



DEVELOPMENT COMMITTEE  
(Joint Ministerial Committee  
of the  
Boards of Governors of the Bank and the Fund  
On the  
Transfer of Real Resources to Developing Countries)



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**PROGRESS REPORT FOR THE  
EDUCATION FOR ALL-FAST -TRACK INITIATIVE**

Attached for the September 18, 2006, Development Committee Meeting is a progress report entitled "Education for All-Fast-Track Initiative," prepared by the staff of the World Bank.

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Education for All–Fast-Track Initiative**

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# Progress Report for The Education for All–Fast-Track Initiative

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## ABBREVIATIONS AND ACRONYMS

|        |  |
|--------|--|
| AfDB   | African Development Bank   |
| AsDB   | Asian Development Bank   |
| BADEA  | Arab Fund for Economic Development in Africa                             |
| CF     | Catalytic Fund   |
| CPIA   | Country Policy and Institutional Assessment                              |
| DAC    | Development Assistance Committee   |
| DFID   | Department of International Development (United Kingdom)                 |
| EC     | European Commission  |
| EFA    | Education for All  |
| EPDF   | Education Program Development Fund                                       |
| FTI    | Fast Track Initiative  |
| GDP    | Gross Domestic Product   |
| GER    | Gross Enrollment Rate  |
| GIR    | Gross Intake Rate  |
| GMR    | Global Monitoring Report   |
| GNI    | Gross National Income  |
| HIPC   | Heavily Indebted Poor Countries  |
| IBRD   | International Bank for Reconstruction and Development                    |
| IEG    | Independent Evaluation Group (World Bank)                                |
| IsDB   | Islamic Development Bank   |
| MDB    | Multilateral Development Bank  |
| MDG    | Millennium Development Goal  |
| MIC    | Middle-Income Country  |
| MOU    | Memorandum of Understanding  |
| ODA    | Official Development Assistance  |
| OECD   | Organization for Economic Co-operation and Development                   |
| OEI    | Organization of Ibero-American States for Education, Science and Culture |
| PCR    | Primary Completion Rate  |
| PRSP   | Poverty Reduction Strategy Paper   |
| SACMEQ | Southern African & Eastern African Consortium for Monitoring             |
| UNDP   | United Nations Development Program                                       |
| UNESCO | United Nations Educational, Scientific and Cultural Organization         |
| UNFPA  | United Nations Population Fund   |
| UNICEF | United Nations Children's Fund   |
| UPC    | Universal Primary Completion   |
| WFP    | World Food Program   |

## **EXECUTIVE SUMMARY**

1. The Education for All (EFA)–Fast Track Initiative (FTI) was launched in late 2002 to galvanize country reforms, raise the effectiveness of education spending and stimulate donors to underwrite reforms to achieve the education targets of the Millennium Development Goals (MDGs). FTI was designed to ensure that countries with sound education policies and agreed education plans receive adequate and predictable donor funding. The World Bank is one of the 30 FTI partners, and FTI represents one segment of the World Bank's broader education agenda. This FTI Progress Report responds to the request of the Development Committee in its April 2006 Communiqué.

2. FTI's objective is to raise the quantity and quality of education in the poorest countries for the 100 million children who are not able to attend school and the 600 million underserved children who do attend school but suffer from inadequate books, learning materials, and teaching through:

- Helping countries provide primary education to all of their out-of-school children;
- Ensuring that all children complete the primary cycle;
- Assisting countries close critical gaps in policy, capacity, data; and financing;
- Encouraging countries to make efficient and effective use of resources.

3. In less than four years, FTI has put in place an architecture that not only raises funding and expands access, but changes the way countries and donors work together, addresses quality, and develops a results-based approach to education investments.

4. FTI establishes a compact between developing countries and stakeholders based on:

- A single, credible education sector plan for achieving agreed education outcomes, which is nested in an approved PRSP and endorsed by stakeholders, including locally-based donors on behalf of the wider donor community;
- A common set of measurable benchmarks used to track progress;
- Donor commitment to harmonize financing, implementation and monitoring activities; and,
- Donor commitment to predictable, long-term financing for the agreed sector plan, and country commitment to ensure political and financial support for implementation.

5. Twenty countries have endorsed education plans and 12 more are expected to do so by the end of 2006. An additional 27 countries have explicitly expressed interest in being part of the initiative, which would bring the total participating countries to 59. Not counted in the numbers are the spillover effects that FTI has in influencing the behavior of governments and donors toward single education plans and donor harmonization.

6. Donors are aligning their ongoing funding with the countries' endorsed plans, pooling funding for education at the country level, adopting single reporting arrangements to reduce transactions costs, and raising their spending on education. Improvements in donor harmonization at the country level has led to greater alignment of spending, increased effectiveness, improved dialogue and trust, and lowered risks. Results in quantitative outcomes, service delivery, and resource mobilization show clear progress. FTI has helped some of the lowest enrollment countries substantially increase primary school enrollments, contributed to big

increases in girls' enrollment, and boosted spending on books, supplies and maintenance. Policy reforms such as spending priorities on non-teacher inputs and fostering school-based funds management have accompanied the formulation and implementation of education plans and the scale up in spending.

7. Funding for FTI comes through established bilateral and multilateral donors and MDBs, and small grants aimed at ensuring adequate short term financing and capacity development. For the 20 endorsed countries that are just starting up, the FTI funding requirement is estimated at \$1.1 billion annually. This is expected to rise to approximately \$7 billion per year once the additional 39 countries join, including the largest countries, teachers are employed in sufficient numbers, quality upgrades are introduced, and the hardest-to-reach children are brought into the education system.

8. FTI faces several challenges going forward. First is the shortfall in long term predictable and adequate funding. The lack of long-term commitments means that financing gaps remain despite the promise that all viable plans would receive funding. Where donors have not fulfilled their pledges, funding shortfalls have compromised progress and the credibility of country reforms. Second, rapid scale-up in the short term may come at the cost of low education quality and inadequate attention to learning outcomes, so there is a need to identify mechanisms to help countries measure learning, and improve learning outcomes. Finally, there is a need for strategies to incorporate big, often federal, countries with very large numbers of out-of-school children.

#### QUESTIONS FOR THE DEVELOPMENT COMMITTEE

1. FTI has demonstrated that rapid scaling up is possible and that results can be achieved even in very difficult circumstances. **Do the ministers agree that the main challenges now are long term predictability and adequacy of funding? How can FTI play a greater role in ensuring that donor pledges translate into predictable and adequate funding at the country level?**

2. Learning, the principal objective of education, requires that schools provide a basic quality of education. Education in many developing countries suffers from absent or unqualified teachers, limited availability of textbooks, and inadequate infrastructure. Although FTI mainly focuses on helping enroll all of the out-of-school children in the poorest countries, it emphasizes quality inputs and the balance across inputs to assure that all pupils receive the basics for effective learning. Quality in terms of learning outcomes is of utmost importance, but requires long term investments and a significant amount of time before such outcomes can be achieved or reflected in measurements. **How should FTI balance and sequence increasing access to education, quality of education, and measuring learning outcomes within a context of limited capacity and resources?**

3. To date, FTI has not addressed the needs of the biggest countries with the largest numbers of children out of school, some of which are fragile states. **Should FTI expansion handle larger (often federal) countries? Should FTI work at the sub national level with state education plans? Does blending Bank and donor grant funding offer a means of both reaching larger countries and raising concessionality for education investments?**

## PROGRESS REPORT FOR THE EDUCATION FOR ALL–FAST TRACK INITIATIVE

### I. BACKGROUND

1. The Fast-Track Initiative (FTI) was launched in 2002 to address constraints faced by developing countries in accelerating progress toward universal primary education. The purpose of this report is to provide an early assessment of FTI's progress. **In less than four years, 20 countries have joined FTI, progress has been achieved in donor funding, commitments made by developing countries have been bolstered, and a new way of doing business among donors has been launched.** Performance is measured by assessing progress against the indicative benchmarks that form the foundation of each country's FTI agreement. Policy reforms and donor harmonization offer complementary bases for assessing progress.

2. This progress report was prepared by World Bank staff in response to a request from the Development Committee in its April 23, 2006 Communiqué (Paragraph 4).<sup>1</sup> Information was collected through interim reviews of country-level programs, interviews, analysis of publicly available data, and tracking of new developments under FTI.

#### *WHAT IS EFA?*

3. **Education for All (EFA)** is a global movement led by UNESCO, with support from the international community, committed to helping developing countries provide a quality education at all levels – including early childhood education, adult literacy and adult learning. The Millennium Development Goals for education focus on two of the EFA goals: **achieving universal primary education by 2015** (MDG 3) and **eliminating gender disparity at all levels of education no later than 2015** (MDG 4).

#### *WHAT IS FTI?*

4. **FTI was launched in 2002 by the major bilateral donors, the World Bank, UNESCO and other United Nations agencies to accelerate the efforts of the world's poorest countries to meet the universal primary education goal.** It was the first program to implement the Monterrey consensus whereby countries that put in place good policies would be provided with additional external support. FTI was designed to help fill the gaps in policy, financing, data, and capacity faced by developing countries. In pledging to fill these gaps, donors committed to supporting some of the countries that are farthest behind in the achievement of universal primary education.

5. FTI's objective is to raise the quantity and quality of education in the poorest countries for the 100 million children who are not able to attend school and the 600 million underserved children who do attend school but suffer from inadequate books, learning materials, school infrastructure, and teaching through:

- Helping countries provide primary education to all of their out-of-school children;

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<sup>1</sup> Previous reports to the Development Committee on the Education for All and its Fast Track Initiative were provided in 2002, 2003 and 2004.



- Ensuring that all children complete the primary cycle;
- Assisting countries close critical gaps in policy, capacity, data; and financing;
- Encouraging countries to make efficient and effective use of resources.

6. FTI's organization and oversight differ from standard Bank programs (Box 1) and these arrangements foster donor harmonization at the global and country level.

**Box 1: How is FTI Organized**

FTI is a global partnership supported by over 30 bilateral donors and international agencies, including the World Bank. The *FTI Partnership*, composed of all participating entities, meets once a year to agree on policy and strategic direction and to monitor FTI implementation. A small *Secretariat* hosted by the World Bank, is responsible for overseeing day to day implementation and ensuring operational linkages with other donor programs in partner countries. At the country level, the primary interlocutors with the government are the country-based representatives of the donor agencies and international organizations supporting that country, with one lead agency elected from these local representatives to guide the dialogue. The next meeting of the full *FTI Partnership* will take place in Cairo, Egypt in November, at which point the conclusions and recommendations from this report will be discussed.

7. FTI is designed to support any low-income country that demonstrates serious commitment to accelerating progress on universal primary education. **FTI is built around four pillars:**

- The development of a **single, government-led, multi-year education plan** that is nested in an approved PRSP and that is endorsed by all stakeholders, including the locally-based donors, with all partners agreeing to adhere to the country plan.<sup>2</sup>
- **Measurable results** that track progress against a set of indicative benchmarks for outcomes, service delivery, and funding, adjusted in accordance with country context and priorities (see Table 1).
- Donor commitment to comply with the parameters of countries' plans and to **harmonize donor financing, implementation, and monitoring** activities to reduce transaction costs for the country and to focus funding on country priorities.
- **Scaled up, predictable funding from donors** to meet the needs of each country's plan, complemented by demonstrated financing commitments from the FTI-endorsed countries.

8. FTI gives donors assurances that their investments will be well spent and targeted to agreed, country-driven education priorities. Clearly defined indicative benchmarks (see Table 1) provide a basis for measuring the results of investments and monitoring progress over time.<sup>3</sup>

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<sup>2</sup> The process and criteria for the endorsement of country plans is included in Annex 3.

<sup>3</sup> See Annex 6 for a glossary of the terms used in Table 1.

## WHY FTI?

9. One hundred million children in the lowest income countries remain out-of-school, and many of those who go to school are offered a poor quality of education. In some countries, less than a third of primary school-aged children are enrolled. If the primary education goals are to be met, urgent action is needed to help countries committed to achieving results. FTI is designed to work at the country level to bring the government and donors to the table to agree on joint priorities and directions in scaling up. It focuses on each country's specific challenges and resource needs because the problems are not simply funding gaps.

**Table 1. Results Framework: Key Indicative Benchmarks for Primary Education Performance<sup>a</sup>**

|  | Sample of 55 low-income countries (2000) |  | 2015 Indicative benchmarks |
|--|--|--|----------------------------|
|  | Range                                    | Average for the highest completion countries |                            |
| <i>Outcome measures (%)</i>                                  |  |  |                            |
| Primary completion rate, girls                               | 13-103                                   | 74   | 100                        |
| Primary completion rate, boys                                | 20-102                                   | 79   | 100                        |
| Gross intake rate, girls                                     | 35-184                                   | 116  | 100                        |
| Gross intake rate, boys                                      | 49-178                                   | 122  | 100                        |
| <i>Service delivery indicators</i>                           |  |  |                            |
| Average teacher salary (as a multiple of GDP per capita)     | 0.6–9.6                                  | 3.3  | 3.5                        |
| Pupil-teacher ratio  | 13:1–79:1                                | 39:1   | 40:1                       |
| Nonteacher salary share of recurrent spending (%)            | 0.1–45.0                                 | 26   | 33                         |
| Repeaters (%)  | 0–36                                     | 9.5  | 10 or lower                |
| <i>Domestic resource mobilization</i>                        |  |  |                            |
| Government revenues as percent of GDP                        | 8–56                                     | 21   | 14–18                      |
| Education spending as percent of recurrent budget            | 3–33                                     | 18   | 20                         |
| Primary percent of recurrent education spending <sup>b</sup> | 26–66                                    | 48   | 42–64                      |

Source: Bruns et al. 2002 & EdStats.

Note: Primary school completion rates may exceed 100% in countries with excessive numbers of over-age completers or unreliable population estimates. At the launch of FTI these indicators were agreed upon; subsequently, measures that capture learning outcomes have been considered.

<sup>a</sup> The impact assessment focuses on a selection of indicators from the FTI Indicative Framework to assess progress. A full list of the FTI Indicators can be found at Annex 7.

<sup>b</sup> This benchmark is pro-rated to the nationally defined length of the primary cycle, i.e. 42% if it is five years, 50% if it is six years, 58% if it is seven years and 64% if it is eight years.

10. FTI responds to the key set of acknowledged impediments to effective scaling up, which apply in some form to most countries with lagging enrollment:

- Low school retention and primary school completion
- Weak policy and poor data
- Limited public sector capacity
- Lack of quality inputs: trained teachers, books and supplies
- High infrastructure costs
- Donor fragmentation and volatile funding

11. FTI's primary objectives are therefore:

- Getting children into school
- Strengthening policy, data, monitoring and evaluation

- Building capacity to enhance performance
- Providing basic elements of quality education: trained teachers, books and supplies
- Building affordable school infrastructure
- Establishing a donor harmonization and alignment platform
- Ensuring reliable funding

12. FTI is fundamentally a partnership between developing countries and donors that is built on a foundation of mutual commitment and verifiable indicators. FTI does the following:

- Identifies countries with gaps in primary school completion and good education policies but insufficient funding to scale up.
- Creates a partnership of trust between countries and donors through an agreed framework, which is based on a country's multi-year plan and is endorsed by donors. The plan is a shared agreement on the results to be pursued. The FTI process reduces the risk of unplanned and uncoordinated investments.
- Provides a harmonizing platform for the country-based donor community and establishes a new process where donors and local civil society partners "endorse" a single education plan and its financing needs. This compact between participating countries and donors aims at reducing transaction costs, improving sustainability and predictability of donor flows, and aligning donor resources with country needs and implementation capacity.
- Relies on domestic mobilization and on existing bilateral and multilateral funding channels for most support (see Box 3 on financing mechanisms). These elements allow flexible responses to needs and control costs because they avoid the creation of a new global agency.

13. **Donors' endorsement of the country's education plan does not automatically lead to new funding.** Rather, it provides an incentive for existing donors to better align their priorities and existing funding with the partner country's own plan and agreed FTI targets. As a consequence, donors are better able to see the direct impact of their contributions on education and recognize the greater effectiveness in the use of their funds. Moreover, because the endorsement process increases the dialogue and trust between donors and the country, donors experience a lower risk associated with funding primary education in developing countries. The **greater alignment, increased effectiveness, improved dialogue and trust, and lowered risks should pave the way to additional funding** in the future.

#### ***COUNTRY PARTICIPATION IN FTI***

- Initially, seven countries signed up for FTI in November 2002 with endorsed plans.
- By August 2006, a total of 20 countries have had their education plans endorsed.
- Another 12 are expected to join FTI by the end of 2006.
- Twelve more countries are slated to join in 2007.
- An additional 15 countries have expressed interest but have no firm date for FTI participation.

14. **This report examines progress in the 11 FTI countries that have at least three years in the initiative**, the seven original FTI countries and the four that joined in 2003 (see Table 2). These countries have made significant progress on the indicators, particularly in increasing enrollment, improving completion rates, and in many cases, increasing their investment in key interventions to raise the quality of education, such as training teachers and increasing access to books and other learning materials.

