including for example technical; and vocational skills development. And it will allow full alignment to national education sector plans and avoid fragmentation of support to various education sub-sectors."

Source :FTI 2009d

Summary of findings on the FTI and policy and planning

3.117 At global level the FTI has reinforced the focus of education donors on supporting country-owned plans. In doing so it built on existing trends towards sector approaches and more systematic planning to achieve such goals as EFA and the MDGs. Efforts to make the FTI guidelines more comprehensive also show donors working together at global level to align their approaches.

3.118 At the same time the FTI has aimed to introduce more rigour in planning and to improve policy. The approach and the benchmarks of the Indicative Framework were central to this effort. In practice, the utility of the IF has been more limited than anticipated. The value of performing consistent policy simulations and checking their fiscal realism has been recognised, as has the importance of many of the policy issues highlighted by the IF. On the other hand, the IF has not been the central feature of endorsed ESPs in the way that was apparently expected. The introduction and use of the IF was somewhat confused and varied considerably. In some countries it was understood to be conditional and was adopted rigidly, at least on paper. In others little attention was paid to it, whilst other countries did use it, as per the original FTI intention, to inform dialogue. Only a few countries have continued to pay serious attention to the IF in annual reporting. It is striking that, in practice, so much of the FTI's efforts related to policy and planning have been focused on the initial endorsement process: subsequent monitoring and review of implementation at country level has been much less evident.

3.119 It is not necessarily a bad thing that the use of the IF has been pragmatic and has varied from country to country. But it means that there is less similarity in policy approaches across the FTI-endorsed countries than may have been anticipated. It also means that standards of "credibility" for ESPs have not been uniform (and that it is wishful thinking to refer to a "gold standard" of sector planning that applies across the endorsed countries). Country studies noted the pressures on both donors and ministries of education in the endorsement process. There is pressure on ministries to present plans in the ways that they perceive as most likely to attract funding; the donors often do not wish to hold up endorsement if this will delay funding of a plan that they feel, on balance, is worth supporting. (The competing paradigms of a one-off threshold endorsement versus the programme of continual improvement embodied in the draft Progressive Framework are revisited in the evaluation's conclusions and recommendations.)

3.120 The FTI has succeeded in increasing the focus on country-owned plans, and this is reflected in efforts to extend the good-practice guidance for ESPs to cover various cross-cutting issues. A common finding is that attention to such issues has been very uneven. Here too, it is important to follow up on implementation as well as the framing of plans.

3.121 In terms of preparation for endorsement and appraisal, there has been a significant increase in what is required from applicant countries, from a "light touch" to the fulfilment of a series of required steps, the introduction of quality review etc. These have probably improved the quality of plans, but at the risk of reducing country ownership. The use of external consultants, to assist the planning and preparation process, and also to review and assess plans, has exacerbated this trend. It carries a risk that sensitivity to country context will be reduced, while equity of treatment across countries will be served only if there is great care to standardise the judgements of individual quality reviews.

3.122 Country ownership was promoted as a key dimension of the FTI. This included the contribution of the government, including ministries and agencies other than education, dimensions of participation by a wide range of stakeholders, and the donor community. Although attention was paid to the importance of having government "in the driving seat", the guidelines for appraisal and endorsement have tended to keep the donors in the forefront of the action, and much responsibility has been placed upon the activities of the LDG and especially the lead donor. The participation of in-country stakeholders, now codified as the LEG, has been highly varied. Most engagement was noted in terms of the initial process of preparation and endorsement, which then tended to be diminished once approvals and funding had been granted. Increased levels of advocacy were noted, but there is much scope for improvement in the part played by key civil society actors and by parliaments. The evaluation found that there is cause for concern in the capacity of both LEGs and LDGs to carry out their functions within the FTI.

3.123 There is a lack of clarity on the emphasis in planning to be given to UPC in relation to other EFA goals, and indeed to the wider education sector. This again is taken up in the evaluation's conclusions and recommendations.

3.124 Despite the requirement that countries have a PRSP as a pre-requisite for FTI endorsement,¹⁰² FTI processes (appraisal, endorsement, CF funding) have tended to focus principally on education sector entities and specialists, both within governments and within donor agencies.¹⁰³ Finance ministries and other ministries (e.g. in charge of civil service reform), as well as macro and finance specialists in aid agencies in general, have not been sufficiently involved in FTI-related processes.

3E Capacity Development

FTI objectives and design

3.125 Capacity was one of the four original "gaps" identified in the framing documents for the FTI. The FTI process, beginning prior to endorsement, was meant to ensure that local donors would mobilise support in the preparation and revision of a country's education sector plan (ESP), including "upstream technical studies and capacity and consensus-building" (FTI 2004a) as necessary. The Education Program Development Fund (EPDF), established in 2004, was intended to support such work. The FTI Framework went on to state that the sector plan would address key constraints to accelerating UPC in the areas of policy, data, capacity and financing, and identify implementation capacity constraints and strategies to address them (FTI 2004a, p5). Each of the country case studies details the FTI's contributions to these four specific "gap" areas. This section also draws on Annex G, which provides an extended review of the FTI and capacity development at both country and global levels, while Appendix IV provides a detailed review of the EPDF.

FTI channels of influence

3.126 The FTI was designed to have three main channels of influence on capacity development: the process of endorsement of a country's ESP; the EPDF's contribution specifically; and the use of the Catalytic Fund in support of the endorsed ESP. The Appraisal Guidelines were to be used in the endorsement process. Table 4C of the guidelines – "Capacity constraints and plans to overcome them" – lists the capacity areas normally requiring assessment. "Their main purpose is to make sure that the key issues are addressed." (FTI 2006a)

3.127 Three of the four EPDF objectives focus on capacity development:¹⁰⁴

- Support the development of sustainable national education sector programmes;
- Strengthen Government technical and institutional capacity to develop and implement policies and national education sector program; and
- Improve the understanding of issues that are key constraints to reaching EFA through support for regional studies, analytical work and strategies. (FTI 2004b)

¹⁰² The FTI Framework specifies that "the FTI review process normally requires ... an approved national poverty reduction strategy, or a similar national strategy that would help ensure that education strategies are anchored in country level consultative and budgetary processes" (FTI 2004a, p5).

¹⁰³ The 2007 FTI Annual Report (FTI 2007a) reported that two reviews in 2007 "found that the link between the plans and wider macroeconomic issues and poverty reduction strategies was weak."

¹⁰⁴ The fourth EPDF objective is "Strengthen donor partnerships at the country level around the government's national education plan" (FTI website, 2009).

3.128 The support provided by the CF varied from country to country, using different aid modalities, targeted on different areas of the ESP, and potentially able to influence and contribute to overcoming the capacity constraints identified in the Appraisal for which strategies were to be covered in the ESP.

FTI activities at global level – the Capacity Development Guidelines

3.129 The FTI's initial "capacity gap" analysis was unexceptional at the time. Donor agencies for several decades have conducted capacity needs analyses, identified gaps, and tried to fill them – with consultants, training courses or even new institutional designs for ministries of education – but perceptions of good practice have moved on. A "gap" connotes something that is static and fillable, whereas there is now increasing recognition that capacity needs to be seen in a more developmental perspective, taking account of systemic and institutional, not just individual, dimensions, and focusing on capacity *development* that is country-led, linked to broader reform processes and supportive of country-owned change. This also implies a coherent long-term strategy, rather than fragmented, ad hoc interventions.¹⁰⁵

3.130 This change in thinking influenced the FTI at global level as it evolved. Notably, capacity development was taken up during the period when Germany was the G8 co-chair, and a set of FTI Capacity Development Guidelines were developed (FTI 2008c). They went beyond the initial conceptualisation of "capacity gaps" and examined the individual, organisational and institutional underpinnings of capacity development.

3.131 These guidelines were written by a capacity development task team in conjunction with German Technical Cooperation (GTZ). The first activity of this task team confirmed the need for such guidelines: responses to its survey of LDGs *indicated that capacity constraints, for various reasons, are not thoroughly and critically considered when assessing national sector plans. "Capacity" tended to be conceived of as human resource, or skills development. Reflection on "capacity development" as encompassing more than skills development was less common.*¹⁰⁶

3.132 The guidelines were endorsed by the FTI partnership in April 2008 as a tool recommended by the FTI for countries to use in the development of their ESPs. They produce for the education sector the equivalent guidance offered in the OECD Good Practice Guidelines (OECD 2006). The guidelines aim to support the local education group (LEG) in conjunction with the Government to develop a sustainable capacity development strategy. They build on the new thinking surrounding capacity development and outline not only the key factors for success but the steps that can be taken in a long, iterative country-led process involving all types of stakeholders, with linkages to broader reforms in the country and with consideration of the modalities of capacity development support. The guidelines are designed to be used during ESP development, implementation or revision, which takes them considerably beyond the initial production of a credible plan. The production of the FTI guidelines, however, has not yet led to their significant use at country level (see below) nor to a discernable influence on the FTI's modalities of support to capacity development. Communication and dissemination of these guidelines has been weak.

¹⁰⁵ As the OECD guidance puts it: "Successful efforts to promote capacity development therefore require attention not only to skills and organisational procedures, but also to issues of incentives and governance." (OECD 2006)

¹⁰⁶ CD Questionnaire Results, FTI Task Team on Capacity Development Update FTI Partnership Meeting, Cairo, November 13–14, 2006 FTI 2006a.

3.133 Could the CD Guidelines be used to make a substantive difference to the planning of capacity development in FTI countries? First of all, they could support the much-needed joined-up approach advocated in the FTI's recently produced Country Level Process Guide (FTI 2009b). Secondly, they could provide a boost to harmonisation and country-led coordination of capacity development which has been missing in the still fragmented, piecemeal CD efforts evidenced in nearly all of the countries studied for this evaluation.

FTI contributions to capacity development at country level

The endorsement process

3.134 The individual country case studies reveal that the process of FTI endorsement varied considerably from country to country, as did the reviews post-endorsement. The Appraisal Guidelines were not used systematically or consistently, and Annual Sector Reviews did not necessarily identify the effectiveness or efficiency of the action plans of endorsed ESPs. Indeed, in the Review of the Twenty-Eight Education Sector Plans carried out by the FTI Secretariat (FTI 2008b) it was found that *a majority of the ESPs do not take a holistic view towards capacity building but rather focus on one area* (p19). Further, *many countries were not able to clearly describe strategies to overcome and monitor these (capacity) constraints with realistic options* (p26).

The use of the Catalytic Fund for capacity development

3.135 Review of the evidence from the 17 country case studies illustrates that CF monies were spent on CD in the following countries: Ghana (for a teachers' incentive scheme for underserved areas); Cambodia (for integrating contributions to the Child Friendly Schooling programme, a school inspection policy and education management training); Ethiopia (education management); Mali (teacher training for community schools); Rwanda (two teacher training centres); Yemen (district-level teacher training and capacity building in computer literacy, planning and statistics at central, governorate and district levels); and Moldova (early childhood education). Capacity gaps were not addressed comprehensively in any country, though, where successful, the FTI did make positive contributions to planning, policy analysis and policy dialogue (see the discussion below of EPDF support, ¶3.138).

3.136 In six of the countries studied, FTI *capacity development* inputs *through the CF* have gone beyond primary education, adapting to the needs and demands of the countries concerned. In Moldova, CF support has been focused on early childhood education, providing training and materials and developing a mentoring scheme. Secondary education strategies were developed with FTI contributions in Mozambique, Uganda and Yemen; and in Rwanda and Mali, the CF has supported teachers through training in Mali and enabling the hiring of contract teachers and the distribution of bonuses in Rwanda.

3.137 Against the background of increasing recognition that the use of government systems whenever possible is an important ingredient of institutional capacity development, several of the case studies link the limitations on capacity development with the aid modality chosen for the CF. Specifically, the project modality, unlike sector budget support, specifies particular resource allocations and may not join up the necessary capacity development with the particular monies allocated. The project modality in Nicaragua was seen thus, so losing the indirect effects on capacity development promoted by the SWAp (harmonisation of CD support; comprehensive, rather than piecemeal, alignment with the ESP; etc). Conversely, in Rwanda, use of the sector budget support modality led to greater flexibility in resource

allocation – including to capacity development – and greater linkages with the civil service reform programme, as well as implementation through regular government systems.¹⁰⁷

The use of the EPDF for capacity development

3.138 The most consistent positive reports of the FTI's contribution to capacity development have related to the development and use – especially for policy dialogue – of the Country Status Reports (CSRs) and policy simulation models which were supported initially by the Norwegian Education Trust Fund (NETF) in Africa, as well as by the WB, and later through the EPDF. Burkina Faso's experience of two waves of capacity development support offers lessons for other countries, however. The first wave, entirely financed by the NETF, focused on the "product" – the diagnostic analysis of the education system itself (OECD 2006) – and was completed in a very short period of time, while the second CSR focused on the "process" (i.e. capacity building in data analysis) and was carried out over a period of 18 months (Chiche et al 2010). This distinction between the product and the process is relevant to all the capacity development activities to which the FTI has contributed.

3.139 Other countries with positive experiences of capacity development in this area include Mozambique, where *policy making [was] more informed by analysis of the financial implications of policy options*, and where *FTI contributed to the improvement of the technical quality of the policy and planning process* (Bartholomew et al 2010). However, the case study concluded that sustainability of the capacities developed in the adaptations made to the FTI simulation model was fragile.

3.140 In Rwanda, Uganda and Yemen, positive experiences were also recorded of the capacity development accompanying the costing and policy simulation work to which the FTI contributed through the EPDF. It is clear that the tools and capacity development contributed to improved planning, policy analysis and resource allocation, even if the pace and modalities of such support may have reduced the sustainability of the processes. The success of the support and contributions derives from the concerted and regular mentoring which characterised the more successful practices, as was confirmed in the interviews of members of the WB team at HQ who have persisted in their efforts with the transformation of NETF into EPDF activities. Just the same, whatever the modalities, even the more successful practices cannot overcome the mobility of staff trained, often *out* of the ministry.

3.141 Notwithstanding the positive contributions made by EPDF to capacity development in realistic planning and policy dialogue, there have been many limitations to its potential influence. This can be seen from the wider perspective provided in the CD Guidelines. As noted in Table 3 below, which derives from the detailed analysis of the EPDF in Appendix IV, the modality of engagement in-country has limited the EPDF's wider and more sustainable contribution to capacity development.

3.142 It is interesting that if one applies "product" to the left hand side and "process" to the right hand side of the table, one can begin to see that the weaknesses relate to processes or modalities, whilst the successes relate to the actual products of the activities funded. It is thus no surprise that, in the reworking of the EPDF in the draft concept notes emerging from the EPDF Task Team, the emphasis is on the way things are done, not what is carried out.

¹⁰⁷ These linkages with the effects of the project modality cover a range of country endorsement dates – Nicaragua (2002), Moldova (2005), Cambodia and Rwanda (2006).

Table 3 EPDF successes and weaknesses

EPDF Successes	EPDF Weaknesses
<ul style="list-style-type: none"> • More credible plans • Country Status Reports • Simulations • Policy dialogue • Costings • Realism • Filling Knowledge Gaps: Studies, Impact Evaluations • Knowledge-sharing 	<ul style="list-style-type: none"> • Lack of transparency • Not country-driven (choice of activity or management of TA) • Lack of incentive for LEG to coordinate • Unclear delineation between Catalytic Fund and EPDF roles in capacity development • Not integrated with overall capacity development and disconnect with public sector reform, with ESP overall • Not inducing harmonisation; allowing parallel structures, projects, overlap • Too closely resembling NETF, not well adapted from single donor to multi-donor governance

Source: Appendix IV.

Patterns across the evaluation's country studies

3.143 As well as the positive contributions and the limitations that have been observed in the country studies, the following patterns can be discerned which relate to the different FTI influences on capacity development:

- (a) It is the exception not the rule that the countries have *capacity development plans*, and the FTI has not significantly contributed to increasing the numbers of those that do have them.¹⁰⁸
- (b) In none of the countries have *comprehensive approaches* to capacity development, such as detailed in the FTI CD Guidelines, been significantly advanced by the FTI (including those few making use of the recent FTI CD Guidelines).
- (c) Accordingly, the FTI's own direct contributions to capacity development have tended to be piecemeal, picking up a particular activity from a list of "needs" or engaging a consultant to produce a report or study, which filled a "gap" but did not necessarily entail capacity development.¹⁰⁹
- (d) Even in those countries with SWApS, the FTI has not given the extra push to harmonisation nor the comprehensive tackling of CD issues that is made explicit in the Country Process Guidelines, the FTI CD Guidelines, and, moreover, the forebears of such "good practice", namely the OECD and even earlier, the EU CD guidelines (EuropeAid 2005).
- (e) The FTI has rarely made a noticeable difference to *harmonisation* or the *comprehensive tackling of capacity development* issues. Rwanda and Mozambique had capacity development plans, Nicaragua used the FTI capacity development guidelines, which were also utilised in Malawi, and Ethiopia was seriously tackling capacity development issues but FTI influences on harmonisation of capacity development efforts were hard to discern.
- (f) In only a few of the countries was there *awareness of the EPDF* outside of the WB. Where there was any such awareness, for example in Burkina Faso or Kenya, typically it was only amongst a small handful of donors and not necessarily the

¹⁰⁸ Capacity development plans – on their own – are not necessarily a good thing. However, the absence of an integral CD perspective in the ESPs is evident in the majority of the country studies carried out in this evaluation.

¹⁰⁹ In Cambodia, the capacity development planning that has taken place has been separate from operational planning, thus reducing the linkages to departmental activities.

Government. Thus the opportunity of widespread engagement and discussion of the potential use of EPDF monies was lacking.

- (g) Although in the majority of cases the work carried out with EPDF monies has been relevant, often piggybacking on existing programmes, there were frequently reservations about the effectiveness and the efficiency of the use of EPDF funds.¹¹⁰

Conclusions on the FTI and capacity development

3.144 The FTI's work on the capacity development guidelines is commendable. The challenge, as always with such guidelines, is to ensure that they are not only relevant but influential. To date however, with few exceptions, the FTI CD guidelines have not influenced LDG practices or donor agencies' approaches to their CD support, nor have country partners used them to shape their CD approaches.

3.145 The FTI's bringing donors together in support of countries' EFA, it would seem, has not led to significantly more harmonised approaches to capacity development, despite the relevance of much of the support given. Of course this is a difficult area, where progress is likely to be slow, but there is also a concern that the approach to capacity development in activities directly supported by the FTI has been too narrow in two respects:

- (a) The FTI has regularly defaulted to project modalities that make limited use of government systems. As well as contributing to the fragmentation of capacity development efforts, this overlooks the need/scope for using and strengthening government systems. This is discussed further in section 3G (aid effectiveness). This relates not only to the necessary coherence between macro-level systems of public financial management, public sector reform, poverty reduction strategies, medium-term financial planning and cross-sectoral alignment but specifically to management of capacity development by the countries.¹¹¹
- (b) A criticism of FTI's capacity development more generally is that it has focused predominantly on upstream (planning) work, the assumption being that downstream capacities would be adequately addressed in the ESP and in donors' coordinated support to the ESP.

3.146 The shortcomings of the EPDF in practice, as opposed to the ideal of its performance, are important to note (Table 3 above) and have led to the recent EPDF Task Team reform proposals, including the EPDF II Task Team's redesign concurrent with this evaluation.¹¹²

¹¹⁰ Each country case study report includes an analytical matrix for capacity development which identifies FTI inputs and assesses their relevance, effectiveness, efficiency and sustainability.

¹¹¹ The Accra Agenda for Action focuses on demand-led capacity development supported by donors as well as "ownership" of capacity development by recipient countries, e.g. "To enable developing countries to exercise ownership of capacity development through technical cooperation, external partners agree to a) the joint selection and management of technical cooperation to support local priorities" (OECD DAC 2008e).

¹¹² A more extensive treatment of the EPDF is provided in Appendix IV. The evaluation team had not seen the details of the EPDF reform proposals at the time of drafting this report.

3F Data, Monitoring and Evaluation

FTI objectives and design

3.147 The early conceptualisation of the FTI emphasised the data gap. The 2002 Action Plan and the 2004 FTI Framework stressed the importance of strengthening data systems in general and of monitoring key indicators, particularly those that were identified in the context of the Indicative Framework. The FTI was part of a broader movement towards a greater results orientation in aid, with collection of the corresponding types of evidence.

3.148 Three of the FTI *goals* (FTI 2004a) are especially relevant to data, monitoring and evaluation:

- *Sound sector policies in education*, through systematic review and indicative benchmarking of recipient countries' education policies and performance.
- *Increased accountability for sector results*, through annual reporting on policy progress and key sector outcomes against a set of appropriate indicators in participating countries, and transparent sharing of results.
- *Mutual learning on what works* to improve primary education outcomes and advance EFA goals.

3.149 The following *guiding principles* are also pertinent:

- *Benchmarking*: The FTI encourages the use of indicative benchmarks (the FTI Indicative Framework) locally adapted to enlighten debate, in-country reporting on policies and performance, and mutual learning on what works to improve primary education outcomes which can provide lessons learned across countries for the acceleration of UPC.
- *Transparency*: The FTI encourages the open sharing of information on the policies and practices of participating countries and donors alike, through indicative benchmarking and systematic cross-country monitoring.

3.150 A common thread when reviewing FTI activities is the way that monitoring and evaluation that is specific to the FTI is intertwined with broader questions about the monitoring of overall progress towards EFA objectives. This section draws on a more extensive treatment in Annex F and reviews in turn (a) FTI activities at global level, (b) FTI activities at country level, and (c) monitoring and reporting by the FTI both of its own activities and of the performance of FTI partner countries.

FTI global activities on data availability

3.151 The FTI guiding documents show the level of aspiration in addressing the data gap. However, many of these improvements were expected to be brought about by the activities of individual partners and organisations rather than by the FTI partnership itself. There has been more systematic monitoring of education data since Dakar. The UNESCO Institute of Statistics (UIS) is now a recognised authority on global education statistics in a way which was not the case with the statistical unit based in the Paris headquarters. The annual EFA Global Monitoring Reports, produced since 2002 by an independent team, have been making an important contribution to the monitoring of progress towards the EFA targets and to the understanding of constraints towards reaching those targets. The OECD Development Assistance Committee aid statistics have improved and allow analyses of the priorities of development cooperation. The FTI has relied on these institutions and collaborates with them for its own reporting.

3.152 The FTI's own agenda included the promotion of cross-country performance measures, especially those in the Indicative Framework. Annex C provides a detailed

review of the Indicative Framework and includes a table showing which of the indicators are tracked by the GMR. The FTI particularly advocated the use of the primary completion rate (PCR) as a crucial indicator of performance and has contributed to the fact that more countries report on it. However, reporting has not improved on Indicative Framework indicators in general. For example, there is very little new information on non-salary expenditure as a percentage of total primary education recurrent expenditure, or on annual instructional hours. This means that the relevance of the Indicative Framework cannot be easily reviewed.

3.153 In that sense, FTI activities aimed at closing the data gap appear fragmented in view of the big picture of outstanding data quality issues (reviewed in Appendix I). Among those issues that would have merited more attention by the FTI, at least at the level of stronger advocacy for improvement, are: (a) population estimates and projections, focusing on the implications for the estimated number of out-of-school children; (b) the implications of different measurement methods of the primary completion rate (e.g. reconciling estimates obtained through administrative and survey data); and (c) national public expenditure data on education and the processes needed to assign expenditure by level and type.

FTI country-level activities on data availability and use

Channels of influence

3.154 At country level, the FTI's influence to strengthen data availability and use operated at two levels. On the supply side, through the CF and the EPDF, the FTI funded some activities directly aimed at closing the data gap at the level of both ESP preparation and implementation. A credible and sustainable ESP would:

- indicate how the country intends to carry out monitoring and evaluation; and
- identify annual targets for measuring progress on key policies and outcomes, including those of the Indicative Framework as locally adapted.

3.155 On the demand side, the expectation was that the ESP endorsement process would highlight the need to strengthen the monitoring and evaluation function if this had not received sufficient attention in FTI countries. This was elaborated in the Appraisal Guidelines which envisaged that the plans would incorporate recommendations for donor action in, among others:

- the monitoring process, including indicators to track progress on inputs, outputs and outcomes, suggesting themes for review during annual joint supervisions, as well as a process for assessing donor support and overall coordination;
- critical knowledge on data gaps and suggested arrangements to close them.

Influence via the CF and the EPDF

3.156 Through the CF, the FTI funded activities directly aimed at closing the data gap in some countries. Among case study countries, CF resources were targeted at data collection and M&E capacity building at governorate level in Yemen, the extension of the school self assessment approach in Cambodia, and procurement of vehicles for data collection at the district level in Ghana. However, these were a small part of related ongoing activities in FTI countries.

3.157 Through the EPDF, the FTI supported numerous activities to increase data coverage and use, such as reviews, surveys and impact evaluations. The Country Status Reports, which have been supported by EPDF in a number of mainly African countries, are an example of a stocktaking exercise that used available data from multiple sources as an input into analysis and plan preparation, and in some countries included a capacity building dimension. Due to insufficient documentation, the desk review by Bellew & Moock 2008

found itself "unable to assess whether the EPDF-funded activities produced the outcomes captured by the four EPDF objectives". However, on the whole, these projects, even if individually consistent with EPDF objectives, appear fragmented considering data gap issues, such as the need to improve country reporting of Indicative Framework indicators.

Influence via sector plan appraisals

3.158 A review by the FTI Secretariat in 2007 of 28 endorsed education sector plans (FTI 2008b) examined how they treated four core issues (policy, finance, data and capacity development) along three dimensions (clarity of issues, relevant strategy, and monitoring). Performance was found to be weakest in the coverage of data issues: only some plans addressed these issues explicitly and even the best plans could have provided more detail on analysis or the costs of improvements. In addition, some of the case studies under this evaluation (e.g. Burkina Faso, Yemen, Ghana) point to the fact that the appraisals tended to be "light touch" and they therefore missed the opportunity to demand improvements and push through solutions. This suggests that the appraisal process contributed less than expected to the strengthening of data and monitoring. One reason might be that the appraisals could not be followed up with support to LDGs and LEGs to help them use available evidence to draw policy implications in the context of the joint annual review process, given the weak capacity of these groups. Moreover, the evidence from the country case studies is that progress in the use of data for planning has remained limited, that the FTI's contribution to such progress has been minor, and that too often donors themselves remain the principal audience for analyses of the data.

Monitoring and evaluation of the FTI partnership

M&E role of the FTI Secretariat

3.159 The FTI Framework envisaged that the FTI Secretariat would provide technical and administrative support to the Initiative, including: monitoring of FTI implementation; support to the development of cross-country performance measures; and knowledge sharing, communications and outreach. The Secretariat would prepare regular reports to the FTI partners on recipient country and donor performance and the lessons learned from the FTI, based on information drawn from annual country-level sector reviews.

3.160 Some of the weaknesses of the FTI's governance identified in Annex B had a clear impact on the monitoring and evaluation function of the FTI Secretariat (notably the understaffing, the lack of workplans and budget and the sharing of some key activities with task teams and other partner institutions that left grey areas of responsibility). The tasks described in the previous paragraph would have been extremely demanding to fulfil, even for a much more fully staffed Secretariat; and some of the tasks anticipated – such as the compilation of internationally comparable data based on country-level sector reviews – were rather impractical.

Reporting on country performance

3.161 The FTI Secretariat was expected to closely monitor the performance of endorsed countries, with special attention to the Indicative Framework. As explained in Annex C, the Indicative Framework has been used and reported against by endorsed countries much less than the FTI design anticipated, and international reporting on many of its indicators is very limited. The country profiles presented as annexes in the 2007 and 2008 FTI Annual Reports do not report on any of the service delivery indicators of the Indicative Framework (with the exception of the pupil teacher ratio). Similarly, the submission of the Country Information Form, which was developed in 2006 in response to a request by the CF Committee for reporting on financial and education data, has not been universal, and often the data submitted have been partial.

Reporting on the performance of donors

3.162 The Annual Reports have not elaborated beyond the use of the OECD DAC data (in collaboration with the EFA GMR) to report on total donor commitments and allocations to basic education. For example, the response of individual donors to endorsement has not been monitored, even though this was specified as a key element of the "compact" at country level. FTI donors at country level have not characteristically made commitments, especially financial commitments, that it would be straightforward to monitor.

