

Resourcing Global Education

How reform of the Fast Track Initiative should lead to a Global Fund for Education

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This research report examines the EFA-Fast Track Initiative (FTI) – both its positive contributions and its current limitations. It argues for the reform of the FTI into a more ambitious, effective Global Fund for Education. This redesigned initiative must feature autonomous management and inclusive governance; greater country ownership through better quality aid; improved accountability structures; and more flexibility to respond to the needs of children in conflict-affected and fragile states.

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Summary

Remarkable progress has been made in the last ten years toward achieving the education-related Millennium Development Goals. Many more girls are in school and enrolment rates are on the rise, due to higher-quality aid and to political commitment in developing countries. However, these achievements could be derailed by the global economic crisis, newly falling aid levels, and educational challenges. With 72 million children still out of school, the world's poorest countries urgently need a global financing initiative that can deliver the resources to scale up to Education For All.

This research report examines the EFA-Fast Track Initiative (FTI) – both its positive contributions and its current limitations. It argues for the reform of the FTI into a more ambitious, effective Global Fund for Education. This redesigned initiative must feature autonomous management and inclusive governance; greater country ownership through better quality aid; improved accountability structures; and more flexibility to respond to the needs of children in conflict-affected and fragile states. Donors must prioritize such a transformation in 2010.

An Oxfam International Briefing Note based on this research report, with policy recommendations, is available at www.oxfam.org/policy

1 Introduction: an unfinished success story

The first decade of our new millennium was poised to go down in history as a hopeful turning point for the world's children.

It began with a wake-up call. When world leaders met in Dakar at the World Education Forum in April 2000, they could not ignore the poor progress of the previous decade and the dismal state of education in the developing world. More than 100 million children were out of school. Years of structural adjustment and lack of funding had decimated public education systems in many developing countries. Primary enrolment rates in South and West Asia were only 75 per cent and in sub-Saharan Africa, a shockingly low 56 per cent.¹

In response, donor governments and international institutions, developing countries and civil society agreed on a plan of action to achieve an ambitious set of six targets aiming for universal basic education by 2015, known as the Education for All (EFA) goals.² Acknowledging the intrinsic value of education, as well as its powerful impact on economic growth, social development, and political stability, they committed to concerted action to make these goals a reality.

Developing country governments around the world stepped up to the plate, increasing spending on education,³ improving the quality of their plans to scale up basic education, and demonstrating new political will to elevate education among national priorities.

Donors began to do their part. Aid commitments for basic education increased by almost 90 per cent to \$5.2bn in the first part of the decade, between 2000 and 2004.⁴ A number of bilateral donors shifted their education sector priorities toward basic education, and some shifted emphasis to aiding the poorest countries.

Civil society coalitions in both Northern and Southern countries stepped up advocacy efforts in support of EFA, led by the newly formed Global Campaign for Education.

The Education for All-Fast Track Initiative (FTI) was set up as a partnership aimed at realizing the EFA goals by supporting country-owned strategies to achieve universal primary education.

Also, historic debt relief deals were agreed by the G8 in Germany in 1999 and again at Gleneagles in 2005 that freed up billions of dollars for domestic budgets in highly indebted poor countries, allowing them to boost education spending.⁵ Leading donors began to make improvements in the quality of their aid, spurred by the FTI's country-driven model and by the successive agreements on aid effectiveness formalized in Rome, Paris and later Accra.

Dramatic results began to materialize. The number of children out of school worldwide fell by 33 million to a total of 72 million in 2007,⁶ despite population growth during that period. The gender gap began to narrow: gender parity at the primary level was achieved in two-thirds of the 187 countries with data, and the remaining countries made promising progress.⁷ Impressively, the primary school net enrolment rate⁸ for all developing countries increased twice as fast in the years since 1999 as it did in the 1990s. In sub-Saharan Africa, home to almost half the world's out-of-school children, the enrolment rate rose at six times that of the previous decade, to 70 per cent in 2006. In South and West Asia it jumped to 86 per cent.

In Ghana, Kenya, Mozambique, Tanzania, Zambia and elsewhere, the increase in aid combined with debt relief enabled governments to abolish primary school tuition fees, leading to substantial increases in enrolment. Other low-income countries such as Ethiopia, Nepal, Yemen and Mauritania secured big increases in their primary enrolment rates in the span of just a few years.

In short, aid for education was making a real difference. Remarkable progress was achieved in a short period of time, due to an increase of resources and political commitment on the part of both donors and developing countries.

Box 1: Aid for education makes a difference in Mali

In 1998 the Government of Mali developed an ambitious ten-year education plan that aimed to give all children in the country access to a quality education. The plan has since been extended and donor countries such as the Netherlands, Canada and France provide vital funding to help support it. Some donors, including the Netherlands and Sweden, provide some or all of their funding directly to the Ministry of Education as budget support. Aid given in this way ensures that funds follow government priorities, and allows the government the flexibility to pay for teacher training and salaries, school buildings and equipment.

What has been the impact? Aid money along with domestic resources have enabled the Government of Mali to increase education spending from less than 15% to nearly 20% of its total budget by 2008. The funds provided helped to put 20,000 more teachers into primary schools in the space of a decade. The proportion of children going to primary school trebled between 1996 and 2008. Gaps remain: Mali faces a shortfall of more than \$130m in financing for education from 2010 to 2012, which must be filled if the nearly one million children still out of primary school are to get an education. But progress so far shows the contribution that can be made by coordinated, high-quality aid.

Source: Oxfam International (2009) 'Delivering Education For All in Mali'

Giving up before the game is won

However, the story takes a less promising turn. Global aid commitments for basic education began to stagnate in 2005, well before the financial crisis. The most recent data show an alarming 22 per cent decline in commitments between 2006 and 2007.⁹ Additionally, the previous increases in aid for basic education were attributable to a few key donors and not to a broad commitment to EFA from the

international community.

Crucially, the Fast Track Initiative has not galvanized the level of financial support from donors that was originally hoped for.

In addition to this slowdown, the quality of aid for education has been unacceptably poor. Despite the important strides made by some donors to improve aid effectiveness, much aid for education has remained supply-driven, uncoordinated and fragmented. For example, in 2006, Cambodia had 16 donors implementing 57 projects in the education sector alone.¹⁰ Some donors have continued to bypass national systems, provide their aid programs in isolation from national strategies, and use short-term trajectories, undermining the impact of their aid.

Aid has not always gone where it is needed most. As much as 70 per cent of aid for education is spent on technical assistance,¹¹ often consisting of high-priced consultants in donor countries. In terms of distribution, middle-income developing countries received over 40 per cent of aid for education, while the least developed countries – the poorest grouping of developing countries – received only 34 per cent. The US increased the share of its basic education aid destined for a comparatively rich group of countries, including Iraq and Pakistan.¹²

The uneven distribution of aid across different levels of education has also posed a problem. For example, over 70 per cent of French and German aid for education goes to the post-secondary level, of which a large portion goes to admitting foreign students to universities in France and Germany.¹³

Big challenges remain in meeting the Education for All goals. Despite a promising reduction, the number of children out of school in 2007 was greater than the number of primary aged children in the entire developed world.¹⁴ New analysis by UNESCO also indicates the numbers of out of school children are probably being under-reported.

Getting children enrolled in school is not enough; they must complete the cycle and demonstrate achievement, such as basic literacy and numeracy skills. However, millions of children currently complete primary school without these fundamentals. Teachers are urgently needed to improve educational quality and retention, but there is a serious global deficit. In order to get all children into primary school by 2015, an estimated 10.3 million additional teachers must be trained and hired.¹⁵

Beyond primary education, the wider EFA goals such as early childhood education, gender parity and adult literacy require urgent attention. In spite of strong evidence that educating girls delivers powerful economic and public health benefits, girls' enrolment has continued to lag behind that of boys. Girls are still being left out, especially at the secondary level in sub-Saharan Africa and in South and West Asia. Two-thirds of the world's 759 million illiterate adults are women.¹⁶

A global crisis threatens to reverse progress

When the global economic crisis hit in 2008, it was in the context of these already steep challenges. The economic impact on low-income countries and poor households is expected to have devastating consequences for education.

Due to the crisis, an additional 90 million people will be pushed into extreme poverty in 2010.¹⁷ The poorest people in sub-Saharan Africa are expected to suffer a dramatic 20 per cent loss in per capita income,¹⁸ due to slowed economic growth, rising unemployment, and falling remittances, among other factors. These are among the poorest people in the world, already in precarious economic situations.

The economic crisis has been deepened by the worsening impacts of climate change and rising food prices. Poor countries are struggling to provide food security for their communities; a rise in waterborne diseases has serious implications for school age children and their families, while scarce water resources are creating additional pressure. Equally troubling, malnourished people now make up almost one sixth of the world's population,¹⁹ and we can assume many of them are children.

It is predicted that many more households will be unable to afford to feed their children and purchase basic school supplies such as paper, pencils and school uniforms – not to mention school tuition fees – and there are concerns that more children will be pulled out of school to work in the fields or engage in other income-generating activities. The International Labour Organization predicts that girls will be disproportionately pushed into child labor as a result of the crisis.²⁰ It will be crucial to monitor impacts at the country and household level as 2010 unfolds.

The crisis is also expected to cause renewed pressure on government education budgets, limit the ability of ministries to raise funds domestically and expose them to potential cuts in aid. New estimates project that sub-Saharan Africa alone could see a loss of \$4.6bn per year in total resources available for education over 2009 and 2010.²¹ Even if budget cuts are not visible, the ambition of future plans to move toward universal primary education may well be scaled back.

It was a crisis created by some of the richest people in the world, in some of the richest countries in the world; and yet, it is the most innocent people of all who are now paying the highest price.

Matthew Alagiah, *The New Times*, Rwanda

The experience of the last major recession to hit Africa in the 1980s provides an indication of what developing countries can expect if urgent action is not taken. Governments were forced to make cuts to education budgets, leading to a long-term decline in teacher salaries. On top of this, costs were passed on to families by increased reliance on education user fees. The result was a massive decrease in enrolment and education quality across the continent. Past experience in Africa also shows that during hard economic times, human development indicators such as enrolment and completion rates show rapid declines, but when the economy recovers these indicators rebound much more slowly.²²

In July 2009, African finance and education ministers met in Tunis to discuss the very real possibility of history repeating itself. Despite increasingly difficult domestic financial situations, they emphatically declared their will to 'protect, and *even increase*, budgets for education and engage external partners to explore ways and means of doing the same regarding external financial aid' [emphasis added].²³

In response to this courageous leadership, donors must take urgent action to increase aid commitments and accelerate improvements in the effectiveness of aid for education. A rapidly closing window of opportunity to meet the education Millennium Development Goals makes this even more pressing. UNESCO's new estimate of the global EFA financing shortfall is \$16bn per year, significantly larger than previously assumed.²⁴ In comparison, aid commitments for basic education in 2007 were a modest \$4.3bn.

