

**Mid-Term Evaluation of the EFA Fast Track Initiative**

**Final Synthesis Report**  
**Volume 2 – Annexes**

**ANNEX H**  
**THE FTI AND FRAGILE STATES**

**February 2010**



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

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## Acronyms and Abbreviations

CAR	Central African Republic
CF	Catalytic Fund
CFC	Catalytic Fund Committee
DFID	Department for International Development
DRC	Democratic Republic of the Congo
EFA	Education for All
EPDF	Education Program Development Fund
ETF	Education Transition Fund
FTI	Fast Track Initiative
FTIS	Fast Track Initiative Secretariat
GCE	Global Campaign for Education
INEE	Inter-Agency Network for Education in Emergencies
LPERP	Liberia Primary Education Recovery Programme
MDG	Millennium Development Goal
NETF	Norwegian Education Trust Fund
NGO	Non-governmental organisation
OECD	Organisation for Economic Cooperation and Development
OECD DAC	OECD Development Assistance Committee
PF	Progressive Framework
PM	Partnership Meeting
PRSP	Poverty Reduction Strategy Paper
SBS	Sector Budget Support
SC	Steering Committee
SWG	Sector Working Group
TF	Transition Fund
TT	Task Team
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNGEI	United Nations Girls' Education Initiative
Unicef	United Nations Children's Fund
UPC	Universal Primary Completion
USD	United States Dollar
WB	World Bank

## Introduction

H1. This annex does two things. In sections A to C it summarises the FTI's discussions and decisions concerning fragile states. This is based on an extended working paper on the subject (Dom 2009a) which includes deeper analysis of the issues involved and is supported by a broad literature review (Dom 2009b); both these papers were completed in January 2009. In section C this annex expands the discussion to cover the period since January, during which there were a number of significant developments related to the FTI's fragile states agenda. Sections D and E are more analytical, highlighting what the story of the FTI's engagement with fragile states indicates more broadly about the FTI partnership (section D), whilst section E reflects on the issues which are outstanding at this stage and need addressing by the FTI partnership. These sections directly feed into the synthesis report.

### A. Why are fragile states an important issue for the FTI?

H2. Since the clarion call of DFID's paper on children out of school in 2001, EFA and indeed the FTI have been increasingly trying to engage with the issue of "fragile states"<sup>2</sup>. Countries categorised as "fragile" are extremely diverse and the reasons behind their fragility are many and varied. Thus, the term and concept of "fragile states" are somewhat elastic, with many overlapping definitions. There are continued controversies around whether such definitions are useful at all, and an increasing recognition that fragility is not an either/or status. These factors go some way to explain why the term and concept are used extremely cautiously by the World Bank and therefore also by the FTI Secretariat, and why the FTI has no definition or list of "fragile states". Nevertheless since 2001 the main message of DFID's paper has become increasingly accepted within the FTI, that to attain EFA goals all countries in need must be offered assistance, irrespective of their status in terms of fragility. This was the main point raised by this evaluation's interviewees when they were asked if the FTI really needed to engage with "fragile states".

H3. The FTI Action Plan (World Bank 2002) does not mention fragility or fragile states as such (although it highlights conflicts as one of the obstacles requiring special attention). But over the lifetime of the FTI the pressure from Civil Society Organisations (CSOs) and also from donors to formulate a response to the challenge of addressing the needs of all states has increased significantly. The original concept of the FTI was to focus on "good performers" but the FTI has now reached a point where a systematic response is required to the challenge of engaging with all countries, including fragile states.

### B. What has the FTI done about fragile states?

H4. Two types of processes unfolded in parallel, in relation to the FTI's engagement with fragile states. First, the FTI engaged in a number of *country* level processes with less stable countries. Second, since 2005 the FTI partnership has begun to work visibly at the *global* level, on resolving the challenge of how to reach out to countries where due to their context, attaining EFA is difficult. Following an FTI Technical Meeting in the UK in 2005 a small inter-agency Task Team (TT) was formed which later became known as the Fragile States Task Team. This group began to look in detail at the "*desirability and feasibility of expanding the EFA-FTI to fragile states*". The global level process is described in Box H3 (on page 8) and discussed later in this section.

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<sup>2</sup> It must of course be recognised that the issue of out-of-school children is by no means limited to fragile states.

H5. **Country processes.** De facto, the FTI had included states recognised as fragile on its agenda from the very start. For instance with the inclusion of DRC<sup>3</sup> in the original (2002) list of countries on the "analytical track" (these countries were included in this list as they accounted for at least 50 million children out of school between them). Countries that would feature on most lists of fragile states have continued to appear on the list of countries planned for FTI endorsement. Countries with pockets of fragility, such as Uganda, were also targeted for endorsement as early as 2002. Even more strikingly, countries that had been through periods of great instability have been endorsed in increasing numbers over the lifetime of the FTI: e.g. Ethiopia (2004), Kenya (2005), Timor Leste (2006), Sierra Leone (2007), Liberia (2008), CAR (2008), and Haiti (2008).<sup>4</sup> So in fact right from its early formation the FTI has been inviting "fragile states" to join the partnership and has then been endorsing their Education Sector Plans and in some cases providing funding. This happened before, and then in parallel with, the global level process of trying to find a systematic way of working with fragile states.

H6. Thus, it has not been the case that a global strategy and guidance to operationalise it was put in place and the FTI was then opened up to fragile states. Instead with some exceptions (Liberia, Haiti and CAR), the countries mentioned above have followed the same guidelines and processes as those put in place for all FTI countries. Box H1 summarises how four countries which by all accounts exemplify extreme levels of fragility, namely CAR, Haiti, Liberia and Sierra Leone, have all been addressed in different ways by the FTI.

**Box H1 Country Level Progress in Fragile States Endorsed by the FTI**

The following four examples are countries with which, despite their fragility, the FTI engaged.

	<b>CAR</b>	<b>Haiti</b>	<b>Liberia</b>	<b>Sierra Leone</b>
<b>First contact with the FTI</b>	2006	2004	2004	Became a potential candidate in 2006
<b>Endorsement Predicted</b>	2008	2007 <sup>5</sup> 2008 <sup>6</sup>	2007	2007
<b>Date of Endorsement</b>	2008	April 2008	2007	Application discussed and approved May 2007. Announcement in Bonn
<b>First funding from the Catalytic Fund</b>	2009 an allocation was made for USD 39.7 for 2009–2011.	September 2009, USD 22m for 3 year grant (2009–2012)	-	2007, allocation was made of USD 13.9m for 2007–2009
<b>Funding received from Netherlands/ Unicef Transition Programme</b>	-		2007, decision that funding would come from the Transition Fund	-

<sup>3</sup> A country widely accepted as "fragile", despite the controversy around term and concept.

<sup>4</sup> All of these countries with the exception of Kenya appear on the Save the Children Conflict Affected and Fragile States (CAFS) list: yet between them they show something of the variability of fragility. The analysis in the fragile states working paper (Dom 2009a) shows that indeed, 44% of the countries endorsed by the FTI are classified as fragile states when using the Save the Children classification (focusing on conflict-affected and fragile states) and adding to it those states included in one or more other authoritative lists.

<sup>5</sup> In the 2006 Progress Report (FTI 2006a).

<sup>6</sup> In the 2007 Progress Report (FTI 2007c).