Reporting on FTI activities and performance

3.163 The 2007 and 2008 FTI Annual Reports prepared by the FTI Secretariat are high profile documents for communication about the FTI. However, they mix up objective monitoring with advocacy in support of the FTI. There is a tendency to credit FTI for improvements in which the role of the FTI has been marginal and to assume that the FTI is the cause of any differences in country performance before and after endorsement. For example, the FTI survey to review Paris Declaration indicators (FTI 2009c) was cited as demonstrating the effectiveness of FTI processes in the education sector. However, the survey was a snapshot at a single point in time and was based on endorsed countries only, therefore such inferences could not logically be drawn.¹¹³

3.164 Reporting of the FTI's own activities has not been sufficiently analytical. A lot of effort was, rightly, put into tracking the CF allocation and disbursement process, but it is disappointing that this evaluation's analyses of CF allocations (as discussed in Section 3C above, and presented in detail in Appendix III) had not been undertaken before.

3.165 Reports to donors on the effectiveness and results of EPDF expenditure, as envisaged in the EPDF Concept Note, have in practice been sparse. Systematic reports have only covered fund allocations by activity, country and objective (with a financial summary of activities, commitments and disbursements) but not on their effectiveness. A brief discussion of the EPDF is found in Section 3E and a full review is in Appendix IV.

3.166 In brief, the above points suggest that insufficient attention was paid to basic monitoring of the performance of the FTI Partnership as such. In addition to resource constraints and the light touch approach to management arrangements, this also reflects, to some extent, the absence of a fully spelt out system for monitoring and evaluation and a resulting tendency to introduce ad hoc systems.

Conclusion on data, monitoring and evaluation

3.167 There have been improvements in the availability of education data and a stronger focus on results over the years but the FTI role in this has been less than envisaged. This reflects a number of factors:

- (a) Improving the quality of data is a long-term process and beyond the time scale of usual donor commitments (see Appendix I, Part B). The FTI was in any case a relatively small player, although it could have played a stronger advocacy role to promote the collection of information for key statistics.
- (b) Making progress on results-orientation and evidence-based approaches is difficult and also requires stamina for recipient countries and donors alike.
- (c) Evidence on some of the key assumptions in the FTI design was not monitored systematically in practice and the assumptions could therefore not be evaluated:

¹¹³ See Box 9 in the aid effectiveness section below.

- The Indicative Framework has been used much less in ESPs, let alone in subsequent monitoring, than was anticipated. The (justified) acknowledgement that the Indicative Framework could be "locally adapted" meant that it was less likely to yield comparable data across countries. Finally, some of the data have proved difficult to collect.
 - The monitoring of donor performance did not focus on donor response to endorsement. In any case, donors did not make clear monitorable commitments at the time of endorsing ESPs or subsequently.
- (d) The modest staffing of the FTI Secretariat (Annex B) meant that its capacity to do systematic monitoring was limited and the Steering Committee did not demand such reporting.

3.168 Underlying reasons and possible remedies are considered in Chapters 4 and 5. Chapter 5 also takes up the issue of a future monitoring and evaluation framework for the FTI, linked to possibilities for impact evaluation (and detailed recommendations on such a framework are provided in Appendix VI).

3G Aid Effectiveness

FTI objectives and design

3.169 This section examines the FTI's role with regard to aid effectiveness at global and at country level. It notes contextual developments related to aid effectiveness since the launch of the FTI, and analyses both its contribution and its evolution in line with other global initiatives and emerging best practices. This section provides an analysis of the evolving aid modalities and related mechanisms that underpin the trends analysed in section 3C, which focuses on the evolution of external financing for basic education.

Background: an evolving aid effectiveness agenda

3.170 The FTI was conceived alongside renewed attention to aid effectiveness in the late 1990s and early 2000s, and the roll-out of such initiatives as HIPC, the MDGs, PRSPs, and the Monterrey compact. Throughout the FTI's existence there has been an active aid effectiveness agenda at international level, including the Rome (2003), Marrakech (2004), Paris (2005), and Accra (2008) conferences. The FTI has been riding a wave of enthusiasm for better aid effectiveness, both at global and at country level, but has also tried to give it more momentum.

3.171 Efforts to enhance aid effectiveness are based on lessons drawn from nearly fifty years' experience in development aid on how to use aid more efficiently and effectively. Current efforts aim in particular to strengthen national institutions and accountability mechanisms, while minimising aid-related transaction costs, as well as focusing aid where it is needed. The Paris Declaration identifies country ownership, alignment, harmonisation, managing for results and mutual accountability as key pillars of aid effectiveness.¹¹⁴

3.172 The education sector has historically been one of the lead sectors for donor cooperation and was in many countries the first sector where a SWAp developed (see e.g. Foster 2000). SWAps were developed in the education sector from the mid-1990s. This is due mainly to the strong public sector role and the large share of public financing received,

¹¹⁴ Paris Declaration principles have also been criticised for failing to recognize the importance of political economy in donor and recipient countries, and encouraging risk avoidance and political correctness (see for example ODI 2008).

the existence of a clear lead ministry in most countries, the existence of easily identified activities in the government budget, and the high number of donors involved.¹¹⁵

3.173 Several global funds and vertical programmes – in particular in the health sector were being established around the same time as the FTI.¹¹⁶ These "global funds" were acknowledged as efficient mechanisms for mobilising funds but were criticised for their lack of flexibility at country level and their "vertical" approach which was seen as undermining country systems. The FTI consciously chose not to emulate them, but to emphasise country ownership and support for a country-led plan, with additional external finance to be drawn principally from existing in-country donors.

FTI objectives and design

3.174 Aid effectiveness has always been a strong theme within the FTI, and it came to be explicitly identified with the principles codified first in Monterrey and then in the Paris Declaration. The FTI describes itself as "a new aid paradigm supporting aid effectiveness as a key objective" and as "an excellent model for donor coordination and collaboration" (FTI 2009i, p3).

3.175 The 2002 Action Plan called for the definition of a new "compact", "in which governments would demonstrate their commitment to education by taking specific actions that would radically transform their education systems. In return, external partners would provide financial and technical support in a transparent, predictable and flexible manner" (World Bank 2002, p8). The often-cited FTI "compact" (see Box 3 in Chapter 2) was an early attempt to define a clear framework for enhancing mutual accountability. It anticipated clear (although non-binding) commitments both from partner countries and from their development partners.

3.176 The Action Plan also stressed the need to:

- Ensure better targeting of EFA priority countries. ...
- Change the mix of donor assistance. ...
- Improve the efficiency of aid transfers. A significant share of donor assistance typically supports technical assistance contracts, consultancies, seminars, and other expenditures that cannot be counted directly against the "net" resource requirements for EFA estimated in the calculations, about two-thirds of which will be for recurrent costs and notably for teacher salaries, system management and appropriate demand side interventions. Greater use of pooled assistance and direct budgetary transfers in the context of Sector Wide Approaches (SWAPs), PRSPs and other programmatic support will be needed to increase the efficiency of transfers. (ibid. pp18–19)

3.177 The 2004 FTI Framework also gave a strong focus to improving aid effectiveness, and included goals and guiding principles very much in line with the Paris Declaration adopted the following year. The **goals** included the acceleration of UPC through: *more efficient aid for primary education*, through actions of development partners to maximise coordination, complementarities and harmonisation in aid delivery and reduce transactions costs for FTI recipient countries; *sustained increases in aid for primary education*, where

¹¹⁵ Ethiopia's Education Sector Development Programme (ESDP), which originated in 1997–98, can be seen as a prototype for the country-level "compact" advocated by FTI, although there is no evidence that FTI consciously took account of the lessons that could have been learned from it – see Exhibit 17 on page 135.

¹¹⁶ Roll Back Malaria Partnership in 1998, Global Alliance for Vaccines and Immunisation in 2000, Global Fund to fight Aids, Tuberculosis and Malaria in 2002, US President's Emergency Plan for AIDS Relief (PEPFAR) in 2003. Global vertical programmes accounted for about ten percent of Country Programmable Aid for the period 2003–2006 (**Error! Reference source not found.**).

countries demonstrate the ability to utilise it effectively; and *increased accountability for sector results*. The following **guiding principles** had obvious implications for aid effectiveness: *Country Ownership; Support Linked to Performance; Lower Transaction Costs; and Transparency*. (FTI 2004a)

3.178 More recently, a new set of guidelines has come to reinforce the emphasis on country ownership and the need for broad involvement of stakeholders at country level, and the FTI's commitment to enforce aid effectiveness principles through the aid modalities used by the Catalytic Fund. The *Country Level Process Guide* (FTI 2009b) defines new processes aimed at facilitating joint analytical work and use of country processes, inter alia by clarifying the process for selecting an alternative supervising entity. The aid modality guidelines assert that the choice of aid modality for the CF should "aim at increasing the sector's aid effectiveness" (FTI 2008e, p5). The *FTI Guidelines for Capacity Development in the Education Sector* (FTI 2008c) also promote a shared agenda and enhanced donor coordination at country level.

The FTI global partnership and aid effectiveness

Changing context

3.179 It is important to note that some ongoing developments in aid architecture reinforced the FTI design and objectives while others were less favourable for the FTI:

- On the positive side, aid effectiveness good practice thinking from Rome to Paris to Accra gave an increasing emphasis on country ownership and the use of country systems, more attention to joint working (programme based approaches, SWAps) and increasing use of relatively new aid modalities, ranging from pooled funding to sector and general budget support.
- On the other hand, there was less tendency to think that attracting more donors to a sector was inherently a good thing (the original donor orphan assumption of the CF) – and more consideration for the need for a "division of labour" among donors.¹¹⁷ The shift to multi-sector aid instruments and budgetary constraints led to pressure to reduce donor technical staff (both at HQ and in-country), hence posing problems for the capacity of donor groups in country (as already noted in section 3D – see Box 5 above and the associated discussion).
- There continued to be a range of donor attitudes to Paris Declaration principles and to country risk, so there were divergent preferences both in-country and at global level. Levels of donor commitment to Paris Declaration principles vary, and practices in country differ from commitments mainly because of misaligned incentives (see OECD DAC 2008f). A shift in WB attitudes/practices on aid modalities stemming from changes in the WB Trust Fund management processes turned out to be another unanticipated constraint (cf. Annex B).

3.180 Overall monitoring of the Paris Declaration shows that progress is being made, but not fast enough. While there has been progress for almost all the measures of aid effectiveness since 2005, reports recognise that the pace too slow and there is still need for a significant shift from "business as usual", in particular regarding the use of country processes and the definition of joint frameworks for monitoring results and agreed commitments on aid effectiveness (World Bank 2008, UNESCO 2008, OECD DAC 2008a, Mokoro & ODI 2009b).

¹¹⁷ This is illustrated for example by the adoption of the EU Code of Conduct on complementarity and the division of labour in development policy, guiding principles 1, 7 and 8 (EU 2007).

3.181 In the education sector, while governments' efforts to develop and implement national education sector plans have gained momentum, in many partner countries ownership remains inadequate (OECD DAC 2008c).

3.182 . Funding to education through programme-based modalities, including SWAps, is on the rise;¹¹⁸ however, SWAps are often restricted to primary education. Use of these modalities varies significantly between donors and there is a general case for channelling more funds through government systems.¹¹⁹ Monitoring and evaluation capacity (including statistical capacity) will also need strengthening. There is also a widely felt need for more open, transparent, consultative dialogue with all stakeholders.

Channels of influence and initiatives at global level

3.183 At global level, the FTI's main means to enhance aid effectiveness are through advocacy and peer pressure among donors, particularly through the contact and collaboration that the FTI engenders,¹²⁰ but also in G8 and Development Committee meetings when specific attention has been paid to the FTI. This is reinforced by giving country partners and civil society a voice in the partnership.

3.184 The FTI is distinctive (compared to more conventional global funds or forums on aid effectiveness) in that it is both a donor (through the CF/EPDF) and an advocate for aid effectiveness. The CF has become an increasingly important feature of the FTI, and is considered at country level as another source of financing for education, involving specific funding requests and processes, it is therefore naturally viewed as a donor.

3.185 *Development of Aid Modality Guidelines.* A lively debate about aid modalities, generally and for the CF in particular, took place within the FTI, leading eventually to the FTI modality guidelines (FTI 2008e). Discussions on aid modalities at global level were intended to feed into the country level processes through an influence on donor policies and practices on aid modalities, discussion between donor HQs and local offices on the FTI aid effectiveness agenda, and direct communication between the FTIS and the Local Donor Groups.

3.186 The modality guidelines were published in November 2008, following an analysis of CF-funded programmes showing limited use of country processes. They also followed the reform of the WB trust fund management processes (July 2008 – see Annex B), and the difficult discussion on the modality of CF funding in Mozambique. Their purpose is:

to assist Local Education Groups in deciding on the most suitable modality supporting the objectives of the Education Sector Plan, and to support the decision-making process regarding choice of [Supervising Entity]. They are intended to inform the choice of modality for the CF and enable a more focused discussion in the Local Education Group on other donors' use of modality, potentially improving aid effectiveness behaviour more broadly. The guidelines also highlight that: An aid effective modality is one that is closely linked to the use of country systems for implementation, financial management, procurement and monitoring and renew the FTI's commitment to promoting the Paris Declaration principles. (FTI 2008e, p5)

¹¹⁸ GMR 2009 data suggest that the share of aid delivered through sector programmes in education increased from 31% in 1999–2000 to 54% in 2005–06 UNESCO 2008.

¹¹⁹ A recent study on Sector Budget Support in Practice (see Exhibit 13 on page 122) recommends that donors should stop funding service delivery through projects (at least in mature or stabilising countries).

¹²⁰ Including task teams, working groups etc. Many donor interviewees stressed the value they placed on FTI as a forum in which they could interact with their opposite numbers from other agencies.

3.187 As outlined in the guidelines, they were not only aimed at fostering discussion about the CF modalities but also about modalities used by other donors supporting the education sector: "The good practice of transparently justifying a less-aligned modality to the Government and the other donors should be applied by the CF, as well as by all other donors" (FTI 2008e, p9).

3.188 In addition, specific initiatives were taken at global level to enhance monitoring of country-level aid effectiveness, notably the *Donor Indicative Framework* (Box 8) and the 2008 *Survey on Paris Declaration Indicators* (Box 9).

FTI influence on aid effectiveness at global level

3.189 As mentioned in many interviews – in particular with bilateral donors – the FTI plays an important global role in bringing donors together to talk about more effective aid to (basic) education. This role as an "education partnership", however, engages education donors much more than other partners. This is true in two senses. First, as noted in Chapter 2, the FTI has functioned more strongly as a donor forum than as a more inclusive partnership. Secondly, both at global level and in-country it has mostly involved education specialists – typically those handling agencies' education portfolio and, in-country, the Ministry of Education. It has had less interaction with in-country Ministries of Finance, and with the macro-economists and generalists of aid agencies, than might have been anticipated from the original design.

3.190 The FTI has taken some initiatives at global level to promote aid effectiveness in the education sector. The pioneering work undertaken by the FTI through the "Donor Indicative Framework" (DIF) (see Box 8 below) fed into the OECD DAC work on the Paris Declaration, but it was not followed up at country level (see ¶3.208 below).

Box 8 The Donor Indicative Framework

Between June and September 2004, the FTI piloted a comprehensive survey of alignment and harmonisation in four countries (Burkina Faso, Ethiopia, Mozambique and Niger) to address the issue of donor accountability in the FTI. The FTI Harmonisation Working Group developed, together with the Secretariat, an instrument for the survey called the Donor Indicative Framework (DIF), with the objective to support FTI partners in their harmonisation efforts and to monitor harmonisation practices and financial commitments at the country level. DIF indicators were based on relevant OECD DAC indicators and the indicators developed by the EC and EU in relation to the Rome Declaration on Harmonisation (February 2003).

The synthesis report of the pilot, produced by the Working Group, was presented to the FTI Partnership Meeting in Brasilia in November 2004. It recommended rolling out the DIF so as to support further efforts to improve alignment and harmonisation and that independent monitoring of the DIF be undertaken. It also recommended that the DIF should become a more flexible tool adaptable to country specificities.

The DIF initiative took place between the Rome and Paris agreements on aid effectiveness. Since the Paris agreement would define aid effectiveness indicators, the FTI decided that it would not be effective for each sector to define its own. Rather, the preference was to integrate the DIF with the OECD DAC and use the comparative advantage of the FTI partnership to help roll out the Paris agreement at the country level, i.e. help to integrate those indicators into country level monitoring of aid effectiveness performance. The FTI was invited to participate in the Paris meeting and in the follow-up working groups on the identification of indicators.

Source: Buse 2007; FTI 2004d.

Box 9 Survey of the Paris Declaration in the education sector

In May 2007, the FTI Steering Committee directed the FTI Secretariat to help collect information and measure progress against the Paris Declaration (PD) Indicators in collaboration with OECD DAC. In 2008, the FTI Secretariat carried out a survey on monitoring the Paris Declaration Indicators in 10 FTI-endorsed countries (FTI 2009c).

Survey objectives and modalities

The immediate objectives were (a) to track progress toward implementing the Paris Declaration in the education sector and (b) to facilitate dialogue at the country and international levels on taking action to make progress on ownership, alignment, harmonisation, managing for results, and mutual accountability.

The FTI survey was carried out between March and May 2008 in 10 FTI-endorsed countries: Burkina Faso, Cambodia, Ethiopia, Ghana, Honduras, Madagascar, Mauritania, Mozambique, Nicaragua, and Rwanda. Countries were selected by the FTI Secretariat. Except for Burkina Faso and Honduras, all countries had received direct support from the Catalytic Fund at the time of the survey. All countries also participated in the OECD DAC monitoring of the PD survey. The local donor groups in Ghana and Madagascar withdrew from participating in the FTI survey because of other initiatives on aid effectiveness.

Data for the FTI survey were obtained through quantitative questionnaires distributed to the ministries of education and local donors, and a qualitative questionnaire designed to facilitate a joint assessment by the ministries of education and local donor groups.

Reported findings

The survey reported that most of the FTI-surveyed countries have made substantial progress on the majority of the Paris indicators. In several countries, performance on the Paris Indicators in the education sector is significantly better than overall performance (thus, on 10 of the 12 indicators for which data are available, results for the education sector in the surveyed countries are close to, have achieved, or are above their respective PD targets for 2010).

The report of the survey went on to attribute positive findings to FTI influence, claiming that:

The positive impact of the FTI process is most evident in the following core areas: Sound and operational education sector strategies and results-oriented performance assessment frameworks (Indicators 1 and 11); Coordinated technical cooperation through local donor groups (Indicator 4); Use of program-based approaches, for example, sector-wide approaches (SWAps) for education (Indicator 9); and Joint field missions and shared analytic work (Indicators 10a and 10b).

Methodological problems

The survey of Paris Declaration indicators took place at a single point in time (i.e. there was no previous baseline to compare with). It included only FTI-endorsed countries, therefore providing no comparison group of non-FTI countries. It compared performance in the education sector with performance overall as monitored in the Paris Declaration Survey carried out by the OECD DAC, without taking into account that the education sector has traditionally been a strong performer on aid effectiveness and donor coordination issues. The report's strong inferences about the positive effects of FTI processes were therefore not logically permissible (there may or may not have been a positive effect of the FTI, but the survey was not methodologically capable of demonstrating one).

3.191 The survey of Paris Declaration indicators was, in part, intended to encourage in-country partners to monitor the Paris-compliance of education sector aid. This would involve repeat surveys to monitor progress (linking to the next round of the Paris Declaration Monitoring survey itself would be an obvious step). In the meantime, the way the survey's findings were reported is unfortunate. Box 9 above notes the inherent methodological limitations of (the first round of) such a survey. Examples of excessive inferences include:

It could be argued that because education sector results are consistently above the overall national results [in terms of coordination of capacity development initiatives], they are indicative of an innate positive effect of the collaboration mechanisms between local donor groups and their government counterparts instituted by the FTI" (FTI 2009c, p11).

On average, 61 percent of donor missions to the education sector were conducted jointly, compared with 21 percent of all missions in the 10 countries; and 54 percent of analytic work projects were conducted jointly, compared with 42 percent at the overall national level in the 10 FTI countries. Again, this is an apparent impact of the strong coordination efforts among the local donor groups instituted by the FTI (FTI 2009c, p14).¹²¹

3.192 Through its close relation and interaction with the WB, the FTI and FTI Secretariat also had a certain influence on discussions around aid effectiveness in the WB. In particular, discussions around pooled funding related to the difficult negotiation surrounding the provision of CF support through the education pooled fund in Mozambique, and the pressure to find ways of providing Sector Budget Support related to the Rwanda and Burkina Faso experiences have fostered intense discussions within the WB.

3.193 Attempts have also been made by the FTI to define a more effective way of supporting basic education in fragile states – in particular through the definition of the Progressive Framework. Inclusion of fragile states in the FTI agenda is a key element of the "allocative efficiency" of FTI CF funding¹²² (see Annex H and Exhibit 15, page 132).

3.194 Most of the work related to the FTI has been by education specialists – and has been weakly linked to the macro level, despite the fact that the initial design foresaw a strong link to PRSPs. This was already highlighted as one of the conclusions of the DIF in 2004: "further progress will require bridging the gap between the general PRS dialogue and the education sector dialogue" (FTI 2004d) and by the second Buse report (Buse 2007, p27).

Aid effectiveness at country level

FTI channels of influence (at country level)

3.195 In the study entitled *EFA-FTI. An embodiment of the Paris Declaration on aid effectiveness?* (Buse 2007), the FTI is considered as "a demonstrable champion of aid effectiveness" (p13), "a major champion of alignment and has supported partners to align their support in many countries" (p18), which "acts as a powerful agent for harmonisation" (p20). This section reviews evidence of FTI influence on aid effectiveness drawn from country studies carried out for this evaluation.

3.196 The FTI's main channels of influence on aid effectiveness at country level are (a) through its influence on in-country donor behaviour, especially as it links to the endorsement process and appraisal of ESP by the LDG and subsequent support to ESP implementation and review processes; (b) through the discussions around the choice of aid modality for the CF funds and more broadly for external funding to education.

¹²¹ Among the country cases reviewed for the evaluation it was very rarely the case that collaboration mechanisms and coordination efforts were *instituted* by the FTI.

¹²² See Fredriksen 2008.

3.197 The FTI placed a particularly strong focus on strengthening ownership: a credible and costed ESP, developed under the leadership of the partner government, potentially with the support of the EPDF, was to provide the basis for enhanced alignment and ownership. The FTI's stated flexibility, in particular the delegation of the endorsement process to the local donors at country level, was designed to respect country ownership.

3.198 The Catalytic Fund itself provided another channel for the FTI to stimulate discussions and required agreement among the local donor group on aid modalities and the content of the CF-funded programme itself, and potentially on other donor programmes. The aid modality guidelines stipulate that "the most aligned modality should be used as agreed upon by the local donor group in the education sector and, if not, a full justification/ explanation should be given to the Catalytic Fund Committee" (FTI 2008e, p8). See Exhibit 16 (on page 135) for a mapping of the aid modalities used in the case study countries.

Country cases: FTI influence on aid effectiveness

3.199 *In most case study countries, efforts to strengthen donor coordination and improve aid effectiveness started before the endorsement process (Kenya, Rwanda, Mali, Ethiopia, Mozambique, Vietnam, Uganda, Zambia) or followed an endogenous process weakly related to the FTI (Burkina Faso, Ghana).* The FTI's contribution to aid effectiveness has had most added value in countries where significant CF funding (compared to existing levels of external support for the concerned sub-sector) was provided through the most aligned available aid modality (Moldova, Rwanda, Kenya, Burkina Faso and Zambia). Over time, a somewhat stronger influence on aid effectiveness can be noticed when countries gain access to significant CF resources (Burkina Faso's 2008 situation vs. that of 2002–2007; Ethiopia 2007–09 vs. 2002–03; Mozambique 2006 vs. 2003; Zambia 2009 vs. 2002), which once again highlights the importance of the CF in providing a tool to achieve FTI objectives (and the underlying importance of financial incentives).

3.200 *The FTI's constant focus on country-driven processes overall has led to good alignment with existing donor coordination and related processes. This was crucial given that these processes were already ongoing at the time of endorsement in most case study countries.* The FTI's focus on primary education and CF-funded programmes and projects has also been in line with country priorities, as shown in most country case studies. In countries where the FTI has contributed to the design of a credible Education Sector Plan (Yemen), or where it has led to a significant reinforcement of the quality of the plan (improved costing in Rwanda), it has contributed to providing an improved basis for donor alignment to national processes. Two country case studies (Yemen and Cambodia) nevertheless highlight that better alignment of the preparation of the CF project (activity plans) with existing national planning processes (annual work plans) would have further enhanced alignment and support to country planning. Discussion of aid modalities below provides further insight on alignment of FTI CF support with country processes.

3.201 *Country studies show a mixed picture with regard to ownership.* In several countries the endorsement and appraisal process has contributed to strengthening the national planning process (Yemen, Mozambique, Rwanda). However, FTI requests that were drafted by consultants (as in Yemen), or which were additional and parallel to existing plans (Mozambique, Nicaragua, Mali, Malawi, Burkina Faso 2002) do not indicate strong country ownership. Section 3D has outlined how the incentives created by the direct link between FTI endorsement and access to CF resources creates certain pressures on donors and governments (see ¶3.102 above). In addition, the facts that the education donor group is used as the FTI's conduit for communication with Government, that the responsibility for carrying the CF forward in practice lies with the World Bank as supervising entity in most countries, and that the requests are presented to the CF committee by the lead donor rather than by the applicant government are described in several country studies and interviews as

a significant challenge to country ownership (Cambodia, Burkina Faso, Nicaragua, Cameroon – interview).

3.202 *The only country case studies that identified a strong positive contribution of the FTI to aid harmonisation and alignment with country systems were Burkina Faso and Zambia; this was strongly linked to negotiations around CF funding.* In these two countries, strong pressure from both the local donor group and the Government (Ministries of Finance and Education) led to major breakthroughs compared with previously existing practices for CF funding (provision of sector budget support by the WB in Burkina Faso; an alternative supervising entity in Zambia). In other countries, FTI CF funding either had a neutral effect on aid harmonisation (when using existing WB modalities) or a negative effect through requesting specific derogations from existing processes (Mali, Mozambique, Yemen, Ethiopia, Rwanda 2007) leading to additional transaction costs. For countries which had been benefiting from CF funds since the early years (Ghana, Madagascar, Cameroon), changes in WB trust fund management rules meant additional lengthy procedures, in particular the production of a Project Appraisal Document (PAD), and a regression from previously more aligned processes. Finally, several case country studies outline the heaviness of both the FTI endorsement process (lack of clear guidance, last minute requirements, preparation of FTI-specific plan) and WB project and Development Policy Operation (DPO) preparation process (Ghana, Rwanda, Burkina Faso, Cambodia, Nicaragua, Ethiopia, Uganda, Mali, Moldova).

3.203 Regarding predictability, both in the long term and in the short term, there is no evidence of a positive FTI influence leading to longer term commitments by donors or to improved in-year timeliness and reliability of disbursements. Despite the fact that all countries have calculated a financing gap and defined a financing framework until 2015, in no country do commitments for education support exceed three years. This is also the case for CF funding. The main issues raised with regard to predictability of CF funding are weak alignment with the budget cycle, late disbursements in the budget year, and lack of understanding on how to secure the next round of funding (especially important in countries where the CF is providing a substantial share of external aid to basic education). See Section 3C (¶3.53) for more details.

3.204 The FTI has not succeeded in providing a longer term predictable source of finance until 2015 or 2025, thus limiting recipient countries' scope for taking policy decisions with long term recurrent cost implications. An illustration of this issue is the case of Rwanda, where the choice was made to hire contractual teachers and provide one-off bonuses to all teachers, as opposed to hiring more regular teachers and increasing salaries, mainly because of the lack of long term predictability of education financing – and despite the fact that teacher salaries in Rwanda were in line with the IF benchmark.