**Table 2: Current and Potential FTI Countries, through 2007**

| Initial FTI countries<br>(end of 2002) | Additional countries<br>as of July 15, 2006 | Countries pending<br>for 2006 | Countries pending<br>for 2007 | Countries with no<br>specific entry date |
|--|---|-------------------------------|-------------------------------|--|
| 7                                      | 13  | 12                            | 12                            | 15                                       |
| Burkina Faso                           | Djibouti                                    | Albania                       | Angola                        | Bolivia                                  |
| Guinea                                 | Ethiopia                                    | Benin                         | Bangladesh                    | Central Af. Rep.                         |
| Guyana                                 | Gambia, The <sup>a</sup>                    | Bhutan                        | Chad                          | Congo (DRC)                              |
| Honduras                               | Ghana                                       | Burundi                       | Congo, Republic of            | Eritrea                                  |
| Mauritania                             | Kenya                                       | Cambodia                      | Georgia                       | India                                    |
| Nicaragua                              | Lesotho                                     | Cameroon                      | Guinea-Bissau                 | Indonesia                                |
| Niger                                  | Madagascar                                  | Mali                          | Haiti                         | Lao PDR                                  |
|  | Moldova                                     | Mongolia                      | Kiribati                      | Liberia                                  |
|  | Mozambique <sup>a</sup>                     | Rwanda                        | Kyrgyz Republic               | Malawi                                   |
|  | Tajikistan                                  | Sao Tome and Principe         | Solomon Islands               | Nigeria                                  |
|  | Timor Leste                                 | Senegal                       | Vanuatu                       | Pakistan                                 |
|  | Vietnam <sup>a</sup>                        | Sierra Leone                  | Zambia                        | Sri Lanka                                |
|  | Yemen, Republic of <sup>a</sup>             |                               |                               | Tanzania                                 |
|  |   |                               |                               | Togo                                     |
|  |   |                               |                               | Uganda                                   |

Source: FTI Secretariat.

<sup>a</sup>. These countries were the earliest to join FTI and are included in the analyses presented in this paper along with the initial seven countries in column 1.

15. FTI has demonstrated that it is possible to make progress in countries which show their commitment to education in their PRSPs and their education plans, but where the governance environment is less than ideal. Recent FTI experience, such as in Kenya and the Republic of Yemen, suggests that FTI countries can successfully implement effective education programs by ring-fencing education spending, allocating funds directly to schools, or engaging parents or other stakeholders in school management, thereby enhancing local accountability.

16. As FTI expands, it will face significant challenges with regard to high population countries. Five countries, namely India, Nigeria, Pakistan, Bangladesh and Ethiopia, account for nearly 40 percent of the out-of-school children in the world.<sup>4</sup> Although India is making significant inroads in enrolling children in school, the needs of all of these countries will have to be addressed if universal primary education is to be achieved. Moreover, these countries will likely require substantial additional funding and new approaches for external assistance to ensure that support is delivered effectively to their states or provinces, which are responsible for providing primary education.

<sup>4</sup> UNESCO EFA GMR 2006 estimates a total of 37.9 million children were out-of-school in these countries in 2002/3. Currently, Ethiopia is the only large population country working fully within the FTI framework.

## II. PROGRESS IN COUNTRY AND DONOR POLICIES AND ACTIONS

17. Endorsed countries have embraced the development of education sector plans and collaborated on a PRSP. Many have prepared a medium-term expenditure framework that addresses FTI goals with a sustainable fiscal framework and agreed with donors on a program of financial support. **Because FTI is about more than simply additional funding, policy shifts of both countries and donors are key elements of the compact.** Policy reforms encompass school-based management, accelerated teacher training, and education decentralization, among other things. Improvements in donor harmonization and alignment take time, although there are encouraging signs that once a core group of country-level donor agencies commit to harmonization, others follow suit.<sup>5</sup>

### *DONOR HARMONIZATION IS KEY*

18. **FTI is providing a framework and supporting efforts by donors to agree on common approaches and to align their assistance behind the country's own plans.** FTI is in the lead in donor harmonization efforts and is demonstrating how countries and donors can align their policy, financing and results.<sup>6</sup> There has been a significant increase in joint donor activities for analytic work, funding and program implementation in several FTI countries. Examples of the impact of FTI on donor harmonization can be seen in Box 2.

19. Bringing donors together around the specific education challenges and priorities in a coordinated and harmonized fashion at the country level has raised the level of donor commitment to education and improved implementation. **Better donor coordination at the country level is reducing transaction costs and improving financial management.** Pooling of donor funds has served to initiate a sequence of alignment activities, most notably consolidated reporting requirements. Currently, all FTI-endorsed countries have joint annual donor reviews. **Eight countries (Burkina Faso, Ethiopia, Ghana, Honduras, Mozambique, Niger, Vietnam, and the Republic of Yemen) have adopted pooled funding mechanisms that reduce the number of reports countries need to submit.**

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<sup>5</sup> World Bank's forthcoming Board Paper on *Harmonization and Alignment for Greater Aid Effectiveness: an Update on Global Implementation and the Bank's Commitments*.

<sup>6</sup> See *Paris Declaration on Aid Effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability*, March 7, 2005 (R2005-0058).

### **Box 2: Major Achievements in Donor Harmonization**

- Burkina Faso established a “Common Basket Fund,” which allows collaboration across the 18 donors in planning, monitoring, and evaluation during implementation.
- In Guinea, while all aspects of the program have been slow to get under way, there has been solid progress on donor coordination and alignment, laying the groundwork for collaborative progress with the government. A pooled fund is also being developed in Guinea for 2007.
- In Mauritania, FTI has strengthened donor consultation and coordination, as indicated by the adoption of a common vision, joint reviews and assessments, and joint aide memoires.
- Nicaragua’s eight donors have cooperated intensively to harmonize financial management and disbursement procedures to reduce government transaction costs and leverage donors’ resources.

20. Box 3 provides a profile of Mozambique’s experience with donor harmonization, which involved both country leadership and donor partnerships with the government.

### **Box 3: Donor Harmonization in Mozambique**

As a heavily donor-dependent low-income country, Mozambique has a major interest in greater donor harmonization and alignment of policy, activities and reporting. The PRSP provided a framework that has been extended to sectoral interventions, including FTI. A Memorandum of Understanding for the education sector has been put in place, which commits the Government and participating donors to a mutual accountability process. Under the MOU, donors commit to regular and formalized donor meetings, nomination of a donor group focal point on a rotating basis, annual joint assessments against agreed performance indicators, work on future joint programming, and policy coordination, all under the leadership of the Government. This resulted in the Education Cooperating Partners Joint Statement in August 2003, an agreed protocol for the cooperating partners based on the DAC guidelines and targets for harmonization. The annual performance reviews are conducted in a spirit of peer review and learning, and the results are communicated to the FTI Secretariat to contribute to progress monitoring at the global level and to foster cross-country sharing of lessons and good practice. Mozambique is leading the way in ensuring that the process is country driven, education policies are aligned around a single set of priorities, transactions costs are kept to a minimum and stakeholders are involved but harmonized and engaged on the country’s agenda for expanding schooling opportunities and raising education quality.

### ***SHIFTS IN COUNTRY POLICY HAVE ACCOMPANIED SCALE-UP UNDER FTI***

21. Some countries have taken difficult policy decisions to rectify long-standing problems that have hampered improvements in the access to, and quality of, their education systems:

- Nicaragua revamped its school materials supply program to ensure the availability of books and materials to complement the teaching force.
- In Kenya, FTI is disbursing funds to school management committees through the private banking system, ensuring that funds reach schools for the purchase of books and learning materials. This approach is helping to improve the quality of education as well as strengthen transparency and local accountability, despite the difficult governance environment.
- In Burkina Faso, for the first time school-based management committees have been given control over schools, including over teachers’ salaries and attendance monitoring.

- In Vietnam, shifting school management to decentralized levels has fostered local ownership in school oversight and expanded competitive bidding, leading to lowered costs and a two-thirds reduction in construction time.

### III. EDUCATION RESULTS UNDER FTI

22. **Results measurement has been the cornerstone of FTI because the compact between donors and countries is built on indicative benchmarks** (see Table 1). The selected benchmarks are indicators that allow countries and donors to readily monitor FTI's main objectives:

- Helping countries enroll all children in primary school
- Ensuring that children complete the primary cycle
- Encouraging that resources be spent wisely

23. **Monitoring progress on quality of education is also a priority for the FTI.** The FTI Framework includes several indicators to assess whether efforts are being made to improve quality of education provision at the same time as increasing access. The principle quality indicators currently monitored are:

- Pupil/teacher ratios
- Non-salary expenditure on books and educational materials
- Percent of children who repeat a school year

24. As the recent World Bank Independent Evaluation Group report highlights, it is important for FTI to help countries focus on the quality of learning and to measure learning outcomes.<sup>7</sup> While the indicated above capture elements of education programs that contribute to education quality, they do not measure learning outcomes. This will be a key issue for the FTI Partnership to address as it moves forward. Nonetheless, rigorous assessment of learning outcomes is a substantial challenge for many FTI countries given their capacity limitations and the complexity of measuring learning in countries with different educational objectives, languages, and cultures. As a step in this direction, the FTI Secretariat and the World Bank have begun to explore with the OECD and the UNESCO Institute for Statistics the development and introduction of primary school learning assessments for low income countries to use to benchmark and monitor learning performance. Such assessments, however, may be inappropriate for children who are the first in their families to have ever attended school, and new measures would be required to effectively capture the learning outcomes of these students.

#### ***PROGRESS IN EDUCATION OUTCOMES***

25. Table 3 summarizes progress in education outcomes in the first set of countries, relying on the readily available data on enrollment. As pointed out above, the assessment focuses on the 11 countries that have been participating in the FTI for more than 2 years. **Progress on enrollment and intake has been significant.** The primary completion rate (PCR) has also increased in most countries, although this is likely to reflect pre-FTI policy changes, as well as the impact of the initiative. As discussed earlier, **improvements in indicators such as primary completion and teacher pupil ratio may be taken as proxy indicators for improvements in quality.** It is too early to make an assessment of

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<sup>7</sup> *From Schooling Access to Learning Outcomes: An Unfinished Agenda*, IEG, June 2006

FTI's impact on learning outcomes, although it will be important for this to be given greater consideration as the initiative goes forward.

**Table 3: Benchmarks and Improved Outcomes for FTI Countries, 2000–04<sup>a</sup>**

| Benchmark          | Number of pupils enrolled |                      | Gross intake ratio (%) |             |      |             | Primary completion rate (%) |             |      |             |
|--------------------|---------------------------|----------------------|------------------------|-------------|------|-------------|-----------------------------|-------------|------|-------------|
|                    | 2004 / 2005               | % increase from 2000 | Girls                  |             | Boys |             | Girls                       |             | Boys |             |
|                    |                           |                      | 2000                   | 2004 / 2005 | 2000 | 2004 / 2005 | 2000                        | 2004 / 2005 | 2000 | 2004 / 2005 |
|                    | n.a.                      |                      | 100                    |             | 100  |             |                             | 100         |      | 100         |
| Burkina Faso       | 1,321,300                 | 55                   | 39                     | 62          | 53   | 70          | 21                          | 28          | 30   | 35          |
| Gambia, The        | 174,836                   | 13                   | 76                     | 83          | 77   | 79          | 62                          | —           | 77   | —           |
| Guinea             | 1,207,000                 | 53                   | 56                     | 83          | 63   | 95          | 21                          | 42          | 45   | 66          |
| Guyana             | 114,161                   | 5                    | 124                    | 140         | 130  | 140         | 114                         | 92          | 109  | 99          |
| Honduras           | 1,257,358                 | 15                   | 139                    | 127         | 139  | 129         | —                           | 82          | —    | 77          |
| Mauritania         | 434,181                   | 22                   | 87                     | 105         | 86   | 106         | 44                          | 41          | 51   | 45          |
| Mozambique         | 3,569,473                 | 40                   | 102                    | 129         | 117  | 138         | 13                          | 23          | 20   | 35          |
| Nicaragua          | 941,957                   | 12                   | 142                    | 135         | 151  | 144         | 70                          | 77          | 62   | 70          |
| Niger              | 1,064,000                 | 84                   | 35                     | 51          | 49   | 68          | 13                          | 20          | 20   | 30          |
| Vietnam            | 8,350,191                 | -17                  | 105                    | 95          | 108  | 101         | 94                          | 98          | 99   | 104         |
| Yemen, Republic of | 3,220,282                 | 31                   | 78                     | 117         | 102  | 136         | 39                          | 46          | 78   | 78          |

Source: UNESCO Institute for Statistics and World Bank country reports.

Note: n.a. = not applicable. — = data not available.

<sup>a</sup>. Data are not available for each country in 2000 and 2004, so the closest year has been shown. See Annex 1 for specific information.

26. **Growth in enrollment has been highest in some of the heretofore worst performing countries.** FTI appears to have helped some of the world's lowest enrollment countries to substantially increase their primary school enrollments and raise primary completion rates. In Guinea, Burkina Faso, Niger, and Mozambique, enrollment grew by well over 40 percent in four years, an impressive accomplishment. For instance, between 2000 and 2004, Burkina Faso increased primary enrollment by 55 percent, which added 469,000 more children into its school system, bringing the total to 1,321,300 by 2004. However, there is more to be done. For example, despite impressive progress, Mozambique still has 1.1 million children out-of-school and over half of them girls (see Annex 2).

27. The 17 percent decline in gross enrollment in Vietnam, where almost all children go to school, reflects better management of the school system.<sup>8</sup> Slower expansion in Guyana and Honduras is to be expected because they already have high levels of enrollment – the challenge in these countries will be to provide education to the last 5–10 percent of the child population in remote areas or who are excluded as a result of disability, poverty or ethnicity. Reducing grade repetition and drop out remains another important challenge for these countries.

28. Progress in gross intake is sharply up, especially in the countries with low levels of schooling. **Results for girls show the biggest improvement, reflecting both lagging performance in the past and the outcomes of recent efforts.** The improvements are so great that they are unlikely to be

<sup>8</sup> Declining gross enrollment rates (GER) in countries with rates in excess of 100 percent is generally a positive signal as it means that repetition rates and the numbers of over-age children in school are falling.



continued at the same rate, but they suggest that FTI has catalyzed country efforts. A decline in gross intake in countries with very high gross enrollment rates is also encouraging, suggesting reductions in the number of over age children entering primary school. Ideally, all children enter school at age six or seven. Children who enter school when they are older often fail to complete primary education.

29. FTI has had a significant positive impact on increasing access to primary education. As it moves forward, it will also need to ensure that adequate attention is given to helping countries deliver quality education to their pupils and to ensure that they leave school with globally-relevant and adequate basic literacy and numeracy skills. **All countries will need to increase their focus on education quality and learning outcomes.** With respect to FTI, this means that the appraisal of countries' education plans, carried out by the locally-based donors, could be strengthened to include learning assessment measures. With limited resources, capacity and time, it may be necessary for countries to give a greater weight to access and basic measures to improve quality in the first instance, with a greater focus on the measurement of learning outcomes coming once these systems are in place.

### ***PROGRESS IN SERVICE DELIVERY***

30. FTI's indicative benchmarks on service delivery provide interim gauges of progress on quality and insight into how well education finances are being spent (Table 4). For example, the number of repeaters tends to be a reflection of low quality of service delivery as well as a source of inefficiency, which is why the indicative benchmarks focus on reducing excessive repetition rates.

31. A particular challenge in scaling up is assuring adequate spending on **non-teacher inputs, such as the textbooks, teaching materials, and school maintenance activities.** An indicative benchmark of 33 percent of the education budget on non-teacher recurrent spending is sound on average, but obviously country circumstances vary. Guinea spends most of its budget on non-teacher inputs, and its reporting for more recent years is lagging. Mauritania has increased sharply from 6 to 21 percent the budget share spent on inputs other than teachers.

32. Experiences of some countries are worth noting:

- Niger reduced pre-service teacher training by one year, thus creating a new cadre of teachers, and allowing a big increase in hiring. Teacher numbers rose by 57 percent and 3,200 teachers have been recruited since 2002. This has allowed the doubling of primary school enrollment and leaps in completion rates for both girls and boys (Table 3). The biggest beneficiaries were rural children, whose enrollment jumped from 38 to 51 percent. Effective planning allowed schools to maintain their teacher: student ratio close to the benchmark of 1:40.
- In the Republic of Yemen, there has been an increase in the number of female teachers; thereby helping to get more girls into school and keeping them there through primary school. The progress on intake rates in Table 3 (from 78% to 117%) bears this out, as girls are making great strides relative to boys, who were far ahead initially. Nonetheless, it remains hard to get female teachers to relocate to rural areas, and the trade-off between teacher qualifications and the speed of hiring has also been a challenge.
- Progress is not uniform, however. The teacher: student ratio remains extremely high in Mozambique and Burkina Faso, with delays in teacher in-service training and difficulties in obtaining domestic resources impeding progress.

