



Australian Government
AusAID

Education

ANNUAL THEMATIC PERFORMANCE REPORT 2006–07

FEBRUARY 2008

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For more information about the Australian overseas aid program, contact:

Public Affairs Group

AusAID

GPO Box 887

Canberra ACT 2601

Phone (02) 6206 4000

Facsimile (02) 6206 4695

Internet www.ausaid.gov.au

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Preface

Annual thematic performance reports are among the major new performance assessment mechanisms introduced by AusAID.

Starting in 2007, AusAID will produce an *Annual review of development effectiveness*, informed by annual program performance updates for country and regional programs, and for key sectors and themes.

The purpose of the annual thematic performance reports is to describe progress against The Australian aid program's policy objectives (including regional progress on the Millennium Development Goals), to identify current challenges in aid delivery and to highlight lessons to inform future investments.

The annual thematic performance reports aim to highlight key issues in aid delivery, focusing on the past 12–18 months, rather than to present a comprehensive analysis of all activities.

Four annual thematic performance reports were produced for 2006–07: on health, education, gender equality and economic governance. As this year was a pilot, these four reports are all structured slightly differently.

The four reports were prepared by the relevant thematic group within AusAID, under the leadership of the relevant adviser for that thematic area. The reports were all peer reviewed by a combination of internal and external experts.

This report outlines the performance of Australian official development assistance in the education sector. It aims to evaluate progress towards key education policy objectives, particularly improving access to quality basic education across Asia and the Pacific. It also reports on progress in the region towards achieving the *Education for all* goals and improving education service delivery and governance. More effective ways of delivering education assistance and key lessons to inform future investments are highlighted. The *Education annual thematic performance report* is primarily concerned with aid targeted at improving education, particularly schooling, in partner countries. It does not include an assessment of Australian Scholarships or the new Australia–Pacific Technical College.

Summary

Despite considerable progress over recent years, many countries in the Asia–Pacific face significant challenges in achieving global *Education for all* goals, including the Millennium Development Goals of universal primary education and gender equity in schooling. While most children in the region enrol in primary school, children with disabilities and those from minority and remote communities are typically poorly served, progression to higher levels of education is often low, and the quality of education provided is sometimes extremely weak.

In 2006–07, Australian official development assistance to education in partner countries in the region totalled around \$200 million. While aid from Australia and other donors is typically only a small proportion of the resources available to education in each country, Australia’s investment can help to stimulate key reforms that will enable more children to attend school and will improve the quality of education that they receive. Australian aid is therefore allocated strategically to meet the immediate need in the country and to use opportunities for Australia to make an effective contribution, taking into account how well foreign assistance can be absorbed, assistance from other donors and Australian comparative advantages.

Australian aid to education is targeted to improve both the delivery of education services and the governance of the education sector. Training teachers, reforming the school curriculum, building infrastructure and improving school management all make immediate improvements to the delivery of education services, and Australian activities in these areas have delivered impressive results. But the greatest long-term impact comes from systemic improvements in the governance of education systems – ensuring that teachers are effectively deployed, that curriculum materials are made available to all students every year, that infrastructure is maintained, and that schools are able to respond to changing circumstances. Improvements in governance are inevitably slow and incremental; it is often difficult to identify demonstrable impacts from AusAID programs to build the capacity of partner governments in education.

Drawing on AusAID country program reports, it is estimated that in 2006–07 Australian education programs across the region helped to increase the number of children in school by a total of around 0.6 million, and to improve the quality of education for almost 5.5 million children. While improvements in aid effectiveness will be required in future years to meet Australia’s aims of increasing access for an additional 10 million children and improving quality for 50 million children, the results from 2006–07 suggest that these aims will be testing but achievable.

Australian education programs in partner countries are making considerable progress in improving aid effectiveness through greater harmonisation with other donors and alignment with partner government systems. In a number of partner countries AusAID is taking a leading role in the establishment of improved ways of working.

In future years, AusAID will continue to strengthen aid effectiveness in education by focusing on the performance orientation of education programs, aid delivery mechanisms, information systems, and AusAID capacity development. These changes are expected to lead to greater impact, especially in the area of improving education governance.

1 The state of the education sector in the Asia–Pacific

Obtaining a clear picture of progress in education in Asia and the Pacific is hindered by the limited availability of reliable data for many countries in the region. Except where otherwise stated, all data in this report are drawn from UNESCO's 2007 *Education for all – global monitoring report* or AusAID program reports. Both sources rely on data provided by national governments, which can be inaccurate, incomplete or out of date. For this reason, it is important that all figures presented in this report be treated as indicative only and interpreted with caution.