In the case of Haiti and Liberia this happened relatively early on, before the launch of the fragile states task team or the start of serious discussions within the partnership about working with fragile states. Both CAR and Haiti benefited from derogations of the FTI standard process due to delays at global level in finalising a process for fragile states. In the case of CAR there was a prior agreement by the CF Committee. This is in line with FTI's official guidance, which allows for such adaptation of processes to suit the needs of countries.<sup>7</sup>

*The problem with involving fragile states is: how do you provide the appropriate incentives for all countries to do the best they can? Haiti had huge implementation challenges and if Zambia had come up with the same proposal it would have been shot down (interview).*

**Haiti:** Haiti was listed amongst the "other countries" in the 2004 report (i.e. with no planned date for endorsement); in the 2006 Progress Report its endorsement date was predicted for 2007; this moved back a year in the 2007 Progress Report to 2008. Haiti was finally endorsed in April 2008 and this qualified Haiti to apply for financing from the Catalytic Fund. The endorsement by EFA-FTI recommended that in order for Haiti to apply to the Catalytic Fund, the Ministry of National Education and Professional Training should develop a more focused three-year implementation plan of its education plan, complete with a costing model predicting various scenarios for achieving EFA, which would enable the identification of the strategic objectives and action areas to be implemented from 2008 to 2011 (FTI 2009g p2). As requested, this three year plan was prepared and its content approved by the local education donor group in May 2008.<sup>8</sup> The funding gap was estimated to be USD 102.7 million of which approximately 20% (USD 22 million) was requested in Haiti's application to the FTI Catalytic Fund. The chosen financing instrument was a grant which was to be implemented by the World Bank as the Supervising Entity (World Bank 2009 p13). The funding from the Catalytic Fund was for a three year project, to cover two full school years.

The timing of Haiti's application for funding led to Haiti being identified as a country which would experiment with the new "interim status" and funding for fragile states (FTI 2008a). The FTI at global level was now advanced in discussions about an alternative fund for fragile states and so the decision to allocate funding to Haiti was deferred and along with Southern Sudan it was "advised to seek financing from the Transition Fund" (FTI 2008d p1). However when the Catalytic Fund Committee met again in December 2008 the mechanism for the Transition Fund was still not ready, there was increasing pressure from country level to release the money as the school year was starting. A "diplomatic/political" situation had also developed on the ground. Pressure was put on Unicef to finalise agreement with the Steering Committee by creating an action plan to integrate the Education Transition Plan by the end of January. A delay in clearing the minutes of the Paris meetings led to Haiti not being given a progress update (interview notes). This led to frustration in country and confusion as the Haitians were expecting the CF funding.

Delays on agreeing the Education Transition Fund led to a decision, in April 2009, by the CF Committee that Haiti's proposal should return to them. "Haiti will be allowed to submit its funding proposal to the CF Committee, if it is determined that the Education Transition Fund is unlikely to be operational by June 2009" (FTI 2008b p3). Following an external quality review Haiti finally received its first allocation of USD 22m in September 2009 (FTI website, viewed October 2009).

<sup>7</sup> The Appraisal Guidelines state "these guidelines are intended as an aid to the teams conducting the appraisal, and **should obviously be adapted as needed to suit country conditions**" [emphasis added] (FTI 2006b).

<sup>8</sup> Interviews carried out for the evaluation suggest that there was great pressure on the local donor group to endorse the plan for Haiti quickly resulting in a lower quality education sector plan. "The strategy is a wish-list which has not properly considered trade-offs in the context of a budget constraint... personally I wouldn't have endorsed this plan. I think the reason it got endorsement was that lots of progress had been made and that it [Haiti] is the poorest country in the northern hemisphere" (interview).

**Liberia:** was first listed under "others" in the November 2004 status report. The next mention of Liberia was in the November 2006 Status Report in which its endorsement was pending for 2006. Liberia was endorsed by the FTI in March 2007. In May 2007 the lead donor in Liberia, Unicef, presented to the CF Strategy Committee explaining the progress that had been made in preparing the Primary Education Recovery Program (LPERP), and the next steps the Government of Liberia was taking to prepare the full Education Sector Plan for implementation (FTI 2007 p3). At this same meeting the Netherlands and Unicef made an offer to try and identify alternative sources of funding for Liberia through the Unicef/Netherlands education fund for education in emergencies, post-crisis and transition countries. Agreement upon this idea was reached a few days after the meeting and added to the minutes (ibid, p4). This decision came prior to the FTI considering an Education Transition Fund, modelled on the Unicef/Netherlands fund, as a possible window for interim status countries within the FTI.

A positive report on the progress being made in Liberia was made in the Interim Status Report presented in Tokyo (FTI 2008a p8). Liberia is expected to return to the Catalytic Fund for further financial support in 2009 (ibid).

**Sierra Leone:** was identified for endorsement in 2006 in the 2004 Status report. It was endorsed in 2007 but was not given access to CF financing until the end of 2007. In May 2007 Unicef, the lead donor in Sierra Leone presented to the CF Strategy Committee concerning the progress and results achieved in Sierra Leone. The Committee "was pleased at the quality of the sector plan considering the difficult country context" (FTI 2007b p5). Whilst it was highlighted that the preferred funding modality (sector budget support) would need further discussion at country level due to a concern about "some weaknesses in the government systems" an allocation of USD 13.9 million was approved for Sierra Leone for the period 2007–09 (ibid). There was however a long wait between the allocation of funds and the grant agreement signature – 541 days (FTI 2008i p27). By March 2009 in the report to the CF Committee none of the allocated funds had yet been disbursed to Sierra Leone; disbursement was predicted for quarters 2–4 of 2009 (FTI 2009c p8).

*CAR and Haiti got tired of waiting for the ETF and so they have slipped in because it has taken us so long to work this [the Education Transition Fund] out (Interview).*

**Central African Republic (CAR):** CAR was identified in the 2004 Status Report as a country to be potentially endorsed in 2006; in the 2007 Status Report it was to be endorsed in 2008; CAR was indeed endorsed in September 2008. Representatives of the Co-Lead Coordinating Agencies (France and UNESCO) made the country presentation, assisted by the World Bank Task Team Leader in the April 2008 meeting of the CF Committee in Tokyo. Donors present at that meeting had a number of concerns. They questioned "the large size of the funding request compared to the domestic financing, and the readiness and capacity of the government to implement such an ambitious program" (FTI 2008b p5). No resources were allocated from the CF but instead it was recommended that CAR sought additional EPDF funds "to support a new CF funding request that would respond to the issues raised by the CFC" (ibid). In September 2008, CAR was advised to "continue with the work on revising its CF application for consideration at the meeting in December 2008, with full due diligence completed by the Local Donor Group and the FTI Secretariat to ensure that implementation capacity issues are addressed properly" (FTI 2008d p1). In December 2008 CAR presented a request for USD 37.7 million for the period 2009–2011 (FTI 2008g p2). Funding (USD 37.8 million) was allocated in December 2008 with the agreement that CAR would produce a revised monitoring plan and would report back on the "country's implementation capacity" after the first year (FTI 2008g p2). It was also emphasised by the CF Committee that "this allocation was an exception since it did not want to reverse the decision made during the CF Committee meeting in Tokyo in April 2008. Normally, funding for a country in this status would be through the Education Transition Fund" (ibid). At that point the Education Transition Fund was considered to be nearly ready to start functioning as a new funding instrument within the FTI Framework.

H7. As Box H1 illustrates, the FTI showed flexibility in the endorsement process in the cases of CAR, Haiti and Sierra Leone whilst with Liberia funding was provided through an alternative mechanism. In all cases the FTI showed a willingness to engage and some degree of awareness of the challenges faced by fragile states. Nevertheless these cases, especially Haiti, also illustrate the need for a more coherent process for fragile states. Poor communication combined with uncertainty about the planned Education Transition Fund and delays in releasing funding have led to high transaction costs for countries that can ill afford such difficulties.

H8. The facts in Box H1 also suggest that there was little obvious global logic behind the decisions made for each country. In all cases it was as though the FTI was somewhat caught out by these countries stepping up to the mark and starting the process for FTI endorsement. As a result the FTI reacted very much on a case by case basis. On the one hand it was careful not to set precedents. On the other hand, once these countries were engaged in dialogue with the FTI there was concern about refusing their endorsement (e.g. CAR), or refusing to allow them access to funding (e.g. Haiti).