3.205 Ironically, the FTI CF itself is a major source of uncertainty over the medium term due to the lack of clarity in its allocation process (criteria, amounts), particularly in countries where it provides a significant share of external funding for education. This lack of clear guidance for the renewal of the FTI CF potentially leads to the CF support actually creating a financing gap if discontinued, a risk mentioned in several case studies (Kenya, Mozambique, Cambodia, Burkina Faso, Moldova, Zambia). This lack of clear guidance seems related to the apparent contradictions between the requirement for fiscal sustainability over a relatively short term, the requirement for increased domestic and donor funding to be "catalysed" by the CF, the provision of large sums of money by the CF which are unlikely be replaced by domestic funding or an increase in current donor funding, and the recognition that the financing gap to reach EFA objectives extends beyond 2015 for many countries.

3.206 On the issue of mutual accountability, in most countries, joint sector reviews existed before the start of the endorsement process, or started simultaneously but not directly as a

consequence of FTI endorsement (Ghana, Ethiopia, Mali, Rwanda; and Kenya, Burkina Faso, Vietnam: simultaneous but not due to FTI). FTI endorsement and subsequent discussions on FTI CF funding may have led to positive developments in terms of dialogue and donor coordination in countries where aid coordination was weak or non-existent before FTI endorsement (Moldova, Yemen, Nicaragua, – also East Timor and Madagascar, interview data), although not invariably (Cambodia). A number of country case studies mention the useful role of the joint FTI appraisal process to strengthen donor coordination (Burkina Faso, Moldova, Rwanda, Yemen) and the role of the lead donor. The Nicaragua case study highlighted the positive contribution of the FTI in broadening stakeholder participation.

3.207 However, the mutual accountability envisaged by the "FTI compact" has been rather weak. Donors have not made the monitorable commitments to finance ESPs that the FTI design envisaged.

3.208 The pilot for the "Donor Indicative Framework" carried out in Burkina Faso, Ethiopia, Mozambique and Niger (see Box 8 above) did not have a significant effect on the development of a mutual accountability framework at country level. In three case study countries where the DIF pilot was carried out (Burkina Faso, Ethiopia, Mozambique), the present evaluation found no sign that this initiative had a lasting influence on sector dialogue or monitoring of donor commitments.

Country cases: choice of aid modality

3.209 The choice of aid modality for CF funding has been left to the country and local donor group in line with the FTI's commitment to country-driven processes. In practice, the WB has been the default supervising entity for the CF in all countries except Zambia and WB team leaders have been required to use existing WB aid modalities in the name of the WB's fiduciary responsibility,¹²³ and so the choice of aid modality for CF funding is constrained by existing WB support and available aid modalities. Exhibit 16 (on page 135) includes a summary overview of aid modalities available in the education sector in case study countries and aid modalities used by the CF.

3.210 In practice throughout case study countries, CF funding has used the same aid modality as the WB¹²⁴ even when it is not the most aligned modality compared to other ongoing donor support to the sector. In the case studies in which CF support was provided using the most aligned modality despite difficulties with WB processes (Burkina Faso, Rwanda, Zambia, Mozambique), this was the result of a strong pre-existing donor coordination mechanism and strong education sector planning and review process, an intense negotiation process, strong pressure from both the Government (Ministry of Education and Ministry of Finance) and the local donor group, and flexibility from the local WB representatives. In only one country (Burkina Faso) did the FTI CF programme preparation lead to a leap forward in terms of aid effectiveness and use of country systems, and has the potential of leading other donors to take the same route in future years. Zambia is the first FTI-endorsed country where an alternative supervising entity (Netherlands) was chosen. It allows the use of the most aligned aid modality (earmarked Sector Budget Support), starting from 2009.

3.211 In eight case study countries, the CF is not provided through the most aligned modality available in country (see Exhibit 16). Important lessons can be drawn from these

¹²³ In a more stringent manner since the reform of Trust Fund management processes in 2008: see Annex B and Appendix III.

¹²⁴ Except in cases where the WB is not the supervising entity (Zambia), or there is no ongoing WB funding for basic education (Rwanda, Mozambique – and also Zambia).

cases on the constraints affecting the FTI contribution to aid effectiveness in the education sector:

- (a) In all these cases the WB is the supervising entity and a key element of constraint in the use of the most aligned modality has been the fact that it is seen as simpler and less time consuming (in particular for the WB team), or less likely to lead to delays in disbursements, to use the same modality as the WB.
- (b) World Bank procedures and fiduciary safeguard requirements, in particular in relation to procurement, have proved a strong limitation to the possibility for the Bank to fund existing pooled funds (Mozambique) or provide sector budget support (Cambodia). The WB does not seem able to rely on other donors' fiduciary risk assessments when these other donors are already providing sector budget support to the sector (Mali, Cambodia).
- (c) In none of these countries was the choice of an alternative supervising entity seriously brought up, apart from in Mozambique where it was refused both by the WB and by the Government.
- (d) General budget support and non-earmarked SBS are not seen as a credible alternative to project funding or to earmarked support, for various reasons related to the perceived threat it could pose to sector dialogue, and to perceived greater fiduciary risks and fungibility. This is also true of Ministries of Education that see in GBS and SBS the risk of less predictable funding, and the risk of less funding for education. In general, Ministries of Finance and in particular Budget Departments have been weakly involved in the discussion on aid modalities, and this issue has not been brought up in higher level donor–government dialogue forums at country level.
- (e) In the case of Mali, even traceable (financially earmarked) sector budget support is not seen as a possible alternative since it is not earmarked to primary education but to the whole education sector.
- (f) In a number of these countries the local education donor group does not seem to have the necessary capacity or experience (or clout) on aid effectiveness issues to lead the dialogue with the World Bank, and does not seem to have pressed very hard for a change in aid modalities. Similarly, the partner government does not seem to have presented a strong or united front on the issue of aid modality (disagreements between Ministry of Finance and of Education in Mozambique; no strong requirement or interest for more aligned modalities in Ghana and Moldova; desire to avoid the risk of "losing" CF money in Cambodia).
- (g) The lack of understanding among local donors of the FTI objectives in terms of aid effectiveness, and the fact that the FTI CF is seen as "a World Bank financing window" have contributed to minimising the pressure on the World Bank to use more aligned aid modalities (Cambodia, Nicaragua).
- (h) The FTI Secretariat and donor HQs do not seem to have provided clear guidance in either direction (Cambodia, Mozambique).
- (i) In several cases these discussions have generated tensions among the local donor group and sometimes even with government, which are likely to have lasting effects on the quality of dialogue and may slow down future progress on aid effectiveness.

3.212 Experiences articulated in country studies also outline the difficulty for the WB to contribute to pooled funding. In Mozambique, Zambia and Burkina Faso, where pooled funding was the most aligned aid modality in support to the education sector when a request

was made for CF funding, the WB's inability to contribute to an existing pooled fund unless it met IDA fiduciary standards posed significant challenges. The various solutions chosen were: to modify the rules of the existing pooled fund in order to comply with WB requirements (Mozambique); choose an alternative supervising entity (Zambia); use the WB as supervising entity but providing Sector Budget Support through a Development Policy Operation (Burkina Faso). Similar difficulties arose regarding the use of Sector Budget Support (Rwanda, Burkina Faso, Mali, Cambodia) as no specific instrument was available for that purpose until 2009.

3.213 On the positive side, the requirement to use WB instruments was not allowed to prevent alignment with existing donor support and country processes in Rwanda or Kenya; standard instruments were adapted in ways which show that the available room for manoeuvre is used differently by different WB task team leaders. Close links with WB existing support to basic education, and PRSCs when relevant, has also provided for useful synergies. In addition, innovative mechanisms of fund transfer directly to school level were used in Kenya through a pooled fund, and in Rwanda through Sector Budget Support.

3.214 Overall, the apparent lack of consistency across case study countries in the criteria for using different aid modalities has contributed to blurring the image of the FTI as a champion of Paris Declaration objectives in-country.

The FTI and large/federal countries

3.215 Two of the evaluation's case studies were of large federal countries which were included in the FTI as "analytical fast track". The case studies showed that there were aid effectiveness issues in both countries, but that the design of the FTI (e.g. in presuming the existence of a functioning Local Donor Group in regular dialogue with the Ministry of Education) could not easily be applied in such cases. The federal nature of these countries meant that much such dialogue would need to take place at sub-federal level. Moreover, the two cases are quite different both in their federal structure and in their donor relations. There were some early contacts with the FTI Secretariat, but it seems that in-country donors lacked enthusiasm to pursue the matter and the FTI Secretariat, with its very limited staffing, was not able to follow up the design issues that had been raised, and, in the case of Pakistan, the Ministry of Education was left confused and disappointed.

3.216 It is clear that the five "analytical fast track countries" are all very different, and each would need a customised approach if the FTI is to engage usefully with them. In India's case, there is innovative collaboration between the government and donors on basic education, and the FTI endorsement process and the Catalytic Fund are not likely to be relevant; EPDF support is already provided. For Nigeria and Pakistan, however, the country case studies do suggest possible ways in which the FTI might be relevant, but these would be substantial departures from the standard FTI approach and would require careful preparation. There are signs (including recent approaches from the Secretariat) that interest in engaging more closely with these countries is reawakening. There is a danger that, without a coherent strategy, the cycle of raised and then disappointed expectations will repeat itself.

3.217 The case of Ethiopia (see this evaluation's desk study, Dom 2010) is different again. Its federal structure is unique, and state institutions have been much more effective in expanding basic education. The case study shows that education donors have found it difficult to engage in ways that are fully aligned with its federal institutions, despite the long history of sector approaches (see Exhibit 17 on page 136). The strongest support to basic education is through a quasi-sector budget support modality (Protecting Basic Services), which is strongly aligned with the federal system, but the Ministry of Education and local donors have chosen to focus on supporting education quality through a complex modality (a World Bank-led project) that is less fully aligned with country systems.

Conclusions: lack of coherence between global and country levels

3.218 The FTI has adopted and disseminated important aid effectiveness principles, and avoided some of the drawbacks experienced by some vertical funds, in particular thanks to its focus on country-level processes. However, its influence on aid effectiveness at country level has been less than expected from the design laid out in the FTI Framework. This relates in particular to the responsibility of in-country donors for mobilising finance. The expectations set out in the FTI Framework, and in more recent FTI guidance (see Exhibit 7 on page 109), were inherently unrealistic given the ways in which aid agency strategic allocation decisions are made and the rather limited influence on them of in-country sector donors. It is not plausible to expect a local education donor group to be able to broker a meaningful collective funding commitment that no individual agency takes direct responsibility for, and the evaluation found no case where an LDG has actually delivered a tangible compact as envisaged by the FTI framework.

3.219 On other aspects of making aid more effective, it has proved difficult to overcome the inertia of "business as usual". There is a gap between donor HQ commitments and the priorities of donor staff in country. In many cases at country level the FTI is seen narrowly in terms of opportunities for funding from the CF, while in turn the CF is often perceived as a financing window of the WB. There is often limited awareness of the FTI's specific aid effectiveness concerns.

3.220 Global rhetoric has not transmitted effectively to country level. The FTI has tended to contribute to existing dynamics rather than support a significant move forward. The full opportunity of the FTI design was not realised. In particular, there have not been explicit compacts at country level, and therefore the basis for reciprocal monitoring and mutual accountability has not been established.

3.221 The next chapter provides this evaluation's analysis of why it has proved so difficult to implement the initial stated intentions of the FTI partnership.

4. Evaluation Conclusions and Lessons Learned

Introduction

4.1 The TOR require the evaluation to assess the FTI's added value and to identify lessons learned from its strengths and weaknesses. This chapter presents and explains the main conclusions of the evaluation. It draws together the threads of findings from the different workstreams and deepens the analysis to explain why different elements of the FTI partnership and its activities have worked more or less well. On most elements of the partnership the evaluation has found both strengths and weaknesses to report. The recommendations that follow from the conclusions in this chapter are set out in Chapter 5.

4.2 Understanding the reasons for what has happened is particularly important because this is a mid-term evaluation, aimed at helping the FTI to improve its future performance. Two themes recur in the evaluation's explanations. First, a lot is explained by the origins of the FTI and the decisions that were made early on. Second, there is a constant need to look at the incentives affecting the different players involved. Thus many of the FTI's strategic weaknesses result from pragmatic tactical decisions that were made early on; and where the FTI's mechanisms and processes have not worked as they were intended to, it is most often because they were not well aligned with the incentives that govern the behaviour of different constituencies within the partnership. So the key lesson for the future – which will inform the recommendations in Chapter 5 – is that the FTI must take a more strategic approach in what it tries to do, and it must pay much more careful attention to incentives in planning its future work. Another way of putting this is to say that, very often, the FTI has had admirable objectives but has not paid enough attention to the mechanisms for achieving these objectives.¹²⁵

4.3 The chapter begins with summary conclusions, followed by the evaluation's explanations for the strengths and weaknesses described.

Principal conclusions

Conclusion 1 The FTI's aims were and remain important.

4.4 The reasons for giving global importance to basic education remain valid. There has been some encouraging progress towards UPC but many countries are off track for achieving the MDG goals and EFA targets. Most progress towards UPC has been achieved through national efforts drawing on domestic resources and initiatives, but international assistance has made a valuable contribution. Overall, there has been less progress than was hoped towards the education MDGs and EFA targets, and global efforts need to be reinvigorated.

4.5 Much of the analysis and many of the design principles that underpinned the FTI still remain relevant. Relevant analysis includes the recognition in the Action Plan and the FTI Framework of the need for more effective aid and for stronger education sector plans and budgets; the recognition that education especially needs more predictable aid, often including the funding of recurrent costs, allocated through more relevant and efficient modalities; and that education sector plans and budgets need to be linked to the national level (hence the intended articulation of ESPs with PRSPs). The recognition that business as usual will not suffice remains crucial.

¹²⁵ The same has been found to be true for many ESPs themselves, which have focused on formulating objectives and targets for the education sector, but have not spelt out how they will be implemented.

4.6 Key design principles which remain relevant include: the principle of country ownership; the importance of coherent sector policies; the need to consider the dimensions of policy, data and capacity as well as finance, and to comprehensively address the deficiencies in each of these; and the concept of partnership and of results-focused reciprocal commitments between governments and donors (the "compact").

Conclusion 2 The FTI has made positive contributions.

4.7 Both tangible and intangible contributions have been significant. The FTI's contributions have included:

- (a) Serving as an important – and inclusive – global forum, especially for donors. **This is the FTI's biggest plus to build on.** It is valued by education donors at HQ level as a mechanism that enables them to work together across agencies and to develop common approaches to shared issues and problems.
- (b) Helping to keep the case for UPC/EFA in view at the international level.
- (c) Advocating the application of the Paris Declaration principles of aid effectiveness to the education sector.
- (d) Developing the Catalytic Fund, which can be lauded for:
 - providing an additional channel of support to basic education which has enabled some committed donors to scale up their financial effort (although overall external funding levels have not improved significantly);
 - focusing more on low income countries and least developed countries than any other major funder;
 - making substantial tangible contributions towards UPC and EFA in the recipient countries;
 - providing a significant proportion of basic education funding in some countries;
 - providing innovative finance in some cases.
- (e) Technical support channelled through the EPDF. Many of the activities supported by the EPDF (and its precursors) have been valuable, e.g. support for the use of simulation models to strengthen sector analysis and planning.

Conclusion 3 Overall, however, the FTI's contributions have fallen short of its ambitions, and of its reasonable expectations.

4.8 Notably:

- (a) Resource mobilisation has been disappointing, globally and in most countries.
- (b) Its added value to addressing the key gaps (as found in country studies) has generally been less than the FTI has expected or assumed.
- (c) Despite the strong Paris Declaration agenda that the FTI espouses, at country level, the FTI is predominantly viewed as another funding source by partner countries and civil society as well as by donors. The FTI's aid effectiveness agenda is not as well understood at country level as it should be, and this has limited the FTI's impact on aid effectiveness.

Conclusion 4 The FTI has considerable strengths...

4.9 Notably:

- (a) The involvement of a broad coalition of donors (though the number of donors providing significant financial support for its activities remains very limited).
- (b) Its willingness to learn from experience, to be self-critical and to adapt (see the discussion in Chapter 2).

4.10 The habit of self-criticism means that few of the issues raised by this evaluation will surprise FTI principals. The absence of an explicit strategy was noted by the Buse report in 2005, and the same report drew attention to the FTI's limited awareness of activities at country level. The early confusion over how the FTI was supposed to work was well documented in FTI status reports; the concept note for the expanded Catalytic Fund contains a frank acknowledgement of the limited "catalysis" experienced, and so forth. At the same time the evaluation also notes (see ¶4.21(e) below) that the FTI has not always been good at lesson-learning. In turn this reflects the FTI partnership's preoccupation with global strategy and governance issues, its failure to question some basic assumptions, and weak monitoring. See the discussion in the second part of this chapter (¶4.19ff).

Conclusion 5 ...but the FTI also has serious weaknesses.

4.11 Many of the FTI's weaknesses are design flaws. The weaknesses include:

- (a) Placing too much weight on the Indicative Framework (both as a guide to policy and as a means of judging the credibility of plans). The IF has not been such a robust set of benchmarks as originally portrayed. Flexibility in its application has usually been appropriate, but this has left a gap between the way the FTI is portrayed to work and the way that it actually works. (See Annex C.)
- (b) As a corollary, there has been too strong an emphasis on a "gold standard"¹²⁶ being applied to the ESPs which the FTI endorses. This has gone hand in hand with too much emphasis, in practice, on a one-off endorsement rather than the continuing relationship of working alongside government through successive cycles of planning and implementation. (This in turn has hindered the adoption of a coherent strategy for addressing the needs of fragile states.)
- (c) It has placed unrealistic expectations on the capacity of education donor groups at country level, and particularly their role in mobilising resources.¹²⁷
- (d) While the FTI has been right to stress the importance of coherence between finance, policy, capacity and data dimensions, the concept of "gaps" in each dimension has proved treacherous:
 - The "financing gap" has been problematic, both in concept and in the inconsistent ways in which it has been used (detailed in Annex K).
 - The "capacity gap" is too static a concept and in practice too focused on planning and "the plan", rather than implementation and service delivery. (Indeed the upstream focus on planning rather than downstream on service delivery is a more general concern.)

¹²⁶ A term frequently heard in the discussion of whether eligibility thresholds should be lowered for fragile states.

¹²⁷ See Exhibit 7 (page 108) on the resource mobilisation roles that have been assigned to country groups; and Exhibit 17 (page 135) on the lessons that could have been learned from the Ethiopia ESDP experience which preceded FTI.

- Emphasis on missing data should have been more balanced by attention to flaws in the quality of data available, and the difficulties of addressing the "data gap" in terms of using evidence as a basis for policy making.
- An excessive emphasis on the Indicative Framework as a remedy for a "policy gap", as already mentioned above.

(e) Highlighting the importance of primary education (as the MDGs did) was a simple way of galvanising support.¹²⁸ In practice the FTI's scope has been broader, but there are unresolved issues about reconciling a sector-wide plan with a primary education specific concentration of support, about achieving an appropriate balance amongst all the EFA objectives, and about recognising the resource implications of a wider scope (see Conclusion 8).

4.12 There have also been weaknesses in implementation (including a failure to follow through on important aspects of the original design):

- (a) It has been (and despite some modifications still is) **an unbalanced partnership**¹²⁹
- although described from the outset as a partnership and a compact, it was a donor initiative, with very little involvement of partner countries in its design;
 - it has remained more a donor collaboration than a genuine partnership, and the "compact" at its centre is a notional one;
 - it has been too dependent on the World Bank (see the discussion linked to Box 10 below);
 - efforts to make the partnership more balanced – including the recent reforms in governance – have not adequately addressed these points.
- (b) .. with serious **weaknesses in governance and management**:
- At the level of *governance*:
 - There are well-documented problems of inefficient decision making and lack of overall strategy. (The findings of the present evaluation echo those of earlier governance reviews – e.g. Buse 2005, and the commentary of the "visioning paper" that launched the most recent round of governance reforms.)
 - There has been a consequent tendency to take a series of ad hoc decisions without adequate consideration of their strategic implications and implementation requirements. (The series of decisions to broaden the scope of the partnership and the role of the Catalytic Fund are the most obvious examples.)
 - At the level of *management*:
 - The concept of a "light touch" and of a "lean" secretariat was never reconciled with the extensive roles the secretariat was required to perform if the FTI was to carry through effectively the design that was embodied in the FTI Framework.

¹²⁸ Described by one interviewee as making primary education "the poster child for EFA".

¹²⁹ This is illustrated in Annex B by a brief comparison with other global partnerships.

- Apart from inefficiency and poor communications that have resulted (as documented in the country studies), the governance and management *weaknesses have compromised the FTI principle of transparency* – its decision making procedures and criteria have often been opaque.
- (c) **Weak monitoring and feedback** has prevented the FTI from recognising some of the key differences between FTI aspirations and the reality (particularly the gap between global doctrine and country-level implementation).
- It did not establish a proper results-oriented M&E framework at the outset.
 - Basic management monitoring systems were not set up to establish whether the FTI was achieving the inputs, let alone the outputs, that its "business plan" required.

4.13 The FTI's weaknesses in governance and management are reflected in the subsequent conclusions concerning its expanding scope in terms of target countries, and in terms of the breadth of its concerns within the education sector.

Conclusion 6 The FTI has remained a weak partnership, with weak accountability, and has not delivered the "compact" that it refers to.

4.14 The failure to record or monitor donor commitments at country level meant that there was in practice no genuine country-level compact. Nor was there systematic monitoring of donor commitments to the compact at global level.¹³⁰ Accountability has remained asymmetrical. The FTI began as a donor initiative, and has essentially remained one, with partner countries having only limited voice.

Conclusion 7 The FTI has expanded its definition of client countries (both generally and for the CF), but has not adapted its design to match.

4.15 The FTI is now in principle accessible to all low-income IDA countries, but this has implications for design and for scale that have not been fully addressed:

- (a) The decision to expand to all IDA-eligible countries (like the early decision to expand the initial list of invitees) was taken without proper consideration of, and provisions for, the management and financial implications that would follow (notably the much greater demands on the Secretariat, and on the CF).
- (b) *Re large/federal countries:* The FTI has put these on the agenda, and some have benefited from EPDF support; but the FTI has never devoted enough attention to the special design issues of working in such states.¹³¹ The FTI's approach would need to be customised separately for each of the "analytical fast track" countries (though not all would necessarily be interested in full engagement with the FTI).
- (c) *Re fragile states:* a long process of designing an approach to accommodate fragile states has still not reached fruition and existing proposals are not convincing (see Annex H, which, while addressing the fragile states issues, is also a case study in the weaknesses of the FTI's governance).

¹³⁰ See Exhibit 18 (on page 136) for a model of how a non-contractual compact could be monitored by a partnership – this was the declared model of FTI, but it has never been implemented in more than a rhetorical way.

¹³¹ They were not, for example, the subject of task team work.

Conclusion 8 *On the balance between UPC and other EFA targets, the FTI's "offering" has become increasingly broad over time. There are good reasons for this, but the FTI has not yet properly addressed the strategic implications.*

4.16 As noted, primary schooling for every child was a useful rallying cry. In practice the FTI has recognised that primary education is part of a broader system. The FTI has sought to place support for primary education in the context of an ESP that addresses the sector as a whole.¹³² The evaluation's case studies did not find evidence that the FTI was actually diverting resources from other EFA objectives (and in some cases there was direct FTI support to other components of EFA).

4.17 However, there is a case that other EFA goals (such as adult literacy) have tended to be neglected by governments and donors alike, and that the FTI has not challenged this. A narrow focus on primary education may be less appropriate in the context of fragile states (where secondary education and adult learning may have an important role in addressing causes of fragility – see Annex H). The more success¹³³ there is in expanding primary education, the greater the pressure on other levels of the education system (as manifested in the increased political attention to secondary education¹³⁴ in several of the case study countries).

4.18 There have been recent discussions about explicitly expanding the sector scope of the FTI – even to the extent of making financial as well as technical support available to the whole education sector (see Box 7 in Chapter 3). On past experience there seems to be a risk that the FTI may make another major strategic decision without proper consideration of the implications for its financial and other resources.

Analysis – what are the lessons?

4.19 As noted in ¶4.2 above, the pattern of the FTI's performance can best be understood with reference (a) to the strengths and weaknesses of its governance; and (b) to the incentives facing the actors concerned in the FTI.

Governance issues

4.20 What have been the governance strengths?

- (a) The FTI has deliberately sought to build on existing processes and structures at country and global levels, explicitly strengthening what was already in place, rather than building something new. It has sought to use available structures rather than creating parallel and vertical ones.
- (b) Willingness to reform and adapt has been present throughout the history of the FTI. Strengthening governance has been on the FTI agenda for the length of its existence and a lot of time and effort has gone into the various reform processes.
- (c) The governance of the FTI has in principle put country ownership at the centre of approaches, again building on existing structures and enhancing the involvement and commitment of those stakeholders who are already intimately involved in education processes on the ground.

¹³² In this context the Netherlands' "visioning" paper noted the "difficulty of supporting an entire plan but financing only part of it" (Netherlands MOFA 2008).

¹³³ Using measures of success that take account of learning outcomes has been a continuing concern for the FTI. See ¶3.86–3.88 above.

¹³⁴ Lower secondary is part of "basic education" and upper secondary is not, but the political pressures are similar.

- (d) The FTI has sought strong engagement through dialogue and discussion among partners (e.g. at the level of Partnership Meetings, task teams and working groups).
- (e) Technical expertise for implementation has been sourced and funded from partners (in particular from the WB, and the FTI has relied heavily on the WB's strengths – see Box 10 below). Efforts have been made by the partners to pool and allocate resources for the operation of the FTI (e.g. for the functioning of the Secretariat, and for country level endorsement processes).

4.21 What have been the weaknesses in governance?

- (a) There has been lack of clarity during a substantial part of the evaluation period concerning where decision-making powers lie (this applies both amongst global partners, as well as between national and global levels).
- (b) Starting the initiative without an adequate design on the table led to confusion and disappointment among partner countries and has required a lot of subsequent remediation to build consensus on issues and to (re)design governance structures. This has been very time-consuming and has still not entirely resolved partners' differing expectations and agendas for the FTI.
- (c) There has been insufficient analysis and strategising on what would be needed to ensure that the light touch governance process would work at country level (e.g. how strong were local education groups really? what further capacity and support would they need to take on the roles that they had in the context of the FTI?).
- (d) While the objectives and scope of the initiative have constantly expanded, there has been insufficient consideration of the implications of these changes for the management of the FTI. There has been no proper and considered analysis of the technical and managerial needs of the partnership and how precisely these could be met in a sustainable and professional manner. As a result the FTI has performed poorly in key areas such as communication and advocacy, and resource mobilisation. The FTI Secretariat, which has an important role in the day-to-day follow-up on decisions by the partnership, has been continuously understaffed and overstretched. A number of key functions of the partnership (such as resource mobilisation) float within the partnership and rely on voluntary contributions in time and resources from partners.
- (e) Despite continual processes of review, lesson learning by the FTI has been poor (see the next point on monitoring). In making a deliberate decision not to be like another Global Fund, the FTI also appears to have overlooked the possibility of learning some of the positive lessons of the governance and functioning of other global partnerships (in terms of organisation of these partnerships, mechanisms for ensuring involvement of partners, strategies for prioritisation, and other areas critical to FTI).¹³⁵
- (f) The implementation of the FTI overall has been poorly monitored and this has meant that the governance decisions have not been adequately informed by a critical analysis of areas of progress and weakness in FTI implementation (at country and global levels).
- (g) The multiple roles of the WB have affected the balance in the partnership by giving one partner a much more prominent role. This has led to the FTI being identified at

¹³⁵ See Annex B for some comparisons with other global partnerships.

country level (and to a lesser extent at global level) as a WB programme. There have been conflicts of interest between the World Bank's various roles. At the same time, much criticism of the World Bank has been unfair. The World Bank has to be recognised as bringing vital strengths to the partnership, and some of the demands and expectations from the World Bank by other partners have been unreasonable (see Box 10 below for a "balance sheet" summary).