Over the past few decades, most countries in Asia and the Pacific have made substantial progress on their commitments to provide all children with at least a basic education. Governments have invested increasing resources in education, acknowledging the fundamental role that an educated population plays in long-term economic growth and poverty reduction and in improvements in such areas as health, including in the fight against HIV/AIDS. The impact of these efforts is illustrated in Figure 1 (p 8) by the increase in literacy rates across the region.

Most children in the region now have the opportunity to go to school, at least at the primary level. With the exception of Papua New Guinea (PNG) and Solomon Islands, primary enrolment rates are well over 90 per cent in East Asia and the Pacific, and around 82 per cent in South and West Asia. National averages can mask significant inequalities within countries, however, and children with disabilities and those from minority ethnic groups and remote communities usually have less access to school. Opportunities to advance to higher levels of education are often also limited. Progression rates from primary to secondary school are 68 per cent in the Pacific and only 45 per cent in South and West Asia.

Many children who enrol in school drop out before completing their education. In PNG and Pakistan, around half of all children fail to complete primary school; in Laos and Burma the attrition rate is one-third. Across the region, non-enrolments and dropouts combined leave 16 million girls and 10 million boys out of school.

In Bangladesh, around 13 per cent of children never enrol in school, another 37 per cent drop out before completing their studies and, of those who complete Grade 5, fewer than half reach their expected standards of achievement.

This means that less than one-quarter of all children in the country complete primary school with the competencies that they should have gained.

A substantial proportion of children in school receive poor quality education and fail to acquire essential skills. In some countries, even completion of primary school does not guarantee that a child can read and write. In the Philippines, of the 94 per cent of children who attend primary school, only 57 per cent master basic literacy and numeracy.

Although the Millennium Development Goal of gender equity in education by 2005 was not achieved, there has been an improvement in gender parity in school enrolments, with the ratio of girls to boys increasing from 86 per cent in 1991 to 95 per cent in 2004. Some progress has also been made towards broader gender

Figure 1 Growth in literacy across the Asia-Pacific region, 1990 to 2004



equality, although in some countries textbooks still promote negative gender stereotypes, poor infrastructure discourages girls from attending school, and women are still underrepresented in education management and administration.

Disease and malnutrition reduce the availability of education and the ability of children to learn while at school. The HIV/AIDS epidemic poses an extremely serious threat to education both through its impact on teaching workforces and because it forces large numbers of children, most often girls, to drop out of school to care for family members. In Asia and the Pacific, countries at particular risk include Cambodia, PNG and Indonesia.

Countries across Asia and the Pacific are committed to achieving the six internationally agreed *Education for all* goals, which include the two Millennium Development Goals of universal primary education and gender equity in schooling, as shown in Box 1.

Box 1 International education goals

Millennium Development Goals

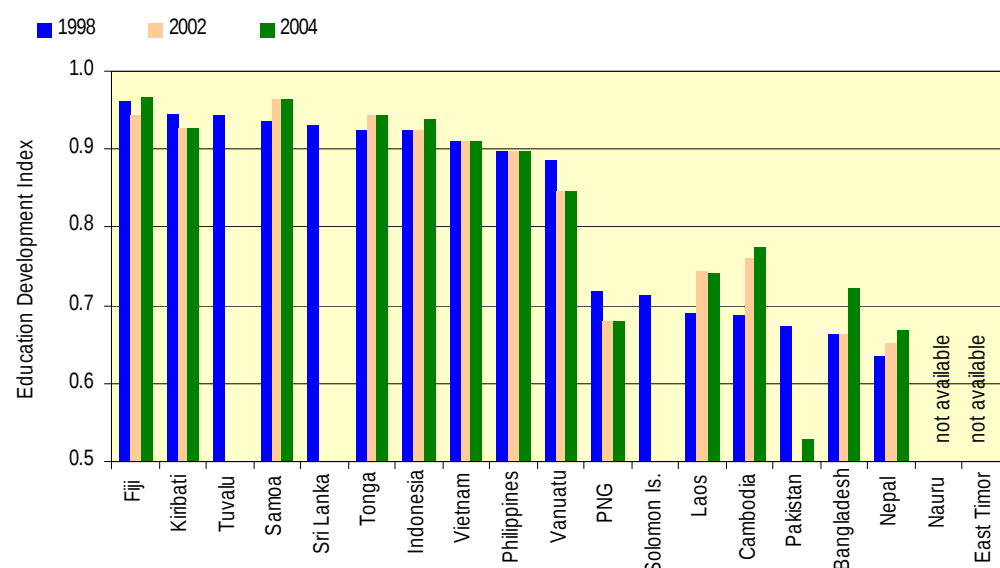
- > Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.
- > Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.