**Table 4: Benchmarks and Service Delivery Progress in FTI Countries, 2000–04<sup>a</sup>**

|                                 | Number of teachers |                         | Average teacher salary<br>% GDP/capita |                | % Nonteacher<br>recurrent spending |                | Pupil-teacher<br>ratio | Repeaters (%) |                |
|---------------------------------|--------------------|-------------------------|--|----------------|------------------------------------|----------------|------------------------|---------------|----------------|
|                                 | 2004 /<br>2005     | % increase<br>from 2000 | 2001                                   | 2004 /<br>2005 | 2000                               | 2004 /<br>2005 | 2004 / 2005            | 2000          | 2004 /<br>2005 |
| <b>Benchmark</b>                | <b>n.a.</b>        |                         | <b>3.5</b>                             |                | <b>33</b>                          |                | <b>40</b>              | <b>10</b>     |                |
| Burkina Faso                    | 23,402             | 34                      | 7.6                                    | —              | 31                                 | 31             | 52                     | 17            | 12             |
| Gambia, The                     | 4,666              | 11                      | 3.7                                    | —              | 22                                 | 25             | 37                     | 12            | 10             |
| Guinea                          | 25,361             | 46                      | 2.6                                    | —              | 67                                 | —              | 47                     | 23            | 10             |
| Guyana                          | 5,619              | 35                      | 1.7                                    | 3.2            | 14                                 | —              | 20                     | 2             | 1              |
| Honduras                        | 38,212             | 19                      | 3.3                                    | —              | —                                  | 11             | 33                     | —             | 8              |
| Mauritania                      | 9,753              | 23                      | 4.7                                    | 4.5            | 6                                  | 21             | 40                     | 15            | 14             |
| Mozambique                      | 54,721             | 38                      | 3.2                                    | —              | 26                                 | 21             | 65                     | 24            | 21             |
| Nicaragua                       | 26,899             | 14                      | 2.5                                    | —              | —                                  | 35             | 35                     | 5             | 11             |
| Niger                           | 22,427             | 57                      | 9.6                                    | 5.9            | —                                  | 26             | 44                     | 12            | 5              |
| Vietnam                         | 362,627            | 6                       | 1.7                                    | 2.4            | 56                                 | 54             | 23                     | 3             | 2              |
| Yemen, Republic of <sup>b</sup> | 152,266            | 2                       | —                                      | —              | 21                                 | 22             | 27                     | 7             | 4              |

Source: UNESCO Institute for Statistics and World Bank country reports.

Note: — = data not available.

<sup>a</sup> Data are not available for each country in 2000 and 2004, so the closest year has been shown. See Annex 1 for specific information.

<sup>b</sup> Number of teachers and pupil-teacher ratio for the Republic of Yemen are for basic education (6 years of primary + 3 years of junior secondary education).

### **PROGRESS IN DOMESTIC RESOURCES MOBILIZATION**

33. Encouraging sustained fiscal effort for education from developing countries themselves is a core objective of the FTI compact. In most countries, domestic resources finance the bulk of education costs, and that is expected to continue. Tracking spending, and making this information available in a timely manner, poses challenges for both governments and donors. Delays in reporting, uneven quality and reliance on preliminary data undermine the reliability of expenditure information, but the process is improving. Therefore, while the financial data must be taken with caution, they provide a sense of the direction of domestic spending on primary education.

34. The story on domestic resource mobilization for education in FTI countries is mixed, as shown in Table 5. Domestic financing and the percentage of education funding going to primary education declined in some countries but, with the exception of Vietnam, remained within the benchmark range. Government spending increased in all countries with data, other than Burkina Faso and Guinea. African countries benefited from HIPC debt relief resources that have been allocated to education, and it is expected that MDRI will provide additional funds for education. This is an area for future scrutiny. The proportion of recurrent spending going to primary education is more likely to be off target than other indicators, and countries will need to bolster their efforts in this area. **Despite the availability of some information, and the caveats above, the time frame is too short to see significant trends. This remains a monitored component under FTI.**

**Table 5: Benchmarks and Resource Mobilization Progress in FTI Countries, 2000–04<sup>a</sup>**

|                    | Domestic revenues as a % of GDP |      | Education as a % of recurrent budget |      | Primary as a % of recurrent education budget |      |
|--------------------|---------------------------------|------|--------------------------------------|------|--|------|
|                    | 2000                            | 2004 | 2000                                 | 2004 | 2000   | 2004 |
| <b>Benchmark</b>   | <b>14–18</b>                    |      | <b>20</b>                            |      | <b>42– 64<sup>b</sup></b>                    |      |
| Burkina Faso       | 14.4                            | —    | 20                                   | —    | 58   | 40   |
| Gambia, The        | 18.5                            | —    | 14                                   | 12   | 52   | —    |
| Guinea             | 10.8                            | 12.0 | 16                                   | 11   | 52   | 40   |
| Guyana             | 41.4                            | 45.3 | 13                                   | 20   | 30   | 31   |
| Honduras           | 18.0                            | 20.3 | —                                    | 27   | —  | —    |
| Mauritania         | 25.3                            | 28.4 | 14                                   | 17   | 47   | 61   |
| Mozambique         | 14.0                            | —    | 21                                   | —    | 46   | —    |
| Nicaragua          | 30.4                            | 22.6 | 6                                    | 15   | 58   | —    |
| Niger              | 8.5                             | 9.9  | 25                                   | 34   | 49   | 68   |
| Vietnam            | 19.9                            | 17.0 | 17                                   | 17   | 15   | 17   |
| Yemen, Republic of | 23.9                            | 32.0 | 20                                   | 20   | 45   | 48   |

Source: UNESCO Institute for Statistics and World Bank country reports.

Note: — = data not available.

<sup>a</sup> Data are not available for each country in 2000 and 2004, so the closest year has been shown. See Annex 1 for specific information.

<sup>b</sup> This benchmark is pro-rated to the nationally-defined length of the primary cycle, i.e. 42% if it is 5 years, 50% if it is 6 years, 58% if it is 7 years and 64% if it is 8 years.

#### IV. DONOR FINANCING

##### *FTI IS A CATALYST, NOT A FUNDING MECHANISM*

35. **FTI is designed to be a catalyst for education reforms and for raising education spending** across the board so that universal primary completion can be achieved. While there have been substantial increases in aid for basic education since the launch of FTI in 2002, there is still a considerable financing gap.

36. Financing under FTI encompasses all major donors—more than 30 bilateral, regional, and international agencies and development banks. FTI works through existing donor channels, grant or loan, bilateral or multilateral. **It encourages all donors to harmonize and align their support behind the country's education sector plan.** The aim is to minimize transaction costs and maximize effectiveness of all aid to the education sector, in line with the principles of the Paris Declaration on Aid Effectiveness. FTI endorsement provides an assurance of quality, signaling that the education sector plan is sound and financially sustainable, thereby providing donors with confidence for investment.

37. The funding options under FTI are summarized in Box 4.

**Box 4: FTI Funding at a Glance**

FTI raises funds through various means, tailoring funding mechanisms to country circumstances with funding mechanisms, and building commitment based on shared objectives between donors and multilateral development banks (MDBs) on the one hand, and country governments on the other.

**For all countries:**

- FTI fosters increases in funding based on country performance and a clearly articulated plan. Funding comes through established bilateral and multilateral donors and MDBs as reported by the Organization for Economic Co-ordination and Development's Development Assistance Committee (OECD DAC). Emphasis is placed on coordinated efforts and harmonization and, where appropriate, pooling of funds.

**For FTI-endorsed countries with an insufficient number of donors and good absorptive capacity:**

- A donor funded FTI Catalytic Fund (CF) provides short-term bridge-financing for two to three years until more donors respond to the defined resource needs of the country. The CF was launched in 2004.

**For countries without education plans and weak capacity:**

- A donor funded Education Program Development Fund (EPDF) supports technical assistance to build capacity, strengthen implementation, and help countries prepare sound education plans.

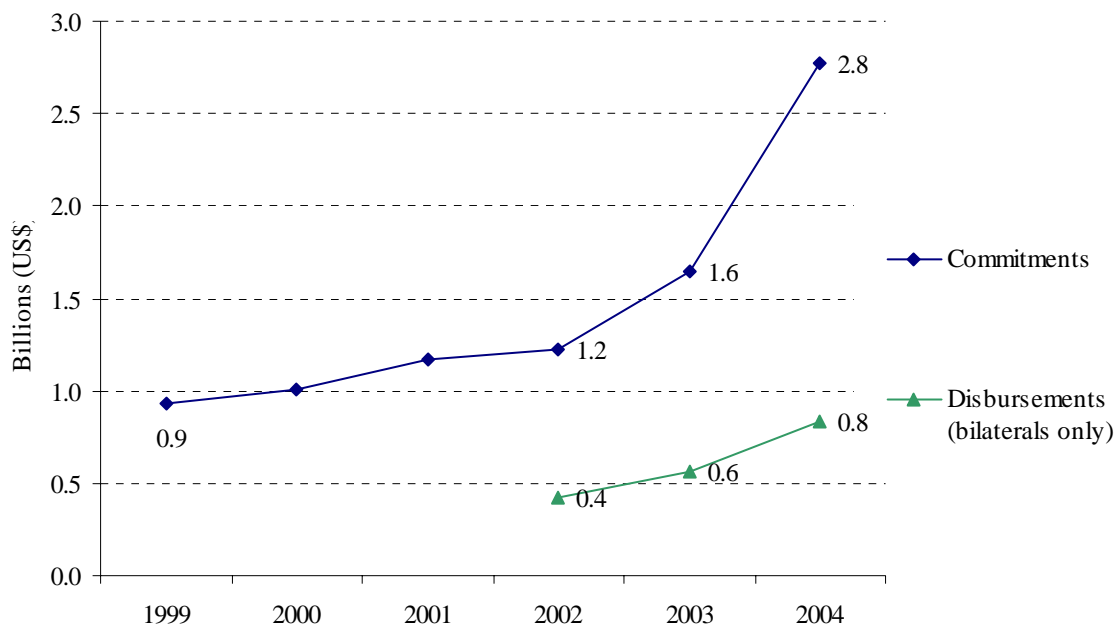
The CF and EPDF funds are programmed and managed by the World Bank.

***AID FOR EDUCATION IS INCREASING – BUT MORE RESOURCES WILL BE REQUIRED***

38. **Official Development Assistance (ODA) funding for education has risen considerably over the four years since FTI was launched.** In addition to the funding that has been earmarked for education, the sector has benefited considerably from the increased resources made available through HIPC relief and debt forgiveness, both of which have resulted in new resources for social spending in many countries. Figure 1 shows overall ODA commitments and disbursements in basic education for low-income countries from 1999 to 2004. Aid for basic education has more than doubled between 2002 and 2004. This obviously cannot be attributed solely to FTI, but the increased focus on education resulting from the high political profile of the initiative may well have had a positive impact on the levels of ODA for the sector. Nevertheless, as Figure 1 below shows, there is a continuing gap between commitments and disbursements. This gap, combined with inadequacy and unpredictability of funds, continues to be a major challenge for many countries trying to accelerate their achievement of universal primary education. Aid for basic education also continues to represent a relatively low share (2.7%) of overall ODA.

39. **Increasing long term predictability of financing for the education sector is a priority for FTI to ensure that countries can plan more rationally and scale up more effectively.** Education expansion requires the training, hiring and deployment of teachers whose recurrent wage costs represent a significant proportion of education spending. Unpredictable donor financing compromises countries' abilities to sustain momentum and ensure basic functioning of the school system.

**Figure 1: ODA Basic Education Commitments and Disbursements to Low-Income Countries (constant 2003 US\$ billions)**



Source: OECD/DAC

### GLOBAL FUNDING NEEDS

40. Global estimates, while crude, provide a medium-term estimate of funding needs. It should be noted that country level gaps are highly sensitive to policy shifts and absorptive capacity constraints, as well as factors external to the education sector. **UNESCO estimates that global external financing will need to reach a total of over \$7 billion per year by 2008** (UNESCO, 2006).<sup>9</sup> FTI targets both the 100 million out-of-school children as well as the 600 million underserved children who do attend school but suffer from inadequate infrastructure, books, materials and teaching.

41. Based on projected financing needs of endorsed education plans, **the current 20 FTI countries will require about \$1.1 billion in total external financing per year for the next three years** (see Annex 4). Beyond the next three years, requirements for these countries are expected to increase as more teachers are trained and recruited, and quality is enhanced. If the additional 39 countries are endorsed by the end of 2008, it is estimated that the total financial requirements will rise to about \$7 billion per year, in line with the UNESCO global estimates.

42. Funding shortfalls, unpredictable financing, and uncertain timing of disbursements will continue to pose chronic difficulties for countries seeking to implement long term plans to achieve their education results. These difficulties pose constraints for FTI given its scope and mandate. The United

<sup>9</sup> Earlier analysis by the World Bank (Bruns *et al* 2003) estimated a similar global estimate of around \$7 billion, but a lower share of external financing (\$3.7 billion) as it assumed a 6-7 % percent annual growth in GDP, which would have permitted adequate increases in domestic spending. Since countries have fallen short of these high growth rates, external financing estimates have had to be increased. Higher estimates by the UK of an additional \$10 billion per year include compensating for the removal of school fees, financing of conditional cash transfer programs, improving the overall quality of education, and financing the impact of HIV/AIDS on the education sector.

Kingdom has announced a \$15 billion education initiative over 10 years that would provide some funding under FTI. Other bilateral agencies and the European Commission have also indicated that they are planning to make substantial increases in their investment in education in line with their overall increases in ODA. Long term commitments from other donors are not yet realized. Thus, though there remains support for FTI, concrete funding has not yet been secured, but is urgently required if countries are to plan with confidence for future expansion of their education systems.

43. Although the bulk of financing continues to come from domestic resources, donor and MDB funds are critical marginal investments that combined with the results focus will provide added value to countries in their efforts to scale up. Raising additional funds from foundations or other private groups could also help to supplement FTI resources and compensate for donor shortfalls. External funding contributes to several important objectives. First, it ensures that the donor commitment to fund any country willing to adopt a credible sector plan and pursue a set of country appropriate benchmarks (Table 1) would become a reality. Second, as the larger countries join FTI, small increments in funding will be insufficient. This is because the out-of-school populations in these countries are larger than the entire populations of most of the current FTI countries. Together, India and Pakistan have more than 25 percent of the world's out-of-school children. Third, quality upgrades and the measurement of learning outcomes are costly endeavors and require consistent funding, capacity enhancement, and donor attention. Finally, as countries approach an 80-90 percent enrollment rate, unit costs will rise sharply as the hardest-to-reach and hardest-to-educate children are brought into their national education systems.

#### ***THE FTI CATALYTIC FUND AND THE EDUCATION PROGRAM DEVELOPMENT FUND***

44. The FTI provides direct financing through two modest funds that complement the larger ODA transfers: the Catalytic Fund (CF) and the Education Program Development Fund (EPDF). Both are managed by the World Bank. Box 3 summarizes these funds.

45. The Catalytic Fund is a multi-donor trust fund launched in January 2004, and designed to complement and supplement normal donor channels, particularly in countries that have a limited number of donors working with the country. The CF has disbursed \$96 million to 14 countries since its inception. Based on 2006 experience, FTI would channel in the neighborhood of \$300-500 million per year through the Catalytic Fund depending on availability of other funding and country circumstances. (See Annex 4 for details on Catalytic Fund financing.)

46. The initial expectation was that CF financing would be short term (maximum three years) and that bilateral and multilateral donors would step at the end of this period with new programs to continue to support the education sector (see Annex 4). This expectation has not been met, and a proposal has been developed by the FTI Steering Committee for an Expanded Catalytic Fund, in which longer term and more predictable financing could be provided as long as the country could demonstrate continuing commitment and strong performance.

47. The Education Program Development Fund (EPDF) is a smaller multi-donor trust fund designed to provide technical assistance, capacity building, and support for regional knowledge-sharing. The EPDF has \$46 million committed from eight donors for the period 2005 to 2008. **The EDPF disbursed \$3.4 million** in support of capacity building activities and technical analysis in 28 countries in 2005 to 2006. Details of EDPF allocations are also provided in Annex 4.

## V. CHALLENGES FOR THE FUTURE

48. **FTI is off to a good start; it has demonstrated that maintaining both sides of the compact can be achieved, that policy shifts can make a difference, and that benchmarks are useful to tracking progress and outcomes.** It provides a focus on raising additional funding for a high-priority investment but links this to fundamental development objectives, notably building absorptive capacity and measuring results. But the initiative is fragile and will require greater attention and resources if it is to reach its full potential.

- **Long-Term, Predictable Financing.** Education investments mean long-term commitments, but progress on that front has been slow and funding unpredictable.<sup>10</sup> The volatility of donor support and the building of a vibrant educational system, with all the needed inputs on a consistent basis, are not compatible. Unlike a simple donor fund, FTI relies on clear plans, policy changes, and ongoing strategic financing. Change poses political challenges for countries; if promised funding is not forthcoming, it causes further problems, not the least of which is diminished credibility of country reformers. In Niger, teacher training has lagged because of bureaucratic constraints but has been exacerbated by a lack of funds. Lack of follow-through can make difficult situations worse, such as when countries hire teachers based on donor funding but the pledged monies are not forthcoming. **The lack of long-term commitments means that financing gaps remain, despite the promise that all viable plans would receive funding.**
- **Education Quality and Learning Outcomes.** FTI was set up to help countries design and implement their education plans, which are meant to ensure that 100 percent of their primary school age children enroll in and complete primary education. Countries also give priority attention to education quality in their education plans through quality-related interventions, including teacher training, the provision of textbooks and other educational materials, support for community participation in education, and the improvements in school infrastructure. As countries scale up rapidly to achieve FTI targets, however, quality of education is sometimes compromised in the short term. This may occur, for example, when expansion means that the most disadvantaged, least prepared, and hardest-to-reach children begin to participate in the education system for the first time.

Indicators to monitor quality have already been built into the FTI indicative benchmarks, including targets for hours of instruction, student flow rates across grade levels, and acceptable pupil-teacher ratios. The challenge going forward is to identify mechanisms to help countries maintain or improve learning outcomes. To do this, countries will need to do a better job of measuring student learning outcomes, and multiple initiatives are already addressing this issue for all countries. Vietnam has committed to conduct a nationwide standardized test to assess learning in the next two years, and SACMEQ, the African standardized testing institution, is gearing up to expand. At the onset, expanding schooling remains the priority, but over time measures of learning will be important to incorporate.