4.22 What are the reasons for these governance weaknesses?

- (a) The initiative was designed without involvement of country partners. Later (and limited) inclusion of country partners has not been able to remedy the fact that the basic building blocks were put in place by donors.
- (b) The FTI has been characterised by differences among members in terms of interpretations of goals and objectives and by constantly changing aims. Any partnership may have to cope with such differences, but in the FTI's case they were compounded by the lack of an agreed design at the beginning and the effort to keep the coalition as broad as possible while making decisions by consensus.
- (c) The FTI has lacked adequate high level support. Support by senior champions of the FTI tended to fade after the FTI's early stages and insufficient continuity and leverage has been generated from such support.
- (d) Governance reform has not been sufficiently carried through. The last round has been the most far reaching and comprehensive one, but has still not addressed basic issues concerning the imbalance between donor and country partners, and the imbalance between the World Bank's role and the roles of other partners.
- (e) The management of the FTI Trust Funds (exclusively by donors) continues to contrast with the rhetoric of partnership and of country-led, country-driven processes.
- (f) The mechanisms which were put in place to make the FTI function and renew itself have been cumbersome. This includes the Working Groups and Task Teams.¹³⁶ While strong on ensuring participation of members, this approach has meant that the FTI has been dependent on volunteer contributions and that progress has been a function of individual commitments. In other Global Partnership arrangements, the work that FTI Task Teams and Working Groups have done is part and parcel of the competencies of the secretariat or another equivalent but permanent body, offering a more professional and consistent approach to issues. There are roles for such bodies, but the FTI's dependence on them has been excessive.
- (g) The roles of the LEG and the LDG at country level have been underscored again in the latest governance reform. However, the country case studies for this evaluation have highlighted the weaknesses of many of the LEGs and LDGs, and there are no convincing answers (e.g. in the new country level processes guide) as to how these weaknesses will be addressed.

¹³⁶ Of which Annex B provides an extensive review.

Box 10 World Bank Roles and Responsibilities within the FTI

The World Bank (WB) has played a key role at all stages and in almost all activities of the FTI. It played a key formative role in design of the FTI and its intellectual underpinning, identifying of first invitees, the development of appraisal guidelines, the production of simulations, etc. The WB has thus left a continuing imprint on the FTI. It is therefore important to clarify what the different roles of the WB currently are, and what advantages and challenges they raise.

The World Bank currently holds specific responsibility in the management and implementation of the FTI initiative, both at global and at country level. More specifically, the WB hosts the Secretariat of the FTI. As such, it provides seconded staff and facilities to the Secretariat, and houses it both physically and within its organisational structure. The WB also acts as a trustee for the three EFA-FTI trust funds (CF, EPDF and Secretariat). As such, it provides both financial intermediary services and operational support – i.e. management oversight in the field when it acts as supervising entity.

The following table presents a synthetic view of the advantages and challenges of the current role of the WB, based on the findings of this evaluation (a more detailed analysis is presented in Annex B).

	Advantages/Opportunities	Challenges
WB hosting of the Secretariat	<ul style="list-style-type: none"> - Cost savings - Better understanding of WB - Potential influence on WB processes - Positive evolution with 2009 FTI Governance reform outlining clearer roles for various governance bodies (including the Secretariat) and including the recruitment of an independent chair 	<ul style="list-style-type: none"> - Dual accountability of Secretariat to the WB and the FTI - Conflict of interest when the Secretariat is put in the position of potentially criticising the WB - WB staff seconded to Secretariat still subject to WB staff regulations and "loyalty"
WB as a trustee of the EFA-FTI trust funds	<ul style="list-style-type: none"> - Potential synergies between CF and WB operations - Use of WB education and cross sectoral expertise - WB direct access to partner governments - WB is a player in local donor coordination groups - Positive – although so far limited – evolution in WB aid modalities - Positive evolution with 2009 FTI governance reform and recruiting of an independent chair to preside over both trust fund committees - Progress made to avoid delayed disbursements 	<ul style="list-style-type: none"> - Changes in trust fund management processes in 2008 implied that as a supervising entity, the WB had to apply standard WB standards and processes, as well as aid modalities, to CF funds. This has complicated disbursement processes and resulted in delays - The WB is thought not to have a comparative advantage to support fragile states - Likelihood of continued difficulty in buying in to the most aligned financing modality - Conflict of interest of having the WB both as a manager and beneficiary of EPDF - Continuing blurred image of the FTI as a WB initiative - Risk that CF funding crowds out IDA education funding

Although several of these issues have been raised repeatedly since the creation of the FTI, they have not as yet been dealt with in a comprehensive manner.

The resilience of business as usual: addressing actors' incentives and constraints

4.23 The configuration of governance arrangements described above was not accidental but, naturally, reflected the interests and incentives of the parties involved. Ironically, many of the aspects of the design and implementation of the FTI have not worked as intended because there was insufficient attention to the underlying incentives involved.¹³⁷ Following are some key examples, drawing on the findings from the evaluation and from its country case studies in particular:

- (a) It was repeatedly made clear to the evaluation that the primary reason for country partners to engage with the FTI was to access additional financial resources. This contrasted with an insistence (usually voiced by donors at HQ level, and not strongly reflected by their in-country staff) that "the FTI is not just about money". At the outset of the FTI, generating additional funding on a large scale very clearly was a major objective. But as the FTI developed its donor participants were primarily education specialists, whose influence over the financial decisions of their organisations was highly circumscribed; they may thus have been more inclined to emphasise the non-financial objectives. It is even clearer that the resource mobilisation role ascribed to LDGs was unrealistic from the outset. The FTI has not been successful in strengthening the links between education sector specialists and macroeconomists. At country level there is commonly a strong relationship with the Ministry of Education and a much weaker one with the Ministry of Finance, although the latter has much more influence over the long term financing of education. Within donor agencies there is often much too little interaction between the education specialists and the staff responsible for budget support, although education as a sector is often a major beneficiary of budget support.
- (b) The FTI's governance and management arrangements have repeatedly followed the "line of least resistance". It was quicker and easier to set up the Secretariat in the World Bank, and to rely on the WB as trustee for FTI funds; there were also positive advantages in both these arrangements (see Box 10 above). However, wider and longer term implications of these arrangements, in the context of the FTI's stated objectives, were not necessarily thought through, and when issues arose later there was a tendency to sidestep rather than address them. Frequently the FTI has opted for arrangements that are readily available in the short term, without considering whether these will be optimal in the medium or longer term. (There is a risk that falling back on the WB to manage trust funds for fragile states will be another example of a sub-optimal choice – see Annex H.)
- (c) The same pattern is visible in the design of interventions and the choice of aid modalities at country level. The incentives for donor staff are often to get things moving quickly, in which case familiar ways of doing things may seem less risky. And staff at country level are bound by the rules and regulations of their organisations, so issues that are controversial at country level are capable of resolution only at HQ level (witness repeated controversies over "most aligned" modalities, and this evaluation's finding that most-aligned modalities have often not been chosen – Exhibit 16 on page 135). The aim of changing "business as usual"

¹³⁷ Incentives are both institutional and individual. Individuals (e.g. in an aid agency or a government) have a specific context and time horizon and many competing demands on their time and efforts. It is dangerous to generalise about institutional behaviour: Ministries of Finance and Ministries of Education are likely to have different perspectives on the merits of projectised or pooled funds, as against the use of government budget and accounting systems, for example; and the attitudes of donor staff are likely to reflect their sector affiliation and time horizon as well as the official policies of their agencies on such matters.

will not be achieved unless countervailing incentives and accountabilities are introduced.

4.24 Too often, little of the discussion within the FTI has focused directly on the realism of its implicit assumptions about roles and incentives. There has been a tendency to draw up guidelines without considering what incentives there are to follow them.

Summary

4.25 There is a substantial challenge for the FTI to recognise its weaknesses and build on its strengths as it goes forward. Strengthening requires more than fine tuning or tinkering with present arrangements. It needs a careful redesign with attention to ensuring (a) that assumptions about incentives are plausible; and (b) that effective systems of monitoring and accountability are put in place. In doing so, the FTI will need to guard against once again raising expectations that are beyond fulfilment.

5. Recommendations and Future Options for the FTI

Introduction and context

5.1 The evaluation is required to consider:¹³⁸

- What can be done to ensure the relevance of the FTI going forward?
- How can FTI mechanisms and processes be improved to maximise their contributions going forward?
- How can the FTI best help mobilise resources and improve aid effectiveness going forward?

5.2 The FTI is at a crossroads. The remaining challenges of EFA, including the goal of universal primary education for all, are huge, and deserve a high place on the international agenda. The FTI itself has some notable accomplishments, but it is clear from the previous chapter that it also has some fundamental shortcomings. This chapter therefore considers how to bridge the gap between aspirations and accomplishment.

5.3 The FTI is in the midst of a period of reform. The judgement of the evaluation team is that reform has not yet been taken far enough. The evaluation team also considers that a reformed FTI would be a much better option than seeking to compensate for the FTI's shortcomings by establishing a new global fund for education. Frustrations with the FTI have led to an increasingly vocal lobby for such a fund (especially from civil society organisations – e.g. Sperling 2008), but this risks fragmenting the global effort, and could easily replicate the design weaknesses from which the FTI has suffered.

5.4 The FTI was set up to help achieve the MDGs, for which the target date is 2015. The evaluation's TOR refer to 2015 as an expected end-date for the FTI. The evaluation's recommendations are based on the need to make as much progress as possible by 2015, but it is obvious that the task will not have been completed by then. The recommendations therefore assume that the partnership, if it can demonstrate success, will continue beyond 2015.

5.5 The evaluation's recommendations are pitched at the strategic level, and need to be seen as a coherent whole. They are based on a view, drawn from the evaluation's findings, that the FTI needs to be much clearer about what its value-added can be in the future, about the realistic mechanisms through which its objectives can be achieved, and about matching its resources to its objectives (and vice versa). Hence the next section is about clearly defining an appropriate role for the FTI.

5.6 This is a formative evaluation and the present report is intended to inform a broad debate about the FTI's performance thus far and its role in the future. It is important for all stakeholders to be fully involved in this debate and in the redesign of the FTI. In particular, partner governments should have a much fuller role than hitherto in the redesign and subsequent management of the FTI.

¹³⁸ From the high level questions in Box 1.

An appropriate role for the FTI¹³⁹

What value can the FTI add?

5.7 The FTI has valuable accumulated experience and "social capital" to build on. The evaluation's recommendations are designed to strengthen the FTI and to assist in realising its fundamental objectives more effectively.

5.8 At the FTI's inception, there was a debate about the role of an international initiative, given the importance of respecting country ownership, and the potential drawbacks of fragmenting country efforts and imposing external solutions through a vertical fund. The FTI can add value through:

- (a) its role as a broad global forum, to exchange ideas and disseminate good practice and mobilise intellectual and other resources;
- (b) the finance that it mobilises, particularly if:
 - it is delivered in ways which reinforce the incentives for governments to strengthen policy and service delivery, and for donors to deliver aid in more effective ways; and
 - it complements and enhances other sources of finance.

5.9 The FTI has rightly emphasised the importance of linking to the country level and using the support of in-country donors (though it was unrealistic to rely so much on the education donor group to mobilise resources). By stages however, an international pooled funding mechanism, the Catalytic Fund, has become a central part of the FTI's architecture. It is important to maximise the benefits from such a fund, building on its potential comparative advantage compared to bilateral financing, but without losing sight of the FTI's original principles.¹⁴⁰

5.10 The partnership needs to recognise that FTI funding, and in practice the CF, is the principal interest and incentive for partner countries, and the main focus of country-level FTI efforts by donors. Building an effective incentive structure that rewards Paris and Accra compliant behaviour at country level will maximise the value of the funding. This requirement needs to be reflected in the operation of the funding mechanism. The essence of the evaluation's recommendations is to adapt the present configuration of the FTI so as to realise more of its stated intentions.

¹³⁹ Many commentators, and many of our interviewees, commented on the need for a "re-branding" of the FTI. A name such as "the Global Education Partnership" would better reflect its nature. However, we focus in this chapter on the substance of what is required, rather than the label.

¹⁴⁰ The "Catalytic Fund" is another misnomer. Its name obscures its education objectives, and, as the evaluation shows, its catalytic effects have been minor. Again, this chapter uses the existing label to avoid confusion, but the successor to the present Catalytic Fund should have a name that better expresses its purpose (e.g. Basic Education Support Trust Fund – BEST).

What are the implications for the FTI as a Partnership?

The nature and governance of the partnership

5.11 The FTI should be made into a **much stronger partnership**, through:

- (a) Much stronger partner country representation, including participation in financial decisions.
- (b) Making the FTI less dependent on the WB and disentangling the different WB roles and conflicts of interest (which undermine partnership, reduce aid effectiveness and do not enhance the reputation of the WB).
- (c) Enhancing accountability for donors as well as governments.
- (d) On the donor side, making influence proportional to donors' contributions to the partnership.¹⁴¹
- (e) Strengthening key governance structures – in particular the FTI Secretariat and the Local Education Groups and Local Donor Groups – for the critical roles which they play, and ensuring that country level structures are properly supported, especially with technical expertise.
- (f) Clearly committing partners to certain principles and obligations as members and monitoring whether these are met.¹⁴² These principles and obligations should distinguish between the nature of the partner (donors, partner country, CSO). In the case of donors it should include a commitment to resource mobilisation and a mechanism for doing so which is agreed by all.

5.12 **Country level governance** should: continue to focus on country-owned ESPs and actively encourage joint sector review processes; make demonstrably effective SWAp arrangements in-country an important criterion of FTI support; and actively encourage broad civil society participation. Retain the principle that local donors endorse ESPs and sign up to CF applications, but enable more technical input from the Secretariat to ensure transparency and consistency of approach across countries. Guard against the problems of poor communication and discontinuity of roles that have often hampered the global–country interface of the FTI, and also against imposing systems, procedures and policy prescriptions too rigidly from the centre (this is a difficult but essential balancing act). Monitoring of CF-funded operations should link closely to joint review processes at country level. While broad participation in LEGs should be encouraged, the FTI must not lose sight of the fact that buy-in from Ministries of Finance and of Education is a first essential.

5.13 The role and capacity of **the FTI Secretariat** are crucial:

- (a) The Secretariat needs to be operationally independent of the World Bank and seen as such. This proposal does not exclude being "hosted" by the WB, provided the function is adequately "firewalled" in operational terms. Clear collective and

¹⁴¹ Contributions should not be narrowly defined as contributions to the FTI trust funds. These are rightly conceived as only part of the resources that the FTI deploys. Donors' direct support to basic education should also be taken into account (a topic that has been raised in the context of FTI preparations for replenishment.) However, such contributions need to be assessed in a standard way that captures effective aid to basic education; and they should be independently monitored (e.g. through reporting to the OECD DAC).

¹⁴² Exhibit 18 (on page 136) illustrates an appropriate model for monitoring partnership commitments.

individual Terms of Reference should be drawn up that require the Secretariat to serve the partnership.

- (b) The Secretariat needs adequate capacity, both administratively and technically. (Keeping it lean is a good principle, but it has been too lean to be effective and its roles have not been sufficiently defined.)
- (c) The Secretariat's mandate needs to be clearly translated into an organisational structure which reflects its core functions and which is equipped with the necessary human and financial resources to fulfil those core functions. This evaluation suggests that, at a minimum, the Secretariat should include the following (appropriately staffed) internal divisions: advocacy and communications; monitoring and evaluation, resource mobilisation; financial management; and country support. In particular, solid capacity in financial management and control is required within the FTI Secretariat both to support the Board in issues related to financing and disbursements, and to work closely with the World Bank. Corollaries include:
 - The present flat structure of the Secretariat will need to be reviewed to introduce section/department heads to guide the work of each of these internal divisions.¹⁴³
 - It needs stronger core technical capacity in order to oversee the financing and capacity development operations of the FTI, as well as to service the FTI as a professional network.
 - There should be professional competitive recruitment for all staff.
 - It should have an assured budget that is linked to a medium-term work plan and accountable performance targets, to avoid reliance on hand-to-mouth donor contributions.
 - Its structure and mandate should ensure that objective monitoring of the implementation of FTI strategy and commitments is clearly distinguished from other aspects of communications and public relations (this is reflected in the structure suggested above).
- (d) A number of key functions of the FTI, including financial mobilisation, float within the partnership, and depend to a significant extent on the goodwill and voluntary work of members. These key functions need to be more firmly placed within a strengthened Secretariat as they are a continuous part of FTI activity and need to have adequate follow up.

5.14 A strong Secretariat is key to several of the recommendations below. This applies particularly in regard to communication with and support to the country level, as well as reporting and monitoring.

The scope and configuration of the partnership's activities

5.15 *How broad should the FTI be in its support to education?* Support should be both financial and technical, and, for reasons emphasised below, support for capacity development should not be separate from other financial support – i.e. the EPDF component should be closely coordinated with the CF component. At the same time, countries accessing technical support through the FTI should have a choice of providers.

5.16 The original logic of the FTI was that endorsed plans would themselves contain comprehensive approaches to overcoming capacity challenges, and would catalyse further donor funding to fulfil ESP objectives. Separate funding for (upstream) capacity

¹⁴³ The evaluation notes that the FTI Secretariat is already moving in this direction.

development made sense in this scenario, but it has not worked out in practice. Therefore placing capacity development for a plan first, and for policy and programme implementation thereafter, no longer makes sense. Funds for capacity development – whether for endorsement or for programme implementation – should be continuous, predictable, and likely even more long-term than funds for other purposes. Capacity development is not a "one-shot" injection, but requires continuous attention and resourcing.

5.17 Decisions about which EFA goals and which education sub-sectors the FTI should support, and the extent to which such support should be financial or merely technical, must be taken carefully in the light of resources available and the commitments of the partners. There is a strong case for more explicitly expanding the FTI's focus beyond UPC, but there will be little benefit in doing so unless the financial implications are factored in. In particular, there is little point in expanding the focus of the Catalytic Fund unless there is a commensurate increase in its resources.

5.18 *Which countries should be eligible for support from the partnership?* The FTI should be open to all IDA countries. This is already agreed (although it should not be assumed that all IDA countries will choose to seek financial (CF) support from the partnership). However, this is a decisive move away from the FTI's initial idea of focusing on "best performers", and requires a corresponding change in the paradigm for eligibility.

5.19 *With what entry requirements?* The original paradigm was a "credible plan" linked to the criteria of the Indicative Framework (cf. Exhibit 14). The evaluation has demonstrated that the idea of a "gold standard" based on the Indicative Framework is an illusion. Indeed the idea of a one-off entry threshold is itself unhelpful. The underlying principles of the Progressive Framework (Exhibit 15 on page 132) are more appropriate and should be applied to all partner countries. In this way, entry to the FTI "club" would not depend on passing a one-off "threshold" test, but would be linked to a credible commitment to improve, with support tailored to circumstances, and renewed according to accomplishments. (As discussed in Chapter 3, FTI endorsements have often, in practice, reflected such a pragmatic approach.)

5.20 This approach has corollaries. "Fragile states" should not be seen as a separate category. In reality there is always a continuum of "fragility" with states moving back and forth. There needs to be one common process that all countries follow, but with support tailored to circumstances. This broad, inclusive approach requires its activities to be integrated, hence the new EPDF would not to be treated as a separate stream of activities. This approach would provide a "one-stop shop" with flexible facilities, and avoid the fragmentation of activities into different funds with different rules and processes. To maintain flexibility the approach needs to be protected from the present rigidity of WB project procedures.

What are the implications for the FTI as a collective financing mechanism?

Operation of the Catalytic Fund

5.21 The key point is that **the Catalytic Fund should do things that would not happen in its absence**. It should build on the potential strengths of a global pooled funding mechanism, while seeking to avoid the drawbacks that can be associated with vertical funds.

5.22 This implies:

- (a) Contributing to a better international pattern of aid for basic education by prioritising funding for countries which lose out because of the vagaries of how bilateral agencies allocate their aid. (The concept of "donor orphans" was a partial recognition of this issue, but orphans were defined in a way that discriminated

against larger states which may have a strong case for more support even if they have a substantial number of bilateral donors.)

- (b) Providing multi-year renewable commitments with an expectation that countries would be able to draw on the Fund for the necessary length of time as long as they were showing improvement (i.e. a presumption that funding would be long-term).
- (c) Providing funding in a way that promotes and rewards successful planning and implementation at country level, and encourages and strengthens joint work by governments and in-country donors, including progress on harmonisation and alignment.
- (d) Linking parallel donor commitments on ESP finance to CF approval and monitoring procedures, in order to reinforce accountability of donor commitments and ensure the additionality of CF support.
- (e) Engaging with Ministries of Finance, and pursuing the original objective of ensuring that education sector plans and budgets are strongly anchored in national plans and poverty reduction strategies (Ministries of Finance should be equally involved with Ministries of Education in financing and performance agreements).
- (f) Making the Fund much more transparent with: clear eligibility criteria; clear operating rules and allocation criteria; allocation decisions made by an independent panel rather than a donor committee;¹⁴⁴ a defined procedure of funding rounds and advance indications of funding amounts potentially available; partner countries involved in the governance of the funds; transparent feedback on all country applications, including those that are rejected; and a transparent procedure to appeal decisions.
- (g) Being open to a variety of implementing channels, with no assumption that the WB is the default supervising entity, and encouraging other agencies to compete for the management of the funds.¹⁴⁵
- (h) A stronger default requirement on the use of most aligned modalities, including use of sector budget support and maximum use of country systems.¹⁴⁶
- (i) Ensuring complementarity with other funds:
 - domestic funds – by including government commitments on public expenditure for basic education as part of the grant agreement, with the Ministry of Finance as a signatory;
 - external funds – by requiring information on parallel commitments by other donors to be submitted as part of the application, and reported on as part of the disbursement process;

¹⁴⁴ There would thus be a clear separation between the functions of providing strategic direction to the Fund and its day-to-day operation and management.

¹⁴⁵ Mechanisms need to be identified to encourage the identification of alternative management agents at country level. It will be important to follow closely the lessons from Zambia where the Netherlands is now the supervising entity and to consider the potential use of NGOs in a monitoring function for these arrangements (for example through the Global Coalition for Education (GCE)) in particular for funding at school level.

¹⁴⁶ In its review of its own funding modalities, IDA should seek (and be encouraged by its shareholders to seek) a more flexible sector budget support modality than it has at present.

- encouraging use of the fund as part of joint financing agreements with specific commitments from other donors;
- using funds to buy down IDA credits to grant level (this would reduce the risk of the WB and Ministries of Finance allowing the CF grant to displace IDA credits, and increase the likelihood of the WB remaining engaged in basic education).

5.23 A change in the Trust Fund status of the CF may be required, unless it is demonstrated that these objectives can be achieved while the CF operates as a Recipient Executed Trust Fund.¹⁴⁷

Implications for resource requirements

5.24 **The principle that the CF should be seen as leveraging and complementing other resource flows should be retained (indeed strengthened – as outlined in the recommendations above).** The partnership should therefore focus more effectively on total resources flowing to basic education. It should set and monitor targets for aggregate aid, not just the FTI's own funds. There should be more attention to taking account of budget support components of support to education. Donors' influence in the partnership should be broadly proportional to the level of their support to basic education.¹⁴⁸ However, this should be assessed against agreed criteria for classifying aid that supports basic education (to be agreed with and monitored in conjunction with the OECD DAC).

5.25 While the FTI should be ambitious in mobilising funds, it must also be realistic in tailoring the scope and scale of its CF operation to the likely level of resources available. The CF's ability to add value to the overall aid effort will be compromised if its funds are spread too thinly.

Monitoring and evaluation framework

5.26 A crucial part of the redesign of the FTI must be to devise a framework, agreed to and owned by all partners, for monitoring and evaluating the FTI's own activities. This must involve a clear understanding about the making and monitoring of commitments by all partners (the "compact"), at both country and global levels.

5.27 Appendix VI provides detailed recommendations on the development of an M&E framework for the FTI, and also addresses the issue of future impact evaluation for the FTI. It offers an initial draft of an M&E framework but this needs to be developed in a participatory way by the FTI itself. The process of developing the M&E framework should be seen as an opportunity to articulate a common interpretation of the objectives of the partnership and what the partnership will do in order to achieve them. The search for clear indicators and agreed means of verification and data collection processes should forge a joint understanding among stakeholders of the FTI's potential and limitations; it should help in reaching agreement on what exactly the partnership attempts to accomplish, how likely it is that the selected activities will lead to the accomplishment of these targets, and what the implications are in terms of financial resources, the configuration of the Secretariat, and the sharing of responsibilities among the various bodies connected with the FTI.

¹⁴⁷ Annex B includes a review of the different categories of trust fund managed by the WB.

¹⁴⁸ See footnote 141.

Implementation of recommendations

The process of implementation

5.28 There have been many piecemeal changes to the FTI over the years. In early discussion of the evaluation's findings, the need now to adopt a more comprehensive approach has been recognised. This should involve redrafting the FTI framework document in a way that obviates the need for separate guidelines on governance, on country-level processes and on preferred aid modalities. A practical strategy and framework for monitoring and accountability within the partnership should be described in the new framework document, to which partners should explicitly sign up.

5.29 Hitherto, hasty design dominated by donors has undermined the credibility of the FTI as a partnership, and resulted in an architecture that has not worked well. It is vital that the redesign of the FTI towards a more genuine and effective partnership is based on a full debate among all stakeholders.

Concluding comments

5.30 The FTI's future success will depend on engaging high level political support based on more convincing advocacy. The FTI needs to be marketed realistically, on the basis of its strengths and its potential. It is not helpful to gloss over its shortcomings, and to base advocacy on superficial comparisons between "endorsed" and "non-endorsed" countries.

5.31 This evaluation strongly recommends using this report as the basis for a thorough discussion among the partnership and therefore using the imminent replenishment process in the short term as a (vitally important) holding operation to allow the FTI to be redesigned and re-invigorated. The FTI is an initiative of global importance: it needs to achieve its full potential.

Exhibits

Exhibit 1 EFA Goals and Education MDGs

The EFA Goals (from the Dakar Framework for Action, 28 April 2000):

- (i) expanding and improving comprehensive **early childhood care and education**, especially for the most vulnerable and disadvantaged children;
- (ii) ensuring that by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have **access to and complete, free and compulsory primary education of good quality**;
- (iii) ensuring that **the learning needs of all young people and adults** are met through equitable access to appropriate learning and life-skills programmes;
- (iv) achieving a 50% improvement in levels of **adult literacy** by 2015, especially for women, and equitable access to basic and continuing education for all adults;
- (v) **eliminating gender disparities** in primary and secondary education by 2005, and achieving gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality;
- (vi) improving all aspects of the **quality of education** and ensuring excellence of all so that recognised and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills.

Millennium Development Goals and Indicators for Education (Millennium Summit, September 2000)

Goal 2: Achieve universal primary education	indicators
Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	<ol style="list-style-type: none"> 1. Net enrolment ratio in primary education 2. Proportion of pupils starting grade 1 who reach grade 5 3. Literacy rate of 15-24 year olds
Goal 3: Promote gender equality and empower women	indicators
Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015	<ol style="list-style-type: none"> 4. Ratio of girls to boys in primary, secondary and tertiary education 5. Ratio of literate females to males of 15-24 year olds

Exhibit 2 Evaluation Team Activities¹⁴⁹

Evaluation Framework	<ul style="list-style-type: none"> The evaluation framework was designed by the evaluation team and developed further to include specific questions for each workstream during a workshop in November 2008. Summary versions of this were designed and used to structure the country case studies and desk studies.
Literature Review and Data Analysis	<ul style="list-style-type: none"> Review of FTI literature and associated global education literature; Review of global education and finance data (valuable support from the Education Policy and Data Center is acknowledged). Review of all FTI documentation was used to complete FTI timelines for each case study country.
Interviews	<ul style="list-style-type: none"> Interviewed over 145 people at global level, and more than 630 people for the country studies. Searchable compendiums of confidential interview notes run to 1,500 pages and over 700,000 words.
Working Papers and Preliminary Report	<ul style="list-style-type: none"> Working Papers: Finance and Public Financial Management, Education Policy and Planning, Fragile States, Fragile States Background Literature Review, Governance, Issues in Data and Monitoring and Evaluation and Capacity Development. Impact Evaluation Scoping Study (White 2009) Preliminary Report (April 2009) revised version (May 2009)
Country Studies	<ul style="list-style-type: none"> Nine full case studies. Country case study teams visited Burkina Faso, Cambodia, Ghana, Kenya, Mozambique, Nicaragua, Nigeria, Pakistan and Yemen. Eight desk studies – Ethiopia, Malawi, Mali, Moldova, Rwanda, Uganda, Vietnam, and Zambia.
Meetings and Liaison	<ul style="list-style-type: none"> Attended FTI Meetings in September 2008 (Paris), December 2008 (Oslo), April 2009 (Copenhagen), November 2009 (Rome) Evaluation Team members visited Washington DC in January 2009 to meet with the FTI Secretariat and various other stakeholders. Also attended various workshops and meetings, e.g. INEE Roundtable 2008, Education Data Quality Workshop, Washington DC, January 2009, CfBT Education Trust, IIEP/UNESCO fragile states research presentation, September 2009, UKFIET, September 2008 Liaison with concurrent studies (Hewlett/ODI on donors and basic education – see Exhibit 12, GMR team, ODI/ Mokoro study of sector budget support – see Exhibit 13) Evaluation Team members attended a meeting of donors in Paris (May 2009) to discuss the Preliminary Report.