H9. Thus arguably, the FTI's engagement with these countries was more an implicit shift away from the initial emphasis on "good performers" rather than a systematic response to the challenge of addressing the needs of all countries regardless of their "performance". As the FTI shifted away from its "gold standard" there were undoubtedly discussions within the FTI concerning the processes that CAR, Haiti, Liberia and Sierra Leone went through, but this was not strongly and explicitly linked to the process at global level of taking forward the argument made by the Fragile States Task Team since 2005. In the Task Team's view, fragile states have a large proportion of the world's out-of-school children and yet often lack the capacity, resources and/or political will to develop an Education Sector Plan (ESP) that would get through the endorsement process. In response to this, they argue, the FTI should have in place a specific process for fragile states, tailor-made to the particular context.

H10. Thus **at the global level**, in parallel to the unfolding country processes outlined above, the development of an approach for the FTI to engage with fragile states was taken forward through technical work done in various ways and decisions made at various stages by the Steering Committee. Work was done in 2006 by two consultants (Peter Buckland and Peter Colenso) who were employed by the Fragile States Task Team to try to identify what adaptations the FTI would need to make, to better support fragile states. This led to a draft of the Progressive Framework being tabled at the November 2006 partnership meeting. The presentation of the Progressive Framework was reinforced by another presentation at the meeting on the importance of closing the "trust gaps" in order to expand financial support to fragile states, by Gene Sperling – on behalf of the Global Coalition for Education (GCE). Approval was subsequently given by the Partnership Meeting (PM) to develop the Progressive Framework (PF) further.

H11. The Progressive Framework (see Box H2) is currently the core document in which the FTI's "vision" for fragile states is outlined. It was approved by the Steering Committee (SC) in May 2007. All those interviewed in the context of this evaluation, who have been involved in the work on fragile states, recognised that this vision is a useful and clear way of proceeding. The draft discussion document and accompanying guidelines were made available in May 2008.

## Box H2 What is the FTI Progressive Framework?

The Progressive Framework<sup>9</sup> uses the term "fragile states" and, although it does not propose a definition or a category, it is premised on the idea that, in some countries, interim arrangements are necessary at the outset so that they can then move gradually towards more comprehensive arrangements, with continuous support. It introduces the idea that "interim strategies", which these countries would develop first, should be supported financially. The Progressive Framework is a diagrammatic representation of the transition process that these countries would follow. It outlines indicators which would trace this transition along a spectrum from interim arrangements to "development target" – in five main dimensions as follows:

- Sector planning and coordination
- Resource mobilisation
- Service delivery
- Student flows
- Stabilisation and fragility reduction

The Progressive Framework can be applied to whole countries where "*the human and institutional capacity, data availability, security or social conditions and/or political commitment do not permit the development of a comprehensive sector plan*" (FTI 2007a p1). It can also be used to create interim strategies for different areas of one country, so addressing the issue of pockets of fragility.

The Progressive Framework aims to take the context of the area as a starting point. Its guidelines provide a step-by-step process through which the country is to be led by the local education group with support from the Secretariat. Decisions concerning the final endorsement and financing of the interim strategy are assigned to the "Donor Decision Group" (FTI 2008c p1). A four step process is outlined for the development of an interim strategy:

1. **Convening an in-country sector working group (SWG):** in contexts in which a local level education sector working group already exists this would be used. Membership of the group should be wider than most local education groups including key stakeholders who need to participate in order for the strategy to be "politically viable" (FTI 2008c p10). In emergency contexts the education cluster could lead the group. Once established the Sector Working Group should notify the Secretariat of its intention to develop an interim strategy and seek interim financing and tools, guidance, information and EPDF funding will be provided.
2. **Undertake an Education and Fragility Situational Analysis:** using the Progressive Framework, the Sector Working Group must undertake an analysis of the current situation of education provision and how it has been impacted by the fragile context.
3. **Develop an Interim Strategy:** in order to do this, the Sector Working Group should agree on the priorities in the sector as highlighted by the situational analysis. The strategy must be short-term (1–2 years) and focused upon progress towards system recovery and stabilisation. The Interim Strategy should be submitted to the Secretariat for FTI endorsement. This will occur through an "ad hoc" virtual review by the Donor Decision Group. The Secretariat will arrange a transfer of funds from the "interim financing facility" (ibid, p12).
4. **Implement the Interim Strategy:** implementation of the strategy will occur by the development partners and in line with the implementation arrangements. There will also be regular review from the Sector Working Group who will provide progress reports to the FTI Secretariat for the Donor Decision Group. When the interim strategy has been completed the Sector Working Group will agree on next steps, either another interim strategy or the preparation of a sector plan for FTI endorsement.

These steps are also laid out in a matrix in the Progressive Framework guidelines which allocates responsibilities to the different actors involved.

Source: FTI 2008c

<sup>9</sup> The vision underlying the Progressive Framework, and the Framework's potential role in the FTI, are analysed in section E.

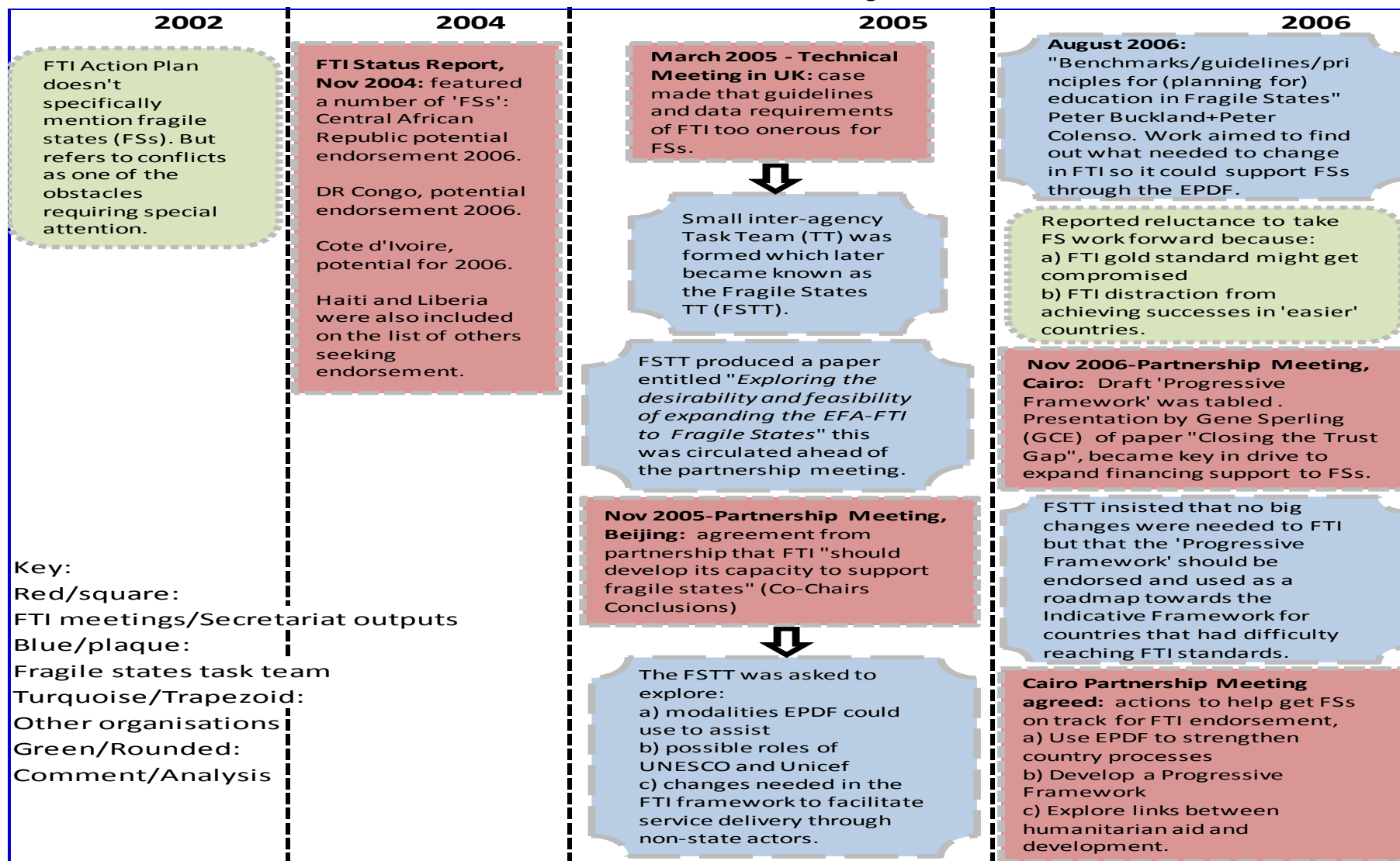
H12. The work on fragile states continued, with support from the Inter-Agency Network for Education in Emergencies (INEE) and the Fragile States Working Group ensuring a broad multi-agency representation and bringing in specialised expertise. A paper laying out options for financing was presented to the April 2008 Technical Meeting. But it was not until September 2008 that the Paris Technical Meeting (and then the Steering Committee), discussed and agreed to "position the Transition Fund (TF<sup>10</sup>) managed by Unicef, as a financing tool within the FTI" (FTI 2008e). The TF, as a separately established and funded programme (Netherlands/EC/DFID funding and Unicef managing), had provided funding to countries "recognised" by the FTI but not deemed eligible for CF funding (namely, Liberia and Haiti). To avoid confusion it was decided that the fund should be positioned "within the FTI" and named the Education Transition Fund (ETF). The Fragile States Task Team was officially disbanded and discussions began between the FTI Secretariat and Unicef to finalise this new fund.