- **Accommodating Large Countries.** FTI is built on the assumption that donors will support any country with an appropriate plan and defined financing gaps. To date, that has meant smaller countries with large proportions of children out-of-school. Larger countries, especially the federal

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<sup>10</sup> At a broader level, a scaling up meeting organized on June 27, 2006 by the OECD-DAC and the World Bank-DAC to assess DAC members' intentions on future aid flows up to 2008 confirmed continued lack of predictability of ODA in general.

states, face a difficult situation. While a large proportion of out-of-school children live in these countries, federal arrangements make a single plan and national agreements difficult if not impossible. If FTI is to meet the needs of all developing countries, some accommodations will have to be made to address this impediment. FTI will have to adapt innovative approaches to providing effective aid to education including through support at the sub-national level and through options for blending bilateral grant support with IBRD financing to ensure the continuing availability of concessional financing.

## **VI. QUESTIONS FOR THE COMMITTEE**

1. FTI has demonstrated that rapid scaling up is possible and that results can be achieved even in very difficult circumstances. **Do the ministers agree that the main challenges now are long term predictability and adequacy of funding? How can FTI play a greater role in ensuring that donor pledges translate into predictable and adequate funding at the country level?**
2. Learning, the principal objective of education, requires that schools provide a basic quality of education. Education in many developing countries suffers from absent or unqualified teachers, limited availability of textbooks, and inadequate infrastructure. Although FTI mainly focuses on helping enroll all of the out-of-school children in the poorest countries, it emphasizes quality inputs and the balance across inputs to assure that all pupils receive the basics for effective learning. Quality in terms of learning outcomes is of utmost importance, but requires long term investments and a significant amount of time before such outcomes can be achieved or reflected in measurements. **How should FTI balance and sequence increasing access to education, quality of education, and measuring learning outcomes within a context of limited capacity and resources?**
3. To date, FTI has not addressed the needs of the biggest countries with the largest numbers of children out of school, some of which are fragile states. **Should FTI expansion handle larger (often federal) countries? Should FTI work at the sub national level with state education plans? Does blending Bank and donor grant funding offer a means of both reaching larger countries and raising concessional funding for education investments?**



## Annex 1: Table Notes

### Table 3 & Table A2.4 notes

- Number of pupils enrolled 2001 shows 2001 data for Sao Tome & Principe and Timor Leste.
- Number of pupils enrolled 2004 shows 2002 data for Bhutan, 2003 data for Albania and Timor-Leste, and 2005 data for Burkina Faso, Ethiopia, Ghana, Guinea, Niger, and the Republic of Yemen.
- GIR 2000 shows 1999 data for Kenya, and 2001 data for Sao Tome & Principe.
- GIR 2004 shows 2003 data for Albania, and 2005 data for Burkina Faso, Ethiopia, Ghana, Guinea and the Republic of Yemen.
- PCR 2000 shows 1999 data for Sao Tome & Principe and 2001 data for The Gambia, Ghana, Mauritania (girls only), Moldova (girls only) and the Republic of Yemen.
- PCR 2004 shows 2003 data for Albania, The Gambia and Vietnam and 2005 data for Burkina Faso, Ethiopia, Ghana, Guinea, and Niger.
- Out-of-school children data refer to children not enrolled in primary school, except Benin, Cambodia, Cameroon, Ethiopia, Sierra Leone and Yemen: children not attending school.

### Table 4 & Table A2.5 notes

- Number of teachers 2000 shows 2001 data for Timor Leste, Sao Tome & Principe and Sierra Leone.
- Number of teachers 2004 shows 2005 data for Ethiopia and Ghana; 2003 for Timor-Leste and Albania and 2002 for Djibouti and Bhutan.
- Average teacher salary as a percent of gross domestic product (GDP) per capita 2001 shows 1999 data for Guyana, Mozambique, Niger and Vietnam and 2002 data for Burkina Faso, Honduras, and Nicaragua.
- Average teacher salary as a percent of GDP per capita 2004 shows 2003 data for Ghan, Kenya, Niger and Vietnam and 2005 data for Djibouti and Madagascar.
- Percent non-teacher recurrent spending 2000 shows 1998 data for Benin, 1999 data for Mozambique and 2001 data for Burkina Faso, The Gambia, Guinea, Guyana, Lesotho and Mauritania.
- Percent non-teacher recurrent spending 2004 shows 2002 data for Burkina Faso, Guinea, Honduras, and Mozambique, 2003 data for Nicaragua, Niger, Vietnam, and the Republic of Yemen and 2005
- Pupil-teacher ratio 2004 shows 2005 data for Burkina Faso, Ethiopia, Ghana, Guinea, Nicaragua, Niger, and the Republic of Yemen; 2003 data Albania and Timor-Leste and 2002 data for Djibouti and Bhutan.
- Repeaters (%) 2000 shows 1999 data for The Gambia, and 2001 data for the Republic of Yemen.
- Repeaters (%) 2004 shows 2003 data for Vietnam and 2005 data for Burkina Faso.

### Table 5 & Table A2.6 notes

- Domestic revenues as percent of GDP 2000 shows 2001 data for The Gambia and 2002 data for Mozambique.
- Domestic revenues as percent of GDP 2004 shows 2003 data for the Republic of Yemen and 2005 data for Guinea.

- Education budget as percent of GDP 2000 shows 1999 data for Honduras, Mauritania, and Mozambique.
- Education budget as percent of GDP 2004 shows 2003 data for Nicaragua and Vietnam.
- Education as percent of recurrent budget 2000 shows 1999 data for Tajikistan; 2001 data for Burundi, Guinea and Mauritania and 2002 data for Mozambique and Madagascar.
- Education as percent of recurrent budget 2004 shows 2002 data for Moldova, 2003 data for The Gambia, Ghana, Guyana, Honduras, Niger, and Vietnam and 2005 data for Guinea, Madagascar and Timor-Leste.
- Primary as percent of recurrent education budget 2000 shows 2001 data for Burkina Faso, Guinea, Mauritania and Niger, and 2002 data for The Gambia, Guyana, Honduras, Mozambique and Nicaragua
- Primary as percent of recurrent education budget 2004 shows 2003 data for Vietnam and Yemen, and 2005 data for Guinea, Madagascar and Niger. Burkina Faso data is not recurrent only and it is a forecast for 2003.

**Annex 2: Details on Current and Pending FTI Countries**  
**Table A2.1: Basic Indicators for Countries Expected in FTI by the End of 2006**

|  | Time since endorsement | PCR              | Out-of-school children | GNI/capita | CPIA rating | Key donors supporting education   |
|--|------------------------|------------------|------------------------|------------|-------------|---|
|  | years-months           | %                | 000's                  | \$         |             |   |
|  | as of June '06         | MRY              | 2003/04                | 2004       | 2005        | 2005  |
| <b>FTI Countries</b>                     |                        |                  |                        |            |             |   |
| Burkina Faso                             | 3y-8m                  | 31 <sup>cd</sup> | 1271                   | 350        | 3.8         | <i>France, WB, EC, Austria, Belgium, Canada, United States, Germany, Luxembourg, Netherlands, Sweden, Switzerland, Denmark, UN, PAM, ONG, Japan</i>             |
| Djibouti                                 | 0y-8m                  | 29               | 83                     | 950        | 3.1         | <i>France, Japan, WB</i>  |
| Ethiopia                                 | 1y-8m                  | 55 <sup>cd</sup> | -                      | 110        | 3.4         | <i>Netherlands, WB, AfDB, USA, UK, Sweden, EC, Ireland, UNICEF, Italy, Japan, Norway</i>  |
| Gambia, The                              | 3y-4m                  | 80 <sup>c</sup>  | 53 <sup>a</sup>        | 280        | 3.1         | <i>UNICEF, WB, AfDB, EC, United Kingdom, Ireland</i>  |
| Ghana                                    | 2y-4m                  | 72 <sup>d</sup>  | 1129 <sup>cd</sup>     | 380        | 3.9         | <i>UNICEF, WB, AfDB, UK, USA, Japan, Germany, Netherlands, France, Spain, EC, UNESCO, WFP</i>   |
| Guinea                                   | 3y-8m                  | 54 <sup>cd</sup> | 519                    | 410        | 3.0         | <i>WB, France, AfDB, IsDB, Saudi Fund, EC, Germany, Japan, Canada (pooling back)</i>  |
| Guyana                                   | 3y-8m                  | 95               | 1                      | 1,020      | 3.4         | <i>WB, laDB, Canada, UNICEF, UK, UNESCO, EC, OAS (only the first 3 donors provide financial support)</i>  |
| Honduras                                 | 3y-8m                  | 79               | 102                    | 1,040      | 3.9         | <i>United States, Canada, Japan, Spain, Sweden, Germany, laDB, WB, EC, UNICEF, UNFPA, OEI, WFP</i>  |
| Kenya                                    | 1y-1m                  | 92               | 1226                   | 480        | 3.6         | <i>United Kingdom, AfDB, Australia, Japan, EC, Canada</i>   |
| Lesotho                                  | 0y-9m                  | 71               | 45                     | 730        | 3.5         | <i>Ireland, WB, AfDB, Japan, WFP, UNICEF</i>  |
| Madagascar                               | 1y-1m                  | 45               | 272                    | 290        | 3.5         | <i>WB, France, Japan, Norway, AfDB, UNICEF, ILO, WFP, UNESCO, United States</i>   |
| Mauritania                               | 3y-8m                  | 43               | 118                    | 530        | 3.2         | <i>WB, France, AfDB, WFP, UNICEF</i>  |
| Moldova                                  | 1y-2m                  | 91               | 45                     | 720        | 3.5         | <i>UNICEF, WB, EC, United Kingdom, Sweden, Germany, Netherlands</i>   |
| Mozambique                               | 3y-4m                  | 29               | 1089                   | 270        | 3.5         | <i>Netherlands, WB, Canada, Denmark, EC, Finland, Germany, Ireland, Italy, Japan, Portugal, Spain, Sweden, United Kingdom, AfDB, FAO, UN, WFP, Cuba, Brazil</i> |
| Nicaragua                                | 3y-8m                  | 74               | 49                     | 830        | 3.7         | <i>WB, laDB, Austria, Finland, Japan, Spain, Sweden, United States</i>  |
| Niger                                    | 3y-8m                  | 25 <sup>cd</sup> | 1326                   | 210        | 3.3         | <i>France, EC, WB, Belgium, AfDB, IsDB, BADEA</i>   |
| Tajikistan                               | 0y-9m                  | 92               | 20                     | 280        | 3.3         | <i>UNICEF, WB, AsDB, IsDB, United States, Japan, Germany</i>  |
| Timor Leste                              | 0y-9m                  | -                | -                      | 550        | -           | <i>WB, Portugal, Australia, Sweden, Brazil, Ireland, New Zealand, Japan, UN agencies</i>  |
| Vietnam                                  | 2y-10m                 | 101 <sup>c</sup> | 634 <sup>b</sup>       | 540        | 3.7         | <i>EC, UNICEF, WB, AsDB, United Kingdom, France, Australia, Belgium, Canada, Germany, Japan, Netherlands, Sweden, Switzerland</i>                               |
| Yemen, Republic of                       | 3y-4m                  | 62               | 550                    | 550        | 3.3         | <i>Germany, WB, Netherlands, United Kingdom, Japan, United States, UNICEF, WFP</i>  |
| <b>Countries expected by end of 2006</b> |                        |                  |                        |            |             |   |
| Albania                                  |                        | 99 <sup>c</sup>  | 11 <sup>c</sup>        | 2,120      | 3.7         | <i>WB, Germany, Italy, United States</i>  |
| Benin                                    |                        | 49               | 224 <sup>b</sup>       | 450        | 3.7         | <i>United States, France, Germany, Japan, AfDB, WB, IsDB, EC, Denmark, Switzerland, Netherlands</i>   |
| Cambodia                                 | Expected by July 2006  | 82               | 183 <sup>b</sup>       | 350        | 3.1         | <i>UNESCO, AsDB, EC, Japan, Sweden, UNICEF, United States, WB</i>   |
| Cameroon                                 |                        | 63               | -                      | 810        | 3.3         | <i>UNESCO, France, EC, AfDB, UNICEF, Japan, Canada</i>  |
| Mongolia                                 |                        | 95               | 24                     | 600        | 3.4         | <i>ADB, Germany, Japan</i>  |
| Senegal                                  |                        | 45               | 616                    | 630        | 3.8         | <i>France, AfDB, Canada, EC, NDF, UNICEF, Japan, Luxembourg, OPEP</i>   |
| Bhutan                                   |                        | -                | -                      | 760        | 3.8         | <i>WB, Canada, Switzerland, Denmark, Japan, India, UNICEF</i>   |
| Burundi                                  |                        | 33               | 518                    | 90         | 3.0         | <i>UNICEF, WB, Belgium, France, United Kingdom, UNESCO</i>  |
| Mali                                     | Expected by Dec 2006   | 44               | 1,172                  | 330        | 3.7         | <i>Germany, WB, Canada, Belgium, France, Japan, Luxembourg, Netherlands, Spain, Sweden, United States, EC, IsDB, Norway, AfDB</i>                               |
| Rwanda                                   |                        | 37               | 390                    | 210        | 3.5         | <i>United Kingdom, AfDB, WB, Belgium, Canada, France, Germany, Netherlands, Sweden</i>  |
| Sao Tome and Principe                    |                        | 75               | 1 <sup>b</sup>         | 390        | 3.0         | <i>Portugal, UNDP, UNICEF, AfDB, Taiwan, Republic of China</i>  |
| Sierra Leone                             |                        | 65               | 431 <sup>b</sup>       | 390        | 3.0         | <i>WB, AfDB, UNICEF, UNESCO, PLAN Int., Action Aid</i>  |

Source: UNESCO Institute for Statistics, World Bank, and FTI Secretariat.

Note: Agency in bold coordinates the donor group.

<sup>a</sup>. Data refer to 2000/01.

<sup>b</sup>. Data refer to 2001/02.

<sup>c</sup>. Data refer to 2002/03.

<sup>e</sup>. Most recent year.

**Table A2.2: List of Current and Eligible FTI Countries**

| Countries      |   |
|----------------|---|
| Current        | Burkina Faso, Djibouti, Ethiopia, The Gambia, Ghana, Guinea, Guyana, Honduras, Kenya, Lesotho, Madagascar, Mauritania, Moldova, Mozambique, Nicaragua, Niger, Tajikistan, Timor Leste, Vietnam, Republic of Yemen |
| Expected by    |   |
| End of 2006    | Albania, Benin, Bhutan, Burundi, Cambodia, Cameroon, Mali, Mongolia, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone   |
| End of 2007    | Angola, Bangladesh, Chad, Congo (Republic of), Georgia, Guinea-Bissau, Haiti, Kiribati, Kyrgyz Republic, Solomon Islands, Vanuatu, Zambia   |
| End of 2008    | Bolivia, Central Af. Republic, Congo (DRC), Eritrea, India, Indonesia, Lao PDR, Liberia, Malawi, Nigeria, Pakistan, Sri Lanka, Tanzania, Togo, Uganda   |
| Other          |   |
| UPC achieved   | Armenia, Azerbaijan, Bosnia and Herzegovina, Cape Verde, Grenada, Maldives, Samoa, Serbia and Montenegro, St. Lucia, St. Vincent, Tonga, Uzbekistan   |
| Fragile states | Afghanistan, Comoros, Cote d'Ivoire, Dominica, Myanmar, Nepal, Papua New Guinea, Somalia, Sudan, Zimbabwe   |

Source: FTI Secretariat.