Time for action

Paradoxically, at this time of great need the world's education financing mechanism – the Fast Track Initiative – is facing serious challenges. This report will look at why the FTI model holds such great potential, and also why it is not fully realizing its potential as it is currently structured. It will look at lessons from similar initiatives in the health sector, and envision an improved model for a global education partnership, building on the accomplishments of the FTI.

This report will also call for new donor and developing country champions to come forward with the political leadership necessary to elevate the importance of education, dramatically reform and redesign the FTI, and re-launch it as a Global Fund for Education. Such a reformed initiative could be an opportunity for a re-energized global partnership. It could bring in new donors such as members of the G20, spark renewed US engagement in achieving the EFA goals, and provide a vehicle for improving aid effectiveness for all donors. We must not miss this valuable opportunity to make the next decade one of renewed success in educating the world's children and reducing global poverty.

2 The EFA Fast Track Initiative: a giant step forward for education

We affirm that no countries seriously committed to education for all will be thwarted in their achievement of this goal by a lack of resources.
Dakar Framework for Action, April 2000

The Education for All Fast Track Initiative (FTI) is the first global partnership in the education sector and to its credit, remains the major initiative bringing together the key stakeholders in support of Education for All. Launched in 2002, the FTI was designed to fulfil one of the central commitments of the international community in the 2000 Dakar Framework for Action: a global initiative 'aimed at developing the strategies and mobilizing the resources needed to provide effective support to national efforts' to provide universal basic education by 2015.

It was also a response to contemporaneous international movements to address global poverty issues. These included the 2000 Millennium Summit, whose Millennium Development Goals include a focus on universal primary education and gender parity; the 2002 Monterrey Consensus which highlighted the mutual responsibility of donor governments and developing countries to generate resources and achieve development outcomes; and the growing movement for reform of development assistance to improve its quality and impact, which later culminated in the 2005 Paris Declaration on Aid Effectiveness. The FTI was designed as a concrete mechanism to put these commitments into action.

The right approach

The FTI has developed a truly innovative model. First, committed developing country governments take the lead in designing national education strategies that reflect their own unique priorities. Next, the quality of these plans is endorsed by in-country donors based on agreed standards, signalling investment-worthiness. Finally, donors fund the remainder of the plan that cannot be financed domestically by aligning their bilateral aid and by contributing to a global pooled fund, known as the Catalytic Fund (CF).

This approach is designed to stimulate increased resources through a 'catalytic effect' whereby new and existing donors will have the confidence to increase their support for those countries that have been endorsed based on the high quality of these Education Sector Plans (ESPs). It is also designed to improve aid effectiveness by stimulating country-level donor co-ordination, harmonization of donor processes, and alignment of aid programs with country priorities. For countries that are less able to formulate quality sector plans, another trust fund – the Education Program Development Fund – provides funding for technical support and capacity building from the World Bank to help them move toward endorsement.

The model itself is an accomplishment, putting aid effectiveness principles into practice to an extent that other sectoral partnerships have not managed to date. Indeed, the various global health initiatives have much to learn from this approach. A recent survey by the FTI Secretariat cited progress on most of the aid effectiveness indicators in FTI countries. This included an increased use of program-based and aligned aid approaches and increased joint donor field missions and reporting, which serve to improve harmonization of donor processes and decrease transaction costs.²⁵ While a recent external evaluation questions the initiative's success in translating these principles into changes in donor behavior, it has at least steered the focus in the right direction.

The FTI has also played a key role in maintaining a level of political importance for basic education post-Dakar, and has been a consistent platform to bring the international community together to jointly address the challenges of EFA. It has forged increased policy consensus in the sector and has focused attention on universal primary completion, which it chose among the EFA goals as an understandably narrow focal point – given limited resources – for achieving the broader agenda. While its Indicative Framework of policy benchmarks needs reform, and the singular focus on primary education has been controversial and requires expansion, the FTI deserves credit for the focus and unity it has lent to the sector and to global education policy.

The FTI partnership has undergone a significant evolution over the course of its eight years in action, reflecting a culture of learning and ongoing adjustment. When it was originally conceived in 2002, it did not have a global financing mechanism and its country-led model was a new innovation. Important changes have been made over the years to respond to early mistakes and to improve its approach. For example, the Catalytic Fund was created in 2003 in recognition that it provided important incentives for recipient participation, and the steering committee has evolved into a more formal Board of Directors. As we will argue later in this section, there are structural and political limits to the FTI's ability to reform from within and to capitalize on the lessons it has learned. However, this culture of learning has been a positive aspect.

While it is not possible to attribute positive results in FTI countries directly to the influence of the initiative, there is an apparent association between FTI support and positive educational results. An overwhelming majority of FTI countries show positive trends in key indicators such as grade one intake, primary enrolment and primary completion ratios. Sixteen FTI countries have already achieved gender parity in primary school, and 16 others will do so by 2015. Impressively, FTI countries in sub-Saharan Africa achieved enrolment increases of 64 per cent from 2000 to 2007, double the rate of non-FTI countries.²⁶ The overall gross enrolment rate for FTI countries also increased more rapidly than it did in low-income countries overall.²⁷ FTI endorsement seems to be a reliable signal that a country is a 'good investment' for aid resources, whether or not this is a direct result of FTI influence.

Box 2: The FTI at its best: Rwanda and Kenya

In **Rwanda** the FTI provided critical support that has helped this post-conflict country expand and improve its basic education system. In 2004, the Rwandan ministry of education implemented a new policy to eliminate primary school tuition fees as part of its wider five-year strategic plan. Since then, the government has continued to demonstrate its commitment to basic education by increasing its spending on education as a percentage of GDP,²⁸ reforming education expenditure to prioritize basic education, and abolishing user fees in lower secondary school. Rwanda was endorsed by the FTI in 2006.

The FTI was able to support and encourage Rwanda's progress through the allocation of \$105m in grants from the Catalytic Fund over the period 2007 to 2009, of which \$70m have been disbursed to date. These grants significantly increased the external financing available to the education sector. They were channelled to the education ministry as budget support, which enabled it to increase the number of teachers, provide incentives for teacher performance, increase school construction, purchase new textbooks and fund teacher training programs.

The latest data on Rwanda show promising progress: the primary enrollment rate increased to 94% in 2007 (up 10 percentage points from 2001);²⁹ completion rates, although still low at 53%, are improving steadily; and dropout rates have decreased. However, big challenges remain, such as improving retention and recruiting more teachers. Support from the Catalytic Fund is urgently needed for 2010 and beyond to continue this progress; however the availability of future funding is unclear.

Kenya is a better-known positive example of FTI impact. The FTI was able to build upon strong leadership from the Kenyan government, which identified school fee abolition as a priority in its sector plan prior to its endorsement by FTI in 2005. The Kenyan government demonstrated it was serious about this commitment by increasing public expenditure on education as a proportion of GNP from 5.4 per cent in 1999 to 7 per cent in 2006.

Through the FTI Catalytic Fund, \$121m was disbursed between 2005 and 2009 to support Kenya's education sector plan. The initial disbursement met the financing gap for that year, allowing the government to fund its ambitious plan to scale up toward universal primary education. Results include an impressive increase in Kenya's primary enrolment rate from 63 per cent in 1999 to 86 per cent in 2007.³⁰

In the case of Kenya, the FTI was also able to improve donor coordination in the education sector. The CF was channelled through the Joint Financing Agreement that was already in place between in-country donors (which included the World Bank), and therefore did not create additional transaction costs or entail additional systems and procedures. However, it is uncertain whether CF support will be available beyond 2009, which makes planning difficult.

Source: Cambridge Education *et. al.* (2009) 'Mid-Term Evaluation of the EFA Fast Track Initiative,' country case studies (draft).

Specific elements of the FTI's design represent particularly valuable accomplishments, and have been key to the progress it has achieved:

- **The endorsement of high-quality education sector plans (ESPs)** has been one of the crowning achievements of the initiative. These plans are approved by the in-country local donor group, which then agrees in principle to help fund the financing gap identified in the plan. In many cases, the promise of increased

funding following endorsement has provided an extra incentive to improve policy and planning at country level (whether or not that funding has fully materialized), and has contributed to increasing the political importance of education among national priorities. A 2007 World Bank study of 28 FTI country plans found that they were above average in quality overall, contained clear financial strategies, and exhibited strong country ownership.³¹ Since the FTI's inception, 40 countries have been endorsed through this process. In some cases, the process has led to the formation of an education sector plan where one did not previously exist.

- **Policy dialogue where it belongs: at country level.** The initiative avoids dictating priorities at the global level. Through the ESP process, national governments develop strategies and set priorities that respond to the unique needs of their national context in consultation with key stakeholders. This process promotes country ownership over the policies and strategies being employed, at least in theory. Recent evidence shows that the FTI has improved strategic planning and policy dialogue in some countries.³²
- **A global financing mechanism.** While the FTI began simply as a co-ordination mechanism, it quickly became clear that a global level trust fund would provide additional incentives for countries to participate and a greater ability to direct aid to qualified countries in need. This led to the creation of the Catalytic Fund, a multi-donor trust fund originally restricted to donor orphans³³ but later expanded to all FTI-endorsed countries. The CF has been a critical source of funds to narrow or close the primary-education financing gap (as defined in ESPs) in some key FTI countries, including Kenya, Burkina Faso, and Cambodia.³⁴ However, it has been insufficiently replenished by donors, given the increasing demand from newly endorsed countries; some critical problems will be discussed later in this report.

Technical assistance is also provided through the Education Program Development Fund (EPDF), which is meant to help countries qualify for the FTI by developing a credible national plan. Importantly, it also funds civil society organizations in FTI countries through the Civil Society Education Fund project. This helps increase the capacity of local organizations, enabling them to engage with their national processes and monitor the quality of education programs.

- **A flexible two-track approach.** The initiative encourages broad donor participation, whether it is through co-ordinated bilateral contributions aligned with national plans, or through the CF. Sometimes the FTI is mistakenly equated with the CF financing instrument, but the CF is only part of the equation. Donors are also encouraged to scale up their bilateral education assistance for individual FTI countries. This flexibility sometimes leads to difficulty in defining which results can be attributed to the FTI specifically. Yet crucially, it has maintained openness to all partners, and is an important vehicle for improving the effectiveness of bilateral aid.
- **Donor co-ordination and alignment** has been another hallmark of the FTI approach, especially in situations where poor co-ordination pre-dated the FTI. The initiative has catalyzed improvements in country-level donor co-operation and in the alignment of bilateral aid with education sector plans. Some donor groups even jointly conduct evaluation, reporting, missions and even financing agreements through country-level pooled funds, often resulting in more aligned funding. This co-ordination and alignment minimizes the transaction costs associated with overseeing and implementing aid programs, and increases the impact of resources.

3 Political and structural limitations

Despite its noteworthy accomplishments, the impact of the Fast Track Initiative has been limited by structural constraints and political problems that have prevented it from reaching its full potential.