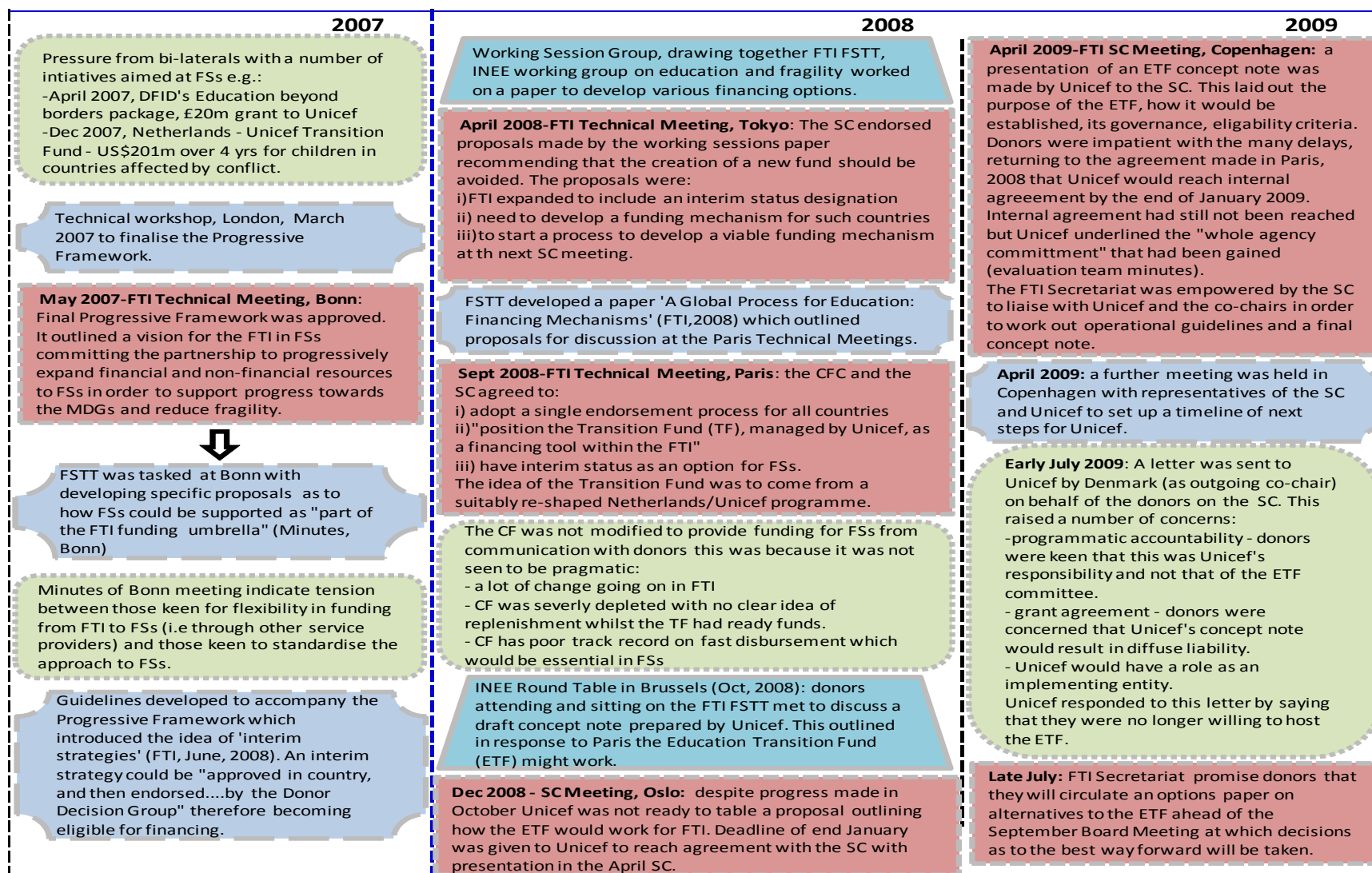
H13. The evidence outlined above, combined with numerous comments collected through the Evaluation Team's interviews and the analysis made in January 2009 in the Evaluation Team's working paper, suggests that the FTI's engagement with fragile states responded, not very strategically, to a number of converging pressures. The rising importance attached to the "fragile states agenda" by the international community generally was relayed through a vocal campaign carried out by some of the FTI's partners and directing the spotlight on the FTI (see e.g. the "Rewrite the Future" campaign of Save the Children). The partnership gradually rose to the challenge through a global level process of reflection and by issuing a vision and guidelines on the one hand, whilst also making case-by-case decisions for specific countries who happened to "knock on the door". However, by the beginning of 2009 it was still not entirely clear how these various processes were to be made more consistent with one other.

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<sup>10</sup> In this annex TF will refer to the Transition Fund throughout.

**Box H3 Timeline: the FTI and Fragile States**





### C. What is the current status of the FTI on fragile states?

H14. Once negotiations on the exact nature of the envisaged Education Transition Fund began within the FTI, CSOs and the INEE working group were no longer involved. It was felt that this would make negotiations easier for Unicef. During the protracted period of consultation between those donors on the Fragile States Task Team and Unicef, it became increasingly clear that there were a number of points within the Unicef concept note about which all parties felt strongly.<sup>11</sup> These included:

- **Implementing entity:** it was recognised early on in the process that there was a need for flexibility in fragile states/environments and that although the Government would be the ideal implementing entity this may not always be the most suitable option. At the same time, it also became clear that Unicef would only be willing to act as the Implementing Entity, if funds were received directly through donors and not through a pooled FTI Education Transition Fund (ETF). Unicef's role as an implementing agency was a valuable feature of the ETF and the donors involved urged Unicef to accept using the ETF trust fund arrangements.
- **Programmatic accountability:** the donors were keen that Unicef should take on responsibility for the monitoring and implementation of the planned activities and objectives as approved by the ETF Committee. Such accountability would also mean that Unicef would have had responsibility for executing penalty clauses<sup>12</sup> if necessary and for reporting back to the ETF Committee. This was something that Unicef thought unrealistic – especially considering the higher risks in fragile contexts.