Table A2.3: Summary Data on FTI Countries

| Country                            | Region | GNI/capita | CPIA rating | FTI endorsement | PCR | Primary school age population | Out-of-school children | Basic education ODA commitment per primary school age child | Bilateral ODA disbursements to basic education | Catalytic fund eligible |               |
|------------------------------------|--------|------------|-------------|-----------------|-----|-------------------------------|------------------------|---|--|-------------------------|---------------|
|                                    |        |            |             |                 |     | %                             | Thousands              | Thousands   | US\$   |                         | US\$ millions |
|                                    |        |            |             |                 |     |                               | 2002                   | 2002  | 2003-04  |                         | 2004          |
| <b>Endorsed countries</b>          |        |            |             |                 |     |                               |                        |   |  |                         |               |
| Burkina Faso                       | AFR    | 350        | 3.8         | Nov. 2002       | 31  | 2,127                         | 1,373                  | 19  | 24.9   | No                      |               |
| Djibouti                           | MNA    | 950        | 3.7         | Nov. 2005       | 29  | 110                           | 72                     | 29  | 4.9  | Yes                     |               |
| Ethiopia                           | AFR    | 110        | 3.4         | Nov. 2004       | 55  | 11,285                        | 7,835                  | 4   | 39.1   | No                      |               |
| Gambia, The                        | AFR    | 280        | 3.1         | March 2003      | 80  | 204                           | 53                     | 14  | 0.1  | Yes                     |               |
| Ghana                              | AFR    | 380        | 3.9         | March 2004      | 72  | 3,177                         | 1,241                  | 17  | 25.1   | Yes                     |               |
| Guinea                             | AFR    | 410        | 3.0         | Nov. 2002       | 54  | 1,294                         | 493                    | 7   | 16.4   | No                      |               |
| Guyana                             | LAC    | 1,020      | 3.4         | Nov. 2002       | 95  | 90                            | 2                      | 155   | 0.8  | Yes                     |               |
| Honduras                           | LAC    | 1,040      | 3.9         | Nov. 2002       | 79  | 1,054                         | 132                    | 15  | 12.3   | No                      |               |
| Kenya                              | AFR    | 480        | 3.6         | June 2005       | 92  | 6,074                         | 1,807                  | 11  | 14.3   | Yes                     |               |
| Lesotho                            | AFR    | 730        | 3.5         | Oct. 2005       | 71  | 334                           | 51                     | 53  | 1.0  | Yes                     |               |
| Madagascar                         | AFR    | 290        | 3.5         | June 2005       | 45  | 2,311                         | 717                    | 5   | 3.3  | Yes                     |               |
| Mauritania                         | AFR    | 530        | 3.2         | Nov. 2002       | 43  | 434                           | 145                    | 2   | 0.7  | Yes                     |               |
| Moldova                            | ECA    | 720        | 3.5         | May 2005        | 91  | 267                           | 47                     | 23  | 0.3  | Yes                     |               |
| Mozambique                         | AFR    | 270        | 3.5         | March 2003      | 29  | 2,585                         | 1,041                  | 8   | 24.5   | No                      |               |
| Nicaragua                          | LAC    | 830        | 3.7         | Nov. 2002       | 74  | 829                           | 110                    | 15  | 4.0  | Yes                     |               |
| Niger                              | AFR    | 210        | 3.3         | Nov. 2002       | 25  | 1,900                         | 1,244                  | 16  | 9.3  | Yes                     |               |
| Tajikistan                         | ECA    | 280        | 3.3         | Oct. 2005       | 92  | 641                           | 26                     | 22  | 0.3  | Yes                     |               |
| Timor-Leste                        | EAP    | 550        | .           | Oct. 2005       | .   | 128                           | .                      | 55  | 3.4  | Yes                     |               |
| Vietnam                            | EAP    | 540        | 3.7         | Sept. 2003      | 101 | 9,030                         | 532                    | 14  | 19.6   | No                      |               |
| Yemen, Republic of                 | MNA    | 550        | 3.3         | May 2002        | 62  | 3,337                         | 1,515                  | 24  | 23.1   | Yes                     |               |
| <b>Projected Endorsements 2006</b> |        |            |             |                 |     |                               |                        |   |  |                         |               |
| Albania                            | ECA    | 2,120      | 3.7         | Exp. July       | 99  | 257                           | 7                      | 139   | 33.3   | No                      |               |
| Benin                              | AFR    | 450        | 3.7         | Exp. Sept.      | 49  | 1,070                         | 494                    | 15  | 14.2   | No                      |               |
| Bhutan                             | AFR    | 760        | 3.8         | Exp. Sept.      | .   | 134                           | 66                     | .   | 2.2  | Yes                     |               |
| Burundi                            | AFR    | 90         | 3.0         | Exp. Oct.       | 33  | 1,151                         | 535,771                | 1   | 0.9  | Yes                     |               |
| Cambodia                           | EAP    | 350        | 3.1         | Exp. Sept.      | 82  | 2,211                         | 768                    | 3   | 12.6   | No                      |               |
| Cameroon                           | AFR    | 810        | 3.3         | Exp. July       | 63  | 2,570                         | 657                    | 5   | 14.8   | Yes                     |               |
| Mali                               | AFR    | 330        | 3.7         | Exp. Sept.      | 44  | 1,966                         | 1,207                  | 19  | 48.5   | No                      |               |
| Mongolia                           | EAP    | 600        | 3.4         | Exp. July       | 95  | 244                           | 24                     | 44  | 5.2  | Yes                     |               |
| Rwanda                             | AFR    | 210        | 3.5         | Exp. Nov.       | 37  | 1,312                         | 206                    | 2   | 1.1  | No                      |               |
| Sao Tome & Principe                | AFR    | 390        | 3.0         | Exp. Nov.       | 75  | 23                            | 1                      | 9   | 27.3   | Yes                     |               |
| Senegal                            | AFR    | 630        | 3.8         | Exp. July       | 45  | 1,590                         | 661                    | 50  | 0.4  | No                      |               |
| Sierra Leone                       | AFR    | 210        | 3.1         | Exp. Sept.      | 65  | 729                           | 431                    | 39  | 2.5  | Yes                     |               |

Source: FTI Secretariat.

**Table A2.4 Enrollment<sup>a</sup>**

|                                   | Number of pupils enrolled |             |                      | Gross intake ratio (%) |             |       |             | Primary completion rate (%) |             |       |             | Children out of school |      |
|-----------------------------------|---------------------------|-------------|----------------------|------------------------|-------------|-------|-------------|-----------------------------|-------------|-------|-------------|------------------------|------|
|                                   | 2000                      | 2004 / 2005 | % increase from 2000 | Total                  |             | Girls |             | Total                       |             | Girls |             | Number ('000)          | %    |
|                                   |                           |             |                      | 2000                   | 2004 / 2005 | 2000  | 2004 / 2005 | 2000                        | 2004 / 2005 | 2000  | 2004 / 2005 | 2002                   | 2002 |
| <b>BENCHMARK</b>                  | n.a.                      |             |                      | 100                    | 100         | 100   | 100         | 100                         | 100         | 100   | 100         | 0                      | 0    |
| <b>Countries Endorsed</b>         |                           |             |                      |                        |             |       |             |                             |             |       |             |                        |      |
| Burkina Faso                      | 852,160                   | 1,321,300   | 55                   | 46                     | 66          | 39    | 62          | 25                          | 31          | 21    | 28          | 1,373                  | 65   |
| Djibouti                          | 38,191                    | 48,713      | 28                   | 30                     | 39          | 26    | 35          | 29                          | 29          | 24    | 25          | 72                     | 66   |
| Ethiopia                          | 4,873,683                 | 8,019,287   | 65                   | 79                     | 141         | 68    | 135         | 37                          | 55          | 26    | 49          | 7,835                  | 69   |
| Gambia, The                       | 154,664                   | 174,836     | 13                   | 76                     | 81          | 76    | 83          | 70                          | 80          | 62    | .           | 53                     | 26   |
| Ghana                             | 2,560,886                 | 2,929,536   | 14                   | 87                     | 95          | 86    | 96          | 63                          | 72          | 60    | 69          | 1,241                  | 39   |
| Guinea                            | 790,497                   | 1,207,000   | 53                   | 60                     | 89          | 56    | 83          | 33                          | 54          | 21    | 42          | 493                    | 38   |
| Guyana                            | 108,909                   | 114,161     | 5                    | 127                    | 140         | 124   | 140         | 112                         | 95          | 114   | 92          | 2                      | 2    |
| Honduras                          | 1,094,792                 | 1,257,358   | 15                   | 139                    | 128         | 139   | 127         | .                           | 79          | .     | 82          | 132                    | 13   |
| Kenya                             | 5,034,858                 | 5,926,078   | 18                   | 103                    | 124         | 102   | 121         | .                           | 92          | .     | 90          | 1,807                  | 30   |
| Lesotho                           | 410,745                   | 427,009     | 4                    | 206                    | 137         | 196   | 131         | 61                          | 71          | 71    | 82          | 51                     | 15   |
| Madagascar                        | 2,208,321                 | 3,366,470   | 52                   | 110                    | 166         | 108   | 164         | 36                          | 45          | 36    | 46          | 717                    | 31   |
| Mauritania                        | 355,822                   | 434,181     | 22                   | 87                     | 106         | 87    | 105         | 52                          | 43          | 44    | 41          | 145                    | 33   |
| Moldova                           | 252,193                   | 201,650     | -20                  | 103                    | 100         | 102   | 99          | 90                          | 91          | 91    | 92          | 47                     | 18   |
| Mozambique                        | 2,543,820                 | 3,569,473   | 40                   | 110                    | 134         | 102   | 129         | 16                          | 29          | 13    | 23          | 1,041                  | 40   |
| Nicaragua                         | 838,437                   | 941,957     | 12                   | 146                    | 140         | 142   | 135         | 66                          | 74          | 70    | 77          | 110                    | 13   |
| Niger                             | 579,486                   | 1,064,000   | 84                   | 42                     | 59          | 35    | 51          | 17                          | 25          | 13    | 20          | 1,244                  | 65   |
| Tajikistan                        | 691,891                   | 690,270     | 0                    | 97                     | 96          | 93    | 94          | 95                          | 92          | 89    | 90          | 26                     | 4    |
| Timor-Leste                       | 188,900                   | 183,800     | -3                   | .                      | .           | .     | .           | .                           | .           | .     | .           | .                      | .    |
| Vietnam                           | 10,063,025                | 8,350,191   | -17                  | 107                    | 98          | 105   | 95          | 96                          | 101         | 94    | 98          | 532                    | 6    |
| Yemen, Republic of                | 2,463,540                 | 3,220,282   | 31                   | 90                     | 126         | 78    | 117         | 59                          | 62          | 39    | 46          | 1,515                  | 45   |
| <b>Countries Pending for 2006</b> |                           |             |                      |                        |             |       |             |                             |             |       |             |                        |      |
| Albania                           | 283,249                   | 252,829     | -11                  | 103                    | 102         | 103   | 102         | 102                         | 99          | 103   | 99          | 7                      | 3    |
| Benin                             | 932,424                   | 1,319,648   | 42                   | 95                     | 103         | 83    | 94          | 35                          | 49          | 24    | 38          | 494                    | 46   |
| Bhutan                            | 85,092                    | 91,390      | 7                    | .                      | .           | .     | .           | .                           | .           | .     | .           | 66                     | 49   |
| Burundi                           | 710,364                   | 968,488     | 36                   | 71                     | 91          | 64    | 86          | 25                          | 33          | 23    | 27          | 536                    | 47   |
| Cambodia                          | 2,248,109                 | 2,762,882   | 23                   | 132                    | 148         | 128   | 143         | 47                          | 82          | 41    | 78          | 768                    | 35   |
| Cameroon                          | 2,237,083                 | 2,979,011   | 33                   | 82                     | 108         | 75    | 100         | 53                          | 63          | 50    | 58          | 657                    | 26   |
| Mali                              | 1,016,575                 | 1,396,791   | 37                   | 52                     | 64          | 46    | 58          | 28                          | 44          | 22    | 30          | 1,207                  | 61   |
| Monqolia                          | 253,441                   | 235,730     | -7                   | 110                    | 114         | 111   | 115         | 87                          | 95          | 90    | 96          | 24                     | 10   |
| Rwanda                            | 1,431,657                 | 1,752,588   | 22                   | 142                    | 183         | 141   | 183         | 22                          | 37          | 21    | 37          | 206                    | 16   |
| Sao Tome & Principe               | 27,795                    | 29,784      | 7                    | 122                    | 116         | 120   | 117         | 44                          | 75          | 47    | 77          | 1                      | 3    |
| Senegal                           | 1,107,712                 | 1,382,749   | 25                   | 82                     | 90          | 80    | 91          | 36                          | 45          | 30    | 42          | 661                    | 42   |
| Sierra Leone                      | 442,915                   | 1,158,399   | 162                  | 81                     | .           | 80    | .           | .                           | 65          | .     | .           | 431                    | 59   |

Source: UNESCO Institute for Statistics, World Bank and country reports.

<sup>a</sup>. Data are not available for each country in 2000 and 2004 so the closest year has been shown. See Appendix 1 for specific information.

**Table A2.5 Service Delivery**

|                                   | Number of teachers |                         | Average teacher salary<br>% GDP/capita |                | % non-teacher<br>recurrent spending |                | Pupil-teacher<br>ratio | Repeaters (%)      |                |
|-----------------------------------|--------------------|-------------------------|--|----------------|-------------------------------------|----------------|------------------------|--------------------|----------------|
|                                   | 2004 /<br>2005     | % increase<br>from 2000 | 2001                                   | 2004 /<br>2005 | 2000                                | 2004 /<br>2005 | 2004 / 2005            | 2000               | 2004 /<br>2005 |
| <b>BENCHMARK</b>                  | <b>n.a.</b>        |                         | <b>3.5</b>                             |                | <b>33</b>                           |                | <b>40</b>              | <b>10 or lower</b> |                |
| <b>Countries Endorsed</b>         |                    |                         |  |                |                                     |                |                        |                    |                |
| Burkina Faso                      | 23,402             | 34                      | 7.6                                    | .              | 31                                  | 31             | 52                     | 17                 | 12             |
| Djibouti                          | 1,288              | 8                       | .                                      | 5.7            | .                                   | .              | 34                     | 14                 | 18             |
| Ethiopia                          | 110,945            | 45                      | 7.8                                    | .              | 9                                   | 8              | 72                     | 13                 | 7              |
| Gambia, The                       | 4,666              | 17                      | 3.7                                    | .              | 22                                  | 25             | 37                     | 12                 | 10             |
| Ghana                             | 89,278             | 18                      | .                                      | 4.0            | .                                   | 26             | 33                     | 5                  | 6              |
| Guinea                            | 25,361             | 46                      | 2.6                                    | .              | 67                                  | .              | 47                     | 23                 | 10             |
| Guyana                            | 5,619              | 35                      | 1.7                                    | 3.2            | 14                                  | .              | 20                     | 2                  | 1              |
| Honduras                          | 38,212             | 19                      | 3.3                                    | .              | .                                   | 11             | 33                     | .                  | 8              |
| Kenya                             | 149,893            | 3                       | .                                      | 5.4            | .                                   | 20             | 40                     | .                  | 6              |
| Lesotho                           | 9,702              | 13                      | .                                      | 5.0            | 14                                  | 17             | 44                     | 18                 | 18             |
| Madagascar                        | 64,270             | 40                      | .                                      | 3.1            | .                                   | .              | 52                     | 28                 | 30             |
| Mauritania                        | 9,753              | 23                      | 4.7                                    | 4.5            | 6                                   | 21             | 40                     | 15                 | 14             |
| Moldova                           | 10,493             | -13                     | .                                      | .              | .                                   | .              | 19                     | 1                  | 0              |
| Mozambique                        | 54,721             | 38                      | 3.2                                    | .              | 26                                  | 21             | 65                     | 24                 | 21             |
| Nicaragua                         | 26,899             | 14                      | 2.5                                    | .              | .                                   | 35             | 35                     | 5                  | 11             |
| Niger                             | 22,427             | 57                      | 9.6                                    | 5.9            | .                                   | 26             | 44                     | 12                 | 5              |
| Tajikistan                        | 32,078             | 7                       | .                                      | .              | .                                   | 26             | 22                     | 0                  | 0              |
| Timor-Leste                       | 3,926              | 6                       | .                                      | .              | .                                   | 11             | 47                     | .                  | .              |
| Vietnam                           | 362,627            | 6                       | 1.7                                    | 2.4            | 56                                  | 54             | 23                     | 3                  | 2              |
| Yemen, Republic of <sup>b</sup>   | 152,266            | 2                       | .                                      | .              | 21                                  | 22             | 27                     | 7                  | 4              |
| <b>Countries Pending for 2006</b> |                    |                         |  |                |                                     |                |                        |                    |                |
| Albania                           | 11,762             | -6                      | .                                      | .              | .                                   | .              | 22                     | 4                  | 3              |
| Benin                             | 25,583             | 44                      | .                                      | .              | 23                                  | .              | 52                     | 19                 | 23             |
| Bhutan                            | 2,413              | 17                      | .                                      | .              | .                                   | .              | 38                     | 13                 | 13             |
| Burundi                           | 18,899             | 51                      | .                                      | .              | .                                   | .              | 51                     | 25                 | 29             |
| Cambodia                          | 50,186             | 12                      | .                                      | .              | .                                   | .              | 55                     | 22                 | 11             |
| Cameroon                          | 55,266             | 28                      | .                                      | .              | .                                   | .              | 54                     | 27                 | 25             |
| Mali                              | 26,737             | 72                      | .                                      | .              | .                                   | .              | 52                     | 17                 | 19             |
| Mongolia                          | 7,172              | -8                      | .                                      | .              | .                                   | .              | 33                     | 1                  | 1              |
| Rwanda                            | 28,254             | 7                       | .                                      | .              | .                                   | .              | 62                     | 33                 | 19             |
| Sao Tome & Principe               | 929                | 15                      | .                                      | .              | .                                   | .              | 32                     | 31                 | 25             |
| Senegal                           | 32,005             | 47                      | .                                      | .              | .                                   | .              | 43                     | 14                 | 13             |
| Sierra Leone                      | 17,327             | 16                      | .                                      | .              | .                                   | .              | 67                     | .                  | .              |

Source: UNESCO Institute for Statistics, World Bank and country reports.

<sup>a</sup>. Data are not available for each country in 2000 and 2004 so the closest year has been shown. See Annex 1 for specific information.

<sup>b</sup>. Number of teachers and pupil-teacher ratio for the Republic of Yemen are for basic education (6 years of primary + 3 years of junior secondary education).