Recently, in recognition of the need to evaluate progress at the mid-point of its lifespan, the FTI partnership commissioned an external evaluation of the initiative. The result is the 'Mid-Term Evaluation of the EFA Fast Track Initiative,' an excellent, comprehensive study which identifies problem areas and highlights clearly the need for reform.³⁵

However, any examination of the FTI's shortcomings must also look at the failure of donors to follow through on their end of the bargain, either at the global or country level. The increase in aid resources at the beginning of the decade, which was followed by such impressive results, seems to have petered out, and aid commitments for education are being conveniently forgotten especially given the economic downturn. Even a flawlessly designed and executed initiative would fail without sufficient resources.

Since the FTI's inception in 2002, Oxfam and other education advocates have supported the initiative. In fact, Oxfam and its allies worked closely with key World Bank staff during the FTI's conceptualization and formation, and have advocated for both increased resources and structural reforms over the course of its evolution. Oxfam continues to believe the model is based on sound foundations and principles.

However, the impact of the FTI has been limited by key problem areas that must be addressed through far-reaching reform. It has suffered from a lack of autonomy, weak governance and stakeholder participation, and insufficient financing. It has been unable to reach millions of children who live in situations of conflict or fragility, and its Catalytic Fund has been undermined by its disbursement delays and poor quality aid.

Lack of political and operational autonomy

It is difficult to assess the FTI without considering the strong influence of the World Bank in all aspects of the initiative. In fact, the World Bank has played an invaluable role in the development and formation of the FTI. World Bank staff contributed much of the intellectual and technical muscle that went into establishing the FTI. Institutionally, the Bank's political backing was instrumental in making the initiative a reality. The Bank has demonstrated its commitment by hosting the FTI Secretariat in its Washington DC headquarters; by providing support for the start-up phase of operations; by acting as trustee and managing agency for the FTI trust funds; and by engaging at country level through its technical expertise and as the supervising entity for CF resources.

Identity confusion

However, this 'parenting' role has not always been positive for the initiative. The World Bank's many roles within the FTI have led to confusion and at worst, conflicts of interest. First, the Bank's extensive involvement has led to an understandable perception that it is a World Bank-led and owned initiative. This has served to limit buy-in and ownership, particularly of other donors. It has also hampered the FTI's global profile and brand by creating an impression that it is a smaller single-agency program, rather than a genuine global partnership. Communications efforts have understandably failed to overcome this dynamic.

At country level, the World Bank also plays multiple roles that can generate confusion. It is usually a member of the local donor group and is often the lead FTI donor. It is also the supervising entity for CF resources in all countries but Zambia. As one donor staff member in Cambodia put it, 'FTI is seen as a World Bank thing, not an effort on the part of several bilaterals.'³⁶ This perception appears to be widespread at the country level.

The FTI's Secretariat also suffers from identity problems and dual lines of accountability. It is not perceived by stakeholders to be an independent, impartial actor, but rather, a part of the World Bank without authority of its own. Since its staff is hosted at the Bank's headquarters and on its payroll with a contractual duty to serve Bank interests, there is good reason for this impression. The Secretariat has also been placed in a situation of dual accountability – it is beholden both to the World Bank and to the FTI Board of Directors.

Sometimes these blurred lines of reporting get in the way of the independence of the Secretariat. For example, Secretariat staff do not seem to be able to play a strong advocacy role for the initiative in pushing for replenishment of the CF or in monitoring donor commitments to fill the gaps in country Education Sector Plans, especially with the World Bank itself. And because it is accountable to a donor-dominated board (see following section), advocating for replenishment of the CF becomes a delicate balancing act.

The FTI Secretariat's conflation with the World Bank also risks creating the impression that the Bank is already doing its part for basic education through the Catalytic Fund, and therefore the Bank's International Development Association (IDA) resources should be channelled elsewhere. The reality is quite the opposite. The FTI's CF is financed by other donors and does not include contributions from the World Bank. Since there is no clear monitoring of country-level donor contributions, it is unclear whether the World Bank has scaled up its direct assistance to FTI countries in support of their education plans.

Bureaucratic delays

The World Bank's role as trustee and managing agency for the CF has been particularly problematic. It is the World Bank's Board of Directors, not the FTI board, that sets the rules for grant approval and disbursement (as it does for all Bank-managed funds). In 2008, the World Bank's board made a decision to bring all Bank trust fund grants into compliance with IDA procedures, mandating

fiduciary controls and procurement guidelines that are often inappropriate for the nature of the CF grants. This caused worrisome delays in disbursement. Ultimately, the World Bank's shareholders – the wealthy donor countries who sit on its Board of Directors – are responsible for this decision, yet these same donors have been frustrated by the slow CF disbursements that have resulted.

These rules were applied retroactively to grants that had already been allocated in 2007, with the result that between 2007 and the end of 2008, the time lag between allocation and disbursement was about three times longer than before the rules went into effect.³⁷ The latest figures for 2009 show substantial improvements in the time lags between allocation and grant signature (not disbursement), reduced from well over a year in many cases to an average of 5.5 months since December 2008.

While this appears to be a positive development, it seems to obscure the fact that the delays have been pushed upstream to the endorsement process, since countries are now required to complete full Bank project appraisal processes *before* endorsement.³⁸ The fact that only a few new countries have completed endorsement during 2009 supports this analysis.³⁹ There is an urgent need for more transparent data to be published showing the time lag between countries' expression of interest and CF disbursement, to provide a clearer picture of this situation.

Additionally, a serious deficit in transparent reporting obscures one of the more important indicators of disbursement performance, which is the ratio of actual disbursements to projected disbursements for each grant, by year. This is an important measure of in-year predictability that determines whether a country will be able to count on promised funds in the year that has been planned. It is essentially impossible to discern planned disbursements on a yearly basis from the information the FTI makes publicly available, especially since CF grants are now made on a three-year timetable.

We do know that many individual FTI countries have had to wait unacceptable amounts of time for their disbursements. One of the worst cases is the most recent grant of \$20m for Yemen, which was allocated in late 2006 and, at the time of writing, had not yet been disbursed. This contrasts with the earlier two phases of the Yemeni grant, which disbursed on schedule. The reason appears to be not fiduciary or policy concerns, but rather a lack of clarity about procedures and an overload of grant-processing work falling onto the desks of World Bank staff.⁴⁰ Nicaragua and Ghana have also experienced allocation-to-disbursement lag times of over two years.⁴¹ This is an unacceptable situation in which funds languish in a bank account in Washington, when they are urgently needed by recipient countries to implement their national education plans and get children into school.

A possible result of these delays has been a decrease in new donor pledges to the CF and almost surely, in donor confidence in the initiative. As of October 2009, pledges for 2010 were only \$134.9m, down from \$375m in 2008. Pledges for 2011 are a worryingly low \$43.7m.⁴²

Especially in light of these new IDA rules, it is clear that the World Bank does not have a comparative advantage in managing the type of flexible, quick-disbursing

trust fund that was originally envisioned for the CF. The rigidity of Bank instruments is ill-suited for a major scale-up in aid for education.

The Bank tends to exert heavy influence in the local donor groups. It is often the FTI co-ordinating agency or 'lead donor' and is therefore responsible for communicating with the FTI Secretariat and with recipient governments; it often leads the process of assessment that determines country endorsement; and it reports on country progress. On one hand it is positive that Bank staff have stepped up to play this needed role in many countries. However, it can also be seen as a symptom of the disengagement of the other donors in the initiative in many countries.

As trustee and managing agency for the CF, the Bank also imposes additional layers that duplicate the work done by in-country donor groups. For example, under new rules the Bank's education sector manager must now provide a separate World Bank endorsement for a country's Education Sector Plan, even when it has already been endorsed by the local donor group through the in-country FTI process.⁴³ This gives the Bank undue and disproportionate influence over country policy and planning, although it is unclear how often this influence is exercised. These extra steps also add time – a lengthy 18 months is typical – and undermine the FTI's intended harmonization of donor processes.⁴⁴

Poor aid quality from the Catalytic Fund

In contrast to the Fast Track Initiative's overall strong emphasis on aid effectiveness and donor co-ordination, the CF has generally failed to improve aid effectiveness in the education sector and in many cases has caused substantial setbacks in aid quality: it does not report transparently and thoroughly on its activities; it has poor in-year and long-term predictability; and it is not flexible enough to provide the most useful types of funding for different country situations.

Lack of flexibility

The rigidity of CF funding limits its effectiveness, both in its ability to work through existing donor co-ordination mechanisms and in the choice of aid modality,⁴⁵ the instrument used by donors to transfer aid to recipients. The World Bank's role as country-level *supervising entity* for the CF is the major source of this inflexibility. As supervising entity, the World Bank prepares and implements grants through its country offices, and it approves funding through its internal processes, applying Bank standards and procedures, as well as using its own aid instruments.

In principle, the World Bank is supposed to 'make every effort to channel all funds through the most aligned aid modality as agreed upon by the local donor group.'⁴⁶ However, in reality there are only two choices when the World Bank manages the funds through IDA: either its Investment Lending instrument which is essentially project aid, or its Development Policy Operation (DPO) instrument which is general budget support. The majority of CF funding goes to traditional World Bank projects or to in-country donor pooled funds that are compatible with the strict requirements of the Bank's Investment Lending instrument.

These limited options – and the preference for project aid – have prevented donors and recipients from working together to select the approach that is most appropriate to the needs of the recipient country. IDA instruments come with rigid financial management and procurement requirements that can make it difficult for the CF to join existing pooled funding arrangements in FTI countries. In some countries, local donor groups have engaged in lengthy negotiations with the World Bank, attempting to channel a CF grant through existing programs. Sometimes this is not possible and CF aid is given in isolation from existing donor cooperation mechanisms (see Box 3).

Box 3: The World Bank as CF supervising entity: Transaction costs and inflexibility

- **Mozambique:** The example of Mozambique is well known for its contentious process and for the delays and transaction costs that resulted. Pre-dating FTI endorsement of Mozambique, a donor pooled fund was created to finance the government's education sector strategy, which included the elimination of user fees. When \$79m in CF funds was allocated to Mozambique in 2007, the ministry of education and the donor group requested that the money be channelled through this existing arrangement, around which they had carefully built dialogue and agreement. Again, the World Bank as supervising entity insisted on its own appraisal that raised concerns about procurement, an issue already being addressed in the dialogue with the other donors. After 18 months of protracted negotiations, a reluctant agreement was made to impose Bank procurement procedures on the existing pooled fund to facilitate CF participation. This delay not only led to considerable difficulties for the ministry, which had budgeted the funds for 2008, but is also generally viewed as reversing some of the important progress made by other donors in improving alignment and harmonization.
- **Nicaragua:** The CF has been funding education projects in Nicaragua since 2003. However, in 2005 a small group of donors decided to create a new country-level pooled fund because they wanted to avoid the rigidity of the CF – especially its project modality and parallel management systems. Once the pooled fund was operating successfully, they held discussions with the local donor group about routing CF resources through the pooled fund, which utilized a more aligned aid modality and used country systems to administer the funds. The pooled fund was the education ministry's preferred aid modality because it was predictable; it was earmarked for use by the ministry; and it directly funded elements of their sector plan. However, the World Bank as supervising entity would not allow the CF to join this pooled fund because of its stringent rules for project funding, requiring use of separate financial management and procurement procedures. As a result, a valuable opportunity to improve the coordination and alignment of its aid was lost.
- **Burkina Faso:** The World Bank's role as supervising entity of the CF in Burkina Faso created delays and transaction costs. When the CF allocated \$102m for Burkina Faso in 2008, the government along with in-country donors refused to accept the default World Bank project aid modality. Joining the existing donor pooled fund was out of the question because the Bank had been forced to withdraw from the fund when its fiduciary guidelines changed, despite the fact that the fund was moving toward a program-based approach that was more aligned with the education sector plan. Rather than take a step back on aid effectiveness, negotiations with the government and the donor group led to a decision to use sector budget support as a CF modality for the first time. However, substantial preparatory work was required, causing an

almost 18 month delay in disbursing the funds, which were finally released in June 2009. Despite these delays, the move to sector budget support in Burkina Faso is a positive outcome that will help a committed government take more ownership and control over its educational programs.