H15. In July 2009, after almost a year of planning and negotiations, Unicef decided not to take up the role of trustee of the ETF because it could not, or was not willing, to meet the demands of the FTI donors as outlined in the paragraph above. This left donors and other stakeholders disappointed and unsure as to the viable alternatives.<sup>13</sup> In August 2009 the FTI Secretariat circulated an options paper on fragile states ahead of the Board meeting in September. This paper was written by the Secretariat and reviewed by a "mini task team"<sup>14</sup> of Spain, the UK and the EC. The options paper was said (by the FTIS) to present "*clear logistic and strategic advantages*" to using "*an adapted Catalytic Fund approach for fragile states*" (FTI 2009f). This proposed approach seemed very similar to the "adapted CF process" option that had been presented by the Fragile States Task Team in 2008, and then discarded in favour of a separate (but "located within") ETF.

H16. In September 2009 the Board of Directors agreed that work would be undertaken to "develop operational guidelines by the end of 2009" for the "adapted CF" option (FTI 2009g p3) However, it also stated that other options should continue to be explored and a small Task Team<sup>15</sup> was formed for this purpose. In the meantime, the CF Committee "will be asked to accommodate new requests from fragile states (e.g. as in the case of Haiti)" (ibid, p3).

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<sup>11</sup> Note written to Unicef from the donors on the SC. Unicef produced a second concept note responding to queries raised by donors at the April 2009 meetings in Copenhagen. The evaluation team was not given sight of Unicef's final concept note to which these comments referred. The team also held interviews with Unicef representatives – including after the collapse of the ETF discussions.

<sup>12</sup> In case of loss or theft of donor monies or when the planned activities funded by the ETF were not completed or not completed satisfactorily.

<sup>13</sup> Observation derived from interviews with diverse stakeholders in July, August 2009.

<sup>14</sup> Quote from interview notes.

<sup>15</sup> Composed of the Netherlands, United Kingdom, GCE represented by Save the Children, European Commission and Canada.

## **D. Reflections: what does the story of fragile states and the FTI highlight about the FTI?**

H17. Over its lifetime the FTI has evolved in an organic way: as deficiencies are noticed, amendments or additions are made. The development of an adequate approach for the FTI to engage in fragile contexts has been addressed in a similar manner. First, the necessity of such an approach emerged over time rather than this being the result of a single strategic decision. Throughout the process, experts have been brought in and there has been careful, well thought through work and analysis. However, in spite of this, the FTI has struggled to own and drive forward the agenda. Fragile states were not consciously set aside, rather, they did not fit within the initial framework, focused on good performers. The need to work with fragile states crept in under the combined demands as described above. When it was agreed more clearly that the FTI should work with fragile states the process of discussing how took time, and in the meantime the pressure for action continued to mount.

H18. Thus, back in 2005 the FTI decided that it "should develop its capacity to work in fragile states" (FTI 2005). Yet at the time of writing this still hangs as a largely unrealised promise. There continues to be no clear strategy for fragile states and, as this annex will go on to lay out, it is apparent that a number of the implications of the FTI working with fragile states have not been fully assessed. At the same time, as indicated by the cases of Liberia, Haiti, Sierra Leone and CAR (see Box H1) the lack of a clear process resulted in these countries' engagement with the FTI being time and resource intensive, which fragile states can ill afford. It therefore remains urgent to find a systematic way of providing support to fragile states, especially as this group includes many of the neediest countries.

H19. As will be shown in the sections that follow, the development of mechanisms and of a clear process for fragile states has been held back by broader governance issues. The story of the FTI's engagement with fragile states is both a story in its own right and a case study of how issues are raised, discussed and dealt with (or not) by the FTI. It therefore illustrates some of the key governance issues affecting the Partnership which are raised more broadly in the evaluation's main report. As a result, a lot depends on the ongoing governance reforms, which aim to produce an FTI that is fit for purpose. As a critical part of this, the FTI's governance reforms will need to address the specific requirements to enable the FTI to take on the complex, nuanced and highly varied agenda of fragile states.

### **Capacity and incentives**

H20. As a result of the "organic evolution" approach used by the FTI, decisions made and approaches taken in the past are easily forgotten as those sitting at the decision-making table struggle to hold together the richness of the past and all the complexity of the present. The capacity built at some stage in the process of addressing an issue is not always adequately maintained. As the FTI grows in scope and complexity this is likely to become increasingly problematic.

H21. In this case, one particularly positive element in the "FTI and fragile states" process has been the Fragile States Task Team's association with the INEE working group. This ensured broader than usual representation and inputs into the process, which enriched the Fragile States Task Team's work. However, this did not suffice to bring a prompt resolution to the challenge of working with and for fragile states, precisely because the added capacity was not institutionalised. There seem to be a number of specific capacity and incentive factors behind this, notably:

1. The broader constituency, which was instrumental in conceptualising the FTI approach to fragile states, was eventually not central to the decision-making process. The Secretariat has taken care to protect donor sensitivities, and missed the

opportunity so far of taking the decision about the ETF to the top of Unicef (which support from the experts on the INEE working group might have helped with).

2. The capacity of the partnership to address a challenge of this size is not established, and in particular, the issue of the Secretariat's ability to take on more and more tasks has not been addressed. Currently the Secretariat's size and capacity results in limited support to decision-makers and to partner countries. The fragile states agenda will add a lot of work to the FTI's workplan. Currently, within the Secretariat, work related to Fragile States is covered by the Task Teams Liaison officer<sup>16</sup> with oversight from the deputy head of the Secretariat. Organisations offering expert advice and support feel that focus is lacking and that the Secretariat's capacity to move the agenda forward is restricted.
3. Incentives for the Secretariat may also be mixed, considering the broader issue of its location and link with the World Bank (WB). In turn, the WB may face a conflict of interest – something which was noted by interviewees who had been involved in the negotiations over the ETF – in that the WB may prefer to manage the funds themselves and therefore may be reluctant to see the ETF managed by another organisation (such as Unicef).

H22. These factors, resulting in and combined with the protracted process of establishing and operationalising a "solution" (be it the ETF or an adapted CF process), have led some to wonder whether the FTI's discourse about the importance of fragile states is only rhetoric (see ¶H13). Indeed, the failure of the FTI to "deliver" for fragile states is particularly serious precisely because of the situation of fragility these states are in. The protracted process and numerous hoops that Haiti was forced to go through to receive FTI financing from the Catalytic Fund (see Box H1) is one example of how the FTI's indecision has resulted in high transaction costs for those countries who can least afford them.

H23. Working with fragile states will require more of a "safety net" with better and longer term support than is currently provided to countries on the pathway to endorsement.<sup>17</sup> This is acknowledged by those involved in the fragile states task team and by the Progressive Framework which talks about "balancing short-term service delivery with longer-term reconstruction/institution-building" (FTI 2008c p3) that capacity development is a major concern in fragile states. This is highlighted by the Progressive Framework: "commitment to capacity building at national, regional and community levels" (ibid) as one of its main priorities. Many interviewees spoke of the need for a more proactive and technically equipped Secretariat. However, other issues raised above and, in particular, the issue of conflicting incentives for the World Bank, also need to be addressed – ideally ahead of a final decision about the ETF.

### **Institutional identity and decision-making in change processes**

H24. Another broader issue inherent to the FTI is highlighted by the way in which the FTI has developed the idea of providing funding to fragile states.<sup>18</sup> That is, whilst the FTI defines itself as a partnership, its institutional identity is unclear. Thus in this case, when the FTI went into negotiations with Unicef about the starting up of the ETF, the FTI spoke with many voices and there was no well-planned and coherent high-level dialogue. As one interviewee put it, had high-level World Bank staff sat down with high-level Unicef staff, resolution around

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<sup>16</sup> Recently promoted to Education Specialist.

<sup>17</sup> "Engaging with fragile states should be seen as a long term commitment, even more so than in less fragile contexts. At the moment FTI is not really equipped for this." (Dom 2009a p30)

<sup>18</sup> This came out strongly in the interviews carried out for this evaluation both explicitly and implicitly.

the ETF would have been achieved far more quickly and perhaps differently. However, the FTI is not, in practice, an independent entity: high level action depends on its partners' priorities, and this makes change difficult.