**Table A2.6: Financing**

|                                   | Education as a % of recurrent budget |             | Primary as a % of recurrent education budget |             | ODA commitments to basic education (Total amount and amount per primary school age child) |                | Bilateral ODA disbursements to basic education |
|-----------------------------------|--------------------------------------|-------------|--|-------------|---|----------------|--|
|                                   | 2000                                 | 2004 / 2005 | 2000   | 2004 / 2005 | US\$ millions   | US\$ per child | US\$ millions                                  |
|                                   | 20                                   |             | 42-64 <sup>b</sup>                           |             | Aver. 2003-04   | Aver. 2003-04  | 2004   |
| <b>BENCHMARK</b>                  |                                      |             |  |             |   |                |  |
| <u>Countries Endorsed</u>         |                                      |             |  |             |   |                |  |
| Burkina Faso                      | 20                                   | .           | 58   | 40          | 41.2  | 19             | 24.9   |
| Djibouti                          | .                                    | 21          | .  | .           | 3.7   | 29             | 4.9  |
| Ethiopia                          | 11                                   | .           | .  | .           | 33.8  | 4              | 39.1   |
| Gambia, The                       | 14                                   | 12          | 52   | .           | 3.0   | 14             | 0.1  |
| Ghana                             | .                                    | 25          | .  | 35          | 55.2  | 17             | 25.1   |
| Guinea                            | 16                                   | 11          | 52   | 40          | 11.0  | 7              | 16.4   |
| Guyana                            | 13                                   | 20          | 30   | 31          | 13.7  | 155            | 0.8  |
| Honduras                          | .                                    | 27          | 52   | .           | 16.4  | 15             | 12.3   |
| Kenya                             | 26                                   | 29          | 68   | 63          | 68.3  | 11             | 14.3   |
| Lesotho                           | 19                                   | .           | 47   | 51          | 17.0  | 53             | 1.0  |
| Madagascar                        | 15                                   | 23          | 49   | 49          | 12.1  | 5              | 3.3  |
| Mauritania                        | 14                                   | 17          | 47   | 61          | 0.8   | 2              | 0.7  |
| Moldova                           | 15                                   | 21          | 19   | 19          | 2.3   | 23             | 0.3  |
| Mozambique                        | 21                                   | .           | 46   | .           | 30.1  | 8              | 24.5   |
| Nicaragua                         | 6                                    | 15          | 58   | .           | 12.7  | 15             | 4.0  |
| Niger                             | 25                                   | 34          | 49   | 68          | 36.8  | 16             | 9.3  |
| Tajikistan                        | 12                                   | 17          | .  | 26          | 15.0  | 22             | 0.3  |
| Timor-Leste                       | .                                    | 21          | .  | 56          | 6.5   | 55             | 3.4  |
| Vietnam                           | 17                                   | 17          | 15   | 17          | 117.8   | 14             | 19.6   |
| Yemen, Republic of                | 20                                   | 20          | 45   | 48          | 88.9  | 24             | 23.1   |
| <u>Countries Pending for 2006</u> |                                      |             |  |             |   |                |  |
| Albania                           | .                                    | .           | .  | .           | 32.1  | 139            | 33.3   |
| Benin                             | .                                    | .           | .  | .           | 21.2  | 15             | 14.2   |
| Bhutan                            | 14                                   | .           | 27   | .           | 2.8   | .              | 2.2  |
| Burundi                           | 21                                   | 13          | 40   | 44          | 1.1   | 1              | 0.9  |
| Cambodia                          | 15                                   | .           | 62   | .           | 6.1   | 3              | 12.6   |
| Cameroon                          | 10                                   | 17          | .  | .           | 13.6  | 5              | 14.8   |
| Mali                              | .                                    | .           | 49   | .           | 43.2  | 19             | 48.5   |
| Mongolia                          | .                                    | .           | .  | 24          | 9.6   | 44             | 5.2  |
| Rwanda                            | .                                    | .           | .  | .           | 2.6   | 2              | 1.1  |
| Sao Tome & Principe               | .                                    | .           | .  | .           | 0.6   | 50             | 0.4  |
| Senegal                           | .                                    | .           | 38   | 44          | 15.9  | 9              | 27.3   |
| Sierra Leone                      | .                                    | .           | .  | .           | 32.3  | 39             | 2.5  |

Source: UNESCO Institute for Statistics, World Bank and country reports.

<sup>a</sup>. Data are not available for each country in 2000 and 2004 so the closest year has been shown. See Annex 1 for specific information.

<sup>b</sup>. This benchmark is pro-rated to the nationally-defined length of the primary cycle, i.e. 42% if it is 5 years, 50% if it is 6 years, 58% if it is 7 years and 64% if it is 8 years.



**Table A2.7: Donor Support**

|                                   | Key donors supporting education  | Donors pooling funds                       | Donors using budget support |
|-----------------------------------|--|--|-----------------------------|
| <b>Countries Endorsed</b>         |  |  |                             |
| Burkina Faso                      | <i>France, WB, EC, Austria, Belgium, Canada, USA, Germ., Lux., Neth., Swed., Switz., Den., UN, PAM, ONG, Jap.</i>      | WB, Can., Neth., Fr., Swed., Bel., Den.    | EC                          |
| Djibouti                          | <i>France, Japan, WB</i>   | No   | No                          |
| Ethiopia                          | <i>Netherlands, WB, AfDB, USA, UK, Sweden, EC, Ireland, UNICEF, Italy, Japan, Norway</i>                               | Yes  | Yes                         |
| Gambia, The                       | <i>UNICEF, WB, AfDB, EC, UK, Ireland</i>   | No   | No                          |
| Ghana                             | <i>UNICEF, WB, AfDB, UK, USA, Japan, Germany, Netherlands, France, Spain, EC, UNESCO, WFP</i>                          | DFID                                       | UK, WB, Fr., Neth., EC      |
| Guinea                            | <i>WB, France, AfDB, IsDB, Saudi Fund, EC, Germany, Japan, Canada (pooling back)</i>                                   | WB, Fr. and Ger. working on it for 2007    | No. Only EC is trying.      |
| Guyana                            | <i>WB, laDB, Canada, UNICEF, UK, UNESCO, EC, OAS</i>   | Not yet                                    | EC                          |
| Honduras                          | <i>USA, Canada, Japan, Spain, Sweden, Germany, laDB, WB, EC, UNICEF, UNFPA, OEI, WFP</i>                               | Swed., Sp., Ger. & Can.                    | No                          |
| Kenya                             | <i>UK, AfDB, UK, Australia, Japan, EC, Canada</i>  | Yes  | No                          |
| Lesotho                           | <i>Ireland, WB, AfDB, Japan, WFP, UNICEF</i>   | Not yet                                    | Not yet                     |
| Madagascar                        | <i>WB, France, Japan, Norway, AfDB, UNICEF, ILO, WFP, UNESCO, USA</i>  | No   | Fr., EU, WB                 |
| Mauritania                        | <i>WB, France, AfDB, WFP, UNICEF</i>   | No   | No                          |
| Moldova                           | <i>UNICEF, WB, EC, UK, Sweden, Germany, Netherlands</i>  | No   | No                          |
| Mozambique                        | <i>Neth., WB, Can., Den., EC, Fin., Germ., Ir., It., Jap., Port., Sp., Swed., UK, AfDB, FAO, UN, WFP, Cuba, Brazil</i> | Can., Den., EC, Fin., Ger., Ir., Neth., UK | A number of the donors      |
| Nicaragua                         | <i>WB, laDB, Austria, Finland, Japan, Spain, Sweden, USA</i>   | No   | No                          |
| Niger                             | <i>France, EC, WB, Belgium, AfDB, IsDB, BADEA</i>  | Yes  | Yes                         |
| Tajikistan                        | <i>UNICEF, WB, AsDB, IsDB, USA, Japan, Germany</i>   | WB, ADB, USAID, Ger.                       | WB (GBS)                    |
| Timor-Leste                       | <i>WB, Portugal, Australia, Sweden, Brazil, Ireland, NZ, Japan, UN agencies</i>  | No   | No                          |
| Vietnam                           | <i>EC, UNICEF, WB, AsDB, UK, Fr., Australia, Bel., Can., Ger., Jap., Neth., Swed., Switz.</i>                          | Yes  | Yes                         |
| Yemen, Republic of                | <i>Germany, WB, Netherlands, UK, Japan, USA, UNICEF, WFP</i>   | Netherlands & UK                           | No                          |
| <b>Countries Pending for 2006</b> |  |  |                             |
| Albania                           | <i>WB, Germany, Italy, USA</i>   | No   | No                          |
| Benin                             | <i>USA, France, Germany, Japan, AfDB, WB, IsDB, EC, Denmark, Switzerland, Netherlands</i>                              | No   | Den., Neth., EC, Switz., WB |
| Bhutan                            | <i>UNESCO, AsDB, EC, Japan, Sweden, UNICEF, USA, WB</i>  | No   | Denmark, India              |
| Burundi                           | <i>UNESCO, France, EC, AfDB, UNICEF, Japan, Canada</i>   | No   | No                          |
| Cambodia                          | <i>ADB, Germany, Japan</i>   | No   | ADB, EC                     |
| Cameroon                          | <i>France, AfDB, Canada, EC, NDF, UNICEF, Japan, Luxembourg, OPEP</i>  | No   | No                          |
| Mali                              | <i>WB, Canada, Switzerland, Denmark, Japan, India, UNICEF</i>  | No   | Canada and Netherlands      |
| Mongolia                          | <i>UNICEF, WB, Belgium, France, UK, UNESCO</i>   | ADB and Japan                              | ADB                         |
| Rwanda                            | <i>Germany, WB, Can., Bel., Fr., Jap., Lux., Neth., Sp., Swed., USA, EC, IsDB, Nor., AfDB</i>                          | No   | No                          |
| Sao Tome & Principe               | <i>Portugal, UNDP, UNICEF, AfDB, Taiwan, Republic of China</i>   | Not yet                                    | Canada in preparation       |
| Senegal                           | <i>UK, AfDB, WB, Belgium, Canada, France, Germany, Netherlands, Sweden</i>   | No   | No                          |
| Sierra Leone                      | <i>WB, AfDB, UNICEF, UNESCO, PLAN Int., Action Aid</i>   | No   | No                          |

Source: UNESCO Institute for Statistics, World Bank and country reports.

### **Annex 3: FTI Process and Criteria for Assessing Country Education Plans**

**To receive FTI endorsement, a country must have the following:**

- a poverty reduction strategy paper (PRSP) or equivalent
- a sound education sector plan, endorsed by in-country donors

For those countries with FTI endorsement and good absorptive capacity but lacking sufficient donors, transitional funding of two to three years is available from the FTI Catalytic Fund until more donors come on board.

#### **Local donors lead the endorsement process**

Local donors at the country level endorse a country's education sector plan. Among the donors, one agrees to act as the lead coordinating agency and takes responsibility for organizing the assessment of the country's program, utilizing the FTI appraisal guidelines and indicative framework, with the participation of all concerned donor agencies.

The lead coordinating agency takes responsibility for preparing a report of the assessment, with notification of endorsement, and submits it to the Government, the country development partners, and the FTI Secretariat.

#### **A credible education plan**

A credible education sector plan should be comprehensive and address key constraints to accelerating universal primary education in the areas of policy, data, capacity, and financing. It should also align primary education priorities with those for pre-school, secondary, tertiary, and non-formal education.

Specifically, a credible education plan should include:

- A strategy, including budget requirements, for accelerated progress towards universal primary education
- A strategy for addressing HIV/AIDS, gender equality, and other key issues
- National policy actions designed to improve education quality, equity, efficiency and fiscal sustainability
- Implementation capacity constraints and strategies to address them
- Indication of how the country intends to carry out monitoring and evaluation and identify annual targets for measuring progress on key policies and outcomes, including those of the FTI indicative framework as locally adapted.

### **FTI Appraisal Guidelines**

The FTI has created a practical tool – the appraisal guidelines – to help local education donors assess a country’s education plan. The assessment should help identify funding gaps and other obstacles toward reaching the goal of universal primary completion. The appraisal process gathers together the key planning documents for the education sector and establishes baseline indicators. The donors agree with the government and other stakeholders on the long-term strategic direction for the sector development program which targets key areas such as domestic investment, capacity constraints, and quality-related issues such as access to books and materials and class size. A process is agreed to jointly monitor progress towards these targets and to fill any data gaps that have emerged during the appraisal.

### **The FTI Indicative Framework**

The FTI Indicative Framework provides a set of indicators through which partner countries are asked to monitor progress towards universal primary completion. They include resource mobilization, student flows, number of teachers and teacher/student ratio, and enrollment. Countries may decide to use them along with their own benchmarks and indicators.

### **Helping Countries Get on Track**

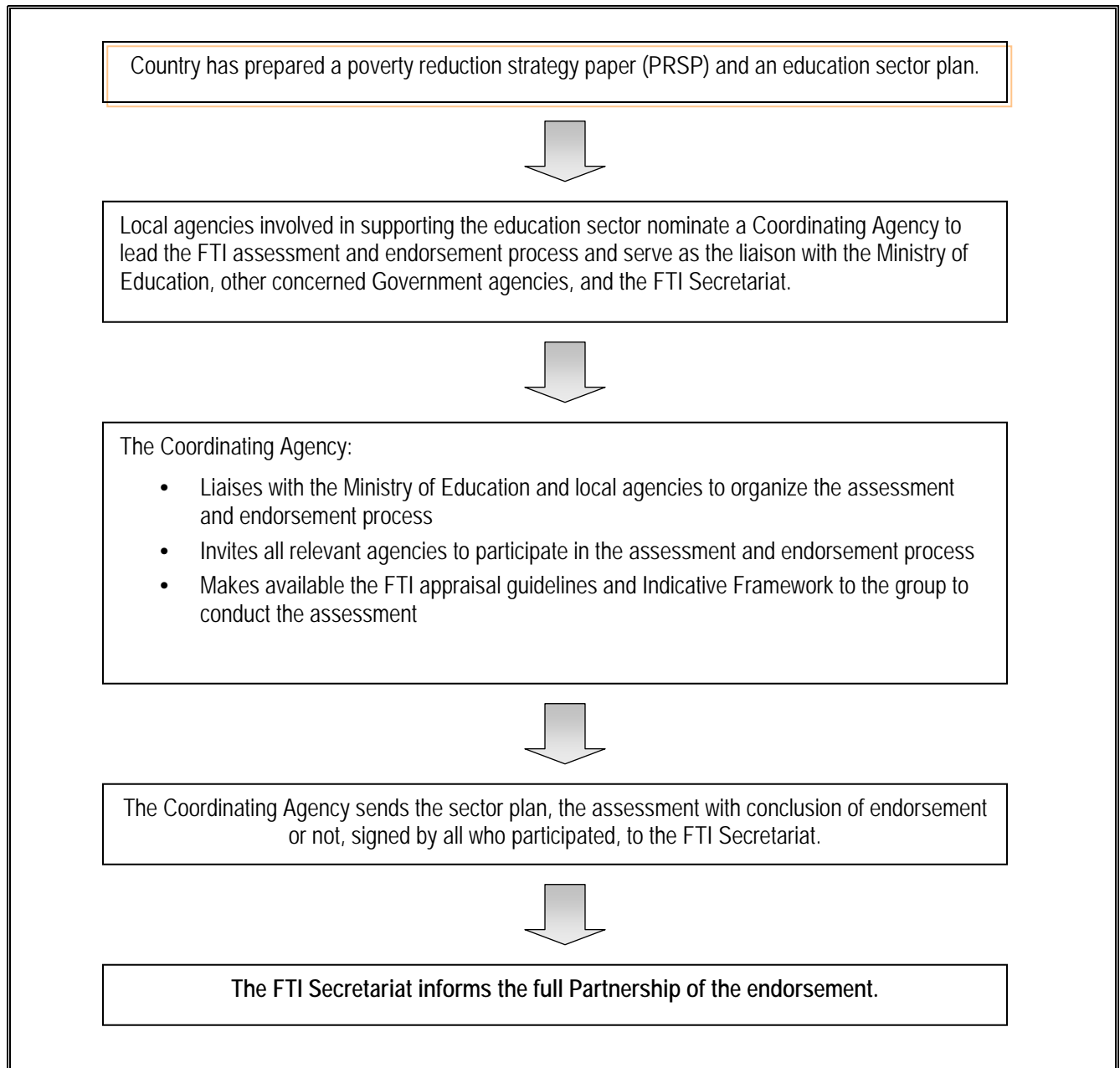
For those countries without existing education plans, the FTI Education Program Development Fund (EPDF) can provide technical support and build the capacity required to prepare a comprehensive education plan.

### **Monitoring & Evaluation**

At the country level, the monitoring of FTI targets and outcomes, donor financing flows, and progress in aid coordination and harmonization are built into the existing review.