¹⁴⁹ See Appendix V for a full discussion of the evaluation process and methodology.

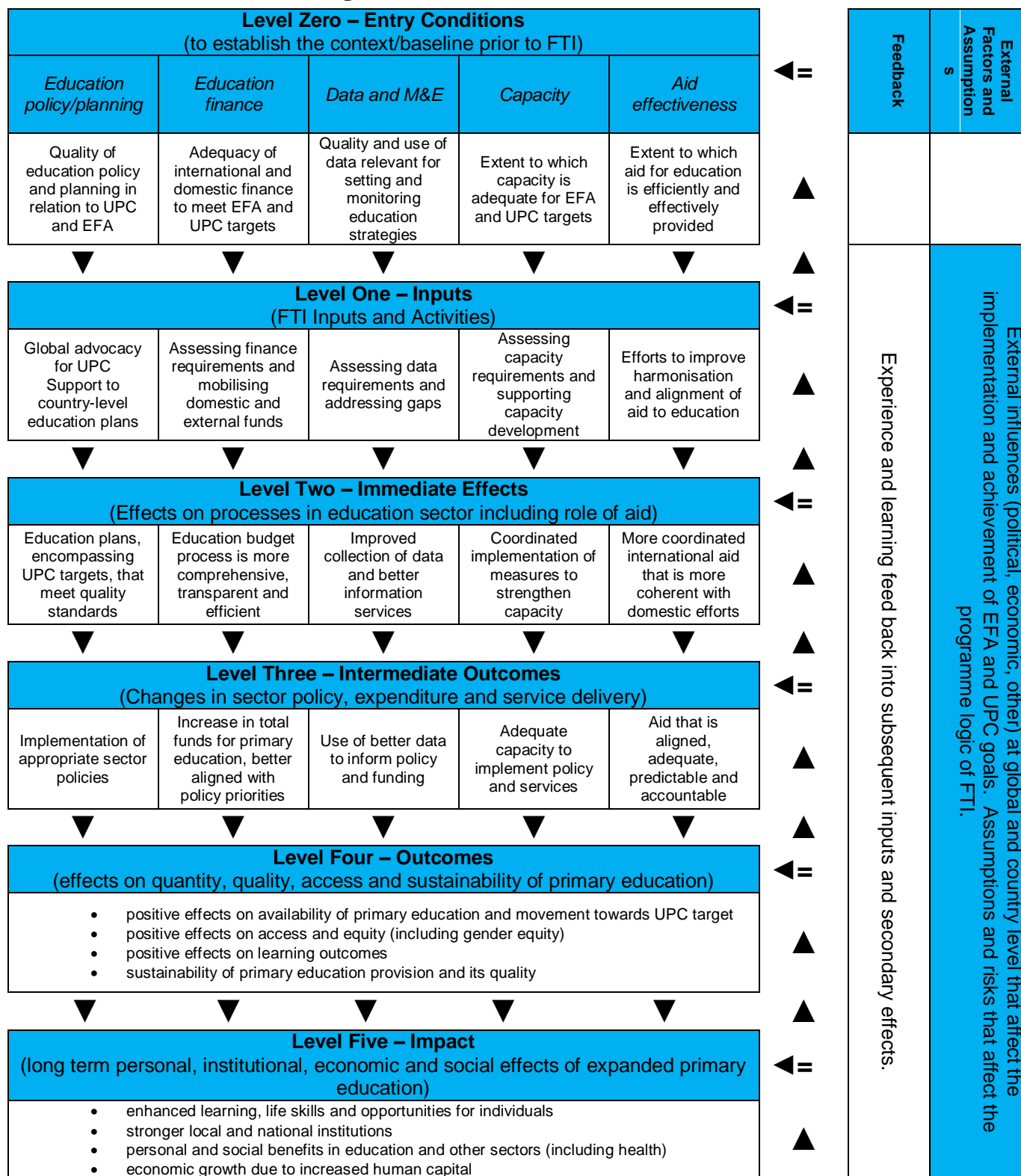
Exhibit 3 Concise Logical Framework for the Mid-Term Evaluation of the FTI

Exhibit 4 FTI Concise Timeline

Year	Month	Event
2002	July	FTI Launch Washington DC, USA: 18 countries are invited to join FTI and become eligible for policy and financial support, five other countries invited to receive technical and analytical assistance for scaling up EFA efforts.
	November	FTI Donors Meeting, Brussels: Donors endorsed the first seven country programmes.
2003	March	FTI Donors Meeting - Paris: Donors agree on modus operandi for FTI that is country driven, funding is secured for the seven countries and an operating framework for FTI is agreed. The FTI Catalytic Fund (CF) was established to provide transitional grants over a maximum of 2-3 years to enable "donor orphan" countries with FTI endorsed education sector plans to scale up the implementation of their plans
	November	FTI Partnership Meeting Oslo Meeting: agreement that FTI should be opened to all low-income countries.
2004	November	Education Program Development Fund (EPDF) was established in November 2004
	November	FTI Partnership Meeting, Brasilia, Brazil: agreement on the FTI Framework document and the need for more formal Assessment Guidelines.
2005	November	FTI Partnership Meeting, Beijing: the FTI Appraisal Guidelines are modified in accordance with the United Nations Girls' Education Initiative (UNGEI) recommendations and there is discussion about the FTI's role in fragile states.
2006	October	FTI Donors Technical Meeting, Brussels, Belgium: addition of two more seats for developing countries and two for civil society organisations to the FTI Steering Committee.
2007	April	Concept Note for the Expanded Catalytic Fund (ECF) was enabling CF money to be given over a longer period than three years. The CF guideline for allocation based on donor orphan status was replaced with a new guideline based on the size of the funding gap as a proportion of existing donor funding.
	September	At a meeting in Washington, the CF Committee decided that only International Development Association (IDA) low-income countries would be eligible for CFs. At its September 2007 meeting in Washington, the EPDF Committee decided that EPDF could be used to fund thematic activities, either global or cross-regional. It also decided that funds could be used to finance activities at other levels of the education system, as long as clear analytical links were made with the overarching objective of Universal Primary Education (UPE).

Year	Month	Event
2008	February	The FTI published its Guidelines for Capacity Development in the Education Sector within the EFA-FTI.
	September	Steering Committee meeting, in Paris: committee support given for the development of a Transition Fund, as an interim mechanism for funding fragile states; to be positioned within the FTI Framework and managed by the United Nations Children's Fund (Unicef).
	December	Steering Committee Meeting, Oslo: Governance Task Team presentation of governance document (FTI 2008f) to the SC led to a number of governance changes scheduled for July 1 st 2009. These included the transfer of decision making power from the Partnership Meeting to the Steering Committee, the evolution of the Steering Committee into a Board of Directors and its expansion to 17 members with two extra bilateral and one extra multilateral representative. A two-thirds majority rule would be applied to all decision making, and the two co-chair system replaced by a single, independent non-voting chair.
	December	EPDF Committee Meeting, Oslo: draft proposals for EPDF Guidelines were presented. It was agreed that a follow up trust fund would be implemented to replace the EPDF when it closes in June, 2010. Australia was appointed head of a team tasked to design the new EPDF.
2009	April	EPDF Committee Meeting, Copenhagen: the committee approved the general principles of the New EPDF concept note presented by the EPDF Task Team. Design of the Program commenced, a draft of which was to be available by September 2009.
	July	As a result of unsuccessful negotiations concerning lines of accountability and designated responsibilities with regards to the Education Transition Fund (ETF) (see Annex H)). Unicef withdrew as a possible Trustee for the ETF in July 2009.

Exhibit 5 FTI's Guiding Documents

Document	Objective	Reference
Action Plan 2002	This document was a revised version of a paper first circulated in September 2001. It was put before the Development Committee of the World Bank in April 2002 and includes all of the key design features of the FTI, identifying the four gaps: data, policy, capacity and resources. Advocated universal primacy completion (UPC) as a way to determine progress in countries and included what later became the Indicative Framework. The Action Plan called for a scaling up of aid for countries that could demonstrate a credible plan.	World Bank 2002
FTI Framework 2004	The FTI Framework lays out clearly the FTI's goals and guiding principles. It highlights which countries are eligible to participate in the FTI and what the requirements are. The document outlines the FTI process, provides insight into FTI governance and presents the Indicative Framework.	FTI 2004a
Appraisal Guidelines (March, 2006)	These are intended as guidance for the appraisal process by local donors prior to endorsing a country's Education Sector Plan (ESP). They provide a set of guidelines including examples and key issues in order to enable the donors to decide if the ESP is ready for endorsement.	FTI 2006a
Capacity Development guidelines (2008)	These guidelines were written by the capacity development task team in conjunction with German Technical Cooperation (GTZ). They were endorsed by the FTI partnership in April 2008 as a tool recommended by the FTI for countries to use in the development of their ESP. The guidelines aim to support the local education group (LEG) in conjunction with the Government to develop a sustainable capacity development strategy. The guidelines are designed to be used during ESP development, implementation or revision.	FTI 2008c
Aid Modalities Guidelines (November 2008)	These guidelines were written in November 2008 following the change in WB trust fund management procedures which had implications for the aid modalities available to the CF when the WB is Supervising Entity (SE). They also stem from an analysis of aid modalities used by the CF and the limited use of country systems by the CF. The aim of the guidelines is to provide guidance to LEGs in deciding on the most suitable modality supporting the objectives of the Education Sector Plan, and to support the decision-making process regarding the choice of the SE. They also attempt to enable a more focused discussion in the LEG on other donors' use of modalities, potentially improving aid effectiveness behaviour more broadly.	FTI 2008e

Document	Objective	Reference
Progressive Framework (2007–2008)	This short document and its accompanying guidelines set out the proposed process for fragile states, Countries are encouraged to develop an interim strategy in order to address priority areas and ensure progress towards education system recovery and stabilisation. The Progressive Framework (PF) is yet to be rolled out by the FTI as the funding mechanism remains undecided. (See Exhibit 15.)	FTI 2007d FTI 2008f
Country Level Process Guide (final, March 2009)	The work of the task team for strengthening country level processes provided a basis for this document. It aims to provide guidance concerning the processes of the FTI in order to assure consistency and quality across the partnership. The document takes the reader through a six step process to enable the endorsement; financing and implementation of a country's ESP. Links are provided to FTI tools and other relevant guidance. (There is a marker that arrangements for fragile states and the Transition Fund need to be incorporated when finalised.)	FTI 2009b
Revised Governance document (March 2009)	The document was produced by the governance Task Team and approved by the Steering Committee in December 2008. It lays out the governance changes that have been approved as part of the new governance structure. The core features are that it establishes a Board of Directors as the principal decision-making body (replacing the Steering Committee). It links together more closely the Board and the trust fund committees (Catalytic Fund, Education Program Development Fund). It also lays out the role of the new independent chair who will head the Board of Directors and the three trust fund committees and provides more detailed guidance on the governance structures at country and global levels and of the responsibilities for the structures at each of the levels. Implementation of the new governance structure was planned for the 1st July, 2009	FTI 2009e

Exhibit 6 The FTI Framework 2004 (a summary)

1 The FTI Framework document (FTI 2004a) is the most complete description of the FTI design that emerged from the consultation process. It describes the FTI's goals, guiding principles, participation criteria, review and endorsement process, resource mobilisation (covering donor harmonisation and alignment, catalytic fund), implementation procedures and governance.

2 The very first paragraph of the FTI Framework describes FTI as an **evolving partnership**:

The Education for All (EFA) Fast-track Initiative (FTI) is an evolving global partnership of developing and donor countries and agencies to support global EFA goals by focusing on accelerating progress towards the core EFA goal of *universal primary school completion (UPC), for boys and girls alike, by 2015*.

3 FTI **goals** are stated thus:

The FTI aims to accelerate UPC by promoting:

- *More efficient aid for primary education*, through actions of development partners to maximise coordination, complementarities and harmonisation in aid delivery and reduce transactions costs for FTI recipient countries;
- *Sustained increases in aid for primary education*, where countries demonstrate the ability to utilise it effectively;
- *Sound sector policies in education*, through systematic review and indicative benchmarking of recipient countries' education policies and performance;
- *Adequate and sustainable domestic financing for education*, within the framework of a country's national poverty reduction strategy, medium term expenditure framework, or other country statements as appropriate;
- *Increased accountability for sector results*, through annual reporting on policy progress and key sector outcomes against a set of appropriate indicators in participating countries, and transparent sharing of results.

Globally, the FTI also aims to promote:

- *Mutual learning on what works* to improve primary education outcomes and advance EFA goals.

4 The following **guiding principles** are also spelt out:

- *Country-ownership*: The FTI is a country-driven process, with the primary locus of activity and decision-making at the country level. It fosters a long term development partnership at the country level between the government and other partners, in support of the country's effort to accelerate progress towards EFA goals, focusing on UPC. The FTI presents a framework to further coordination, complementarities and harmonisation of partner efforts in a manner that strengthens country governments to manage their own development process more effectively.
- *Benchmarking*: The FTI encourages the use of indicative benchmarks (the FTI Indicative Framework) locally adapted to enlighten debate, in-country reporting on policies and performance, and mutual learning on what works to improve primary education outcomes which can provide lessons learned across countries for the acceleration of UPC.
- *Support linked to performance*: The FTI links increased funding to country performance. It is the first global initiative to operationalise the Monterrey Consensus as a partnership between developing countries and the donor community, at the international and country

level. The FTI is intended to provide more sustained, predictable and flexible financial support to countries that have demonstrated commitment to the goal of UPC, adopted policies in full consideration of a locally adapted FTI Indicative Framework, and which have a need for, and the capacity to use effectively, incremental external resources.

- *Lower transaction costs:* The FTI encourages donor actions to provide resources to developing countries in a manner which minimises the transaction costs for recipient countries. The FTI promotes improved coordination, complementarity and harmonisation in donor practices and financing to flexibly support country-owned education sector strategies. The FTI implies moving towards a sector-wide approach (SWAp), wherever appropriate, in fast-track countries.
- *Transparency:* The FTI encourages the open sharing of information on the policies and practices of participating countries and donors alike, through indicative benchmarking, systematic cross-country monitoring, strengthened donor collaboration and harmonisation, and making best efforts to provide resources in a predictable and sustained manner.

5 The **participation criteria** are described as follows:

The Fast Track Initiative is open to all interested funding agencies, and low-income countries that seek and receive endorsement through the FTI review process of their plans to achieve the MDG and EFA goal of a complete primary education of good quality for all children by 2015 (where low-income refers to the classification utilised by the World Bank for determination of IDA eligibility).

6 A process chart maps a **review and endorsement process**. Key points are that endorsement "normally requires":

- An approved national poverty reduction strategy, or a similar national strategy that would help ensure that education strategies are anchored in country level consultative and budgetary processes;
- A sector-wide program for education agreed with in-country donors and including a strategy for HIV/AIDS, gender equality, capacity building, monitoring and evaluation;
- Agreement to monitor benchmark indicators.

7 Prior to endorsement, the FTI process envisages:

... upstream technical studies, and capacity and consensus-building as countries develop the education component of a PRSP and/or prepare or revise national education sector plans. If national capacity is insufficient, local donors make their best efforts to mobilise support. To assist, the FTI has established the Education Program Development Fund (EPDF) to support these efforts through the provision of funding for priority studies, capacity building, national outreach and stakeholder consultations.

8 The required **"credible and sustainable education sector plan"** is characterised as follows:

In general, the sector plan would address key constraints to accelerating UPC in the areas of policy, data, capacity, and financing and align primary education priorities with those for pre-school, secondary, tertiary, and non-formal education. It would:

- provide a costed strategy for accelerated progress towards UPC;
- identify nationally-appropriate policy actions designed to improve education quality, equity, efficiency and fiscal sustainability;
- provide an appropriate strategy for addressing HIV/AIDS, gender equality and other key issues;
- identify implementation capacity constraints and strategies to address them;

- review the total resources available (domestic and external) to implement the sector plan and estimate the incremental domestic and external resource requirements in light of short-to-medium term implementation capacity;
- indicate how the country intends to carry out monitoring and evaluation; and
- identify annual targets for measuring progress on key policies and outcomes, including those of the FTI indicative framework as locally adapted.

9 The **Indicative Framework** is further explained:

the sector plan is assessed in full consideration of the benchmarks of the FTI Indicative Framework as adapted locally. [However] the benchmarks of the FTI Indicative Framework do not substitute for the broader range of outcome targets and indicators that countries may establish for measuring progress against national education goals. Rather, they help determine the evolution of a common set of indicators.

10 The **country-led design** of FTI is emphasised:

The assessment and endorsement process is conducted in-country, led by local donor agency representatives, as they are best placed to evaluate the feasibility and credibility of sector plans. The FTI Secretariat provides a coordinating function at the international level on behalf of participating donors.

11 A key objective of the FTI is to achieve a more coordinated approach among donors who support a country's sector program. On **resource mobilisation**, it was envisaged that the in-country donors would be primarily responsible for mobilising the external resources needed:

The in-country review should include examination of the plan's costs, financing, and implementation. Agencies are encouraged to consult with their Headquarters during the review process, as their agencies will be responsible for mobilising the bulk of external resources required for implementation of the plan, once endorsed.

The FTI encourages a commitment on the part of all funding partners to make best efforts to increase assistance for primary education in a sustained and predictable manner in countries which are assessed to have convincing sector plans, taking also into account the country's utilisation of existing donor support and performance in implementing the sector program and policies.

Resource mobilisation starts with the development community at the country level that is with people best positioned to evaluate and support. Country-level development partners lead the effort to mobilise increased funding as needed, in consultation with the Ministries of Education, Planning and Finance. In the event of financing gaps, the FTI Partnership (through the FTI Secretariat) assists in identifying potential sources of resources.

The FTI recognises the importance of financing recurrent costs where these are a key constraint to achieving UPC, while working with Governments to address long term sustainability.

12 The FTI Framework did not anticipate the subsequent expansion of the role of the **Catalytic Fund**:

Given its transitional role, the CF is expected to remain small relative to support provided by the development partner community as a whole. However, the Catalytic Fund provides important backing to the FTI commitment that realistic financing needs in all qualifying countries will be met.

- 13 The FTI Framework describes the **accountability** relationships within the compact as follows:

The FTI endorsement process implies a set of reciprocal commitments among recipient governments and development partners.

For its part, the government would agree that performance in implementing its education sector strategy will be transparently monitored on an annual basis in full consideration of the FTI indicative framework, as adapted locally, and other agreed targets and indicators. For their part, development agencies would mobilise to supply, at least on an annual basis, their specific commitments and proposed intents and agree that their own progress towards increased coordination, complementarity and harmonisation, as well as effective support for education in each FTI country will be monitored against a set of agreed indicators.

Exhibit 7 Role of Country Groups in Resource Mobilisation

Shows the resource mobilisation roles assigned to country groups in the FTI Framework (2004), the Country Level Process Guide (2009), and the 2009 Governance document.

Extracts from the FTI Framework 2004 (FTI 2004a) [emphasis added]

During the formal review, local development partners are expected to critically assess the feasibility and sustainability of the sector plan and conclude whether it provides a sound basis for accelerated progress towards UPC. The in-country review should include examination of the plan's costs, financing, and implementation. Agencies are encouraged to consult with their Headquarters during the review process, as their agencies will be responsible for mobilising the bulk of external resources required for implementation of the plan, once endorsed.

RESOURCE MOBILISATION

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The FTI recognises the importance of financing recurrent costs where these are a key constraint to achieving UPC, while working with Governments to address long term sustainability.

Meetings of the FTI partners at the global level have both an action and advocacy role with respect to resource mobilisation. They support the commitment of development partners to meet the resource requirements of countries that demonstrate results, mobilise resources and actively seek new partnerships with, for example, foundations and charities.

[Under Governance]

In-country donor representatives, in consultation with their respective headquarters, are the primary interlocutors with governments on operational issues in the FTI process. The FTI relies on the local donor group to assess the scope, volume and timing of development assistance needs, and make funding decisions according to the policies and regulations of each donor, within a framework of commitment to maximise coordination, complementarity and harmonisation. The Coordinating Agency in particular has an important leadership and advocacy role to play as regards FTI information to the country, other local donors and in the mobilisation of incremental donor funding in support of endorsed country plans.

Extracts from the 2009 Country Level Process Guide (FTI 2009b)

Stage 3. Taking stock of the sector ... 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 ... Once the ESP is finalised, the LDG draws up its final Appraisal Report. Assuming that the LDG concludes that the ESP overall constitutes a credible sector plan, it will recommend FTI endorsement. Signing off on this endorsement is done at the highest appropriate level in country by donor organisations. This commits the donor agency to supporting the ESP.

... When an ESP is endorsed as a credible education plan, ... Donor organisations will also, at the appropriate level, confirm their commitments and plans to scale-up and align support around the ESP, including General Budget Support.

Stage 6. Joint Sector Reviews of ESP Implementation ... 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 behaviour, is also included in the JSR.

Extracts from the 2009 Governance of the Partnership document (FTI 2009e)

The LDG mobilises financing on a long term and predictable basis to complement the partner country's domestic financing to fund implementation of its endorsed ESP.

The LDG monitors and promotes progress toward better harmonisation and alignment of both financial and technical support.

The LDG informs the LEG on annual funding commitments and actual disbursements as well as indicative rolling expenditure/implementation plans.

The [Coordinating Agency] (CA) plays a monitoring and facilitating role with respect to the timely and efficient disbursement of all funds supporting implementation of the ESP. The CA reports on progress of ESP implementation, including on funding commitments and disbursements to the partner country, the FTI Board of Directors and the FTI Partnership through the FTI Secretariat.

Exhibit 8 FTI Governance Chart 2004–2008

This chart is the evaluation team's interpretation of the governance structure over this period. As explained in Chapter 2 (more detail in Annex B), there were continual adjustments during the period, and significant reforms were being implemented during 2009.

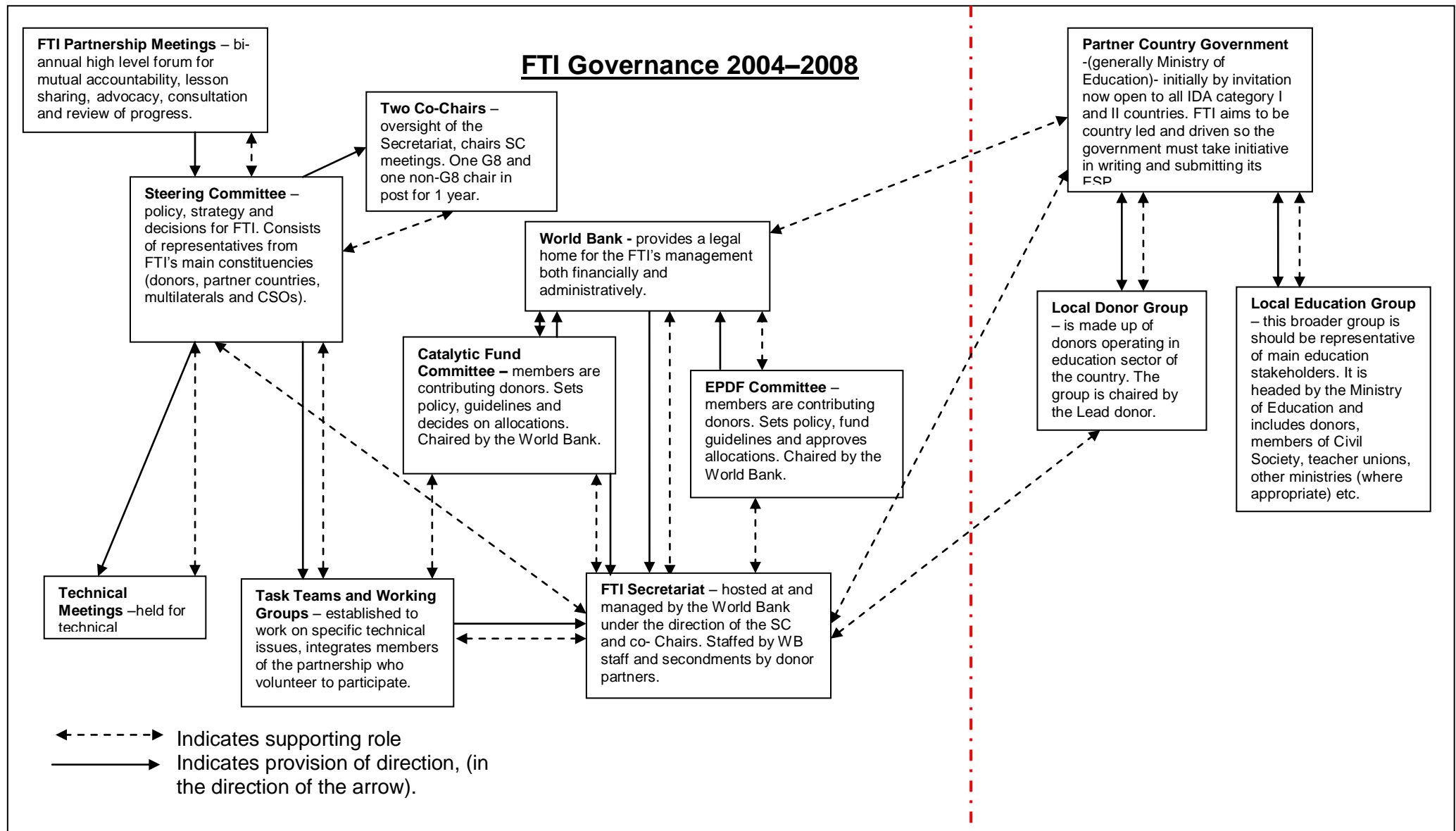


Exhibit 9 Some basic data for the case study countries

Country (upper case denotes full case study)	IDA category 1 (GNI per capita USD935 or less)	IDA Category III (GNI per capita USD 1,095–6,465)	IDA Ineligible	GNP per capita, current USD 2006	Population (000) 2006	Out of School Children, school year ending in 2006 [†]		Survival Rate to Last Grade Primary Education (%)		Date of (first) endorsement	CF allocations and disbursement
						Total (000)	% female	School year ending 1999	School year ending in 2005 [†]		
BURKINA FASO	X			440	14,359	1,215	54	61	64	2002	Allocated USD 102m in 2009
CAMBODIA	X			490	14,197	213	54	49	55	2006	Allocation USD 57.4m for '07-09, USD 1m disbursed 2008
Ethiopia	X			170	81,021	3,721	55	51	58	2004	Dec 2007 commitment of USD 168m for 3 years.
GHANA	X			510	23,008	967	51	-	-	2004	USD 8m allocated, USD 4m disbursed 2005, USD 11m allocated 2006, USD 19m disbursed by end 2007
KENYA	X			580	36,553	1,371	48	-	84 ^x	2005	Two allocations of \$48.4m, one completely disbursed by the end of 2007 the other by the end of 2008
Malawi	X			230	13,571	202	33	37	36	Planned for 2008 ⁱ , now planned for 2009 ⁱⁱ .	N/A
Mali	X			460	11,968	793	59	66	73	2006	Allocation USD 8.7m. 2008 disbursement of USD 2.2m

Country (upper case denotes full case study)	IDA category 1 (GNI per capita USD935 or less)	IDA Category III (GNI per capita USD 1,095–6,465)	IDA Ineligible	GNP per capita, current USD 2006	Population (000) 2006	Out of School Children, school year ending in 2006 [†]		Survival Rate to Last Grade Primary Education (%)		Date of (first) endorsement	CF allocations and disbursement
						Total (000)	% female	School year ending 1999	School year ending in 2005 [†]		
MOZAMBIQUE	X			660	20,971	954	56	43	58	2003	USD 79m allocated in 2007 USD 28m disbursed in November 2008
Moldova		X		1080	3,833	17	48	95	97	2005	2006-7 USD 8.8m allocated Disbursement; 2006, 2007, 2008
NICARAGUA		X		2,720	5,532	72	47	48	54	2002	USD 7m allocated in 2003, disbursed in 2004 and 2005 USD 7m allocated in 2004 disbursed in 2006 and 2007 USD 7m allocated in 2005 and 3m top up
NIGERIA	X			620	144,720	8,097 ^y	56 ^y	-	63 ^y	Not endorsed but eligible	N/A
PAKISTAN			X	800	160,943	6,821	60	-	-	Not endorsed but eligible	N/A
Rwanda	X			250	9,464	303	45*	30*	31	2006	2007 USD 70m allocated. USD 13m disbursed end 2007, 2008 USD 35m disbursed.