Source: Mid-Term Evaluation of the EFA-FTI, Country Case Studies (draft), Bermingham (2009)

Only two FTI countries, Burkina Faso and Rwanda, currently receive budget support for their education programs from the CF. In the case of Burkina Faso, a DPO was utilized by the CF for the first time to provide sector budget support; the modality was actually general budget support tied to outcomes in the education sector. Although this approach may not be appropriate in all countries, it is desirable because it is most easily aligned with education sector strategies.

However, the CF as managed by the World Bank is currently unable to provide a spectrum of 'in between' modalities, including sector budget support that can be traced to an education ministry, or aligned program support that is channelled and reported through the recipient country's budget and that makes full use of country systems. These intermediate approaches provide important tools for donors to strengthen ownership and capacity in cases where a recipient country is not yet ready for general budget support. Since FTI countries tend to have national governments committed to progress in the basic education sector with some level of leadership over their sector strategies, the most commonly used CF aid modality of parallel projects is often inappropriate and counterproductive.

In Zambia, a promising recent innovation was trialed in which the local donor group selected the government of the Netherlands to play the role of supervising entity for management of the CF grant. This allowed the grant to be channelled through the existing donor pooled fund, which makes use of government systems – the most aligned aid modality currently used in Zambia to support education. However, this does not appear to be a replicable solution, since many in-country donors have expressed reluctance to play this role for capacity reasons.

Poor transparency and limited predictability

While recent improvements to the CF break important ground by providing more predictable financing for up to three years, CF grants are still plagued by poor short-term predictability as well as uncertainty about the long-term availability of CF funds.

In the short term, aid that is committed does not consistently arrive in a timely manner, causing severe disruptions to the budget and program planning processes in FTI countries.

Education ministries in multiple countries also cite concerns about the long-term availability of funding; uncertainty about whether CF-financed programs will be sustainable; and confusion about how to apply for a new round of funding.⁴⁷ To a large degree, this lack of long-term predictability is understandable given the failure of donors to replenish the CF; it is currently experiencing a major financing gap. However, it is also because there has not been a clear process that extends beyond the initial endorsement and the first round of CF funding.

Finally, poor transparency prevents democratic oversight and monitoring of CF-funded programs by citizens in recipient countries, due to a lack of timely and detailed data available about the status of CF grants and their specific uses. The FTI website also reveals troublingly little detail about CF grants beyond a total amount and a disbursement date, and even these cannot be easily found through the country web pages.

This is especially meagre compared with good practice transparency standards elsewhere. For example, the website of the Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM), which is a leader in the field for transparency, includes extensive information about the content of each grant, including proposals, implementers, performance reports, and even names and contact information for the portfolio manager and the stakeholders who gave input and approved the grants.

Table 1: A scorecard for Catalytic Fund performance on aid effectiveness

Indicator*	Performance	Details
Aid flows aligned on national priorities	Mixed	CF grants are aligned with the endorsed Education Sector Plans, but many of them are via projects, the least aligned aid modality available. Very limited use of sector budget support or other more aligned modalities
Use of country systems	Weak	Because of fiduciary restrictions on World Bank project funding, most CF grants make only limited use of country procurement or public financial management systems. ⁴⁸
Co-ordinated mechanisms for aid delivery, avoiding parallel Project Implementation Units	Weak	Since most CF grants fund World Bank projects, they generally use parallel Project Implementation Units Great difficulty in joining up CF grants with existing donor co-ordination efforts
Predictability Mixed		Poor in-year predictability characterized by substantial delays Positive medium-term predictability from three year funding commitments
Use of shared analysis	Mixed	No operational presence at country level means the CF often piggybacks on the missions and analytics of in-country donors. However, the World Bank duplicates the work of local donor groups by requiring parallel endorsement by the World Bank education sector
Avoid use of tied aid	Strong	No evidence that CF funds are tied to procurement in donor countries
Transparency*	Poor	Very difficult to access detailed, timely information about individual CF grants
Management for results	Unknown	Lack of information makes it difficult to assess whether specific CF grants demonstrate results

* Drawn from donor-specific Paris Declaration indicators. Note: transparency was not included in the Paris indicators but was emphasized in the Accra Agenda for Action. Source: Oxfam analysis of FTI Mid-Term Evaluation and country case studies

Excluding children in conflict-affected and fragile states

The strength of the FTI model lies in its ability to incentivize and reward high-quality policy and strategic planning in countries with responsible governments. However, a clear weakness of this model is its exclusion of those countries whose governments lack the capacity or the political will to effectively scale up their basic education systems, especially those countries suffering from armed conflict.

These situations present a legitimate challenge and require very tailored donor responses. And yet to ignore them is to ignore the millions of children who are out of school in these environments. UNESCO estimates that over one-third of the world's out of school children live in twenty conflict-affected countries, yet only one-fifth of education aid goes toward these situations.⁴⁹ In many cases, an uneducated population and a lack of economic options only serve to perpetuate conflict.

The FTI's Fragile States Task Team has developed a promising 'progressive framework' whereby countries emerging from conflict or with weak government capacity can apply for interim endorsement, based on modified criteria and more attainable targets. The task team has also attempted to formalize an Education Transition Fund managed by UNICEF that would address the needs of this group of countries. However, UNICEF has recently declined to host this fund, and the interim endorsement process has only been operationalized on an *ad hoc* basis. Work is now underway to adapt Catalytic Fund procedures so that fragile states can apply, but this has not yet been completed some three years after it was agreed in principle to extend FTI support to these countries.

The EPDF theoretically provides a mechanism for assisting weak governments as they attempt to design national education strategies, although it has been criticised for failing to build local capacity effectively. Also, because of its mandate, it does not actually fund educational activities beyond capacity development. Urgent work is needed to expand the scope of the FTI to respond effectively to the needs of children in settings of conflict and fragility.

Failure to attract enough financing

One consequence of limited donor buy-in to the initiative is a lack of broad financial support for both the CF and the EPDF. Of the 18 donor agencies that contribute to the CF, a small group of committed donors accounts for the large majority of commitments, with the Netherlands, Spain, the United Kingdom, and the European Commission as the leading contributors. The FTI Secretariat estimates that \$1.2bn in additional funds will be needed in 2010 alone to meet the financing gaps in FTI-endorsed countries, and is currently undertaking a replenishment round to mobilize this money.

However, this number is surely a gross underestimate. Country financing gaps are frequently under-ambitious because they often respond to a perceived level of available resources, rather than the actual amount required to truly scale up to quality universal primary education and reach even the most marginalized children. Many financing gap calculations also neglect the wider EFA agenda,

which includes secondary schooling, literacy, and early childhood education.

Perhaps less visible but equally worrying, is the fact that in-country donor groups have not taken responsibility for bridging the financing gap through increased bilateral aid to individual FTI countries. The problem is partly structural. The FTI has weak mechanisms for leadership and limited organizational presence at the national level, so some local donors are not familiar with its aims and philosophy. Also, there is no accountability mechanism to ensure that donor groups reach agreement to fund the identified needs in the education sector plans. Since no one is explicitly responsible and no one takes ownership, the hallmark promise of the Dakar Framework – that no country seriously committed to EFA should fail for lack of resources – has often been neglected in practice. The CF has increased in importance as in-country donors have failed to scale up their direct support to FTI countries, yet the CF is now facing a major shortfall.

FTI countries have done their part, but not all have reaped the promised benefits. It must be stressed again that without broad and high-level donor support, no global education initiative could succeed.

The consequences of donor neglect go beyond the lack of direct financing. In some countries, both education ministries and civil society organizations have fronted substantial transaction costs in order to prepare a package for FTI endorsement. For ministries, this includes considerable staff time, technical resources and analysis, financial and policy planning, managing external consultation and, in some cases, the set up of new or additional data collection, monitoring, and evaluation systems. Some countries, such as Bangladesh, have invested these resources and yet have not reaped the benefits of increased financing, either from bilateral donors or from the CF.

Questions are being asked in some countries about the added value of engaging with FTI processes. For example, Pakistan has had engagement with the initiative since 2002, but has not yet received FTI endorsement or support from the CF aside from a small EPDF grant. Considerable effort and resources are used in the consultation and background preparation for endorsement. While there may be good reasons for some countries' failure to meet the high FTI endorsement standards, the opportunity cost of these upfront preparatory resources in the context of strapped education budgets is clear: this money could have otherwise gone directly to schools or teacher payrolls, where it is desperately needed. The FTI lacks a more substantial vehicle for interim assistance for countries that don't qualify for full FTI endorsement.

Weak governance and participation

The FTI's governance and management structures were designed for a very different initiative than the one that exists today. When the initiative was first created in 2002, it focused on individual donor interventions to support FTI countries. Then, the CF came into existence but it was only meant to be a short-term bridging instrument to help donor orphans attract new donors. Now, the CF is the FTI's most visible and arguably successful form of support. The approach has also shifted from endorsing only select 'good performers' to including a range of

countries at different stages of governance and education system development.

Partly because of this shift, the FTI faces governance challenges at the country and global level, as well as limited capacity in its Secretariat to respond to the growing and changing needs of the initiative.

FTI country-level structures are essentially non-existent outside of the local donor groups, with a few exceptions. While the 'light-touch' model for FTI governance and management has been important in avoiding the creation of a large bureaucracy and preserving flexibility, the lack of structure and visibility at the national level has been problematic. This low visibility is partly due to the World Bank's role as described previously, but also to the absence of a consistent mechanism for national stakeholder dialogue linked to the FTI process and the FTI Secretariat's lack of capacity to engage with country-level donors.

Lack of broad stakeholder participation

The FTI fails to consistently ensure broad stakeholder participation at country level.⁵⁰ Theoretically, the FTI model is premised upon extensive input and participation from local civil society organizations and other actors such as national parliaments and local government. However, the initiative has not built in adequate mechanisms to ensure stakeholder input into sector plans so that they are broadly owned *national* plans, rather than simply government plans.