H25. A related issue is that the process of bringing about change is not systematically thought through. Some of those interviewed admitted that they had not been surprised by the "setback" of Unicef withdrawing from negotiations on the ETF, implying that it could have been predicted – yet this was not actually anticipated. This suggests the need for further internal reflection by the FTI as to what works in terms of its processes for taking forward new ideas and issues in order that they may be refined: this idea is picked up further in [Annex B](#) on governance. The current process for dealing with issues within the FTI is dependent upon the strength of feeling and resultant action by task team members. In this case, the Fragile States Task Team managed to raise the profile of fragile states and produce an FTI "theory" on engagement with them. The Fragile States Task Team was then disbanded, leaving Unicef to design the ETF. This was a decision which seems to have occurred for no other reason than because it had been previously agreed to disband the Task Team once the partnership had agreed on a broad approach. With hindsight it might have been a good idea for the Fragile States Task Team to continue supporting Unicef in the design process and to lead on the current re-design of options.

### Implementing change

H26. The "FTI and fragile states" process also provides examples of difficulties faced more broadly by the FTI partnership when it comes to implementing policy or change. An earlier example is that of the Indicative Framework. Country case studies for this evaluation have shown that the use of the Indicative Framework at country level has been patchy and less than was originally intended by the FTI (see [Annex C](#)). There is a risk that such inconsistent application may also occur with the Progressive Framework, for similar reasons that can be summarised as lack of planning for implementation and monitoring (see [Annex F](#)).

H27. The analysis of the related documentation and discussion about the ETF confirms that the Progressive Framework was increasingly left out of discussions. While the Progressive Framework features in the Fragile States Task Team's technical notes preceding the ETF discussions, the concept note presented by Unicef at the Steering Committee meeting in Copenhagen did not mention it or its guidelines. The reasons for this "oversight" have not been stated, but there seems to have been a lack of incentive to move forward with the Progressive Framework in spite of its having been endorsed by the FTI partnership and, as noted above, its being seen as a useful approach.<sup>19</sup>

H28. This may have arisen from lack of a clear signal about the importance of the Progressive Framework as the approved FTI methodology – in the same way as occurred with the Indicative Framework. Indeed, despite buy-in and endorsement "in principle", the Progressive Framework and its guidelines have not been officially piloted or given to countries with an interest in developing an Education Sector Plan. Furthermore there seems to be no timeline owned by the Secretariat for rolling out these tools, and no clear allocation of responsibilities for doing so.<sup>20</sup>

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<sup>19</sup> The PF is seen as more process oriented and in this sense, better suited to countries "transitioning away" from fragility. As discussed below in Section E, there may be a need to further refine it to make sure that it does not become in turn a blueprint too rigid for some contexts.

<sup>20</sup> The Progressive Framework has never been used and has been dormant since the idea to open up the CF was rejected by the CF Committee in 2007. When the idea of creating an ETF in conjunction with Unicef was put forward the finalisation and dissemination of the Progressive Framework was tasked to the INEE Education and Fragility working group. Delays on the ETF have delayed progress [...footnote continues on next page...]

H29. This is linked to yet another implementation problem felt across the FTI: that moving beyond theoretical discussions seems to be difficult. In this case, whilst a great deal of time and energy has been spent in discussions on the theory of the FTI working in fragile states, and this theory has been developed through the production of the Progressive Framework, far less time and effort has been focused upon trying to understand what was/is happening in the countries for which the Progressive Framework was being developed. This reflects two interlinked features of the way the FTI works more broadly. First, there is no systematic process of learning lessons from country processes, which would feed into global level reform processes (see [Annex F](#)). Second, in the way the FTI has engaged thus far with the countries that it supports it has paid only limited attention to the downstream processes of actually delivering education services and managing them. Yet an engagement with the detail of implementation will be particularly pertinent in fragile states, due to the specific needs in such contexts. These include the need to link service delivery and capacity and institution building needs, the importance of the country's political economy around service delivery and the need for a long term commitment.

## **E. Issues facing the FTI concerning fragile states**

H30. There are a number of issues to be addressed for the FTI to be able to move forward and operationalise the Progressive Framework effectively. In general, the strategic issues highlighted in the evaluation team's Fragile States Working Paper (Dom 2009a) remain relevant. This section revisits these issues in light of recent developments and of the broader findings of the evaluation. The analysis focuses on two main questions that the partnership needs to address: (a) what to support, and (b) how. The section then discusses the critical issue of the contradictory incentives faced by the FTI donors. Finally it highlights a number of questions that the partnership has to address, related to the process of moving toward an approach for engagement with the fragile states. In the same way as for the governance issues discussed above, practically all issues discussed below have relevance for the FTI beyond the "fragile states" agenda. This is picked up briefly here, and further elaborated in the main report.

### **Are fragile states still a priority for the FTI?**

H31. Amongst those who were involved in the Fragile States Task Team there is consensus that the FTI needs to engage with fragile states if it hopes to have an impact on the Education For All (EFA) goals. This group holds that fragile states need top priority within the FTI due to their weak local capacity and often large population of out-of-school children. However, amongst the broader group of stakeholders interviewed for the evaluation, whilst fragile states were seen as important, some expressed concerns about the capacity of the FTI to take on this significant portfolio. Others felt that "fragile states" were already involved in the FTI and receiving funding (e.g. Sierra Leone, Haiti) and so perhaps the focus should not be on a new fund for them but on supporting them further in the current endorsement process through the EPDF and an enlarged Secretariat.

H32. This suggests that there continues to be no unanimity on the extent and the form of the engagement that the FTI should and/or could have with "fragile states". The recent decision by the Board to move ahead may be a signal that, despite this lack of agreement, the FTI will prioritise fragile states. However, by itself this decision does not address legitimate concerns about the key capacities that an FTI funding mechanism for fragile

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by the working group (email from Secretariat, August 2009). It now is not clear that the INEE working group continues to have the same responsibility with regard to the PF whilst the Secretariat is tasked with operationalising the "adapted CF" approach recently vetted by the Board.

states should possess. Box H4 below pulls together some of the key capacities that different stakeholders outlined in interviews with the evaluation team.

#### **Box H4 Key capacities of an FTI funding mechanism for fragile states**

The following essentials were drawn out of this evaluation's interviews with various stakeholders:

##### **Donors:**

- Accountability and reporting at a level that assures us that we are making an impact – significant pressure at home for donor agencies to show results.
- Fast and flexible funding.
- A mechanism that allows use of existing or simplified procurement processes so as not to overburden fragile states.
- A joint donor fund that reduces perceived risk and therefore helps make the case for funding internally within donor agencies.

##### **CSOs:**

- A funding mechanism that is fast and flexible without onerous procurement procedures.<sup>21</sup>
- Involvement of CSOs on the funding committee.
- Need for a presence on the ground in terms of the implementing entity – Unicef was a good option due to its presence at country level.

##### **Partner countries:**

- Need a source of funding that will really bring about long term impact i.e. not just text books.
- Funds that are flexible and reliable to support recurrent costs – where modalities that achieve flexibility are already in place, partners would like the FTI to build on this so as not to undermine in-country alignment.
- Funding we can rely on even in the midst of political turmoil.

H33. Among the issues highlighted in Box H4, it is striking how "flexibility" is a key feature for all stakeholders. Indeed as highlighted in the Evaluation Team's Working Paper (Dom 2009a), fragility is multi-faceted and multi-level. It is a dynamic process as countries transition in and out of fragility. One major aspect of the challenge for the FTI is to wrestle with this complexity, and respond *flexibly* to the very wide range of contexts covered by the term "fragility". The Progressive Framework has been developed precisely to that effect. However, as highlighted above, there needs to be much more clarity about its importance and exactly how it will be operationalised.<sup>22</sup> This requires consistency in terminology to start with, and clarification of responsibilities.<sup>23</sup>

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<sup>21</sup> For a number of interviewees this was synonymous with not being located in the WB. This is further discussed below.