Country (upper case denotes full case study)	IDA category 1 (GNI per capita USD935 or less)	IDA Category III (GNI per capita USD 1,095–6,465)	IDA Ineligible	GNP per capita, current USD 2006	Population (000) 2006	Out of School Children, school year ending in 2006 [†]		Survival Rate to Last Grade Primary Education (%)		Date of (first) endorsement	CF allocations and disbursement
						Total (000)	% female	School year ending 1999	School year ending in 2005 [†]		
Uganda	X			300	29,899	-	-	-	25 ^x	Planned 2007, ⁱⁱⁱ expected 2008, ^{iv} expected 2009. ^v	None
Vietnam	X			700	86,206	447**	-	83	92	2003	None
YEMEN	X			760	21,732	906*	70*	80	59 ^x	2003	USD 30m allocated, USD 20 disbursed end 2006, USD 40m allocated, USD 20m disbursed end 2007.
Zambia	X			630	11,696	150	36	66	76	2008	2009 USD 60m allocated for 2009–10

^x Data for the school year ending 2004.

* Data for the school year ending 2005.

** Data for the school year ending in 1999, no data for 2006.

[†] Data in italic are for the school year ending 2007.

^y Data are for the school year ending 2003.

Table References:

ⁱ FTI Progress Report, 2005.

ⁱⁱ CF Status Report, December 2008.

ⁱⁱⁱ CF Status Report, November 2007.

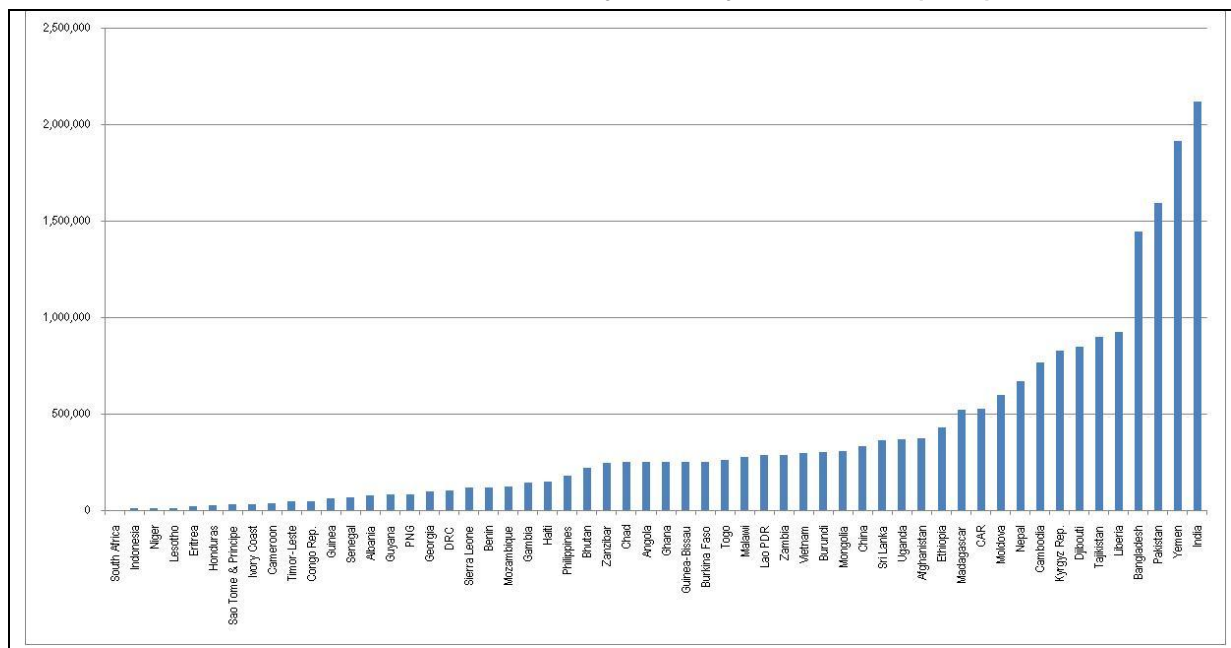
^{iv} CF Status Report, November 2006.

^v CF Status Report, December 2008.

Source: GMR, 2009. UNESCO 2008

Exhibit 10 Overview of EPDF and Catalytic Fund Allocations by country

Total EPDF Allocations by Country, 2005–2008 (USD)



Source: Bellew & Moock 2008, Chart 10 (updated to include 2008).

Catalytic Fund Allocations, Commitments, Disbursement, by Country (as of December 2008)

Country	First allocation announced	Number of allocations	Allocation years	Total allocations (USDm)	Total Grant Agreements (as of Dec 2008)	Total Disbursements (as of Dec 2008)
Yemen	2003	3	2003/04, 2005, 2006	40.0	20.0	20.0
Guyana	November 2003	6	2003/04, 2005, 2006, 2009, 2010, 2011	32.5	12.0	12.0
Mauritania	November 2003	4	2003/04, 2005, 2007, 2008	23.0	9.0	9.0
Nicaragua	November 2003	3	2003/04, 2005, 2006	24.0	14.0	14.0
Niger	November 2003	2	2003/04, 2005	21.0	13.0	13.0
The Gambia	November 2003	6	2003/04, 2005, 2006, 2009, 2010, 2011	41.4	13.4	13.4
Ghana	November 2004	3	2005, 2006, 2007	33.2	19.0	19.0
Madagascar	July 2005	6	2005, 2006, 2007, 2008, 2009, 2010	145.1	60.0	60.0
Kenya	September 2005	3	2005, 2006, 2007	121.0	121.0	121.0
Djibouti	December 2005	2	2006, 2007	8.0	6.0	6.0
Lesotho	December 2005	2	2006, 2007	11.9	11.9	7.5
Moldova	December 2005	2	2006, 2007	8.8	8.8	4.9
Tajikistan	December 2005	2	2006, 2007	18.4	18.4	12.0
Cameroon	November 2006	2	2007, 2008	47.3	22.5	22.5
Kyrgyzstan	November 2006	2	2007, 2008	15.0	9.0	6.2
Mongolia	November 2006	3	2007, 2008, 2009	29.4	17.1	17.1
Rwanda	November 2006	2	2007, 2008	70.0	70.0	48.0
Timor Leste	December 2006	3	2006, 2007, 2009	13.1	8.2	8.2
Benin	May 2007	3	2007, 2008, 2009	76.1	76.1	-
Cambodia	May 2007	3	2007, 2008, 2009	57.4	57.4	1.0
Mali	May 2007	2	2007, 2008	8.7	8.7	2.2
Mozambique	May 2007	2	2008, 2009	79.0	79.0	28.0
Sao Tome & Principe	May 2007	3	2008, 2009, 2010	3.6	-	-
Sierra Leone	May 2007	3	2007, 2008, 2009	13.9	13.9	-
Ethiopia	December 2007	1	2008	70.0	70.0	-
Guinea	December 2007	3	2008, 2009, 2010	117.8	117.8	-
Senegal	December 2007	3	2008, 2009, 2010	81.5	-	-
Burkina Faso	December 2008	3	2009, 2010, 2011	102.0	-	-
Central African Rep.	December 2008	3	2009, 2010, 2011	37.8	-	-
Zambia	2008	2	2009, 2010	60.0	-	-
30	-	87	-	1,410.9	890.2	445.0

Exhibit 11 Snapshots of Country Experience with the FTI

<p>Burkina Faso was one of the first countries invited to join the FTI, it was endorsed in November 2002 but was not eligible for Catalytic Funds due to the "donor orphan" clause which was in place at the time. However, the EC and France both set up programmes "in the name of the FTI" in the years following endorsement. In 2007 - following the revision of the access criteria for the Catalytic Fund - the government of Burkina Faso prepared a request for CF funding linked to their Ten Year Basic Education Development Plan (PDDEB II) which aimed to achieve UPC in 2020. Burkina Faso was allocated USD 102 million to cover the period 2009-10. A Sector Budget Support modality has been adopted as the World Bank was not able to participate in the existing pooled education fund.</p>	<p>Ethiopia was invited to join the FTI in June 2002. The Government developed an EFA-FTI proposal based on the basic education section of its Education Sector Development Programme (ESDP) I. Ethiopia was endorsed by the FTI in 2004 but at the same time it was informed that it was not eligible for CF funding as it was not a donor orphan. In May 2007 Ethiopia was accepted by the FTI partnership as a member of the FTI Steering Committee. In November 2007 the FTI decided to relax the donor orphan criteria on the CF. Ethiopia presented a submission for funding from the CF to fill a funding gap of USD 168m for the implementation of General Education Quality Improvement Programme (GEQIP). In December 2007 Ethiopia received an allocation for USD 70m. The grant agreement was signed in November 2008 and GEQIP was launched in March 2009, and became operational in June 2009.</p>
<p>Ghana was also one of the countries invited to join the FTI in June 2002. In July 2002 the Government began to put together a proposal. Just over a year later Ghana submitted its application for endorsement to the FTI. The members of the local donor group conducted the appraisal of the ESP themselves and their approval was submitted in November 2003. A year later in November 2004, the FTI Catalytic Committee allocated USD 8m to Ghana. A second year allocation was confirmed in July 2005 and a third in November 2006. The third year allocation was also topped up by USD 3.2m; to reach USD 14.2m. The CF money disbursed to Ghana has been used for textbooks for deprived regions and the procurement of motorbikes for circuit supervisors and teachers, bicycles for teachers, teachers' accommodation. It has also been spent on textbooks and learning materials for the revised curriculum, teacher training, rehabilitation of classrooms and incentives for teachers to work in deprived areas.</p>	<p>Kenya was informed by its lead donor in the education sector (DFID at the time) about the FTI and its new simplified process of country endorsement in March 2005. Following an evaluation of the Kenya Education Sector Support Programme (KESSP), Kenya was endorsed by the FTI in July 2005. Due to the changes in the endorsement process the FTI appraisal was integrated into the appraisal of the KESSP with particular focus on its primary education components. In July 2005 Kenya's request for USD 22.5m to fill its funding gap was approved. This allocation rose to USD 24.5m in November after a revised assessment was submitted by the local donor group. Kenya received in total 3 allocations between 2005 and 2007 which totalled USD 121m. All of the funding allocated to the KESSP goes through school level bank accounts, including the FTI's financing. It has been used by schools to pay for instructional materials for schools and to the Book Account, primary school infrastructure, special needs education, and HIV/AIDS..</p>
<p>Moldova was invited to apply for participation in the FTI in November 2004 following the approval of the country's action plan on Education for All. In March 2005, Moldova submitted a request for USD 11m from the Catalytic Fund to support early childhood development. In May 2005 following the appraisal of their plan by in-country donors the plan was endorsed by the FTI. Moldova has received two allocations for a total of USD 18.4m. The funds were used in their entirety on improving early childhood education.</p>	<p>At the launch of the FTI in 2002, Nigeria was one of five countries were identified as being part of the "analytical fast track". The FTI committed to supporting these countries to bring them to a place where they were ready to "accelerate progress towards UPC in a sustainable financial framework" at which point they would also be eligible for financing (WB, 2003). The original aim was that the countries who were part of the analytical fast track would have approved education sector plans by 2008. Nigeria has still not been endorsed by the FTI but has received a limited amount of support through the EPDF.</p>

<p>Mozambique's engagement with the FTI has been in two phases. The first began when Mozambique was invited to join the FTI in 2002 as part of the first group of 18 countries. The FTI launch coincided with the preparation of the Strategic Plan for Education and Culture (PEEC), the primary education component of which was guided by the FTI and the Indicative Framework. Unfortunately although the FTI proposal was endorsed by the local education group in March 2003 the whole PEEC wasn't endorsed until June 2006 due to national elections and ministry reorganisation. However, Mozambique did not qualify as a donor orphan and therefore was not eligible for FTI-Catalytic Fund financial support. The second phase began in 2007, when the donor orphan criterion was dropped by the Catalytic Fund and Mozambique applied. In May 2007, Mozambique was allocated USD 27 million. The Ministry of Education asked for the CF funds to be channelled through the education sector support fund (FASE) however the World Bank (the supervising entity) felt that FASE procurement procedures did not comply with World Bank regulations. The issue was eventually resolved through negotiations between the World Bank and the Ministry of Planning and Development in August 2008 which led to FASE procedures being amended. The funds received have been used towards the UPC target on infrastructure, textbooks, equipment and teacher training.</p>	<p>Nicaragua was one of the first eight countries to be endorsed by the FTI in 2002. Its Ministry of Education was asked to prepare a specific EFA-FTI proposal. This proposal, prepared over a short time frame of three months was based upon the National Education Plan (PNE). The proposal was endorsed by donors in November 2002 at a meeting also formally committed to establishing of an education sector round table. Between 2003 and 2006 Nicaragua received 3 allocations (the first of which at the inaugural meeting for the CF in Oslo in November 2003) for a total of USD24m of which USD14m has been disbursed. FTI funding was never spent for the programs which were mentioned in the FTI Country Proposal. Instead the funds have been flexibly allocated to the school feeding programme, grants to schools under the school autonomy process and alleviation of the impact of Hurricane Felix on the basic education system (in 20007). The final tranche committed in 2006 - still outstanding - will be used for textbooks under the on-going process of curriculum reform.</p>
<p>Vietnam was invited to join the FTI in 2002, and was endorsed in 2003. It was already close to UPC, there were still important issues that remained relevant in the education sector. Vietnam had already produced an EFA action plan which it submitted to the FTI. Vietnam did not apply for funding from the Catalytic Fund or the EPDF and the FTI has had a low profile in the relationship between Vietnam and its education donors.</p>	<p>Zambia was invited to join the FTI in June 2002. The Government of Zambia decided not to submit its Education Sector Plan for endorsement as it did not perceive the FTI to add significant value in terms of raising funds from other donors. However, in 2008, in order to access the CF Zambia decided to apply for FTI endorsement. Zambia received its first allocated in 2009. Zambia became the first country where an alternative Supervising Entity has been used for the FTI as the Netherlands have taken on the role. This will enable FTI funds to be put into the pooled fund.</p>

Exhibit 12 Drivers of Donor Decisions on Basic Education

A recent ODI study commissioned by the Hewlett Foundation into external financing for basic education aims to answer the question of why, despite the rhetoric of strong political support to basic education, the sector has not been able to attract more donor funds (Steer & Wathne 2009).

Factors influencing donor financing to basic education

Six key factors influencing donor financing for basic education were identified. Three factors (donor prioritisation and leadership, availability and use of evidence and issues related to aid architecture) seemed to present the strongest constraints. These were followed by partner absorptive capacity, partner demand and donor capacity.

1. Donor Prioritisation and Leadership: Organisational prioritisation particularly when directed by top leadership can have powerful effects on aid allocations to basic education. This has been demonstrated by the Netherlands, the UK, the World Bank and the US over the past decade. Conversely, the lack of such prioritisation was mentioned by two-thirds of DAC bilateral and multilateral donors as an important constraint to scaling up aid to basic education.

Prioritisation of education comes from various sources such as direction from top leadership, influence of a donor's own development story and cultural or religious foundations, a "visionary paper", foreign policy interests, political context, international agreements (such as the MDGs and EFA goals) and organisational mandate. Pressures from advocacy elements within and outside donor organisations also play a role. Organisational prioritisation of education does not always translate into aid commitments however. The decentralisation of aid management and complex organisational structures (with aid budget spread over many departments) seem to affect organisations' ability to implement central priorities and effectively prioritise basic education (although it should be noted that this possibly also affects prioritisation in other sectors).

2. Aid architecture: The international aid architecture and, in particular, issues related to the way aid is managed and delivered were stated as a key constraint to scaling up aid in a number of organisations. Several donors noted that the limited availability of effective mechanisms to coordinate or pool aid resources was a constraining factor; this was particularly important for donors (such as the Netherlands) who were seeking to scale up their support for education without starting new bilateral country programmes. The option of silent partnerships or delegated cooperation agreement within a pooled arrangement is an attractive one for several small and medium sized donors. The effects of the trend towards budget support were also mentioned. While this modality provides governments with fiscal space to allocate more finance to social services such as basic education, donors expressed a concern that they had less influence over policy decisions and little control over the amount of domestic spending actually allocated to basic education. There was also a widely held view that the education sector has not given sufficient attention to developing innovative approaches to financing: whilst the FTI has added new dimensions in measures to promote harmonisation and alignment, its effectiveness in terms of raising additional funds has been questioned. There are other as yet unproven proposals on innovative financing such as the Cash on Delivery Aid concept developed by the Center for Global Development. But much is still unknown in terms of whether and how these mechanisms could be used in the education sector. The lack of engagement with non-traditional donors such as non-DAC donors and the private sector was also perceived to have limited the potential for scale up from a broader group of donors. Non-DAC donors with cultural and historical interests in (basic) education are particularly important in this context. Different views (and ideologies) around the role of private sector engagement in the delivery of basic education seem to limit

further discussions about the broader role of private entities (such as e.g. foundations) in providing additional external financing.

3. Evidence and advocacy: The third factor influencing basic education funding decisions is the availability of evidence, and the way education is promoted by advocacy organisations (although the perceived importance of this factor seemed to vary somewhat across agencies). A strong evidence base was more important for foundations and NGOs as well as multilateral organisations. There was a general feeling that basic education has not been sufficiently effective in measuring results and impact. Several types of results are perceived to be missing, including evidence on need; reliable and consistent estimates of the funding gap; evidence on impact in terms of learning outcomes; and importantly the impact of education on other development outcomes. The impact of investment in basic education takes a long time to materialise, which puts the sector at a disadvantage in comparison with other sectors. It was also noted that greater clarity is needed around quantity and quality measures.

Decisions to scale up aid are influenced not only by the evidence generated but perhaps more importantly by the way evidence is presented and used in advocacy campaigns. There was broad agreement that global campaigners (such as the Global Campaign for Education) and civil society have played an important role in the education movement and the international agreement around the EFA goals in particular. However, education campaigns have had to compete with stronger campaigns in other sectors and some attributed the relatively limited success in education advocacy campaigns to the failure to gather and use evidence clearly and effectively. Others noted that education advocacy is sometimes too ideological, making it less effective with certain donors. For example, some advocacy groups place strong emphasis on budget support as the "approved" approach for support in the sector. There is also a need for greater engagement and strengthening of grassroots organisations. Respondents also noted that efforts were sometimes too narrowly focused in aid agencies and should try to influence much broader target groups, including different parts of government, parliament, opposition parties, etc.

4. Partner absorptive capacity: Of all factors influencing the scale-up of aid to basic education, the capacity of recipient countries to absorb sizeable amounts of aid has been discussed most widely in the literature. Interestingly, the evidence in this study suggests that, while considered to be important, absorptive capacity is by no means the most significant factor in determining the scale-up of aid. Moreover, respondents noted that there are ways to address capacity issues and that one can "programme around them". To a certain extent, as has been shown in the health and AIDs sectors, capacity can expand to deal with increased quantity of funding. Capacity constraints could also be reduced if donors and funding agencies were better coordinated and used more streamlined procedures and more predictable modalities. Capacity issues were mentioned relatively more frequently by recipient governments, non-DAC donors and advocacy organisations. Absorptive capacity constraints generally involved institutional and human resource capacity and, to some extent, systems of accountability. Macroeconomic constraints were mentioned rarely by donors, although advocacy organisations were relatively more concerned about them. Overall, respondents felt the ability of government to develop credible plans had increased significantly, but implementation capacity within education ministries and at sub-national levels remained a concern. Capacity constraints were thought to be particularly challenging in fragile states.

5. Partner demand. With donors giving increased attention to country ownership, strong partner demand for basic education influences decisions to allocate funding to basic education. Demand is generally gauged in a number of ways, including requests for funding, political statements, prioritisation in national development strategies and allocation of domestic resources. Interviews clearly indicate that strong demand for basic education

support exists at the general level. However, demand for aid for the sector was found to vary significantly across donor agencies. It was felt more strongly by agencies that prioritise education. This suggests that recipients direct their demand to those agencies they perceive are interested in supplying it. Donors that provide aid mainly through loans instead of grants (e.g. WB, Saudi Development Fund and Japan) noted that demand for basic education loans was limited and falling as countries are reluctant to borrow to invest in recurrent costs. Demand also differs across countries. LICs (particularly in Africa) and/or countries with low enrolment rates were perceived to have a higher demand for external support for basic education. Countries which have made relatively good progress in basic education in recent years are also found to increasingly demand for support for post-primary education e.g. Uganda.

6. **Donor capacity:** The study highlighted a number of aspects related to the internal organisation of donor agencies that are affecting scale-up of aid to basic education. Donor cost-saving exercises, the restructuring of donor agencies and the use of new aid modalities all seem to have contributed to a weakening of education expertise in donor agencies. This is perceived to limit further scale-up of aid to basic education.

What can be done?

There are several developments that may offer opportunities in 2010 to mobilise substantial new resources including the 1 Goal Campaign linked to the World Cup, the FTI replenishment and the US proposal for scale-up of funding. The key challenge will be to make the most of these opportunities by developing a strong evidence-based case for education in spite of the difficult financial circumstances that are likely to affect all donor countries over the next few years. The study has a number of recommendations around four broad themes.

Capturing the global stage. The study clearly suggests that there is a need to capture support of high-level political, popular and/or corporate leaders and strengthen the evidence base on basic education. This could occur in four ways. First, the sector could identify a core group of global champions, who could be the driving force behind a global effort. Second, a key suggestion is to develop a renewed "visionary paper", which would provide a powerful case for increased investment in basic education and demonstrate its importance to the challenges of today. Third, a semi-permanent body to provide rigorous economic and social analysis of the education sector on a rolling basis could also potentially strengthen education's place in the international arena. Finally, it is necessary to develop more coherent messages around the importance of quantity and quality of education and the relative importance of primary, basic and secondary education. The role of evidence and advocacy organisations in making the case for education should also be emphasised. The case for education could also be strengthened by linking education more clearly and rigorously to other development outcomes, such as for example climate change through education's positive impact on reducing population growth.

Expanding the tent: New partners and approaches. The education sector could benefit from broadening its community and approaches in three ways. First, the sector should look into further opportunities to use innovative financing mechanisms. Second, the study clearly identified a need to reach out to non-traditional donors and foundations that have so far not invested in any significant way in education. Finally, there is a need to further review the potential role of the private sector in basic education, which is still the subject of considerable debate.

Enhancing coordination in aid delivery. The education sector should seek to build more strongly on the progress made in terms of coordination at the country level. Respondents felt there is an urgent need for a stronger global platform that is able to include all players in the education agenda. Greater opportunities for donors to enter collaborative partnerships

are also needed. Finally, a number of organisational challenges inside donor agencies need to be addressed. A core challenge for donor organisations is to combine central priorities with highly decentralised decision making and increased emphasis on country ownership.

Strengthening recipient capacity and demand. Donors need to improve the coordination of technical support and address gaps in technical expertise across the donor community. Donor agencies need to have access to skilled and experienced personnel either in house or on a shared call down basis. Critical skills include high level strategic planning to bring programmes to scale, operate in fragile states and apply innovative approaches to education. There is also an urgent need to develop more systemic approaches to building capacity within local governments through institutional development and system wide reform. The survey also noted a need to strengthen local government and non government accountability mechanisms that can create pressure and demand for high-quality delivery of education services.

Exhibit 13 Study Findings – Sector Budget Support in Practice

(Mokoro & ODI 2009b)

1. The study on Sector Budget Support (SBS) in Practice (SBSiP), undertaken for the Strategic Partnership with Africa (SPA), raises a number of issues and highlights key messages that have broad relevance for the FTI. There follows a description of the study, a succinct summary of its findings and key messages, and reflections on possible implications for the FTI.

The SBSiP study and its relevance for the FTI evaluation

2. Sector Budget Support (SBS) is a modality for providing Official Development Assistance (ODA) which donor agencies are increasingly using to support African (and other) countries to achieve their policy objectives. The overall purpose of the study was to draw on the experience of SBS in different countries and sectors to guide future improvements in policy and practice by partner countries and donors. There have been a series of studies of General Budget Support (GBS) but SBS has not been so systematically reviewed. The Study was undertaken to respond to (a) the rising trend in the volume and proportion of aid provided through non-GBS and non-project modalities to support *sector development*, much of it through SBS instruments, and (b) the absence, thus far, of a systematic review of the many diverse approaches used to design and implement SBS programmes.

3. The study involved a series of case studies and background papers which have investigated the record of SBS in practice in Africa and beyond, as outlined below.

SBSiP "input" deliverables

- | | | | |
|--|---|--|---|
| <ul style="list-style-type: none"> • Literature Review on "SBS in Practice" • Sector Case Studies: <table border="0"> <tr> <td> Full Sector Case Studies: <ul style="list-style-type: none"> ○ Zambia – Roads Sector ○ Zambia – Health Sector ○ Mozambique – Health Sector ○ <i>Rwanda – Education Sector</i> ○ <i>Uganda – Education Sector</i> ○ <i>Mali – Education Sector</i> </td> <td> Desk-based Sector Case Studies <ul style="list-style-type: none"> ○ Tanzania – Health Sector ○ Uganda – Local Government ○ Tanzania – Local Government ○ Mozambique – Agriculture Sector </td> </tr> </table> • Report on Donor HQ Accountability Expectations | | Full Sector Case Studies: <ul style="list-style-type: none"> ○ Zambia – Roads Sector ○ Zambia – Health Sector ○ Mozambique – Health Sector ○ <i>Rwanda – Education Sector</i> ○ <i>Uganda – Education Sector</i> ○ <i>Mali – Education Sector</i> | Desk-based Sector Case Studies <ul style="list-style-type: none"> ○ Tanzania – Health Sector ○ Uganda – Local Government ○ Tanzania – Local Government ○ Mozambique – Agriculture Sector |
| Full Sector Case Studies: <ul style="list-style-type: none"> ○ Zambia – Roads Sector ○ Zambia – Health Sector ○ Mozambique – Health Sector ○ <i>Rwanda – Education Sector</i> ○ <i>Uganda – Education Sector</i> ○ <i>Mali – Education Sector</i> | Desk-based Sector Case Studies <ul style="list-style-type: none"> ○ Tanzania – Health Sector ○ Uganda – Local Government ○ Tanzania – Local Government ○ Mozambique – Agriculture Sector | | |

4. Three of the SBSiP full case studies focused on SBS in support to education (Rwanda, Uganda and Mali). Of these, two are countries in which the FTI partnership has been active for several years (Rwanda and Mali). Rwanda, which is also a (desk) case study in the FTI evaluation, is in many ways a "good practice case" in which the FTI's adoption of SBS as the "most aligned modality" for the CF funding significantly contributed to aid alignment in the sector. The SBSiP study also includes other sectors' case studies in countries which were covered as FTI case studies (Mozambique as a full case study and Zambia as a desk study). In all these cases the SBSiP and FTI country teams exchanged notes at various stages of the process. Beyond this overlap in the samples of cases of the two studies, the SBSiP findings and conclusions are also important for the FTI evaluation study considering the rising importance of SBS as an aid modality, including in the education sector.

Highlights from the Study on Sector Budget Support in Practice

What is SBS in practice?

5. SBS is an aid modality which donor agencies are increasingly using to support countries to achieve their policy objectives at the sector level. SBS, alongside Common Basket Funds, are the two main modalities associated with support to Sector-Wide Approaches (SWAs).

6. SBS is characterised by the fact that: (a) funds are channelled via the recipient government's treasury, and use government budget execution systems; (b) other inputs associated with SBS funds (i.e. dialogue, conditionality, technical assistance and capacity building) focus on a specific sector. In that way, SBS differs from GBS, where dialogue and conditions cut across sectors and often support crosscutting reform agendas; and from projects, which fund discrete sets of activities with discrete objectives.