Citizen involvement in policy dialogue, planning and monitoring is essential to performance in the education sector. National and local civil society groups play an important role in ensuring government ministries respond to needs on the ground according to local and regional realities; develop appropriate policies and plans; and set the right priorities. Participation in the development of policies and plans also allows citizens to understand better what the government is planning to deliver, where the government will get the resources, and how these resources will be distributed. This understanding is paramount in monitoring the implementation of the plans, and helps citizens hold their governments to account for the plans they commit to, ensuring that resources are invested wisely and are generating results.

However, the FTI has no real mechanism to ensure that civil society is included in the policy dialogue and planning process that leads to FTI endorsement, or in the ongoing discussions around CF allocations. In practice, civil society participation at country level is often weak or non-existent.

Box 4: Local civil society at the margins

Informal arrangements for civil society participation in FTI processes do not always yield useful or consistent results. Oxfam partner organizations in **Pakistan** reported instances where the government was under pressure to add sections to the plan and to complete the process quickly, which it did without consulting with civil society, or even parliament. The lack of participation meant that the positive checks and balances that civil society brings to the equation were not provided.

In **Niger**, there is a dynamic and active civil society working for Education for All. Campaign groups helped expose the embezzlement of aid funds for education earlier in the decade, which led to reform in the sector. They have participated in the development of the national education plan, however this has been on an informal basis, at the request of the coalition and dependent upon the assent of the government. The lack of a formal consultation framework has been highlighted by Oxfam partners in Niger as a key shortcoming of the FTI.

Nicaragua is a recent positive example of citizen participation in an FTI country. The Education Sector Roundtable was originally created in response to the FTI process in 2003, however it languished as an inactive forum until recently, despite ongoing CF funding for Nicaragua. Reforms to the roundtable in 2009 have made it a stronger forum that formalizes dialogue between donor agency representatives; officials from 18 different government ministries and programs; civil society; and private sector representatives. However, these reforms were led by the ministry of education and were not affected by the FTI process.

Space for citizen participation in FTI countries appears to depend on the willingness of individual governments, rather than a commitment across the initiative.

Source: Oxfam International interviews with staff and partners, Manual del Funcionamiento de la Mesa del Sector Educacion, Gobierno de Nicaragua (2009).

At the global level, the FTI Board continues to be a donor club. Important stakeholders, namely developing country governments and both national and international civil society organizations, are inadequately represented in the FTI's governance bodies. Recent reforms have made the FTI Steering Committee into a more formal Board of Directors and created an independent chair, which are positive developments. However, the reforms also increased the number of donors on the board, leaving developing country voices and civil society organisations clearly in the minority.⁵¹ This contrasts with the much more participatory governance arrangements in many of the global health funds.

Furthermore, decisions on CF allocations are taken by the Catalytic Fund Committee, which consists exclusively of donor agencies. Criteria for its decision making on the distribution of grant money has been particularly opaque.

The recent governance improvements are steps in the right direction, but until they go further and alter the fundamental power and incentive structures in the initiative, they are only band-aids covering deeper problems.

Disempowered Secretariat

The FTI Secretariat, in addition to its lack of independence, has insufficient

resources and capacity to elevate the initiative effectively on the global scene and to engage usefully with donors and governments at the national level. It has only 13 staff to manage the entire initiative covering 40 countries, 18 donors and a \$1.6bn trust fund, which is skeletal compared with the 120 staff members at the Global Alliance for Vaccines and Immunization (GAVI's) Secretariat, and GFATM's 200-plus staff.

Given this lack of capacity, it is no wonder that communication with endorsed countries is patchy and inconsistent. The FTI Mid-Term Evaluation case studies cite examples of this poor communication between the FTI Secretariat and either the government or the local donor group in Burkina Faso, Cambodia, Nicaragua and Mozambique. Local donor staff is often poorly informed about the initiative and its goals.

One example of poor communication is the misuse of the Indicative Framework, the set of best-practice benchmarks that are meant to inform policy development of education sector plans (see Box 5). Reports have surfaced that donor groups in some countries such as Burkina Faso,⁵² have been using the Indicative Framework as conditionality, expecting full compliance in national plans before they can be endorsed. The Secretariat does not have the capacity to link up with country-level discussions and therefore has been unable to intervene and clarify the proper use of the Indicative Framework, which is meant to be employed as a flexible policy framework taking into account differing national contexts.

Box 5: Source of controversy: the Indicative Framework

The FTI Indicative Framework is a set of benchmarks meant to guide education policy making in FTI countries. These benchmarks are also designed to encourage data reporting on key education indicators, and they are meant to be adapted to local realities, not applied as conditions for FTI assistance. The IF gives optimal benchmarks for all of the indicators (such as girls' and boy's primary completion rates), based on what has been achieved in some successful countries.

On the positive side, the IF has included a focus on gender parity, it has encouraged countries to gather data on key indicators, and it has provided a consistent framework to use in endorsing Education Sector Plans.

However, its legitimacy has been seriously questioned and it has not always been used in the flexible way it was intended. The IF was developed based on one World Bank study now considered 'statistically shaky',⁵³ and without input from recipient governments or other local stakeholders. Benchmarks related to teacher salaries and teacher-pupil ratios are particularly problematic; these are highly variable depending on country economic and educational contexts. Because the IF has been used rigidly in some cases, there is concern that it has resulted in decisions to keep teacher salaries low, without considering other factors such as teacher retention and quality. It is questionable whether it is possible to have a set of universal benchmarks that do not result in a prescriptive, one-size-fits-all approach.

The Secretariat also lacks the capacity and mandate to monitor the progress of in-country donors in bridging country EFA financing gaps. This leads to a critical accountability vacuum in the initiative, since the only consistently functional FTI

national-level structures – the local donor groups – are highly unlikely to highlight any of their own failures to increase aid.

The structural and political limitations of the Fast Track Initiative have seriously hampered its ability to scale up aid for basic education. However, the solutions are straightforward and achievable.

4 Improving on the FTI model: a vision for the next generation

The Fast Track Initiative is in need of profound and comprehensive reform. Band-aid fixes will not deliver the increased, improved financing needed to reach the millions of girls and boys whose lives and livelihoods depend on access to a quality education. The next generation global education partnership will need to increase the ambition.

Recently enacted reforms and those envisioned in the near future do not go far enough. Rather than planning for the FTI's strategic evolution, these latest changes sidestep some of the most pressing problems and approach reform in an ad hoc manner. The FTI Board's response to the Mid-Term Evaluation to date has shown a disappointing reluctance to reflect seriously upon the evaluation's criticisms, and a failure to take action to assess and implement its recommendations calling for a comprehensive redesign of the initiative.

However, throwing out the FTI altogether and starting from scratch would be a grave mistake. Eight years of experience and investment in the existing initiative have brought us closer to the finish line. Forty countries have developed national education plans and prioritized basic education. A framework is now in place for supporting them which leverages both bilateral and multilateral aid streams. Transaction costs associated with set-up and endorsement have already been paid, especially by recipient countries, and returns on these investments are being reaped, albeit unevenly. Creating a separate, parallel initiative would foolishly ignore the lessons from the health sector which has seen a proliferation of initiatives leading to aid that is fragmented across agencies and vertical priorities, making it more costly and less effective.

In this report, we will refer to a reformed, redesigned FTI as a Global Fund for Education. A new name is needed to recharge the energy and as an outward sign of the improvements within. The term 'Global Fund for Education' has become popular because it clearly communicates a purpose. However, the name is less important than the substance.

The existing initiative must be transformed in four key areas. Its leadership and operational management must become autonomous and inclusive; it must foster greater country ownership through better quality aid; it must improve accountability structures and focus on results; and it must become more flexible so that it can respond to the needs of children in conflict-affected and fragile states and to other changing needs in the education sector.

The right kind of leadership

Political autonomy

A Global Fund for Education must begin with the kind of leadership and management that will enable its success. The institutional set up of the GFATM provides an excellent model that could be closely replicated (see Box 6). The initiative should be a fully autonomous multilateral partnership, formally and legally independent of all other institutions including the World Bank, UN agencies, and bilateral actors.

This independence is essential for achieving broad donor buy-in and avoiding the confusion and conflicts of interest that have been created by the World Bank's many roles in the FTI. At the same time, the initiative should build strong partnerships with key institutions and donors, whose involvement will be invaluable as champions, active players in its governance and oversight, and financial contributors. The World Bank should continue to be an important donor partner. It should focus on the areas where it can provide the most value, for example, by bringing access to concessional financing for education in low-income countries and by sharing its extensive technical expertise in the education sector.

A strategic re-branding of the initiative is also needed to create a break with the past, emphasize its autonomy and facilitate a higher global profile, in line with the significant scale-up in ambition. Oxfam and many in the advocacy community have proposed that it be renamed the Global Fund for Education, which clearly communicates its purpose.

An empowered Secretariat

The Secretariat should be an independent entity reporting to the initiative's Board of Directors and not to any single donor agency or institution. It should have the staff and resources required to successfully fulfil its mandate, and its mandate should be expanded to facilitate better the operations of the initiative, especially at country level, by:

- Monitoring and reporting on financing gaps, bilateral aid flows, and aid effectiveness at country level;
- Increasing the initiative's presence at country level and improving communication (perhaps through floating regional staff) throughout the endorsement, grant application and reapplication process;
- Making operational decisions about the disbursement of trust fund monies with Board oversight;
- Holding donors and recipient governments to account for their commitments.

Fiduciary independence for a fast, flexible trust fund

The experience of the FTI's CF highlights the need for an improved education financing mechanism that is independent of World Bank fiduciary restrictions. These rules are inappropriate for such a fund and slow down the funding process. A Global Fund for Education should feature an expanded multi-donor trust fund to replace the Catalytic Fund that is capable of delivering funds quickly and

accountably and on an ambitious scale in order to meet urgently the financing needs in endorsed countries.

This trust fund should have an initial donor financing target of \$5bn for its first year, scaling up donor commitments to cover two-thirds of the yearly EFA financing gap within five years. Donor contributions to the trust fund should not substitute for existing bilateral and multilateral assistance, rather financing should be additional to this support.

A study should be urgently commissioned to evaluate options for trust fund management at the global level and supervision at country level, looking at best practice in other similar trust funds such as the GFATM. It should consider the following proposal for maintaining strong oversight while facilitating rapid, flexible funding streams:

- Limited trusteeship of the fund, with a private bank, the World Bank, or a donor agency acting strictly as a financial institution.
- Independent management of funds by the Secretariat with active oversight by the Board of Directors.
- Independent accounting and auditing of grants at country level by local accountancy firms or non-profit organizations, similar to the GFATM's Local Fund Agent model. Monitoring and evaluation could be performed by independent organizations with expertise in the sector, such as local academic institutes or CSOs.
- Determination of aid modality at country level by the local donor group in consultation with the recipient government and national stakeholders.
- Ability to centralize funding for multiple objectives under one roof, including funding for education in conflict-affected fragile states, civil society oversight programs, and capacity development.