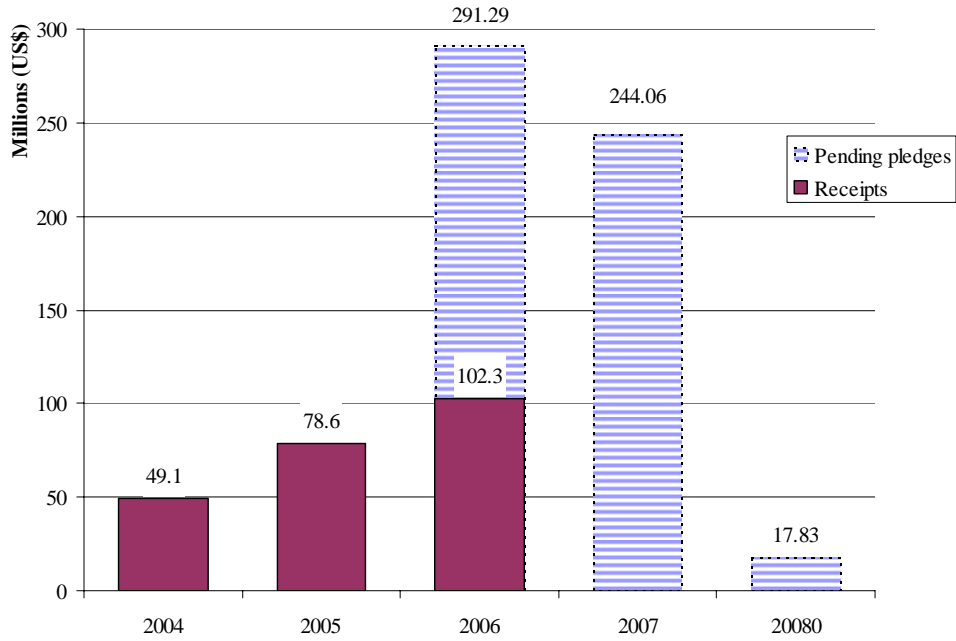
Annual or bi-annual sector reviews are expected to be conducted by the recipient country and its donor partners in a spirit of peer reviewing and learning. The results of each joint sector review are expected to be communicated to the FTI Secretariat in order to track progress at the global level and to foster cross-country sharing of lessons and good practices.

## FTI Endorsement Process



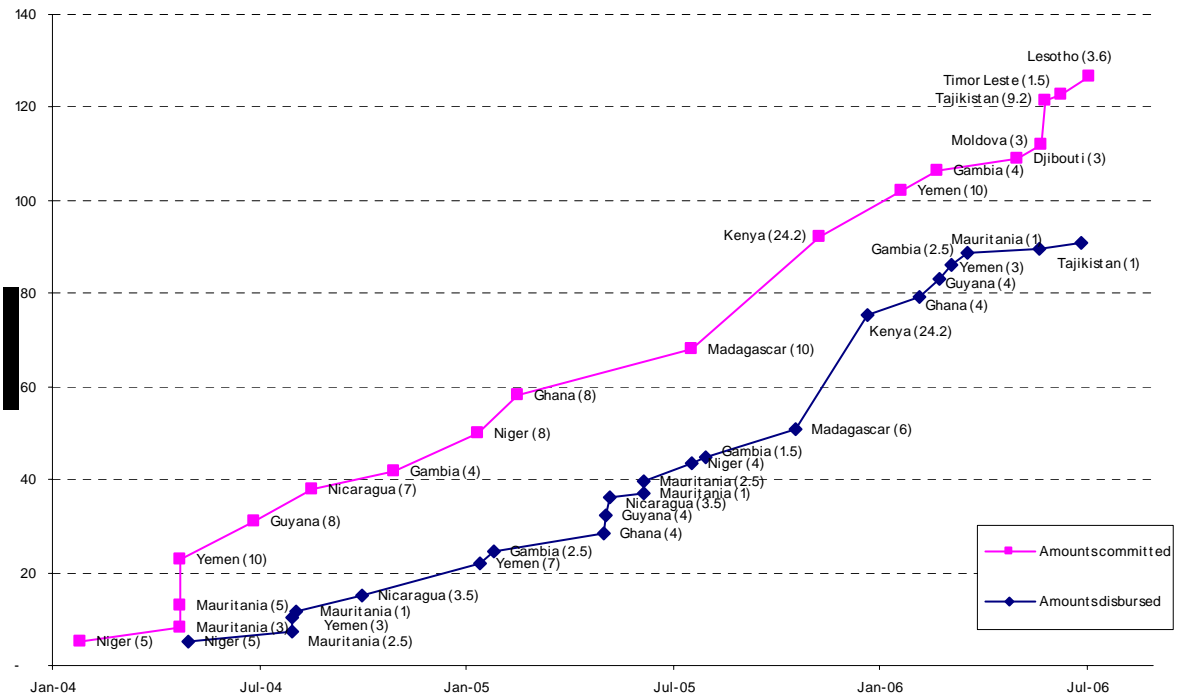
### Annex 4: Details on the Trust Funds

Figure A4. 1: Pledges and Receipts to the Catalytic Fund (US\$ million), 2004–08



Source: FTI Secretariat.  
 Note: Status as of July 15, 2006.

Figure A4. 2: Commitment and Disbursements from the Catalytic Fund over Time (US\$ million)



Source: FTI Secretariat.  
 Note: Status as of July 15, 2006.

**Table A4.1: Catalytic Fund Contributions and Pledges (US\$ millions)**

| Country      | 2003/2004   | 2005        | 2006         | Total<br>2003-2006 | Total<br>Payments |
|--------------|-------------|-------------|--------------|--------------------|-------------------|
| Belgium      | 1.2         | 2.5         | 1.2          | 4.9                | 3.7               |
| Canada       | -           | -           | 20.0         | 20.0               | -                 |
| EC           | -           | -           | 40.3         | 40.3               | -                 |
| Ireland      | -           | -           | 1.5          | 1.5                | 1.5               |
| Italy        | 2.4         | 2.4         | 1.2          | 6.0                | 4.8               |
| Netherlands  | 39.5        | 54.3        | 64.8         | 158.6              | 158.6             |
| Norway       | 6.0         | 8.1         | 25.6         | 39.7               | 39.7              |
| Russia       | -           | -           | 1.0          | 1.0                | -                 |
| Spain        | -           | 6.0         | -            | 6.0                | 6.0               |
| Sweden       | -           | 5.3         | 10.4         | 15.7               | 15.7              |
| UK           | -           | -           | 125.3        | 125.3              | 0.0               |
| <b>Total</b> | <b>49.1</b> | <b>78.6</b> | <b>291.3</b> | <b>419.0</b>       | <b>230.0</b>      |

Note: Status as of August 7, 2006. (In US\$ millions)

In addition, Norway has announced a further US\$ 32 million available for the FTI in 2006; however, the split between the EPDF and the Catalytic Fund is not yet defined.

Additional pledges have been made by the donors for the years 2007-2008.

**Table A4.2: Disbursement report for the Catalytic Fund (US\$ millions)**

|              | Grant                                 |                         |                                  |
|--------------|---------------------------------------|-------------------------|----------------------------------|
|              | Grant<br>agreements<br>signed to date | Disbursement in<br>2006 | Total disbursements<br>till date |
| Djibouti     | 6.0                                   | 0.0                     | 0.0                              |
| Ghana        | 8.0                                   | 4.0                     | 8.0                              |
| Guyana       | 8.0                                   | 4.0                     | 8.0                              |
| Kenya        | 24.2                                  | 0.0                     | 24.2                             |
| Lesotho      | 7.2                                   | 0.0                     | 0.0                              |
| Madagascar   | 10.0                                  | 4.0                     | 10.0                             |
| Mauritania   | 9.0                                   | 1.0                     | 8.0                              |
| Moldova      | 4.4                                   | 0.0                     | 0.0                              |
| Nicaragua    | 7.0                                   | 0.0                     | 7.0                              |
| Niger        | 13.0                                  | 0.0                     | 9.0                              |
| Tajikistan   | 9.2                                   | 1.0                     | 1.0                              |
| The Gambia   | 8.0                                   | 2.5                     | 6.5                              |
| Timor Leste  | 3.0                                   | 1.5                     | 1.5                              |
| Yemen        | 20.0                                  | 3.0                     | 13.0                             |
| <b>Total</b> | <b>137.0</b>                          | <b>21.0</b>             | <b>96.2</b>                      |

Note: Status as of August 7, 2006.

Further grant agreements will be signed for these existing countries in 2006. Total disbursements projected by the end of 2006 for existing Catalytic Fund countries, is US\$ 146.2 million. The countries that are expected to be endorsed by the end of 2006 and may be eligible for Catalytic Fund are Bhutan, Burundi, Cameroon, Mongolia, Rwanda, Sierra Leone and Sao Tome & Principe. The funding gaps for these countries are not finalized.

Table A4.3

| Countries          |                                 | US\$ millions |       |       |
|--------------------|---------------------------------|---------------|-------|-------|
|                    |                                 | 2006          | 2007  | 2008  |
| Burkina Faso       | Primary program cost            | 92            | 92    | 92    |
|                    | Government funding              | 54.9          | 54.9  | 54.9  |
|                    | Total external financing needs: | 37.1          | 37.1  | 37.1  |
|                    | Direct donor funding            | 17.3          | 17.3  | 17.3  |
|                    | Catalytic fund                  | 0             | 0     | 0     |
| <i>Djibouti</i>    | Financing gap                   | 19.8          | 19.8  | 19.8  |
|                    | Primary program cost            | 32.6          | 34    | 35.3  |
|                    | Government funding              | 21.9          | 23.7  | 20.2  |
|                    | Total external financing needs: | 11            | 10    | 15    |
|                    | Direct donor funding            | 4.6           | 8.3   | 9.1   |
| Ethiopia           | Catalytic fund                  | 6             | 2     | 0     |
|                    | Financing gap                   | 0             | 0     | 6     |
|                    | Primary program cost            | 395.8         | 395.8 | 395.8 |
|                    | Government funding              | 232.2         | 232.2 | 232.2 |
|                    | Total external financing needs: | 163.6         | 163.6 | 163.6 |
| <i>Gambia, The</i> | Direct donor funding            | 0             | 0     | 0     |
|                    | Catalytic fund                  | 0             | 0     | 0     |
|                    | Financing gap                   | 163.6         | 163.6 | 163.6 |
|                    | Primary program cost            | 15.2          | 15.2  | 15.2  |
|                    | Government funding              | 5.6           | 5.6   | 5.6   |
| <i>Ghana</i>       | Total external financing needs: | 9.7           | 9.6   | 9.6   |
|                    | Direct donor funding            | 4.3           | 4.3   | 4.3   |
|                    | Catalytic fund                  | 4             | 0     | 0     |
|                    | Financing gap                   | 1.4           | 5.3   | 5.3   |
|                    | Primary program cost            | 195.4         | 195.4 | 195.4 |
| <i>Guinea</i>      | Government funding              | 154.7         | 154.7 | 154.7 |
|                    | Total external financing needs: | 40.7          | 40.7  | 40.7  |
|                    | Direct donor funding            | 26.5          | 26.5  | 37.5  |
|                    | Catalytic fund                  | 11            | 11    | 0     |
|                    | Financing gap                   | 3.2           | 3.2   | 3.2   |
| <i>Guyana</i>      | Primary program cost            | 144.5         | 144.5 | 144.5 |
|                    | Government funding              | 88.3          | 88.3  | 88.3  |
|                    | Total external financing needs: | 56.2          | 56.2  | 56.2  |
|                    | Direct donor funding            | 30.4          | 30.4  | 30.4  |
|                    | Catalytic fund                  | 0             | 0     | 0     |
| Honduras           | Financing gap                   | 25.8          | 25.8  | 25.8  |
|                    | Primary program cost            | 78.2          | 78.2  | 78.2  |
|                    | Government funding              | 74.2          | 74.2  | 74.2  |
|                    | Total external financing needs: | 4             | 4     | 4     |
|                    | Direct donor funding            | 0             | 0     | 0     |
|                    | Catalytic fund                  | 4             | 0     | 0     |
|                    | Financing gap                   | 0             | 4     | 4     |
|                    | Primary program cost            | 375           | 375   | 375   |
|                    | Government funding              | 315.3         | 315.3 | 315.3 |
|                    | Total external financing needs: | 59.7          | 59.7  | 59.7  |
|                    | Direct donor funding            | 59.7          | 59.7  | 59.7  |
|                    | Catalytic fund                  | 0             | 0     | 0     |
|                    | Financing gap                   | 0             | 0     | 0     |

| Countries (continued)      |                                 | US\$ millions |          |          |
|----------------------------|---------------------------------|---------------|----------|----------|
|                            |                                 | 2006          | 2007     | 2008     |
| <i>Kenya</i>               | Primary program cost            | 1,318.70      | 1,410.00 | 1,418.90 |
|                            | Government funding              | 1,151.40      | 1,208.40 | 1,256.40 |
|                            | Total external financing needs: | 167.4         | 201.6    | 162.5    |
|                            | Direct donor funding            | 82            | 57.1     | 29.4     |
|                            | Catalytic fund                  | 24.2          | 24.2     | 0        |
|                            | Financing gap                   | 61.2          | 120.3    | 133.1    |
| <i>Lesotho</i>             | Primary program cost            | 89.1          | 90.4     | 92.9     |
|                            | Government funding              | 74.8          | 76.5     | 76.5     |
|                            | Total external financing needs: | 14.3          | 13.9     | 13.9     |
|                            | Direct donor funding            | 7.3           | 6.9      | 7        |
|                            | Catalytic fund                  | 7             | 7        | 0        |
|                            | Financing gap                   | 0             | 0        | 6.9      |
| <i>Madagascar</i>          | Primary program cost            | 166.9         | 181.2    | 195.5    |
|                            | Government funding              | 85.6          | 94.5     | 103.2    |
|                            | Total external financing needs: | 81.3          | 86.7     | 92.3     |
|                            | Direct donor funding            | 8             | 8        | 8        |
|                            | Catalytic fund                  | 25            | 25       | 0        |
|                            | Financing gap                   | 48.3          | 53.7     | 84.3     |
| <i>Mauritania</i>          | Primary program cost            | 31.4          | 31.4     | 31.4     |
|                            | Government funding              | 22.7          | 22.7     | 22.7     |
|                            | Total external financing needs: | 8.7           | 8.7      | 8.7      |
|                            | Direct donor funding            | 2.5           | 2.5      | 2.5      |
|                            | Catalytic fund                  | 0             | 0        | 0        |
|                            | Financing gap                   | 6.2           | 6.2      | 6.2      |
| <i>Moldova<sup>a</sup></i> | Primary program cost            | 38.6          | 40.6     | 42.2     |
|                            | Government funding              | 34.2          | 36.1     | 37.8     |
|                            | Total external financing needs: | 4.4           | 4.4      | 4.4      |
|                            | Direct donor funding            | *             | *        | *        |
|                            | Catalytic fund                  | 4.4           | 4.4      | -        |
|                            | Financing gap                   | -             | -        | 4.4      |
| Mozambique                 | Primary program cost            | 210           | 210      | 210      |
|                            | Government funding              | 78.8          | 78.8     | 78.8     |
|                            | Total external financing needs: | 131.2         | 131.2    | 131.2    |
|                            | Direct donor funding            | 29.7          | 29.7     | 29.7     |
|                            | Catalytic fund                  | 0             | 0        | 0        |
|                            | Financing gap                   | 101.5         | 101.5    | 101.5    |
| <i>Nicaragua</i>           | Primary program cost            | 126.3         | 126.3    | 126.3    |
|                            | Government funding              | 95            | 95       | 95       |
|                            | Total external financing needs: | 31.4          | 31.4     | 31.4     |
|                            | Direct donor funding            | 0             | 7        | 7        |
|                            | Catalytic fund                  | 7             | 0        | 0        |
|                            | Financing gap                   | 24.4          | 24.4     | 24.4     |
| <i>Niger</i>               | Primary program cost            | 126.9         | 155.8    | 172.6    |
|                            | Government funding              | 55            | 56.3     | 60.5     |
|                            | Total external financing needs: | 72            | 99.5     | 112.1    |
|                            | Direct donor funding            | 64.3          | 49.9     | 32.6     |
|                            | Catalytic fund                  | 0             | 0        | 0        |
|                            | Financing gap                   | 7.7           | 49.6     | 79.5     |
| <i>Timor-Leste</i>         | Primary program cost            | 23.7          | 21.8     | 20.8     |
|                            | Government funding              | 7.7           | 8        | 8        |
|                            | Total external financing needs: | 16            | 13.8     | 12.8     |
|                            | Direct donor funding            | 13            | 7.1      | 4.6      |
|                            | Catalytic fund                  | 3             | 3        | 0        |
|                            | Financing gap                   | 0             | 3.7      | 8.2      |



| Countries (continued) |                                 | US\$ millions |              |              |
|-----------------------|---------------------------------|---------------|--------------|--------------|
|                       |                                 | 2006          | 2007         | 2008         |
| <i>Tajikistan</i>     | Primary program cost            | 120.3         | 143          | 153          |
|                       | Government funding              | 91.4          | 98.8         | 104.1        |
|                       | Total external financing needs: | 29            | 44.2         | 48.9         |
|                       | Direct donor funding            | 19.8          | 18.3         | 14.6         |
|                       | Catalytic fund                  | 9.2           | 9.2          | 0            |
|                       | Financing gap                   | 0             | 16.7         | 34.3         |
| Vietnam               | Primary program cost            | 660           | 660          | 660          |
|                       | Government funding              | 549           | 549          | 549          |
|                       | Total external financing needs: | 111           | 111          | 111          |
|                       | Direct donor funding            | 98            | 98           | 98           |
|                       | Catalytic fund                  | 0             | 0            | 0            |
|                       | Financing gap                   | 13            | 13           | 13           |
| <i>Yemen</i>          | Primary program cost            | 446           | 446          | 446          |
|                       | Government funding              | 377           | 377          | 377          |
|                       | Total external financing needs: | 69.1          | 69.1         | 69.1         |
|                       | Direct donor funding            | 21.9          | 31.9         | 31.9         |
|                       | Catalytic fund                  | 10            | -            | -            |
|                       | Financing gap                   | 37.2          | 37.2         | 37.2         |
| <b>TOTAL</b>          | <b>PRIMARY PROGRAM COST</b>     | <b>5,130</b>  | <b>5,313</b> | <b>5,386</b> |
|                       | Government funding              | 3,536         | 3,614        | 3,677        |
|                       | Total external financing needs: | 1,118         | 1,193        | 1,176        |
|                       | Direct donor funding            | 489           | 463          | 424          |
|                       | Catalytic fund                  | 115           | 86           | 0            |
|                       | Financing gap                   | 513           | 644          | 752          |

a Figures for the Moldova Government funding include direct donor funding.