7. In practice there is a large spectrum of aid instruments which can be considered as SBS. There are two main distinctions relating to funding arrangements:

- *Earmarking* involves the justification of the provision of SBS funding against a particular component of public expenditure. It can be broad (sector wide) or narrower (funds targeting a sub-sector or even specific budget lines).
- *Traceability*: SBS funds are traceable when they are separately identifiable in the expenditure classification of the recipient government's budget (e.g. through special accounts or separate accounting). Overall traceable SBS instruments are more commonly associated with specific earmarking (often to the "development" budget), and further derogations from government financial management procedures (e.g. separate cash management, additional reporting and audit requirements).

8. The study shows that derogations from country systems (as implied by traceable SBS) have negative effects on the efficiency of sector expenditures and impose additional transactions costs. In spite of this, traceable SBS was used in two thirds of the case studies. This is mainly a result of the way in which donor accountability requirements are interpreted at country level, donors' general risk aversion, and conflicting incentives among recipient government agencies (diverging preferences between finance and line ministries, in particular).

What are the main achievements of SBS?

9. SBS has generally helped support the expansion of service delivery, through financing a major share of service delivery inputs. It has facilitated and contributed to the rapid increases in sector public expenditures, and contributed towards a reorientation of sector resources towards service delivery in many cases.

10. SBS has supported greater efficiency in the use of public resources, through facilitating improvements in planning, budgeting, financial management, reporting and accountability, though progress has been uneven (weak links between policy priorities/plans and budgets in most cases, weak reporting on and accountability for service delivery in all cases).

11. Compared to other aid instruments, SBS has proven relatively predictable in the short term and it is expected to be less volatile than GBS. In particular, the provision of non traceable SBS has contributed positively to budget execution and policy implementation where the Ministry of Finance has committed to ensure budget predictability at sector level.

However, donor commitments through SBS programmes have remained relatively short term. This is a serious constraint which leads recipient governments to remain reluctant to use donor money to increase remuneration and/or number of mainstream staff, even though human resource issues have regularly been identified as a major cause of weaknesses in service delivery, and hence in sector performance.

12. The extent of gains in access to service was directly related to the scale of SBS – where it represented an increase in sector resources and a major share of sector expenditures. Efficiency gains were greatest when there was a significant switch in aid modalities away from project and/or common basket funding, and when non-traceable instead of traceable SBS was used.

Where has SBS been less effective?

13. The study highlighted that, thus far, the sector reforms under way have failed to have a significant impact on the quality and equity of service provision (which is necessary if improved access is to be sustained). And, *like GBS and all other forms of aid*, SBS has struggled to address this. This is not the inevitable result of providing SBS, but the particular result of delivering SBS and other external inputs at the sector level in a particular way. The key intervening variable is the nature of incentives facing the important domestic actors at all levels in the sector. Typically these incentives do not lead to focusing on frontline service delivery and management processes whilst this would be indispensable to ensure the delivery of high quality, pro-poor services. And, the study observed, SBS did not affect these incentives and in particular, did not affect incentives facing front-line service providers and their managers.

14. This, again, has a specific cause: that the non-financial SBS inputs (dialogue, conditionality, TA and capacity development) have been focused upstream, not downstream. This has also been exacerbated by the broader aid environment at the sector level and beyond. SWAp and associated coordination mechanisms, which SBS programmes have typically supported, have focused on and improved upstream policies and plans and the alignment of aid to them. However they also have not focused downstream. Significant flows of other (non budget support) aid (e.g. vertical funding in the health sector) have continued to distort the balance of funding in sectors, bypassing national delivery systems and being an unreliable source of service delivery inputs. Dialogue, conditions and other non-financial inputs related to GBS are rarely linked to SBS and SWAp and are often inconsistent. All too often donor representatives working in different fields promote incompatible and inconsistent agendas, and government agencies too have divergent perspectives.

15. Through the contribution that SBS has made to service delivery inputs, it has ensured that the quality of services is higher than it otherwise would have been (especially in the cases where free basic health and education services were introduced). Nevertheless, the major failing of SBS in practice has been that in the way it has been designed and implemented it has not responded well to the challenges outlined above (which the study captures as the "missing middle" in improving sector performance).

Towards better practice in the provision of SBS

16. Overall the study has shown that SBS has the potential to be an effective aid modality. But it should be designed more effectively to support recipient governments to address the "missing middle" in sector performance, by focusing on strengthening frontline service delivery processes and management systems, with a view to enhancing equity and quality of services.

17. The key messages for better practice in the provision of SBS are:

- (a) Improving service delivery results through supporting reform/strengthening of service delivery processes and management systems must be made central to the entire portfolio of aid provided to sectors.
- (b) SBS and other aid provided to the sector should endeavour to strengthen incentives for domestic actors to improve performance, focusing on actual service delivery results and the processes underpinning these.
- (c) Non-financial SBS inputs of dialogue, conditionality, TA and capacity building should focus on downstream domestic systems for policy implementation and service delivery.
- (d) SBS and other forms of aid provided to sectors should be complementary, with the same objective of focusing on service delivery improvements. This requires much stronger links between sector and crosscutting reforms (civil service reform, decentralisation and public financial management reform). This in turn, requires more deliberate complementarity between SBS and GBS dialogue and conditionality frameworks.
- (e) SBS should be provided on a large enough scale to ensure that the expansion in sector resources is commensurate with the needs of the sector, and that a shift in incentives towards strengthening domestic systems takes place. In stable or stabilising, donors should stop funding service delivery through projects.
- (f) Deeper involvement at downstream levels will require in-depth assessment of existing service delivery processes and management systems and underlying incentives, and likely larger capacity development inputs complementing SBS funding. Projects can be very useful in deploying well thought through and more significant capacity development resources focused on strengthening service delivery and associated local accountability systems.
- (g) SBS funding should be provided in the context of an inclusive dialogue on overall sector resource allocation – led by the Ministry of Finance. Earmarking – where it is used – must be negotiated with and not imposed on the recipient government.
- (h) SBS should, ideally, not be separately identifiable in the budget. This means the use of non-traceable (although possibly earmarked) SBS instead of traceable SBS wherever possible. When traceable SBS (and/or any other derogation to government financial management system) is used there should be an exit strategy for this to be phased out.

Reflections on possible implications for the FTI

18. Possible implications for the FTI all revolve around the relevance of the main message from the SBSiP study that is, the *centrality of focusing on actual service delivery processes, management systems and actors' incentives to enhance access to pro-poor quality services*. Indeed, the FTI evaluation suggests that the overall objective of the FTI of accelerating progress toward EFA/UPC will not be sustainable if FTI support is not refocused toward policy implementation – as opposed to policymaking and plan formulation. In terms of the FTI's specific objectives, possible implications of the SBSiP study findings for the FTI can be summarised as follows:

- Policy gap Focus on policy implementation levels, service delivery
- Capacity gap processes and management systems

- Data gap Focus on local accountability for service delivery

- Finance gap Put Ministries of Finance in the lead in dialogue on sector resources

- Aid effectiveness Finance service delivery through the budget, with minimal derogations (and exit strategies where initial derogations are required). Promote a portfolio approach to providing aid to the education sector.

- General Pay much greater attention to country-specific political economy of service delivery.

Exhibit 14 The Indicative Framework

Guidance on the Indicative Framework

Introduction

This Exhibit presents (overleaf) the Indicative Framework (IF) as it appeared in the FTI Framework document of 2004. Below are extracts from the guidance use of the Indicative Framework, as outlined in the main FTI reference documents.

These extracts highlight the range of purposes served by the IF – as a tool to foster debate, to allow consistent monitoring and evaluation, and to assess the credibility of education sector plans (ESPs). They also highlight slightly diverse understandings of the use of the IF to assess country plans, ranging from: *"technical benchmarks or "norms" against which countries' EFA plans may be evaluated and costed"* (World Bank 2002, p15), to *"the sector plan is assessed in full consideration of the benchmarks of the FTI Indicative Framework as adapted locally"* (FTI 2004a, p6), to *"Governments of partner countries [elaborate] an ESP that is generally compliant with the FTI Indicative Framework"* (FTI 2009e, p4).

Although there are many references to the IF being guidance, and the need to adapt to context, it is still sometimes understood in a more prescriptive sense. For example *"The plan to move to double shifting with a reduced number of hours of instruction per student per day may violate the goal of the Indicative Framework"* in the 2009 Rwanda External Quality Review". (FTI 2009a) Annex C presents further analysis of how the Indicative Framework was used and understood in practice at country level.

Extracts from FTI reference documents

FTI Framework (FTI 2004a)

[Benchmarking] The FTI encourages the use of indicative benchmarks (the FTI Indicative Framework) locally adapted to enlighten debate, in-country reporting on policies and performance, and mutual learning on what works to improve primary education outcomes which can provide lessons learned across countries for the acceleration of UPC.

[Support linked to performance]: ... The FTI is intended to provide more sustained, predictable and flexible financial support to countries that have demonstrated commitment to the goal of UPC, adopted policies in full consideration of a locally adapted FTI Indicative Framework, and which have a need for, and the capacity to use effectively, incremental external resources." (p4)

[Monitoring and Evaluation of the ESP] [In general, the sector plan would] ... identify annual targets for measuring progress on key policies and outcomes, including those of the FTI indicative framework as locally adapted."(p6)

The FTI Indicative Framework is a limited set of education policy, service delivery and financing benchmarks, drawn from empirical analyses of a set of low-income countries. The benchmarks of the FTI Indicative Framework do not substitute for the broader range of outcome targets and indicators that countries may establish for measuring progress against national education goals. Rather, they help determine the evolution of a common set of indicators. Indicative framework targets also need to be complemented by measurements of student learning and the quality of teaching. For these reasons, countries' commitment to setting annual targets on the FTI Indicative Framework indicators and monitoring them is important. (p6)

[Appraisal of ESP] For FTI endorsement, the primary education component of the sector plan is assessed in full consideration of the benchmarks of the FTI Indicative Framework (Annex 1) as adapted locally. (p.6)

As a global initiative, the FTI supports the utilisation of a common framework for in-country review of plans, and consistent and equitable treatment across countries. Assessment Guidelines and the FTI Indicative Framework assist in this. (p8)

[Accountability] The FTI endorsement process implies a set of reciprocal commitments among recipient governments and development partners. ... For its part, the government would agree that performance in implementing its education sector strategy will be transparently monitored on an annual basis in full consideration of the FTI indicative framework, as adapted locally, and other agreed targets and indicators.(p10)

[Monitoring and evaluation of the FTI] M&E of the FTI at the country level has the following goals: ... transparent annual monitoring of indicative framework and other nationally-appropriate targets... (p11)

2009 governance document (FTI 2009e)

Governments of partner countries subscribe to the FTI Compact and thereby commit to achieving Universal Primary Completion. They do this through the elaboration of an ESP that is generally compliant with the FTI Indicative Framework^{2[see next paragraph]} and that is embedded in the country's Poverty Reduction Strategy Paper or equivalent. Fragile states may also be considered as partner countries if there is an agreed process in place to prepare such [a] plan. (p4)

The FTI Indicative Framework provides a set of indicators which partner countries are asked to use as monitors of progress towards universal primary completion. They include resource mobilization, student flows, number of teachers and teacher/student ratio, and enrolment. Countries may decide to use them along with their own benchmarks and indicators. (footnote 2, p4)

Country Level Process Guide 2009 (FTI 2009b)

... 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 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. (p9)

As the ESP will be appraised by the Local Donor Group using the FTI Appraisal Guidelines (link) and guided by the Indicative Framework (p10)

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. (p11)

IF Benchmarking Tool for EFA/Education Sector Development Plans

Indicator	Average for some successful countries	Baseline	Year 1	Year 2	Year 3	.....	2015
Resource mobilization							
Public domestically-generated revenues as % of GDP	14–18						
External grants as % of GDP	—						
Education share of budget (%)							
<i>Defined as public recurrent spending on education as % of total public recurrent discretionary spending ^a</i>							
• Estimate including grants	20						
• Estimate excluding grants	20						
Primary education share of education budget (%)	42–64						
<i>Defined as public recurrent spending on primary education as % of total public recurrent spending on education, including grants ^b</i>							
Student flows							
Intake into first grade, total ^c	100						
• Girls' intake rate	100						
• Boys' intake rate	100						
Primary completion rate, total ^d	100						
• Girls' completion rate	100						
• Boys' completion rate	100						
% repeaters among primary school pupils	10 or less						
Service delivery							
Pupil–teacher ratio in publicly-financed primary schools ^e	40:1						
Average annual salary of primary school teachers: ^f <i>(for countries with both civil service and contract teachers, use the weighted average salary)</i>	3.5						
Contract teachers							
• Number of new contract teachers recruited this year							
• Total stock of contract teachers							
• Average salary Civil service teachers							
• Number of new civil service teachers recruited this year							
• Total stock of civil service teachers							
• Average salary							
Recurrent spending on items other than teacher remuneration as % of total recurrent spending on primary education ^g	33						
Annual instructional hours							
<i>Estimated effective hours of schooling (not official hours) in publicly-financed primary schools</i>	850–1000						
Private share of enrollments % of pupils enrolled in exclusively privately-financed primary schools	10 or less						

[see notes on next page]

Notes:

- (a) Public recurrent spending on education includes all spending through ministries or other government units providing primary and secondary schooling, vocational/technical education and higher education. It also includes public expenditures for education transferred to private and non-government providers and educational grants and subsidies to students or their families. Public recurrent discretionary spending is defined as public spending from all sources—including external grants—less debt service (interest payments only). The education share of total public recurrent spending should be presented both including and excluding external grants.
- (b) This benchmark is pro-rated to the nationally defined length of the primary cycle, i.e. 42% if it is 5 years, 50%, if 6 years, 58% if 7 years, and 64% if 8 years. Countries whose basic education cycle is longer than 8 years are encouraged to report data for a primary-equivalent subcycle of 5 or 6 years.
- (c) Defined as students enrolled in grade 1, net of repeaters, as a percentage of the population cohort at the official age of entry to first grade.
- (d) Defined as students completing the final grade of primary school as a percentage of the population cohort of official graduation age. If data on students completing the final grade are not reported, a proxy primary completion rate should be used, defined as: students enrolled in the final grade of primary school, adjusted for the average repetition rate in last grade, as a percentage of the population cohort of official graduation age.
- (e) Includes all teachers on payroll. "Publicly-financed schools" refers to schools supported by government whether publicly or privately managed and all teachers fully paid by the government, either directly or indirectly.
- (f) Expressed as a multiple of GDP per capita. Includes salary and budgeted cost of benefits (i.e. pension, health services, transport, housing and other items paid for by the state). For countries with a two-tier teacher contracting system, disaggregated information on teacher stocks, flows and average monthly salaries (in local currency units, with exchange rate, or in USD) should also be presented.
- (g) Recurrent spending on items other than teacher remuneration includes all non-salary spending (e.g. teaching/learning materials, student assessment, school feeding, student stipends, etc.) plus salaries of administrative and other personnel who are not classroom teachers.

Exhibit 15 The Progressive Framework

From *FTI Support to fragile situations: Progressive Framework*, May 2007 (FTI 2007), and *FTI Support to fragile situations: Progressive Framework: Discussion Document & Guidelines*, Draft 24 June 2008 (FTI 2008d)

The Progressive Framework uses the term "fragile states" and, although it does not propose a definition or a category, it is premised on the idea that in some countries, interim arrangements are necessary at the outset so that they can then move gradually towards more comprehensive arrangements, with continuous support. It introduces the idea that "interim strategies", should be supported financially. The Progressive Framework (next page) is a diagrammatic representation of the transition process that these countries would follow. It outlines indicators which would "trace" this transition along a spectrum from interim arrangements to "development target" – in five main dimensions as follows:

- Sector planning and coordination
- Resource mobilisation
- Service delivery
- Student flows
- Stabilisation and fragility reduction

The Progressive Framework can be applied to whole countries where *"the human and institutional capacity, data availability, security or social conditions and/or political commitment do not permit the development of a comprehensive sector plan"* (FTI 2008d, p1). It can also be used to create interim strategies for different areas of the same country, and thus address "pockets of fragility".

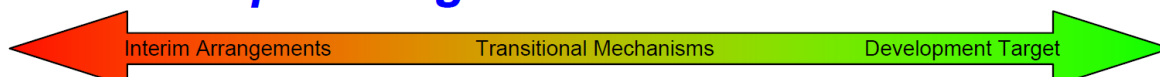
The Progressive Framework's guidelines provide a step-by-step process through which the country is to be led by the local education group with support from the Secretariat. Decisions concerning the final endorsement and financing of the interim strategy are assigned to the "Donor Decision Group". A four step process is outlined for the development of an interim strategy:

1. **Convening an in-country sector working group (SWG):** in contexts in which a local level education sector working group already exists this would be used – membership of the group should be wider than most local education groups including key stakeholders who need to participate in order for the strategy to be "politically viable" (FTI 2008d, p10). In emergency contexts the education cluster could lead the group. Once established the Sector Working Group should notify the Secretariat of its intention to develop an interim strategy and seek interim financing and tools, guidance, information and EPDF funding will be provided.
2. **Undertake an Education and Fragility Situational Analysis:** using the Progressive Framework the Sector Working Group must undertake an analysis of the current situation of education provision and how it has been impacted by the fragile context.
3. **Develop an Interim Strategy:** in order to do this the Sector Working Group should agree on the priorities in the sector as highlighted by the situational analysis. The strategy must be short-term (1-2 years) and focused upon progress towards system recovery and stabilisation. The Interim Strategy should be submitted to the Secretariat for FTI endorsement. This will occur through an "ad hoc" virtual review by the Donor Decision Group. The Secretariat will arrange a transfer of funds from the "interim financing facility" (ibid, p12)
4. **Implement the Interim Strategy:** implementation of the strategy will occur by the development partners and in line with the implementation arrangements. There will also be regular review from the Sector Working Group who will provide progress reports to the FTI Secretariat for the Donor Decision Group. When the interim strategy has been completed the Sector Working Group will agree on next steps, either another interim strategy or preparation of a sector plan for FTI endorsement.

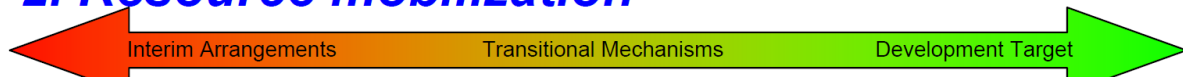
These steps are also laid out in a matrix in the Progressive Framework guidelines which allocates responsibilities to the different actors involved.

The Progressive Framework

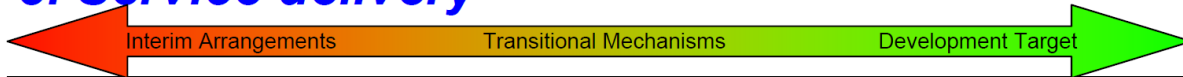
1. Sector planning & coordination

		
Strategic framework for sub-sectors (not nec. Gov-led)	Education Sector Plan (national, sub-national)	National education sector plan embedded within PRS (or equivalent) and MTEF
Coordinating mechanisms for needs assessment and aid delivery (JAMS, CAPs, IASC clusters etc.)	Joint aid management & delivery (pooled funding, MDTF etc.)	Government / country-led coordinating mechanism for aid management, delivery and results
Basic information (demographic & education)	Initiating household surveys, school mapping, school surveys	Functioning Education Management and Financial Management Information Systems (EMIS, FMIS)
Ad hoc community involvement in education planning and provision	Coordinated planning mechanisms for community and public provision	Civil society involvement in system planning and community participation in school management

2. Resource mobilization

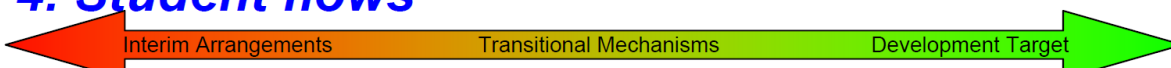
		
Mobilizing internal and external resources to complement community inputs for basic service delivery	Increased national revenue base and more predictable external support for investment and, where necessary, recurrent expenditure.	Consolidated budget & PFM systems (public resources, and predictable external flows reflected in budget, using national PFM systems) (FTI standards for public domestic revenue as share of GDP, Education share of recurrent expenditure, Primary share of education recurrent expenditure)
PFM (budgeting): Identification of resource flows to education (public, private, external)	Linking resources to strategic priorities; Budget & Expenditure Analysis; sector PER	
PFM (fiduciary): basic systems & controls (accounting, procurement, fiduciary risk management)	Accounting, procurement, audit functions; PETS	

3. Service delivery

		
Learning Spaces		
Establishment of safe learning spaces (classrooms or other)	Phasing out multiple shifts; establishment of norms for classroom construction & equipment	Adequate pupil-classroom-ratio: appropriately equipped for quality learning
Teaching personnel		
Identification of teachers, para-teachers and community support	Establishing norms for teacher recruitment, accreditation, utilization and conduct	Adequate pupil-teacher ratio (FTI ≤40:1); equitable teacher distribution; teacher service regulatory framework
Introduction of standardized stipends/incentives for teachers	Interim salary structure and payroll system	National teacher salary scale and payroll system. (FTI ratio = 3.5:1)
Short-term priority provision of teacher orientation and training within a coordinated framework	Introduce a system of teacher education accreditation	National system of teacher accreditation, training and code of conduct

Learning content		
Review of learning content in line with basic learning needs and protection issues (e.g. HIV/AIDS, conflict prevention and rights)	Interim curriculum updating and building of institutional capacity for curriculum development, including elements of peacebuilding	New curriculum framework reflects national consensus on political, economic and human development strategy
Emergency provision of basic learning inputs	Improvement of quality inputs (e.g. textbooks, pedagogical approaches)	Equitable distribution of quality inputs for improved learning outcomes
Instructional contact hours limited by multiple shifts, teacher shortages etc.	Determination of national norms for contact hours and monitoring mechanisms.	Actual instructional hours measured and conform to national norms. (FTI = 850 -- 1000 per annum.)
Access to learning		
Measures to prevent exclusion on economic and other grounds (e.g. gender, language, disability, ethnicity etc.)	Planned and phased support for inclusion and removal of primary user fees	Publicly financed provision of inclusive basic education and support for other levels.
Registration of private providers, including publicly subsidized and exclusively privately financed.	Supportive regulatory framework for private provision	FTI ≤ 10% of primary enrolment in exclusively privately financed schools

4. Student flows

		
Focus on expansion of enrolment numbers in primary or basic education	Introduction of measures to assess net and gross enrolment rates, with official data complemented by survey data.	Measurement of intake rates, completion rates and repetition. (FTI Indicative Framework Indicators)
Introduction or enhancing of skills development programs and accelerated learning (including youth catch-up classes)	Identification of urgent skills required for recovery and reconstruction; expansion of secondary and teacher education programs	A comprehensive system of vocationally oriented, balanced education programs that addresses needs of children and out of school children, youth and adults.

5. Stabilization and fragility reduction

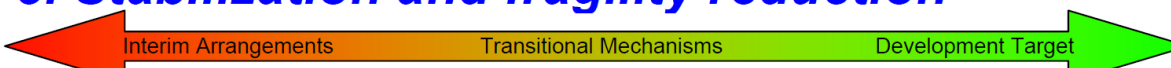
		
Education & Security		
Assessment of security, protection and psychosocial issues and identification of relevant strategies	Measures to promote safe access, security, child protection, and community involvement in conflict prevention	Community and school environments are secure and promote protection and psychosocial wellbeing
Education & Governance		
Assessment of institutions (formal & informal), decision-making and capacity at all levels, and impact on fragility; identification of strategies	Measures for institutional strengthening, reconfiguring roles and responsibilities, increasing stakeholder participation	Education systems and schools/services' governance are more transparent, democratic and accountable
Education & Social		
Assessment of social / equity issues (including gender, HIV/AIDS and disability) and identification of strategies to promote inclusion	Measures to improve equity of resource distribution & access; non discriminatory policies & learning environment	Education systems and schools are providing equitable and inclusive services
Education & Economic:		
Identification of potential linkages between education/skills development, employment, growth	Measures to improve second chance basic and secondary education, TVET, non-formal	Schools contribute to economic stability/recovery

Exhibit 16 Aid Modalities in Case Study Countries

(case study countries which have been endorsed and have received an allocation from the Catalytic Fund)

FINANCE	KENYA	GHANA	YEMEN	MOZAMBIQUE	CAMBODIA	BURKINA FASO	NICARAGUA	ETHIOPIA	ZAMBIA	MALI	RWANDA	MOLDOVA
<i>Endorsed in</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>	<i>2003</i>	<i>2006</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2008</i>	<i>2006</i>	<i>2006</i>	<i>2005</i>
CF allocation	2005, 2006, 2007	2005, 2006, 2007	2003/04, 2005, 2006	2008, 2009	2007, 2008, 2009	2009, 2010, 2011	2003/04, 2005, 2006	2008	2009, 2010	2007, 2008	2007, 2008, 2009	2006, 2007
Supervising entity	WB	WB	WB	WB	WB	WB	WB	WB	Netherlands	WB	WB	WB
Aid modality CF	Pool	Project	Project	Pool	Project	SBS	Project	Pool	Pool	Project	SBS	Project
Most aligned modality existing in education sector?	yes	No	No	No, significant derogations	No	Yes	No	No	Yes	No	Yes	No
Most aligned modality existing in education sector		Some donors support education through GBS	More aligned coordinated donor support set up since first CF allocation	(GBS)	SBS	(GBS)	Pooled fund (created after first CF allocation) and SBS	Less earmarked "Protecting Basic Services" budget support		SBS		Budget support for social sectors
Does the country receive GBS?	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No
Sector focus?	Education	Primary	Primary & teacher training	Basic	Education	Basic but non traceable	Basic	Primary & secondary	Education sector	Primary	Basic but non traceable	ECD

SBS: Sector Budget Support, GBS: General Budget Support, Pool: pooled fund

Based on the evaluation team's findings from country case studies.

Exhibit 17 Ethiopia's ESDP I as an FTI prototype

Education and Health Sector Development Programmes were developed in parallel in 1997/98. The Ethiopian government seized upon early concepts of sector approaches (e.g. Harrold 1995) to propose programmes for both sectors. The main donors to the sectors, led by the World Bank, then worked with GOE to refine and elaborate the programmes it had drafted. Detailed collaborative review and development of proposals took place at regional as well as federal levels, and led to revised documents, the first ESDP and HSDP Programme Action Plans.

The review and revision of the ESDP took place in a very inclusive way (including donors and regional governments, notably). There was a committed and active local education donor group which participated fully in all the relevant elements. The plan was "endorsed" by all stakeholders including education donors.

At the same time the architecture of Annual Review Meeting/Joint Review Mission was set up, allowing government and donors to jointly monitor the progress made in implementing the ESDP – including both monitoring of a set of critical indicators, and joint "reality checks" with the JRMs.

The revised (final) plan was costed, with estimates of government and donor contributions; costings included recurrent costs, and the fairly explicit idea that increased development funding by donors would allow increased recurrent spending by GOE.

There was discussion over aid modalities and the use of government systems (found to be basic but quite effective (see Lister 1998). In the end the World Bank adopted a "hybrid" modality, which turned out not to be a happy medium. Implementation/fund disbursement was much slower than planned. There was much talk about weak "absorption capacity" neglecting the evidence that WB procedures and genuine logistical constraints were a principal cause of implementation delays.

The ESDP was initially conceived as involving a loose system of parallel financing, in which the World Bank would fund whichever components were not picked up by other donors.¹⁵⁰ It has never actually functioned in this way. In part this was because the WB modality adopted required detailed annual planning of WB project inputs. Initial implementation was seriously undermined by the 1998–2000 border conflict between Eritrea and Ethiopia. The World Bank's ESDP project proceeded, but funding from other donors was withheld and overall external funding of ESDP I was much less than the government had been led to expect.

Despite the additional costs of the war and the non-appearance of promised donor funds, the Government maintained the levels of education sector expenditure that it had promised for ESDP I. The shortfall in funding was entirely attributable to the donors.¹⁵¹

Lessons that might have been drawn for the FTI from this experience:

- The scope for aligning behind the EFA policies of a committed government.
- The danger of relying on individual donors to fulfil joint funding commitments.
- The importance of designing implementation modalities that are consistent with federal responsibilities and reinforce government systems, and the depth of country knowledge that is required in order to do so.
- The importance of engaging Finance and Planning agencies fully.
- The need to insulate long-term education funding from political turbulence.