Inclusive governance

A Global Fund for Education must be underpinned by democratic governance structures both globally and at country level. These structures should build on best practice in other similar initiatives and guarantee participation for civil society representatives and other stakeholders. At the global level, the initiative's Board of Directors should ensure equal voting representation from all three major stakeholder groups in education, i.e. recipient governments, donors, and both Southern and Northern civil society organizations. This arrangement would amplify developing countries' voices and allow for genuine dialogue to help strengthen and improve the performance of the initiative. Donor representation on the board should be linked to their financial contributions.

At country level, the FTI's Local Education Groups must be strengthened and institutionalized as mechanisms for multi-stakeholder dialogue. The GFATM's Country Co-ordinating Mechanisms, while not perfect, provide a useful model that could be adapted to the sector-wide scope needed for education. More work is needed to develop a workable country-level mechanism to ensure that education policies and strategies are owned nationally, not just by a handful of government

officials or in-country donors. Civil society representatives from FTI countries must be actively involved in the redesign phase of the initiative to ensure that appropriate country-level structures are created.

Civil society input and participation must be a mandatory requirement for the disbursement of funds, as in the GFATM model. To ensure genuine inclusion and broad national consensus on education policy and strategy, dialogue must start at an early stage and continue throughout the endorsement, grant approval, and monitoring process. However, national civil society must not be seen as a monolithic force but rather as a diverse group of voices that include education advocacy groups, teachers' unions, parent and student groups, academics, non-profit service providers, women's groups, organizations of ethnic minorities and others, all with varying perspectives. The initiative must also ensure the involvement of parliaments, local government and other important national stakeholders.

The FTI country endorsement process should also be strengthened by establishing a panel of global and national education experts to assist the local donor group in ensuring the quality of national plans. A good model is the GFATM Technical Review Panel, an independent panel of international experts on health and development that reviews eligible grant proposals for technical merit. However, the involvement of local stakeholders and experts would be essential to make sure strategies are relevant for the local context. Panels should include an evaluation of the component of plans that address girls' education and gender parity, and the initiative should provide capacity building assistance for countries to strengthen the components of their plans that address girls' education.

Strengthened accountability

Civil society, parliamentary and other stakeholder participation is an essential building block to improve government accountability for the delivery of quality education programs, as we have discussed. A stronger emphasis on evaluating country progress against mutually agreed objectives and consistent reporting is also vital.

But donors should be held accountable, too. A Global Fund for Education should require local donor groups to create their own 'Education Support Plans,' endorsed by the initiative, that define how their combined efforts will meet the financing gap identified in the country's sector plan. This support plan should also contain a joint strategy for improvements in aid effectiveness among donors in the sector.

The Secretariat should then monitor bilateral financing at country level through an 'accreditation' process⁵⁴ that takes into account the contributions of individual donors based on their alignment with a country's Education Sector Plan. In-country donors would agree on targets for aligning their aid with the ESP and set a time frame, and progress would be reported transparently.

Box 6: Top 10 lessons from the global health funds

The health sector offers worthwhile lessons from its experience with global partnerships and financing initiatives, both positive and negative. Oxfam looked at the GFATM, the International Health Partnership (IHP), the GAVI alliance and UNITAID, an international drug purchasing facility, and identified the following key lessons:

1. **Participation makes you stronger.** UNITAID and GFATM ensure that civil society and other stakeholders are active participants in global board structures. Their votes have the same weight as those of governments. CSO delegations on both boards are selected in a transparent way by CSO peers, independent of board or secretariat involvement. They have built a support system via contact/ advisory groups that inform the delegations' input and ensure the accountability of representatives. At country level, GFATM set up multi-stakeholder Country Co-ordinating Mechanisms to plan and implement grants, with local CSO involvement tied to funding. In both initiatives, Southern and Northern civil society has played an important role in setting policies and priorities, monitoring performance, and advocating for support.
2. **Build a genuine partnership.** The IHP has struggled to achieve broad donor buy-in, since it is perceived as a UK government-driven initiative. On the other hand, GFATM was urgently called for by African heads of state, was jointly launched with the G8 and had extensive CSO input in its formation with the result that many feel invested in its success. GFATM, GAVI and UNITAID also create an environment to support Southern voices in their strategic governance. For example the GAVI board features an equal number of voting delegations from Northern and Southern governments and GFATM's Northern and Southern blocs are balanced with 10 votes each. GFATM is currently looking for ways to enhance Southern participation.
3. **Be your own master.** GFATM, GAVI and UNITAID are politically autonomous and have independent secretariats, enabling them to set bold and ambitious agendas. The World Health Organization has hosted the secretariats of UNITAID and in the past, GFATM, but their operations have been 'firewalled' from host intervention. The Secretariats of both institutions control disbursement of funds, with board oversight.
4. **Get with the plan.** The IHP has taken a country-driven approach by focusing on aligning existing investments around country-owned health sector plans and scaling up this support. It has sought to join up the efforts of bilaterals, multilaterals and the global health funds, maximizing their support by being more strategic. GAVI and GFATM are increasingly making efforts to align their grants with country priorities and plans, recognizing the benefits of coherence and ownership.
5. **Be transparent.** GFATM leads the pack in terms of access to information, providing more publicly available data than any other international institution. Through its extensive website, it reports frequently and in great detail on grants, enabling citizens and other stakeholders to track performance. This helps prevent corruption and improves accountability. There are monthly updates on grant disbursements on its website and users can even generate detailed customizable reports.
6. **Insist on results.** Through its use of grant scorecards, GFATM has pioneered a performance-based approach to financing. The scorecard assesses progress, determines problem areas and recommends improvements that are requisites for new phases of funding. Another method for financial audits is GFATM's Local Fund Agent model at country level, in which an accounting firm acts as an auditor to oversee, verify and report on grant performance. These tools ensure accountability and increase impact.

7. **Get the money out the door.** GFATM has a strong track record in disbursing funds on time in comparison with the World Bank. In 2008, its disbursement rate was 96 per cent and indeed has rarely gone below 90 per cent⁵⁵. This success has been due to its strong administrative systems and ability to avoid unnecessary bureaucratic delays.
8. **Take a systems approach.** GFATM and GAVI have evolved from their early exclusive focus on vertical projects to include a broader approach, recognizing that a lack of strong country health systems is a barrier to progress on individual diseases. Government capacity, trained health care workers, health infrastructure, etc. are crucial to ensuring sustainable outcomes beyond individual projects. Both initiatives could learn from the FTI's exemplary focus on national plans and system strengthening.
9. **Innovate to raise cash.** UNITAID and GAVI employ innovative financing mechanisms to mobilize new resources for the sector. UNITAID has raised \$730m since 2006⁵⁶ from a combination of taxes on airline tickets, a carbon tax, and long-term contributions from donor governments. GAVI has been able to commit \$3.7bn between 2000 and 2015 through its International Finance Facility for Immunizations by securing long-term donor pledges and then borrowing against the pledges on capital markets, raising funds that can be disbursed when they're needed most.
10. **Stick together.** The proliferation of initiatives in the health sector, including single donor projects and presidential initiatives like the US's President's Emergency Plan for AIDS Relief (PEPFAR) have sometimes led to fragmentation and losses in efficiency across the sector⁵⁷. The IHP and others are leading the movement to co-ordinate better the donor interventions in health in order to increase impact.

Source: Oxfam interviews with technical health experts and health advocates, and desk research.

Real country ownership

Education is a basic human right⁵⁸ and an essential building block for development. It is therefore the duty of governments to ensure all citizens have access to a quality basic education. Effective governments, supported and held accountable by active citizens, must be at the center of interventions to support education.

A Global Fund for Education must therefore lead best-practice in aid effectiveness, not only by providing high-quality educational inputs in the short term, but also by contributing to a longer-term process of transferring *ownership* of the task of delivering education from donors to the developing countries themselves.

Countries must be empowered to take charge of their own education systems; to increasingly administer and fund their own programs; and ultimately to rid themselves of dependency on foreign aid to deliver education to their citizens. This requires broad national ownership of the education sector, not just by government, but also by wider civil society.

The FTI model of country-owned education plans has made important strides in this direction, putting it further ahead than many vertical initiatives, like GFATM in the health sector. However, as described in detail previously, in practice the FTI has failed to substantially improve donor aid practices and its CF has suffered from

poor aid quality.

In a Global Fund for Education, both bilateral donors and the global-level trust fund should ensure real country ownership by providing aid in a way that gives recipient countries more *information, capacity* and *control*.⁵⁹ This means communicating transparently about the details and timing of incoming resources; building country capacity by using government systems; and investing in civil society oversight and ultimately turning over control by allowing countries to manage both their development agenda and the aid resources themselves.

History has shown us that development cannot and does not work if policies are shaped and forced by outsiders.

The Africa Commission, 2005

Improving information

For civil society and parliaments to do their job in monitoring education expenditures and programs, they need access to timely, accessible, comparable and comprehensive information about aid flows and policy decisions. This kind of transparency reduces corruption and increases accountability and oversight. A reformed global education initiative should follow the example of GFATM in transparent disclosure of information and participate in the International Aid Transparency Initiative's common information standards. This should apply to all aspects of the partnership: the global governance bodies and their policies and decisions; the global trust fund including specific grants; and the in-country donor partners, who should be given incentives to improve the information they provide about their programs.

Predictability must also be improved in a Global Fund for Education. In a scenario of increased funding, an improved global trust fund should commit aid in a long-term and predictable manner, guaranteed for five years in line with governments' three to five year planning cycles. This predictability gives recipient country governments the confidence that scaled up plans, particularly plans to hire new teachers, will be sustainable. In-country donors should be encouraged to commit their funding for a minimum of three years.

Building country capacity

Instead of relying on costly technical assistance, which has a poor track record in the education sector and is often donor-driven, the best way to build a country's capacity to deliver education is to use its own systems and to invest in national efforts to improve government accountability.

If you bypass the government to deliver schools, you don't build government capacity. The Afghan people need good governance and a government that is not corrupt. That is the real challenge.

Richard Holbrooke, Special Representative for Afghanistan & Pakistan, Obama Administration

As part of a Global Fund for Education, an improved global trust fund should use recipients' public financial management systems by recording aid flows in recipient

government budgets and accounting systems, when these systems meet minimum standards. It should utilize local procurement systems whenever possible. It should also channel funds through government education programs whenever possible, rather than creating parallel project implementation units. Other donors should be encouraged to follow suit.

Education aid has typically circumvented country systems and institutions, while paradoxically trying to build them by providing technical assistance to education and finance ministries. It is not surprising that these programs have often had limited results.⁶⁰ Aid programs can and should make country systems stronger by utilizing them and by complementing any support with tailored capacity building assistance and stronger public oversight.