#### Estimated Financing needs for the 14 Catalytic Fund countries

|   | US\$ millions |              |              |
|---|---------------|--------------|--------------|
|   | 2006          | 2007         | 2008         |
| <b>Primary program cost</b>             | <b>3,253</b>  | <b>3,436</b> | <b>3,509</b> |
| <b>Government funding</b>               | <b>2,217</b>  | <b>2,295</b> | <b>2,358</b> |
| <b>Total external financing needs:*</b> | <b>558.9</b>  | <b>634.2</b> | <b>617.2</b> |
| Direct donor funding                    | 254           | 228          | 189          |
| Catalytic fund                          | 115           | 86           | 0            |
| Financing gap                           | 190           | 320          | 428          |

Note 1: The Catalytic Fund countries are indicated in the table in bold and italics.

Note 2: Definitions:

Primary Program Cost refers to the total cost of the primary education component of the National Education Sector Plan.

Government funding refers to the projected domestic financing in the National Education Sector Plan.

External financing needs refers to the difference between the primary program cost and the government funding as agreed by the in-country minister of education and finance and donors.

Direct donor funding is the finance provided in-country through bilateral and multilateral channels.

Catalytic fund shows current allocation of available resources.

Financing gap refers to the remaining financing requirement of the program once the available funds from the government, the donors in-country and the Catalytic Fund have been fully allocated.

Note 3: It is anticipated that Albania, Benin, Bhutan, Burundi, Cambodia, Cameroon, Mali, Mongolia, Rwanda, Sierra Leone, Senegal and Sao Tome & Principe will join the FTI by the end of 2006. This will result in a substantial increase in the overall financing need including from the Catalytic fund.

Note 4: The amounts in the table do not sum up completely because figures are rounded to the nearest unit.

**Table A4.4: EPDF Contributions and Pledges (US\$ millions)**

| Country      | 2005        | 2006         | 2007        | 2008        | Total<br>2003/2008 | Total<br>Payments |
|--------------|-------------|--------------|-------------|-------------|--------------------|-------------------|
| Canada       | -           | 4.00         | -           | -           | 4.00               | -                 |
| Ireland      | -           | 0.31         | -           | -           | 0.31               | 0.31              |
| Luxembourg   | -           | 1.30         | -           | -           | 1.30               | 1.30              |
| Netherlands  | -           | 7.20         | -           | -           | 7.20               | -                 |
| Norway       | 4.87        | 15.00        | -           | -           | 19.87              | 19.87             |
| Russia       | -           | -            | 1.20        | 2.00        | 3.20               | -                 |
| Sweden       | -           | 2.60         | -           | -           | 2.60               | 2.60              |
| UK           | 0.94        | 3.20         | 4.00        | -           | 8.14               | 2.00              |
| <b>Total</b> | <b>5.81</b> | <b>33.61</b> | <b>5.20</b> | <b>2.00</b> | <b>46.62</b>       | <b>26.08</b>      |

Note: Status as of August 7, 2006.

**Table A4.5: EPDF Allocations and Disbursements by Region for 2005-2006**

| Region                       | Allocation in US\$   | Disbursements in US\$ |
|------------------------------|----------------------|-----------------------|
| East Asia and Pacific        | 2,400,000.00         | 385,666.53            |
| Latin America                | 1,700,000.00         | 624,291.68            |
| Europe and Central Asia      | 900,000.00           | 82,788.95             |
| Middle East and North Africa | 1,000,000.00         | 311,949.80            |
| South Asia                   | 5,280,000.00         | 1,470,446.38          |
| Africa                       | 12,940,000.00        | 523,344.83            |
| <b>Total</b>                 | <b>24,220,000.00</b> | <b>3,398,488.17</b>   |

Note: \$1.86 million not yet allocated to regions.

## Annex 5: Details on the ODA Projections

Table A5.1: Projection of ODA to Basic Education in Low-Income Countries, 2005–15

Table E.1: Projection of ODA to Basic Education in Low-Income Countries, 2005–15

|                               | Net ODA as % of GNI |                                       | % of ODA to Education |                 | of which basic ed. in low-income countries |              | ODA disbursements to basic education in LICs |               |   |  |
|-------------------------------|---------------------|---------------------------------------|-----------------------|-----------------|--|--------------|--|---------------|---|--|
|                               | (%) 2004            | Gleneagles pledges Various years      | (%) Av. 2003–04       | (%) Av. 2003–04 | 2004                                       | 2015         | % increase 2004–15                           | Total 2006–15 | 2015 incl. contributions to multilaterals |  |
| Austria                       | 0.2                 | 0.33% in 2006 and 0.51% in 2010       | 26.2                  | 1.4             | 1.1  | 3.4          | 205  | 29            | 32  |  |
| Belgium <sup>d</sup>          | 0.4                 | 0.7% in 2010                          | 7.8                   | 11.5            | 17.9                                       | 19.8         | 11   | 168           | 69  |  |
| Denmark                       | 0.8                 | Minimum 0.8%                          | 3.3                   | 25.6            | 12.3                                       | 12.0         | -3   | 110           | 86  |  |
| Finland <sup>a,b,c</sup>      | 0.4                 | 0.44% in 2007 and 0.7% in 2010        | 8.7                   | 20.1            | 5.9  | 15.8         | 167  | 128           | 42  |  |
| France <sup>d</sup>           | 0.4                 | 0.5% in 2007 and 0.7% in 2012         | 25.2                  | 1.3             | 21.3                                       | 40.9         | 92   | 331           | 297                                       |  |
| Germany                       | 0.3                 | 0.33% in 2006 and 0.51% in 2010       | 26.4                  | 3.8             | 39.2                                       | 95.0         | 143  | 795           | 422                                       |  |
| Greece                        | 0.2                 | 0.33% in 2006 and 0.51% in 2010       | 29.6                  | 1.4             | 1.2  | 3.6          | 187  | 30            | 18  |  |
| Ireland <sup>d</sup>          | 0.4                 | 0.5% in 2007 and 0.7% in 2012         | 13.5                  | 36.0            | 26.8                                       | 48.1         | 79   | 386           | 66  |  |
| Italy                         | 0.1                 | 0.33% in 2006 and 0.51% in 2010       | 6.9                   | 5.3             | 5.1  | 13.6         | 165  | 114           | 169                                       |  |
| Luxembourg <sup>d</sup>       | 0.8                 | 1% in 2009                            | 13.8                  | 22.3            | 5.0  | 8.4          | 69   | 75            | 14  |  |
| Netherlands                   | 0.7                 | Minimum 0.8% <sup>1</sup>             | 7.4                   | 47.3            | 110.8                                      | 131.8        | 19   | 1,215         | 267                                       |  |
| Portugal <sup>d</sup>         | 0.6                 | 0.33% in 2006 and 0.51% in 2010       | 11.1                  | 6.0             | 3.0  | 5.4          | 78   | 45            | 19  |  |
| Spain <sup>b,c</sup>          | 0.2                 | 0.5% in 2008 and 0.7% in 2012         | 10.2                  | 8.1             | 10.6                                       | 43.5         | 310  | 335           | 135                                       |  |
| Sweden                        | 0.8                 | 1% in 2006                            | 4.6                   | 56.1            | 58.2                                       | 85.6         | 47   | 784           | 143                                       |  |
| United Kingdom <sup>b,c</sup> | 0.4                 | 0.47% in 2007–08 and 0.7% in 2013     | 5.3                   | 71.8            | 242.9                                      | 470.2        | 94   | 3,676         | 694                                       |  |
| <b>EU Members, Total</b>      | <b>0.4</b>          | <b>-</b>                              | <b>14.2</b>           | <b>12.4</b>     | <b>555</b>                                 | <b>997</b>   | <b>79</b>                                    | <b>8,222</b>  | <b>2,472</b>                              |  |
| Australia                     | 0.2                 | 0.36% in 2010                         | 8.4                   | 9.7             | 13.0                                       | 17.9         | 37   | 155           | 42  |  |
| Canada                        | 0.3                 | 0.33% in 2015 <sup>e</sup>            | 7.8                   | 40.4            | 62.3                                       | 91.5         | 47   | 810           | 145                                       |  |
| Japan                         | 0.2                 | 0.22% in 2015 <sup>f</sup>            | 14.2                  | 10.2            | 104.2                                      | 131.4        | 26   | 1,196         | 395                                       |  |
| New Zealand                   | 0.2                 | 0.27% in 2005–06 and 0.28% in 2007–08 | 23.6                  | 18.6            | 10.3                                       | 10.7         | 4  | 98            | 15  |  |
| Norway                        | 0.9                 | 1% over 2006–09                       | 9.6                   | 33.0            | 46.1                                       | 70.8         | 54   | 648           | 129                                       |  |
| Switzerland                   | 0.4                 | 0.41% in 2015 <sup>g</sup>            | 4.4                   | 25.6            | 14.5                                       | 16.1         | 11   | 148           | 48  |  |
| United States                 | 0.2                 | 0.17% in 2015 <sup>h</sup>            | 2.1                   | 36.8            | 150.0                                      | 162.1        | 8  | 1,621         | 467                                       |  |
| <b>DAC Members, Total</b>     | <b>0.3</b>          | <b>-</b>                              | <b>10.0</b>           | <b>15.0</b>     | <b>956</b>                                 | <b>1,497</b> | <b>57</b>                                    | <b>12,898</b> | <b>3,713</b>                              |  |
| <b>Multilateral, Total</b>    | <b>-</b>            | <b>-</b>                              | <b>10.5</b>           | <b>48.5</b>     | <b>1,239</b>                               | <b>2,215</b> | <b>79</b>                                    | <b>19,214</b> | <b>-</b>                                  |  |
| <b>Total</b>                  | <b>-</b>            | <b>-</b>                              | <b>10</b>             | <b>24.6</b>     | <b>2,195</b>                               | <b>3,713</b> | <b>69</b>                                    | <b>32,112</b> | <b>-</b>                                  |  |

Source: DAC database Table 1, CRS database Tables 2 and 5, DAC Secretariat projections of overall ODA - FTI Secretariat calculations.

The projections of ODA presented here are based on the DAC Secretariat simulations of net ODA to 2006 and 2010. As disclaimed in the projection note:

The data below are not forecasts, but Secretariat projections based on public announcements by member countries of the OECD's Development Assistance Committee (DAC). The key figures from such announcements are shown as "Assumptions." To calculate net ODA and ODA/GNI ratios requires projections for GNI for 2006 and 2010. For 2006, the projections of real growth for each country are taken from the OECD Economic Outlook No. 77 (May 2005) Annex Table 1. For the period 2006–10, real annual GNI growth of 2% is assumed for all countries. While calculations have been discussed at the technical level with national authorities, the DAC Secretariat is responsible for the methodology and the final published results.

The FTI Secretariat used these projections and extended the assumptions until 2015 to project global ODA amounts. The share of ODA that is allocated to education in developing countries and, within this, the share allocated to basic education in low-income countries are assumed to remain constant over the period, at their level of 2003–04. The calculations take into account the amount of ODA that is contributed to multilateral organizations, and assume that it is equal to the ODA amount given to developing countries by these organizations (which is verified to a satisfying extent over 1999–2004).

These projections do not take into account the amounts that will be given to developing countries as budget support, of which a part (about 20 percent as estimated by the Department for International Development) benefits education.

**Footnotes for the Global ODA commitments**

- a. 2004 Basic education disbursements data refer to 2003.
- b. ODA/GNI ratios interpolated between 2004 and year target scheduled to be attained.
- c. Finland aims to achieve 0.7 percent by 2010 “subject to economic circumstances”; Spain aims for a minimum of 0.5 percent by 2008, with the intention then to aim for 0.7 percent by 2012; the United Kingdom has announced a timetable to reach 0.7 percent by 2013.
- d. Portugal's ODA in 2004 was above trend because of an exceptional debt relief operation for Angola.
- e. Canada intends to double its 2001 International Assistance Envelope level by 2010 in nominal terms. The ODA portion estimated here, supplied by the Canadian authorities, includes adjustments for inflation (approximately 2 percent per annum) and for ODA expenditures outside the International Assistance Envelope.
- f. Japan intends to increase its ODA volume by \$10 billion in aggregate over the next five years (2005–2009) compared to its net ODA in 2004. The Secretariat's estimate assumes \$1 billion extra in 2006 and \$3 billion extra in 2010.
- g. Switzerland's ODA will increase by 8 percent in nominal terms from 2005 to 2008. A new goal will be determined for the following years. The Secretariat's estimate assumes maintenance of 0.41 percent of GNI in 2006 and 2010.
- h. Secretariat estimate based on 2004 ODA plus \$5 billion per annum to cover the Gleneagles G8 commitments on increased aid to Africa, Millennium Challenge Account, and initiatives on HIV/AIDS, malaria, and humanitarian aid.
- i. The Netherlands' ODA in 2004 was below its target as India repaid all its outstanding Dutch aid loans. The Netherlands intends to maintain its target of 0.8 percent of GNI, on average, over the period 2004–07.

## Annex 6: Glossary of Terms

**Average annual salary of primary school teachers:** Expressed as a multiple of GDP per capita. Includes salary and budgeted cost of benefits (i.e., pension, health services, transport, housing and other items paid for by the state). For countries with a two-tier teacher contracting system, disaggregated information on teacher stocks, flows and average monthly salaries (in local currency units, with exchange rate, or in US\$) should also be presented.

**Cost per primary school classroom (furnished & equipped, incl. walls and latrines) US\$:** US\$8,000 was the average value used in the World Bank simulations to cost the education MDG.

**Education share of budget (%):** Public recurrent spending on education as % of total public recurrent discretionary spending. Public recurrent spending on education includes all spending through ministries or other government units providing primary and secondary schooling, vocational/technical education and higher education. It also includes public expenditures for education transferred to private and non-government providers and educational grants and subsidies to students or their families. Public recurrent discretionary spending is defined as public spending from all sources – including external grants -- less debt service (interest payments only).

**Gross enrollment rate:** The number of pupils (total, male, female) enrolled in primary, regardless of age, expressed as a percentage of the population (total, male, female) in the theoretical age group for primary education.

**Gross intake rate to grade 1:** The number of new entrants (total, male, female) in the first grade of primary education, regardless of age, expressed as a percentage of the population (total, male, female) of theoretical entrance age to primary education.

**Intake into first grade, total:** Defined as students enrolled in grade 1, net of repeaters, as a percentage of the population cohort at the official age of entry to first grade.

**Primary completion rate, total:** Defined as students enrolled in the final grade of primary, less the number of repeaters as a percentage of the population cohort of official graduation age.

**Primary education share of education budget (%):** This benchmark is pro-rated to the nationally-defined length of the primary cycle, i.e. 42% if it is five years, 50% if 6 years, 58% if 7 years, and 64% if 8 years. Countries whose basic education cycle is longer than 8 years are encouraged to report data for a primary-equivalent sub-cycle of 5 or 6 years.

**Pupil-teacher ratio in publicly-financed primary schools:** Includes all teachers on payroll. Publicly-financed schools refer to schools supported by government whether publicly or privately managed and all teachers fully paid by the government, either directly or indirectly.

**Recurrent spending on items other than teacher remuneration as % of total recurrent spending on primary education:** Recurrent spending on items other than teacher remuneration includes all non-salary spending (e.g., teaching/learning materials, student assessment, school feeding, student stipends, etc.) plus salaries of administrative and other personnel who are not classroom teachers.

**Repetition rate:** The number of pupils enrolled in the same grade as the previous year, expressed as a percentage of the total enrollment in that grade.

## Annex 7: FTI Indicative Framework

### List of benchmarks

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#### Resource mobilization

Public domestically-generated revenues as % of GDP

External grants as % of GDP

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Education share of budget (%)

*Defined as public recurrent spending on education as % of total public recurrent discretionary spending*<sup>(a)</sup>

◆ Estimate including grants

◆ Estimate excluding grants

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Primary education share of education budget (%)

*Defined as public recurrent spending on primary education as % of total public recurrent spending on education, including grants*<sup>(b)</sup>

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#### Student flows

Intake into first grade, total<sup>(c)</sup>

◆ Girls' intake rate

◆ Boys' intake rate

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Primary completion rate, total<sup>(d)</sup>

◆ Girls' completion rate

◆ Boys' completion rate

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% repeaters among primary school pupils

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#### Service delivery

Pupil–teacher ratio in publicly-financed primary schools<sup>(e)</sup>

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Average annual salary of primary school teachers:<sup>(f)</sup>

*(for countries with both civil service and contract teachers, use the weighted average salary)*

Contract teachers

◆ Number of new contract teachers recruited this year

◆ Total stock of contract teachers

◆ Average salary

Civil service teachers

◆ Number of new civil service teachers recruited this year

◆ Total stock of civil service teachers

◆ Average salary

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Recurrent spending on items other than teacher remuneration as % of total recurrent spending on primary education<sup>(g)</sup>

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Annual instructional hours

*Estimated effective hours of schooling (not official hours) in publicly-financed primary schools*

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Private share of enrollments

*% of pupils enrolled in exclusively privately-financed primary schools*

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