These issues all recur in the subsequent FTI experience.

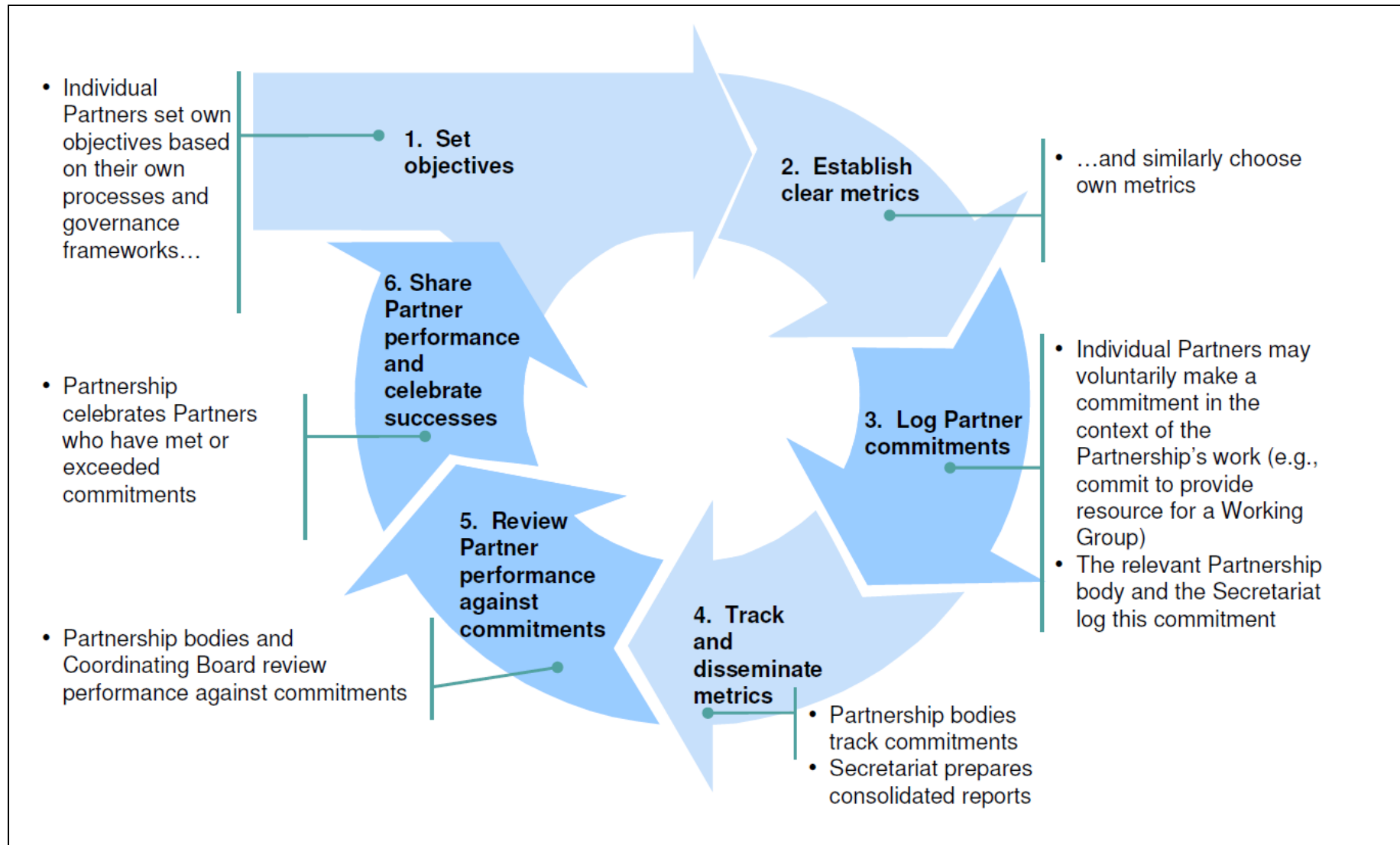
Source: Ethiopia desk study (Dom 2010), Box 3.1

¹⁵⁰ GOE anticipated a much more dramatic move towards pooled joint funding by the education donors.

¹⁵¹ The relevant Public Expenditure Review commented:

it will always be possible to argue that military expenditures might have been even higher if aid had continued to flow, but there can hardly be any doubt that expenditures on primary health and education were sharply lower because aid was withheld (and even though Government broadly adhered to the sector expenditure levels it had projected before the conflict) (World Bank 2001, Box 4.2.).

Exhibit 18 A Model of Partner Accountability
PROPOSED PERFORMANCE TRANSPARENCY APPROACH FOR PARTNERS



Source: StopTB Alliance Evaluation (McKinsey & Company 2008)

Technical Note: Inferences from the Performance of Endorsed Countries

Introduction

1. This Note first uses recently available data to check for patterns in the performance of endorsed countries before and after endorsement. A subsequent section then draws attention to some invalid inferences that have been drawn from data on endorsed country performance and from simplistic comparisons between endorsed and non-endorsed countries.

Educational performance before and after endorsement

Approach

2. There are considerably more data in the most recent UIS figures (released December 2009) – not just for the latest year of data (2008) but also for earlier years. (The Background Table at the end of this Note shows data for 1999 and 2008 for all countries endorsed up to the end of 2009.) These additional data have raised the possibility of using each country as its own control, comparing the trend between 1999 and the Year of Endorsement (YOE) with the trend from the YOE to the most recent year of data (2008 for most indicators although usually 2007 for the crucial Grade 5 survival rate). This does not solve the problems of attribution, because other factors have changed in different ways in different countries and the FTI has been implemented differently in different countries. However, it does allow us to check whether there are any obvious patterns in the performance of endorsed countries following their endorsement.

3. The procedure is, however, only sensible for those countries endorsed in the first four years of FTI activity (2002 – 2005¹⁵²) in order that there are at least two years of data either side of the YOE to calculate a trend. A further limitation on the number of countries that can be included is that data are needed for three years (1999, YOE and 2008). In the commentary and tables that follow data have been accepted for 2000 instead of 1999 and for 2007 instead of 2008.

Enrolment Rates

Gross Enrolment Rate (GER)

4. There are 17 countries with data available for the GER for all three years (1999, YOE and 2008) – see Table TN1 below. In twelve of these, the GER increased between 1999 and the YOE and between the YOE and 2008; in two of those (Madagascar and Nicaragua), there was substantial movement away from 100. In two countries (Guinea and Tajikistan) the increases were about equal either side of the YOE. In three countries (Kenya, Mozambique and Yemen), the rate of increase was higher before endorsement than after; but in five countries (Burkina Faso, Ethiopia, Ghana, Mauritania and Niger) the increases were higher after the YOE than before and in the right direction. In two other countries (Gambia and Moldova) there were decreases; and the picture was mixed in the other three (Guyana, Honduras and Lesotho).

¹⁵² For countries endorsed in 2005, even so, there is little time for any Catalytic Fund inputs to have had a distinct effect, given the pattern of rather slow CF confirmation and disbursement described in Chapter 3C and Appendix III.

Net Enrolment Rate (NER)

5. Table TN1 below also shows that there were fifteen countries for which there are data available for the NER for all three years (1999, YOE and 2007). In nine countries, the NER increased both between 1999 and the YOE and between the YOE and 2008: and, leaving aside Mozambique where the increases were about equal on both sides of the YOE, they were equally divided between four countries (Guinea, Madagascar, Niger and Yemen) where the increase was larger before the YOE than after; and four (Burkina Faso, Ethiopia, Honduras, Mauritania) where the increase was larger after the YOE than before. In two countries (Gambia and Moldova) there were decreases both sides of the YOE; in four countries (Ghana, Kenya, Lesotho and Nicaragua), the picture was mixed.

Table TN1 Comparing Gross and Net Enrolment Rates before and after Endorsement

Country	(YOE)	Gross Enrolment Rate			Net Enrolment Rate		
		1999	YOE	2008	1999	YOE	2008
Burkina Faso	(2002)	44	46	73	35	36	60
Ethiopia	(2004)	50	69	98	36	50	78
Gambia	(2003)	92	91	86	76	72	69
Ghana	(2004)	79	82	102	60	58	74
Guinea	(2002)	56	73	90	43	58	71
Guyana	(2002)	118	121	109	-		95
Honduras	(2002)	107*	107*	116	88	90	97
Kenya	(2002)	91	107	112	78	75	82
Lesotho	(2002)	102	114	108*	57	75	73*
Madagascar	(2005)	98	145	152	66	97	98*
Mauritania	(2002)	86	88	98	62	68	80*
Moldova	(2002)	95	92	89	88	86	83
Mozambique	(2003)	70	90	114	52	64	80
Nicaragua	(2002)	101	110	117	96	86	98
Niger	(2002)	30	39	58	26	38	49
Tajikistan	(2002)	98	100	102	96*		97
Yemen	(2003)	71	83	85	56	71	73

Source: UIS 2009.

Notes: * GER data: for Honduras data for 2000 and 2003 have been used instead of 1999 and 2002 respectively; and for Lesotho, data for 2004 have been used rather than 2003; and for Tajikistan data for 2007 have been used rather than for 2008.

NER data: for Lesotho, Madagascar and Mauritania, data for 2007 have been used rather than 2008

Intake Rates

Gross Intake Rate (GIR)

6. There were 14 countries where there are data available for all three years (1999, YOE and 2007) – see Table TN2 below. In six of these the GIR increased between 1999 and the YOE and also increased between the YOE and 2008; but in three of these (Ethiopia, Mauritania, Mozambique), the increases were not necessarily in the right direction as they were moving further away from 100. Only in three of the countries (Burkina Faso, Guinea, Niger) was there a clear improvement after the YOE relative to before. In another three countries (Gambia, Lesotho and Tajikistan) there were only small movements; in Ghana, the changes are ambivalent; in Honduras there were decreases in the right direction in both periods; in Madagascar and Yemen, there were large increases before the YOE, but not afterwards; and in Moldova, the decreases were in the wrong direction.

Net Intake Rate (NIR)

7. Table TN2 below also shows the seven countries where there are data available for the NIR for all three years (1999, YOE and 2008). In six the net intake rate to Grade 1 increased between 1999 and the YOE and also increased between YOE and 2008. In four of these the increases was larger after the YOE than before, although in two (Lesotho and Tajikistan) the increases were larger before than after. Finally in Burkina Faso, there was a small decrease before the YOE and a large increase afterwards.

Table TN2 Comparing Gross and Net Intake Rates before and after Endorsement

Country	(YOE)	Gross Intake Rate			Net Intake Rate		
		1999	YOE	2008	1999	YOE	2008
Burkina Faso	(2002)	46	51	92	20	19	44
Ethiopia	(2004)	81	102	153	21	32	77
Gambia	(2003)	85	87	93			
Ghana	(2004)	88	86	111			
Guinea	(2002)	51	69	92	19	26	42
Honduras	(2002)	140*	133*	124	49*	54*	63
Lesotho	(2005)	99	102	97	26	48	49
Madagascar	(2005)	111	189	186			
Mauritania	(2002)	89*	117	121			
Moldova	(2005)	99	92	93			
Mozambique	(2003)	104	120*	160			
Niger	(2002)	42	58	78	27	38	53
Tajikistan	(2005)	99	97	104	93	98*	98
Yemen	(2003)	76	104	104			

Source: UIS 2009.

Notes: * GIR: for Honduras, data for 2000 and 2003 have been used instead of 1999 and 2002; for Mauritania, data have been used for 2000 rather than 1999; and in Mozambique, data for 2004 have been used instead of 2003.

Indicators of Progression and Completion

Repetition Rates

8. There were data available for the repetition rates for all three years (1999, YOE and 2007) in seven countries (Table TN3 below). In three of these the repetition rate decreased between 1999 and the YOE and also decreased thereafter. In two the rate of increase was higher before endorsement than after and in only two was the rate of increase higher after endorsement than before.

Survival Rates

9. Of the nine countries where there are data available for all three years (1999, YOE and 2007), in five the survival ratio increased between 1999 and the YOE and decreased thereafter, in two the rate of increase was higher before endorsement than after and in only two was the rate of increase higher after endorsement than before.

Table TN3 Comparing Repetition Rates and Survival Rates before and after Endorsement

Country	(YOE)	Repeaters, all grades (%)			Survival rate to last grade (%)		
		1999	YOE	2008	1999	YOE	2007
Burkina Faso	(2002)	18	18	11	61	66	69
Ethiopia	(2004)	11	17	5	51	62	40
Gambia	(2003)	9	6	5	86	88	70
Madagascar	(2005)	28	18	20	51	36	42
Mauritania	(2002)	15	14	2	61	49	41
Moldova	(2005)	1		-	95	97	96
Mozambique	(2003)	24	22	5	28	46	44
Nicaragua	(2002)	5	9	11	46	52	48
Tajikistan	(2005)5	1		-	97	99	99

Source: UIS 2009.

Note: Repetition: for Mauritania, data have been used for 2000 rather than for 1999

Conclusion

10. Overall, these data present a mixed picture. There is no unambiguous pattern of stronger performance after endorsement than before.¹⁵³ This should not be surprising, given that the FTI is only a part of the influence on performance in any country. Moreover, the data by themselves do not provide direct evidence that the FTI was significantly responsible for trends in either direction. These findings are a further caution that data on the performance of endorsed countries need to be used very circumspectly.

¹⁵³ And such data do not address the counterfactual question: would performance have been worse without endorsement than it was with endorsement?

Improper inferences from endorsed country data¹⁵⁴

11. There has been a tendency in the FTI's flagship publications to draw, or to invite, positive conclusions about the FTI's performance from data on the general performance of endorsed countries and/or from comparisons of their performance with the performance of non-endorsed countries. Good performance by the FTI-endorsed countries (and others) is cause for celebration, but over-eagerness to credit the FTI for such performance is likely to backfire, by reducing the FTI's external credibility and by feeding complacency within the partnership.

12. The 2007 and 2008 FTI Annual Reports were prepared by the FTI Secretariat as "flagship" publications for wide distribution. This constituted a major improvement in terms of the visibility of the FTI. However, the documents mix up objective monitoring with advocacy in support of the FTI. They exhibit a tendency to imply incorrectly that the FTI should be credited for improvements. Thus:

- (a) Analyses often focus only on FTI-endorsed countries. This does not provide a sound basis for assessing the added value of the FTI as it overlooks the fact that these countries were initially good performers and that there is therefore an inherent selection bias. As comparisons are not made with similar countries, the reader is implicitly led to believe that FTI-endorsed countries perform better thanks to the FTI:
 - According to the 2008 Annual Report (FTI 2008a p1) "*Grade One Intake Rate (GIR) trends are positive in most FTI countries – 26 of 35 countries achieved a GIR of 95 percent or above in 2006. In 2005, 24 FTI countries had achieved this level, as compared to only 17 in 2000.*" However, in practice the change from 1999 to 2006 has been equally rapid among those endorsed before 2006, those endorsed since 2006 and those under consideration in 2008–09 (see Table 5.2 of this evaluation's Working Paper 3 (Carr-Hill 2009), which uses UIS data from 2008).
 - Also according to the 2008 Annual Report (FTI 2008a pp1–2) "*overall enrollment numbers are up by 36 percent in sub-Saharan Africa, including a remarkable increase of 52 percent in FTI countries compared to 23 percent in non-FTI countries*". The analysis omitted to explain that four of the six high population countries in that group (Madagascar in 2002, Ghana in 2003, Kenya in 2003, and Mozambique in 2005) had abolished school fees in the first half of this decade, leading to a surge in enrolments that was unrelated to the FTI.
 - The FTI survey to review Paris Declaration indicators (FTI 2009c quoted in the 2008 Annual Report) was cited as demonstrating the effectiveness of FTI processes in the education sector. However, the survey was a snapshot at a single point in time and was based on endorsed countries only, and so such inferences could not logically be drawn. This does not mean that the FTI had no effects, but the survey was not valid evidence for the effects it announced (see Box 9 in section 3G of this report).
- (b) There has been an excessive acceptance of FTI impact without sufficient recognition of external factors or pre-existing dynamics and without analysis of the *specific* added value of the FTI.
 - The 2008 Annual Report (FTI 2008a p.7) quotes the FTI's Paris Declaration indicator survey finding of "*a positive impact of the FTI process, most evident in the core*

¹⁵⁴ This section is mainly drawn from **Annex F**.

areas of sound and operational education sector strategies and results-oriented frameworks for their performance assessment, coordination of technical cooperation through the local donor groups, use of program-based approaches such as education sector-wide approaches (SWAps), joint field missions, and joint analytical work. The quality of country Public Financial Management (PFM) systems shows significant improvements since 2005. A total of 70 percent of the surveyed FTI countries have moved up at least 0.5 points on the World Bank's Country Policy and Institutional Assessment (CPIA) Scale". As already noted, conclusions about the FTI's impact could not logically be drawn from that survey and no other evidence is offered.

13. Another example of the "endorsed country fallacy" is the following ministerial statement (taken from the transcript of the EFA FTI roundtable event in Istanbul on 4 October 2009):

Taking stock now in 2009, the FTI has, in fact, delivered very convincing results. Results in FTI countries include that in sub-Saharan Africa enrollments in FTI countries have increased by 64 percent in 6 years, from 2000 to 2007, resulting in 20 million more children enrolled in primary school in sub-Saharan Africa alone.

Primary school completion rates have improved significantly. Girls make up 60 percent of new enrollments with the result that now 16 of 37 FTI countries have attained gender parity at the primary level compared to only 6 countries six years ago.

This is a really amazing result that we have achieved together.

14. The evaluation team believes that such exaggerated claims are, in the long run, a disservice to the cause of Education For All.

Background Table: Educational Data in Endorsed Countries 1999 and 2008

		Gross intake rate (GIR) in primary education (%)				Net intake rate (NIR) in primary education (%)				Primary repeaters, all grades (%)		Survival rate to last primary grade (%)		Gross Enrolment Rate (GER)				Net Enrolment Rate (NER)	
School year ending ►		1999		2008		1999		2008		1999	2008	1999	2008	1999		2008		1999	2008
Year endorsed ▼		all	GPI	all	GPI	all	GPI	all	GPI	all	GPI	all	all	all	all	all	all	all	all
Albania	2006	102	1.00	-	-	-	-	-	-	-	-	4	-	92	-	110	-	100	-
Benin	2007	(104)	(0.78)	164	0.92	164	0.92	-	-	-	-	(20)	14	-	-	83	117	-	93
Bhutan	2009	79	?	108	1.03	108	1.03	20	0.91	-	-	12	6	81	90	75	106	566	83
Burkina Faso	2002	45	0.72	88	0.92	88	0.92	19	0.71	43	0.91	18	11	61	(69)	44	73	35	60
Cambodia	2006	109	0.95	125	0.95	125	0.95	64	0.97	79	1.00	25	11	49	-	94	116	83	89
Cameroon	2006	74	0.81	119	0.94	119	0.94	-	-	-	-	27	17	78	(57)	84	111	-	-
CAR	2008	-	-	79	0.76	79	0.76	-	-	-	-	-	26	-	(50)	-	77	--	59
Djibouti	2006	29	0.74	63	0.92	63	0.92	21	0.75	42	0.91	17	11	-	-	33	55	27	45
Ethiopia	2004	81	?	153	0.89	153	0.89	20	0.80	77	0.93	11	5	51	(40)	50	98	36	78
Gambia	2003	83	?	90	1.10	90	1.10	-	-	-	-	9	5	86	(70)	92	86	76	69
Georgia	2007	96	0.99	116	1.04	116	1.04	69	1.02	97	1.06	-	-	99	?	95	107	-	99
Ghana	2004	85	0.96	110	1.02	110	1.02	29	1.00	38	1.05	4	7	(59)	(83)	79	102	60	74
Guinea	2002	52	0.80	93	0.90	93	0.90	20	0.87	42	0.95	26	15	-	(56)	56	90	43	71
Guyana	2002	126	1.05	-	-	-	-	91	1.03	-	-	3	1	93	-	118	109	-	95
Haiti	2008	...	...	...	...	...	...	...	...	...	...	...	...	...	...	-	-	-	-
Honduras	2002	(140)	(1.00)	124	(0.96)	124	(0.96)	(49)	(1.00)	63	1.05	-	5	-	(76)	(107)	116	88	97
Kenya	2005	102	0.97	-	-	-	-	30	1.05	-	-	-	-	-	-	91	112	78	82
Kyrgyzstan	2006	100	1.02	...	...	...	...	58	0.99	...	...	...	...	95	(98)	98	95	88	84
Lao PDR	2009	117	0.89	120	0.93	120	0.93	53	0.96	69	0.99	21	17	54	-	113	112	78	82
Lesotho	2005	99	1.01	97	(0.94)	97	(0.94)	26	1.06	(49)	1.00	20	(21)...	58	-	102	(108)	57	(73)
Liberia	2007	60	0.63	100	1.00	100	1.00	-	-	-	-	-	7	-	-	98	91	48	-
Madagascar	2005	107	0.98	186	0.98	186	0.98	-	-	86	1.01	28	20	51	(42)	98	152	66	(98)
Malawi	2009	173	1.02	141	1.05	141	1.05	-	-	71	1.07	14	20	37	-	136	120	98	91
Mali	2006	58	0.75	97	0.87	97	0.87	-	-	31	1.07	17	14	66	(76)	56	91	44	72
Mauritania	2002	(89)	(1.06)	121	1.06	121	1.06	-	-	38	1.02	(15)	2	61	(41)	86	98	62	(80)
Moldova	2005	99	1.00	93	1.00	93	1.00	-	-	74	0.94	1	-	95	(96)	95	89	88	83

		Gross intake rate (GIR) in primary education (%)				Net intake rate (NIR) in primary education (%)				Primary repeaters, all grades (%)		Survival rate to last primary grade (%)		Gross Enrolment Rate (GER)				Net Enrolment Rate (NER)	
School year ending ►		1999		2008		1999		2008		1999	2008	1999	2008	1999		2008		1999	2008
Year endorsed ▼		all	GPI	all	GPI	all	GPI	all	GPI	all	GPI	all	all	all	all	all	all	all	all
Mongolia	2006	109	1.00	134	0.99	134	0.99	81	0.99	75	0.93	1	-	87	(95)	102	102	93	89
Mozambique	2003	104	0.84	160	0.94	160	0.94	18	0.93	59	0.99	24	5	28	(44)	70	114	52	80
Nepal	2009	134	0.76	-	-	-	-	-	-	-	-	23	17	58	(62)	115	-	65	-
Nicaragua	2002	141	0.95	-	-	-	-	39	0.95	-	-	5	11	46	(48)	101	117	96	98
Niger	2002	43	0.71	78	0.87	78	0.87	27	0.68	53	0.84	12	6	-	67	30	58	26	49
Rwanda	2006	142	0.98	210	0.97	210	0.97	-	-	-	-	29	18	30	-	100	151	-	96
Sao Tome	2007	106	0.97	116	1.03	116	1.03	-	-	46	0.97	31	24	-	(74)	108	130	86	97
Senegal	2006	66	0.96	99	1.03	99	1.03	37	0.98	(56)	(1.05)	14	8	-	(58)	65	84	55	73
Sierra Leone	2007	(88)	(0.94)	(192)	(0.91)	(192)	(0.91)	-	-	-	-	-	(10)	-	-	(70)	(158)	-	-
Tajikistan	2005	99	0.95	104	0.96	104	0.96	93	0.95	98	0.96	1	-	97	(99)	98	102	(96)	97
Timor-Leste	2005	-	-	139	0.93	139	0.93	-	-	50	0.95	-	12	-	-	-	107	-	76
Viet Nam	2005	106	0.93	-	-	-	-	79	-	-	-	4	-	83	-	108	-	95	-
Yemen	2003	76	0.71	104	0.89	104	0.89	25	0.68	45	0.87	11	6	80	-	71	85	56	73
Zambia	2008	86	1.01	125	1.04	125	1.04	38	1.07	52	1.08	6	6	66	(79)	82	119	83	-

Source: UIS data as of December 2009. Includes all countries endorsed by end 2009, 40 in total. (The Lao PDR and Nepal were endorsed in 2009 – see Table 1 on page10 above.)

Note: ... = missing data. Figures in brackets indicate the use of data from a proximate year (2000 instead of 1999, or 2007 instead of 2008).

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For a full bibliography, see Volume 2 (Annexes).

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EFA FTI Board of Directors management response to the Evaluation

16 April 2010

The FTI Board of Directors welcomes the evaluation report which it had commissioned as an external mid-term evaluation halfway to the 'deadline' of the Millennium Development Goals of 2015.

While the report provides recognition of what the Education for All – Fast Track Initiative (EFA FTI) has achieved, it concludes that the FTI has fallen well short of its goals, and needs to engage a robust process of reform in order to reach its potential in the future. We note one of the main conclusions of the report, that “the world needs a better FTI not a new global fund”. The evaluation itself, with its recommendations based on successes and failures to date, is an important part of building that better FTI.

In sum, the FTI's main accomplishments:

- The evaluation emphasizes that creating EFA FTI was the right decision: a broad partnership for addressing basic education was and remains critical.
- The report notes that FTI-endorsed countries have performed better than non-endorsed countries: the number of children enrolled in schools in African FTI countries increased 64% between 2000 and 2007, which is double the increase of non-FTI countries. Furthermore, FTI-supported countries have increased their own financing for education significantly faster than the rate of growth of their economies.
- The evaluation also pointed to the role of the FTI as a forum on how to make aid for education more effective. The report notes that FTI has reinforced the focus of donors on supporting country-owned plans and processes. But as we strive to increase aid effectiveness, we welcome the recommendations of the evaluation on how to do so. The report's recommendations are consistent with several reforms already under way.
- Although FTI's main multi-donor trust fund, the Catalytic Fund, has allocated around US\$ 1.6 billion in support of FTI-endorsed national education plans over the past years, we also agree with the finding that financing for these plans, be it bilaterally or through the Catalytic Fund, has fallen short.

Regarding the report's main recommendations for reforms/changes:

Reforms: The Board of Directors has set in motion a process of reform agreed upon at a special meeting of the Board in February, 2010. The agreed reforms include the streamlining of the trust fund architecture, work on the FTI's response to fragile and post-conflict countries, more inclusive and democratic governance, a stronger focus on results, more clarity as to the roles of the main stakeholders, revising the role of the World Bank as partner and innovative approaches to supporting capacity development. Discussion continues on the issue of the scope for FTI involvement.

Donor financing: A central finding of the report is that financing for basic education in low-income countries as a whole has fallen far below what is needed. The FTI is presently engaged in a fund raising campaign to increase donor support for basic education overall. This is an opportunity for donors, civil society, and developing countries to join forces for the benefit of education. The FTI campaign will be coordinated with other initiatives in support of

financing Education for All, including the One Goal campaign. We agree with the evaluation that fundraising for education needs to reach out to a broader circle of funders, including other donor countries such as the US, newly emerging donor countries, foundations, and the private sector and to draw on innovative financing sources.

FTI's Mission: The evaluation rightly calls for EFA FTI to put more emphasis on its initial goals and principles. As the evaluation indicates, this means closer adherence by all donors to the principles of support for country "owned" programs of the Paris Declaration and the Accra Agenda for Action. This includes assuring that FTI plays a catalytic role for other financing and that aid for basic education as a whole is provided in a manner that is predictable and aligned with national plans. We recognise that EFA FTI can play a much stronger role at country level in ensuring that funding through different channels works better for education outcomes. We also need greater "mutual accountability" of donors as well as developing countries for meeting commitments and close monitoring of the quantity and quality of aid and of progress toward agreed education goals.

Scope of FTI: The evaluation correctly observes that FTI is open to all low-income countries¹⁵⁵, i.e. some 80 countries around the world as well as in practice to a broader interpretation of support to basic education (including e.g. early childhood development and teacher training), but without fully addressing the design and scale implications. The financing needs of this extensive group of potential recipient countries are much larger than the initial small group of best performers EFA FTI was addressing in the first years. Responding to the diversified needs of these countries requires the FTI to address the consequent design and scale implications. We are giving this issue, and its implications for the FTI resource mobilisation, urgent attention.

¹⁵⁵ As classified by the World Bank's International Development Association (IDA).