<sup>22</sup> Important clarifications should include: a tighter definition of the term "donor decision group", how it would be decided which donors would be included, and what decision-making criteria they would use to endorse the country's interim strategy hence deciding on its eligibility for financing.

<sup>23</sup> For example currently, just looking at the limited agenda of further developing and exploring options as decided by the Board, and piloting the Progressive Framework as had been previously decided, responsibilities need to be clear between the FTIS, the small Task Team recently re-established, the INEE working group, the WB, and, arguably, Unicef, in so far as the option of using the existing TF remains. These various structures need to work closely together.

H34. More fundamentally there needs to be greater clarity about the question of where (for which countries) the Progressive Framework can or should be applied, and what the implications are in terms of additional resources required. Currently, the use of the Progressive Framework is linked to a country's inability to develop "a comprehensive sector plan" (see Box H2 above). Such a broad criterion recognises that all countries, even those that are not able to write fully-fledged credible strategic plans, still need resources to implement first priorities. This marks a strategic shift for the FTI and has two major implications which need to be unpacked and consciously addressed. First, there needs to be a comprehensive strategy of *what* the FTI will support, for all countries. The question here is how the FTI frameworks (Progressive and Indicative) fit together. Second, considering that a much larger number of countries will be potentially eligible for FTI programme funding, there needs to be a worked-through plan of how additional resources will be mobilised, and how FTI resources will be allocated across all countries, and channelled to them.

H35. The issue of resource mobilisation is discussed at length elsewhere and this Annex does not repeat the discussion here. The other two issues are discussed in turn below. However, this Annex does not seek to provide solutions and answers, because solutions and answers for "FTI and fragile states" should not (no longer) be seen in isolation. Instead this section builds the background case for the recommendations within the main text of this report.

### **The FTI's response to complexity in "fragile states" and others: what to support?**

H36. On the "what to support" question, the current process offers an opportunity to carefully review the Progressive Framework and the articulation between the Progressive Framework and the Indicative Framework. As is further explained in the synthesis report, the Evaluation Team suggests that the Progressive Framework should in fact be used across the board – that is, for all countries – as a way of making more adaptable the process of accessing FTI funds and as part of this, address the needs of various types of fragile situations. Moreover, in rolling out the Progressive Framework (whether across the board or more narrowly) there is a need to ensure that it is not, in turn, transformed into a blueprint that will not be sufficiently adaptable to the wide variety of contexts in which the FTI partnership wishes to engage (through e.g. insisting on the elaboration of strategies addressing roots causes of fragility whilst this may take a lot longer than identifying first order priorities that the FTI could effectively support in the meantime).

H37. This also has implications with regard to the focus of the FTI across the EFA goals. Today the assumption is that all countries could start with the Progressive Framework and move over time, towards the Indicative Framework. This is expected to allow frank and transparent discussions on strategic choices. However, there is some debate as to how robust the Indicative framework is (this is discussed in detail in [Annex C](#)). Moreover the FTI's predominant focus on UPC may also be problematic, particularly in post-conflict settings where there is often a great need to focus on secondary education and the needs of large numbers of unschooled youth and adults.<sup>24</sup>

H38. Indeed, the relevance of broadening the scope of the FTI to include other EFA goals more generally is something that the FTI is still wrestling with. Although there are countries in which the CF funds finance activities outside the usual focus on primary education<sup>25</sup> and

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<sup>24</sup> The Progressive Framework does indeed recognise that interim strategies in fragile states may need to reach beyond primary education and focus upon "out-of-school youth, IDPs, former gang, militia or combatants" (FTI 2008c p8).

<sup>25</sup> For example in Moldova funding from the CF was spent exclusively on pre-primary education. In Ethiopia the CF funding will finance activities in primary and secondary education.

there have been discussions at global level on the scope of FTI support,<sup>26</sup> no official change in policy has been made. These discussions are vital for the effectiveness of the FTI in fragile states.<sup>27</sup> Yet they have not been directly linked to the work of the Fragile States Task Team nor discussed within the context of the agenda for fragile states. That the Progressive Framework has already stretched the scope of the FTI seems to have gone un-noticed, formally, by the partnership. This uncertainty must be addressed. For this, attention needs to be refocused on the "what to finance" (in fragile states and more broadly as discussed here): this is an issue which seems to have dropped off the agenda of the recent discussions, which have focused exclusively and arguably too narrowly on the question of "how to finance fragile states?"

H39. In refocusing on the "what", the FTI partnership must consider how fragility is often linked to particularly difficult issues of equity and inclusion. Work on fragile states therefore needs to be much more clearly linked to the ongoing work on equity and inclusion, notably by the FTI Secretariat<sup>28</sup> and by the working group brought together by UNGEI. For instance, it seems a missed opportunity that the equity framework produced by the working group and recently piloted in three countries is not mentioned in the Secretariat's recent proposal related to fragile states. Also, the PF provides some initial thinking about "interim strategies" that might not cover whole countries, which could be further unpacked in relation to the work on equity and exclusion.

H40. In this context, as noted in the Evaluation Team's fragile states Working Paper, greater attention ought to be paid to the political economy around the provision of basic services in fragile contexts. Indeed, the lack of political will or under-prioritisation of the provision of education in the broader political economy of the state (re-)building process are key challenges that need to be tackled sensitively – in all countries but particularly in fragile contexts. As the FTI proactively seeks to work with fragile states it will inevitably have to engage more with these issues. Donors and the Secretariat need to think through carefully how and with what capacity they will position themselves for these more political discussions as such issues go beyond the fragile states agenda.

### **The FTI and fragile states: How to support them?**

H41. The evaluation Working Paper (Dom 2009a) suggests that in its decision about how to support fragile states, the FTI should be taking a "do no harm"<sup>29</sup> approach and should be avoiding further fragmentation of decision-making about aid allocations. This, it was noted, would be key to effective support of a smooth transition from interim to fuller strategies (as per the Progressive Framework). In this respect the recent decision by the Board to task the FTI Secretariat to operationalise an "adapted CF approach" may be seen as a positive

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<sup>26</sup> At the FTI meetings in Copenhagen in April 2009, Denmark presented a paper on the scope of the FTI which proposed that the FTI "adopt a whole sector approach...where the entire national education sector plan, at all levels, may be supported in terms of capacity development, guidelines and financing eligibility" (FTI 2009d). The Netherlands have for some time been of the opinion that, the partnership should focus on "education for development" rather than education for the sake of education and that therefore the scope should be broadened (FTI 2008c).

<sup>27</sup> This is acknowledged in the Progressive Framework which has as one of its underlying principles "commitment to a balanced system-wide development, inclusive of multi-sectoral priorities and strategies" (FTI 2008c p3). It is also highlighted in the literature reviewed in the fragile states working paper which highlights "the importance of thinking about secondary education and the needs of large numbers of un-schooled youth and adults who need to acquire some form of skills" (Dom 2009a p34).

<sup>28</sup> See "Reaching out to out-of school children: putting inclusive education on the Fast Track" (FTI 2009b) which lays out the FTI's proposed strategy for moving forward in this area.

<sup>29</sup> One of the OECD DAC 12 principles for good engagement in fragile states and situations (OECD 2007).

move. However, the feasibility of this option has yet to be demonstrated and in this, the issues of (a) how the partnership will prioritise the allocation of limited (CF) resources and (b) what funding modalities are available, will be crucial – this (the "how" question) is discussed below. Moreover, other issues need to be addressed, notably, that of the role, location, management and separateness of the EPDF.