The trust fund should therefore dedicate a percentage of its portfolio to capacity development, similar to the mandate of the FTI's EPDF, but should co-ordinate it better with other investments and make it more innovative and responsive to local needs. It should fund true institution-building in education ministries and skills-building with their staff, as well as with regional and local education implementers, learning lessons from successes and failures from past education-sector technical assistance and capacity development programs. Like the EPDF, the improved trust fund should provide support to help countries prepare an education sector plan for endorsement or improve their sector policies. But it should go beyond this by using funds to help offset up-front investments in policy and planning in countries applying for or renewing FTI endorsement.

FTI support to the Global Campaign for Education's National Civil Society Education Fund should also continue in an improved global trust fund. This program should be scaled up to provide financial support and skills development for CSOs undertaking budget tracking and monitoring work. A minimum of three per cent of total donor support at country level should be dedicated to funding the work of civil society groups and other national stakeholders involved in accountability efforts. This investment is money well spent, as it helps to ensure the effective use of aid resources.

Letting countries lead: more local control through budget support

The FTI's endorsement program for country Education Sector Plans is a major innovation in aligning donor support with country priorities, thereby strengthening country leadership. A Global Fund for Education should take this achievement one step further by utilizing the aid modalities that best match assistance to national plans.

This means providing more aid through aligned program-based approaches and whenever possible, sector budget support.⁶¹ Budget support is the only aid modality that can help governments pay for the salaries of the 10.3 million new teachers that are needed worldwide to achieve universal primary education by 2015. It also builds capacity and ownership for recipient governments by entrusting them with the decision-making power to allocate resources according to the consensus on national priorities, and it contributes to more effective institutions and a more coherent education sector.

Sector budget support is effective when recipient government ministries have

demonstrated a commitment to poverty-reduction and specifically the EFA goals; where democratic dialogue on national priorities exists; and where parliaments and civil society are actively providing oversight. Many FTI countries already have these attributes or are moving in this direction, since committed countries have tended to join the initiative voluntarily.

An improved trust fund should substantially scale up its sector budget support, where governance and financial management are adequate, in order to fund a larger share of the 70–90 per cent of their education budgets that are typically spent on teacher salaries and other recurring costs. This funding should be conditioned on performance against mutually agreed education outcomes, including gender-sensitive indicators such as improvements in gender parity. Progress on these outcomes should be reviewed periodically and new disbursements should be linked to performance, similar to the process used by the European Commission for its MDG Contracts.⁶² Economic policy conditions should be strictly avoided and the burden of non-poverty-reduction-related conditions should be minimized to ensure countries have adequate policy space.

Box 7: CSO budget monitoring in Burkina Faso

Increased budget support has contributed to rising government expenditure on education in Burkina Faso over the last decade. Alongside this increase in budget support, activity by CSOs to monitor government spending and lobby on budget priorities has been growing, which is having a positive impact on education spending.

For example, the Centre for Budget Information, Training and Research (CIFOEB) has been working with the Co-ordinating Group for Basic Education in Burkina Faso (CCEB) and Social Alert (ASAB) to monitor education budgets; evaluate the impact of education spending; train community committees in gender-sensitive budget-tracking; and popularise information on budgets and spending through radio, national television, pamphlets, and open meetings. This kind of activity is crucial to making budget support work. Aid given through budget support can be better integrated with this kind of monitoring, since citizens' groups can hold the government to account more easily over a central budget than monitor hundreds of separate aid projects.

Source: Oxfam International in Burkina Faso

In situations where budget support is not appropriate, the trust fund should have the flexibility to use the most appropriate aid modality for the country situation. When possible, it should utilize other on-budget aid modalities such as channelling aid through well-performing local or national government programs to support education systems.

In-country donors should also be encouraged to increase the amount of their aid portfolio that is provided as general or sector budget support, tied to improved education outcomes. However, the initiative should maintain its openness and flexibility to align all types of aid with country plans, since donor preferences and approaches vary.

Expanded scope

Achieving Education For All will require a global education initiative with greater ambition. Children should not just have a seat in a primary school classroom, but should learn to read, do math and learn skills that will prepare them for a productive livelihood. Children living in conflict-affected areas should be given a lifeline to education when their governments fail them and countries with governance challenges should be constructively engaged to ensure their children are not left out. And the 759m young people and adults who cannot read or write must not be neglected. While the FTI's original scope made sense at the time of its formation, it is now time to adapt and expand.

Embrace the full EFA goals

A Global Fund for Education should explicitly expand the FTI scope to include the full Education For All goals,⁶³ while maintaining a focus on universal primary education. In practice, many FTI country Education Sector Plans have already identified objectives and strategies that target educational goals beyond primary education.

Since the FTI was founded, encouraging progress has been made worldwide in expanding access to primary education, especially in the poorest regions. This has been partly due to the efforts of the FTI in focusing the international community on a single shared goal. However, the context has shifted. While many countries still face unacceptably low primary enrolment rates, many others are facing new challenges as a result of this early progress, especially related to quality and equity. The initiative should have the flexibility to respond to changing needs in the basic education sector.

The reality is that among FTI countries there is an incredible diversity of development and progress towards the EFA goals. Some countries are struggling with massive adult illiteracy problems, especially among women. Others have made great progress in achieving gender parity in primary school, but face steep hurdles for secondary school. Some are facing severe challenges in all of the EFA areas and are forced to make hard decisions about where to focus. Countries should be able to forge a democratic consensus on their priorities, rather than having to work within priorities set by donors.

A reformed policy framework

Related to this, the FTI's Indicative Framework should be reformed and restructured to eliminate the use of prescriptive universal benchmarks. Rather, benchmarks should be chosen individually for each country, according to context. Newer research and thinking should be incorporated from a range of stakeholders, including academics and civil society, to make the framework into a stronger and more relevant tool. It should also be expanded to include a wider EFA scope. It should never be used as conditionality and in particular it should not dictate a standard measure for teacher salaries. The FTI philosophy has rightly placed policy dialogue at the national level and this should be preserved.

Support for education in situations of conflict and fragility

A Global Fund for Education should develop an appropriate funding mechanism to reach the millions of children who are denied access to education because they live in conflict-affected or fragile states. This challenge should not be relegated to a separate fund, but should be part of a coherent global education initiative.

Building on the FTI's progressive framework, a redesigned initiative should feature a more flexible endorsement process, with support tailored to country circumstances. Rather than holding all countries to the same 'gold standard,' the endorsement process should assess whether education strategies are appropriate for a country's unique educational situation and whether they reflect a credible commitment to improve. Assistance for capacity building should be part of the package and well co-ordinated with other support. The focus should be on building and strengthening state capacity to deliver education wherever possible. The process for forming national education plans in fragmented or decentralized countries could also be modified to allow for sector plans at the state or provincial level.

In countries experiencing deteriorating conditions of conflict, state illegitimacy, or where states are committing gross violations of human rights and international humanitarian law, there may be no responsible way to work with the government. In these cases the initiative should seek to co-ordinate the work of donors and non-government service providers around a central strategy, with robust and explicit accountability mechanisms. The trust fund could develop a mechanism to fund non-government service providers in the short term,⁶⁴ with a medium-term plan to transition to government provision once the situation stabilizes. This assistance should be carefully co-ordinated with the work of humanitarian agencies and Education Clusters.

Importantly, an improved global trust fund should be flexible enough to provide the most appropriate mix of aid modalities for a variety of circumstances. Both the trust fund and individual donors should adhere to strong transparency and predictability principles, and use country systems when they meet quality standards.

5 Conclusion: Time for a Global Fund for Education

The Fast Track Initiative must dramatically increase the ambition. Far-reaching reform is needed to release the power and potential of this innovative model. The education of the world's children depends on a fundamental shift in the way education is funded globally.

An effective, ambitious Global Fund for Education could bring about this change. It should be premised on a redesign of the FTI, characterized by greater independence and stronger leadership; better mechanisms to increase country ownership and accountability; and an expansion of the initiative to meet the needs of all children, youth and adults. It should build on the good start we have made with the FTI, rather than starting from scratch.

How US leadership could turn the tide

[President Obama] supports a Global Education Fund to bolster secular education around the world. [...] Investing in our common humanity through social development is not marginal to our foreign policy but integral to accomplishing our goals.

US Secretary of State Hillary Clinton

Although a Global Fund for Education should not be the project of any one donor, the US is well placed to provide strong political leadership for a Global Fund for Education. Despite being a key donor in the basic education sub-sector, the US is behind the curve in supporting the Education for All goals and has not actively participated in the Fast Track Initiative.

However, there are promising signs of change. As a candidate, President Obama made a commitment to create a \$2bn global education fund. This promise has been reiterated by Secretary of State Hillary Clinton, who has a strong track record of supporting global education programs. Also, in 2008 the US committed to make its foreign aid more effective when it signed up to the Accra Agenda for Action at the High-Level Forum on Aid Effectiveness. The White House is taking a new look at US global development assistance and the Department of State is currently conducting a review of diplomacy and development – both moves acknowledge that the current US approach to aid demands improvement.

One way for the US to reform its foreign assistance and put its international commitments into action is by taking leadership on initiatives that apply aid effectiveness principles. This opportunity to redesign the FTI and re-launch it as a Global Fund for Education is an unprecedented chance to combine US support for education with a move towards better quality aid.

A Global Fund for Education could therefore become a model for broader US

development reform – not only for improving the impact of aid for education, but as a pilot for wider US efforts to make its aid more effective.

Why all donors must engage now

If you think one year into the future, you plant corn; if you think 10 years into the future, you plant trees; if you think 100 years into the future, you plant education.
La Cuculmeca, Nicaraguan community education organization

Education For All will not be achieved without immediate, concerted action by all donor governments and institutions. The reality is that reform of the education financing architecture is worthless without high-level political leadership from a critical mass of donors.

This cannot happen without the support of the traditional G8 donors, who must still fulfil their commitment to increase aid, including to \$50bn annually for Africa. But it also depends on the engagement of new and emerging donors, including members of the G20 such as China and Saudi Arabia, who are already providing important aid for education. The first formal combined G8–G20 Summit in Canada in June 2010 provides the perfect opportunity to launch this collaboration.

We should not wait to see the ripple effects of the global economic crisis in poor countries before we act. The tragedy of ‘education poverty’ can be avoided before it is too late for the next generation of children. Developing country governments have demonstrated their commitment to education and appealed for urgent support. A Global Fund for Education could be the answer to that call.