H42. **Approach to resource allocation and prioritisation:** Questions of prioritisation in resource allocation are always complex and become even more so when it comes to fragile states. The fragile states literature highlights that consideration can be given to performance (with funding rewarding good performers), needs (arising from the rights based approach, funding commensurate to needs), and "state-building" (i.e. funding allocations should encourage state-building and ensure that root causes of fragility are addressed). The question of how the FTI will reconcile the tension between these approaches to prioritisation is vital for its effectiveness in supporting fragile states. The FTI also needs to realise that the approach it chooses will impact its strategic mission as a whole, hence the way the FTI defines itself. In any event, the FTI partners need to recognise that supporting education in more fragile contexts will mean engaging patiently with countries where the balance between needs and performance is quite different from most of the countries that the FTI has already endorsed.

H43. **Linking capacity development and addressing first "needs on the ground":** the literature on fragile contexts prioritises urgent service delivery needs to be pursued simultaneously with long term capacity and institution building needs (Dom 2009a, Dom 2009b). In theory the Progressive Framework provides for this. However, there is a need to go beyond theory and focus upon how support for programming and implementation can be linked up with capacity building support in the practice of the FTI (including in financial terms). The FTI is currently designing a number of new processes including the EPDF II, the "adapted CF", and other options for "fragile states". It is critical that in doing so, the partnership consciously builds increased linkages between capacity development and actual service delivery. This may mean reviewing the relevance of the separate decision-making process for the EPDF. The main report of this evaluation argues strongly for a more integrated approach.

H44. **Aid modalities:** The Working Paper also noted that the selection and design of aid modalities to distribute aid in fragile contexts is crucial. The "adapted CF" approach raises starkly the challenge of making sure that a much broader range of options with regard to aid modalities will be available than is currently the case. As noted by several stakeholders, the WB modalities are not appropriate in some contexts. The decision by the Board (FTI 2009f)<sup>30</sup> to continue to explore other options seems to recognise this, as does the greater emphasis being put on the possibility of appointing different supervising entities in different countries. However, operationalising these possibilities will require time and careful thinking – and there is at this stage, limited experience in the use of alternative supervising entities. It is also important that during the process of thinking these options through, clear links are made with existing FTI guidance (such as the "Country Process Guidelines" (FTI 2009a) and the "EFA-FTI Modality Guidelines" (FTI 2008h) and/or that these are promptly adapted as required – so that the whole process of engaging with the FTI is clarified.

H45. In future discussions, particular attention will need to be paid to the possibility of using FTI funds to finance recurrent expenditures in a predictable way that does not undermine country systems. Recurrent costs tend to be a priority in fragile contexts, especially during the stages of post-conflict reconstruction. However, projectised modalities are encouraged in more difficult contexts making the funding of recurrent costs extremely

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<sup>30</sup> Board Meeting, 10th September 2009.

difficult.<sup>31</sup> As country stakeholders anticipate that requests to use FTI funding for recurrent costs would be turned down and/or would be far more complex to put in place, they change priorities so as to accommodate the available modalities.<sup>32</sup>

H46. There have also been questions as to whether the option of a fund hosted by Unicef should not remain a possibility. Most of the stakeholders interviewed felt that it would be impossible to re-open negotiations with Unicef within the desired timeframe. Therefore new suggestions were made as to other organisations that could possibly fulfil the same role. However, there were some key players who felt that if discussions were restarted at a higher level and if the donors reduced their demands for Unicef to shoulder all of the financial accountability, a way ahead with Unicef involvement would be feasible and desirable.

### **Donor incentives**

H47. There is an inherent contradiction amongst donors between wanting to work in difficult environments and yet, expecting that fiduciary standards will be such that risks can be mitigated to the same level as in less difficult contexts. Whilst it is encouraging that some stakeholders might be ready to see this contradiction and agree that a higher level of residual risk needs to be accepted, it is far from clear that all in the partnership would admit to it, let alone that a resolution will be found in the near future. This issue is likely to persist for all the options evoked above – bar the existing Transition Fund which can continue operating as it has been doing for the past few years. The possibility of building upon the current Netherlands/EC Transition Fund was indeed raised as a solution which would allow funding to fragile states to continue to be disbursed whilst the details from an FTI perspective were finalised – but it does not seem to have been explicitly recognised by the Board in its September 2009 meeting.

H48. More generally there is potential for a huge inherent contradiction on the part of donors, in the way they look at "accountability for results" in fragile contexts. Some are keen to support fragile states whilst at the same time pushing for even more accountability and evidence of impact – presumably as another way of mitigating risks. Yet fragile states, due to their nature, are likely to be contexts in which making an impact will take a long time, systematic monitoring will be more complex to organise and short term results will be difficult to demonstrate. In fragile states "quick wins" may not be easy to measure and report, and making a significant long term difference to getting more children into school and keeping them there will inevitably demand more than any "quick wins" strategy can deliver. Donors that wish to work and engage in fragile contexts do need to accept to start with the trust gap will be larger and the risk greater. Although an obvious point this led to the unravelling of the FTI's previous effort at establishing the Education Transition Fund (see ¶H14–H15 above).

H49. A related point is that long term commitment is vital when engaging with fragile states. Currently the FTI is not equipped for this. Working successfully in fragile contexts will require a step-change in the FTI's ways of working, so that long-term engagement becomes the norm rather than the exception or the result of decisions reluctantly made when confronted with evidence that short-term support is not sufficient.

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<sup>31</sup> Appendix III shows that currently, modalities other than budget support are used for the majority of FTI countries that are "fragile".

<sup>32</sup> This was clear, for instance in the preliminary discussions between the FTI Secretariat and DRC (Aug-Sep 2009).

## Process issues

H50. **Time pressure:** The discussions on how the FTI can fund fragile states were initiated in 2005, and were ramped up in 2007. Throughout this period and to this day there are countries that have been waiting for the ETF and have pressing funding needs.<sup>33</sup> Not only is the FTI losing legitimacy externally due to the length of time during which the ETF has been "imminent", but if a "solution for fragile states" is to make an impact on the MDGs, time is running out before 2015.<sup>34</sup> There is a risk that donors will lose patience and will decide to channel funding through alternative mechanisms if progress is not made.<sup>35</sup>

H51. **How inclusive should the process be for moving forward?** Those involved in the Fragile States Task Team and the INEE working group spoke highly of the discussions that the FTI had enabled, and CSOs appreciated the opportunity to contribute, if indirectly. However, CSOs felt left out of the more recent discussions. Broad membership in the structures that will now take the "FTI and fragile states" process forward would seem appropriate, including CSOs with experience in fragile states and Southern government representation. This could better address the variety and complexity of the contexts being considered and would bring greater realism and practicality about implementation to the discussions. More generally, ensuring diversity in the process of development of new initiatives also fits with the new vision for the partnership's governance. At the same time, the above clearly shows the importance of ensuring coherence at a number of levels (among others, in taking forward the "what to support" and "how to support" questions raised above which go beyond the fragile states agenda hence coherence between this agenda and that of the FTI as a whole; and also, coherence in the way different organisations will work on different parts of these agendas. The role of the Board in maintaining coherence will be crucial.

H52. **Does a complete plan have to be developed before the fund is rolled out?** Since its launch the FTI has developed many of its ideas and ways of operating in an organic manner. Whilst some of those interviewed felt this would be an acceptable way in which to proceed with the fragile states agenda, other interviewees felt strongly that in countries where risks are higher it is vital to have a clear way of working laid out. They felt that carefully thought-through strategies and funding mechanisms would make a significant difference to both ease of disbursement and impact in fragile states. In any case it is critical that there should be clear communication about (a) the process itself; (b) the options available today; (c) those being envisaged; and (d) a realistic timeframe for their development.

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<sup>33</sup> Indeed while Haiti and CAR finally got access to funding, there has not yet been a "solution" for Sudan and Chad, to name but a few.

<sup>34</sup> This was a point raised forcefully in interviews, as already noted above.

<sup>35</sup> To an extent this has already happened: the Netherlands set up the Transition Programme and have now been joined by the European Commission in providing funding to fragile states through Unicef.

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