For specific recommendations, please see the accompanying briefing note, available at: www.oxfam.org/policy

For further reading

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Notes

- ¹ UNESCO (2009) 'Overcoming inequality: why governance matters', EFA Global Monitoring Report 2009. Enrolment rate referred to here is the primary net enrolment rate.
- ² The six Education For All goals are related to: early childhood care and education; universal primary education; learning and life skills for young people; adult literacy; gender parity and education quality.
- ³ The average annual increase in public education spending between 1999 and 2006 was 9.3 per cent. From B. Fredriksen (2008), 'The Evolving Allocative Efficiency of Education Aid: a Reflection on Changes in Aid Priorities to Enhance Aid Effectiveness', The World Bank.
- ⁴ UNESCO GMR (2009), *op. cit.*, based on OECD DAC aid figures.
- ⁵ Oxfam International (2007), 'Paying for People: Financing the skilled workers needed to deliver health and education services for all', Briefing paper 98. From this report: 'The World Bank's August 2006 report on HIPC and the multilateral debt-relief initiative (MDRI) showed that countries receiving HIPC debt relief more than doubled their expenditure on poverty-reduction plans between 1999 and 2005.'
- ⁶ UNESCO (2010), 'Reaching the Marginalized', EFA Global Monitoring Report 2010.
- ⁷ UNESCO GMR (2009), *op. cit.* All remaining figures in this paragraph are from this report.
- ⁸ The Net Enrolment Ratio (NER) is defined as the number of children of official primary school age who are enrolled in primary education as a percentage of the total children of the official school age population. All enrolment rates cited in this paragraph are from UNESCO GMR 2009.
- ⁹ Press release April 2009 UNESCO, based on OECD DAC aid figures
- ¹⁰ Royal Government of Cambodia, Cambodian Rehabilitation and Development Board, Council for the Development of Cambodia (May 2007), 'The Cambodia Aid Effectiveness Report 2007'.
- ¹¹ World Bank (2005) 'Global Monitoring Report 2005', Washington: International Bank for Reconstruction and Development / World Bank, p.93.
- ¹² Cambridge Education *et al.* (2009) 'Preliminary Report draft 4 April 2009', Mid-Term Evaluation of the EFA Fast Track Initiative, p. 48.
- ¹³ UNESCO GMR (2010), *op.cit.*,chapter 4, p. 229.
- ¹⁴ Comparison by Oxfam based on data from the UNESCO GMR (2010). The population of primary school aged children in the developed world was 65.4 million in 2006 (the latest year for which data is available). The total number of children out of school globally is 72 million.
- ¹⁵ UNESCO GMR (2010), *op.cit.* p.20.
- ¹⁶ UNESCO GMR (2010), *op.cit.*
- ¹⁷ *Ibid.*
- ¹⁸ UNESCO press release (March 3, 2009), 'Global crisis hits most vulnerable', http://portal.unesco.org/en/ev.php-URL_ID=44687&URL_DO=DO_TOPIC&URL_SECTION=201.html

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- ¹⁹ The *Economist* (19 November 2009) 'If words were food, nobody would go hungry'. The article cites FAO estimates that in 2009 the number of malnourished people in the world rose to 1 billion.
- ²⁰ International Labour Organization press release (June 10, 2009), 'ILO says crisis increases risk of girls becoming child labourers'.
http://www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang-en/WCMS_107801/index.htm
- ²¹ UNESCO GMR (2010), *op. cit.*
- ²² The Brookings Institution (2009) 'To the G20: Don't overlook Africa during the recovery', Global Economy and Development Program.
- ²³ Pan-African Conference of Ministers of Finance and of Education, press release, (July 18, 2009).
- ²⁴ UNESCO GMR (2010) *op. cit.*
- ²⁵ FTI Progress Report, (Sept 2008), based on education sector survey Synthesis Report.
- ²⁶ FTI Secretariat (October 2009) 'A Fast Track to 2015: Educating the world's children for a better future.'
- ²⁷ FTI Secretariat (2008) 'The Road to 2015: Reaching the Education Goals.' FTI Annual Report 2008.
- ²⁸ UNESCO GMR (2010), *op. cit.*
- ²⁹ UNESCO GMR (2005) 'Education for All: The quality imperative.'
- ³⁰ UNESCO GMR (2010), *op. cit.*
- ³¹ Eric Woods (29 March 2009). 'Working Paper 1: Preliminary Paper on Education Policy and Planning, Mid-Term Evaluation of the Education for All Fast Track Initiative', Cambridge Education, Mokoro, OPM.
- ³² See FTI Independent Evaluation draft Country Case Studies for Nicaragua, Burkina Faso and Ghana).
- ³³ Donor orphans were defined by the FTI Catalytic Fund Committee as countries with the presence of four or fewer bilateral donors contributing at least \$1m to the education sector. From: FTI Secretariat (March 2005) 'Catalytic Fund Strategy Committee Meeting Minutes.'
- ³⁴ Cambridge Education *et al.* (2009) 'Mid Term Evaluation of the EFA Fast Track Initiative' Draft country case studies for Kenya, Cambodia and Burkina Faso.
- ³⁵ Cambridge Education *et al.* (November 2009) 'Mid Term Evaluation of the EFA Fast Track Initiative,' Draft Synthesis Report.
- ³⁶ Cambridge Education *et al.* (21 August 2009), 'Mid-Term Evaluation of the EFA Fast Track Initiative' Country Case Study: Cambodia (draft).
- ³⁷ Calculation by Oxfam based on FTI Secretariat allocation/disbursement data.
- ³⁸ FTI Secretariat (2009), 'FTI Country Level Process Guide' p.3 indicates recent changes involve 'jointly undertaking most of the analytic work, which builds the basis of endorsement and support for the education sector plan, further upstream of any specific application for funding.'
- ³⁹ As of early December 2009, Lao PDR and Nepal are the only countries that received endorsement from a list of eight countries expecting endorsement in 2009. Bhutan and Malawi were also endorsed in November 2009 but their endorsement was originally

planned for 2008. From Mid-Term Evaluation of the EFA Fast Track Initiative. Draft Synthesis Report, Volume 1, p. 11 and FTI website.

⁴⁰ Mid-Term Evaluation of the EFA Fast Track Initiative, 'Country Case Study: Yemen' (draft) (August 27, 2009). pp. 35-36.

⁴¹ Mid-Term Evaluation of the EFA Fast Track Initiative. 'Country Case Study: Nicaragua' (draft) (25 August 2009) and 'Country Case Study: Ghana' (draft) (10 September 2009). Nicaragua's most recent tranche of \$10m was allocated in late 2006 and finally disbursed mid-2009. Ghana's year three allocation of \$14.2m followed a similar timeline.

⁴² FTI Secretariat (November 2009) 'FTI Catalytic Fund Annual Status Report.'

⁴³ FTI Secretariat (2008), 'Guidelines for Processing World Bank Specific Investment Grants Financed by the Fast Track Initiative Catalytic Fund.' pp. 2 and 6. The World Bank's Education 'Sector Manager's technical review is designed to ensure that education sector plan is a credible and sustainable plan and that appraisal has not overlooked sector policy or technical shortfalls.' However, this is supposed to have happened already through the local donor group appraisal of the ESP.

⁴⁴ Desmond Bermingham (May 2009) GMR Background paper: 'Scaling up aid for education. Lessons from the Education for All Fast Track Initiative'.

⁴⁵ Aid modalities can take various forms. One common modality is project aid, which earmarks expenditures for defined activities with specific inputs and outputs. Projects are sometimes implemented by donor agencies themselves or by development contractors. Recipients often have little control over the type of project and the way the money is spent. Another modality is budget support. See endnote 61 for a description.

⁴⁶ FTI Secretariat (April 2007) 'Expanded Catalytic Fund Concept Note'.

⁴⁷ Cambridge Education *et al.* 'Mid-Term Evaluation of the EFA Fast Track Initiative. (19 November 2009). Draft Synthesis Report', Volume 1. p. 72. Multiple country case studies of the evaluation mention this concern.

⁴⁸ FTI Secretariat (November 2008) 'The EFA-FTI Modality Guidelines'. Chart on p. 7 determines that project funding (currently used in CF grants in the majority of FTI countries) makes only limited use of country systems 'based on the assessed fiduciary risks.' Also, a review of the country case studies in the FTI Mid-Term Evaluation reveals that country public financial management and procurement systems are not frequently used.

⁴⁹ UNESCO GMR (2010), *op.cit.* See also: 'Last in Line, Last in School: How donors are failing children in conflict-affected fragile states.' International Save the Children Alliance, 2007.

⁵⁰ Cambridge Education *et al.* (2009) 'Draft Synthesis Report'; Volume 1. p 49. The evaluation indicates that in a significant number of countries, including Cambodia, Nicaragua, Burkina Faso, Mozambique, Zambia, Mali and Moldova, there was minimal involvement by civil society stakeholders.

⁵¹ Additionally, the third CSO seat was given by the FTI Board to the World Economic Forum, which is not widely considered to be a civil society organization. None of the other delegations are chosen by the Board.

⁵² Cambridge Education *et al.* (June 2009) 'FTI Mid Term Evaluation, draft country case study Burkina Faso' p. 30.

⁵³ Cambridge Education *et al.* (November 2009) 'Mid Term Evaluation of the EFA Fast Track Initiative' Draft Synthesis Report, Volume 2, p 92.

⁵⁴ This idea is attributed to Desmond Bermingham at the Center for Global Development.

⁵⁵ The Global Fund to fight AIDS, Tuberculosis and Malaria (March 2009), 'Scaling up for impact: Results report 2008'.

⁵⁶ Oxfam International (September 2009) 'Civil Society and UNITAID: An introduction'. Published by Oxfam International on behalf of the civil society delegations to the UNITAID Executive Board.

⁵⁷ Institute of Medicine of the National Academies (March 2007) 'PEPFAR Implementation: Progress and promise'.

⁵⁸ See Universal Declaration of Human Rights, the Convention on the Rights of the Child, and the Dakar Framework for Action 2000.

⁵⁹ Oxfam America (2009) 'Ownership in Practice: The key to smart development'. The paper lays out an innovative framework of policies designed to increase country ownership through 'information, capacity and control.' This framework is applied to aid for education in this paper.

⁶⁰ Fredriksen (2008), 'The evolving allocative efficiency of education aid: a reflection on changes in aid priorities to enhance aid effectiveness', The World Bank. Pp. 23.

⁶¹ Budget support is aid disbursed to the national treasury of the recipient-country government to support a national development strategy. It becomes part of the budget and is used in accordance with the country's budgetary processes. Sector budget support is linked to a sector-specific program, such as education. Education sector budget support can be channelled through the education ministry or through multiple ministries with responsibility for education. It is tied to performance against agreed sector-specific outcomes.

For a useful discussion of the benefits and risks of budget support, please see: 'Fast forward: How the European Commission can take the lead in providing high-quality budget support for education and health', Oxfam International, May 2008.

⁶² The European Commission's MDG Contracts provide budget support to finance the expansion of health, education and other public services. 'A distinguishing feature of the EC's budget support is that in general, the main share (called the "fixed tranche" is disbursed on the condition that a country meets the entry conditions, while the remainder (called the "variable tranche") is given if the country performs well on specific performance indicators.' From Oxfam International (2008) 'Fast Forward', *op. cit.*

⁶³ See endnote 3 for a summary of the six EFA goals.

⁶⁴ One successful example of this model is DfID's Basic Services Fund for Southern Sudan, which directly funds non-government actors to provide essential services including education. From Oxfam Novib (September 2008), 'The delivery of education in fragile states: Insights from case studies of the Occupied Palestinian Territories, Afghanistan and Somalia.'

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