***Education for all* goals**

- > Expand and improve comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children.
- > Ensure that by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have access to and complete, free and compulsory primary education of good quality.
- > Ensure that the learning needs of all young people and adults are met through equitable access to appropriate learning and life-skills programs.
- > Achieve a 50 per cent improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults.
- > Eliminate gender disparities in primary and secondary education by 2005, and achieve gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality.
- > Improve all aspects of the quality of education and ensure excellence of all so that recognized and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills.

Progress towards the *Education for all* goals can be roughly assessed using an Education Development Index. The values of this index for a selection of countries in Asia and the Pacific are shown in Figure 2.

Figure 2 Progress towards education goals (Education Development Index)



Note: The Education Development Index is a measure of progress towards the international *Education for all* goals, and is a composite indicator based on the net enrolment rate, adult literacy rate, gender parity indices and survival rate to Grade 5.

Source: Based on research commissioned by AusAID, drawing on UNESCO's 2006 and 2007 *Education for all – global monitoring report* and containing some estimates derived from trend data.

While these figures are based on relatively unreliable data and need to be treated with caution, they largely confirm more detailed assessments of progress across the region. Countries such as Indonesia, the Philippines and Samoa have made the greatest advances in education, although progress has tended to stall in recent years, often as a result of the greater cost and complexity of extending schooling to the final 5–10 per cent of hard-to-reach children. Countries such as PNG and Pakistan face the greatest challenges and have made more limited progress. Serious weaknesses in several of Australia's partner countries, particularly in the Pacific, are also revealed by their inability to provide even the basic data for this index.

2 Progress against Australia's policy objectives

2.1 AUSTRALIA'S AID EXPENDITURE IN THE EDUCATION SECTOR

AusAID's objective for the education sector is to assist developing Asia-Pacific countries to reduce poverty and achieve sustainable development by giving more girls and boys in Asia and the Pacific a better education.

The priorities for the Australian aid program are to:

- > improve the functioning of national education systems to enable more girls and boys to complete primary school and progress to higher levels of education
- > improve the relevance and quality of education, including in vocational and technical education, so that students acquire the knowledge and skills necessary for life and productive employment.

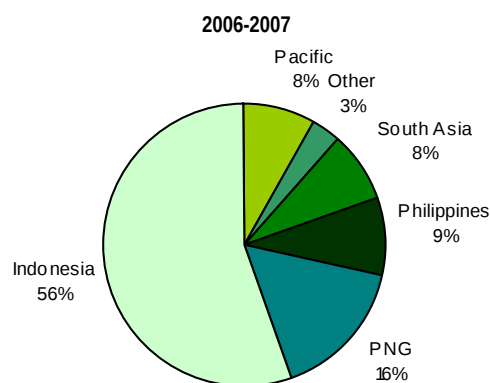
In 2006–07 Australian official development assistance to education in partner countries totalled around \$190 million.¹ An estimated 24 per cent was spent on strengthening education governance and sector-wide activities; around 28 per cent was targeted to basic education; 4 per cent to secondary education; and 19 per cent to vocational education and training.²

Australia's largest aid partner in the sector was Indonesia, receiving over \$100 million in education assistance. Around \$82 million of this was for new activities under the Australia–Indonesia Program for Reconstruction and Development following the 2004 Indian Ocean tsunami, including significant school construction. The distribution of Australian aid for education is shown in Figure 3. PNG receives \$29 million and the Philippines \$16 million.

Australia also provided \$8 million for the Australia–Pacific Technical College and around 1900 scholarships for tertiary students in the region.

Technical assistance constituted a significant proportion of aid to education in some countries: 65 per cent in Fiji; and over 25 per cent in

Figure 3 Estimated Australian education ODA by country



Source: AusAID Statistics Unit, 2007.

¹ From provisional data provided by AusAID Statistics Unit.

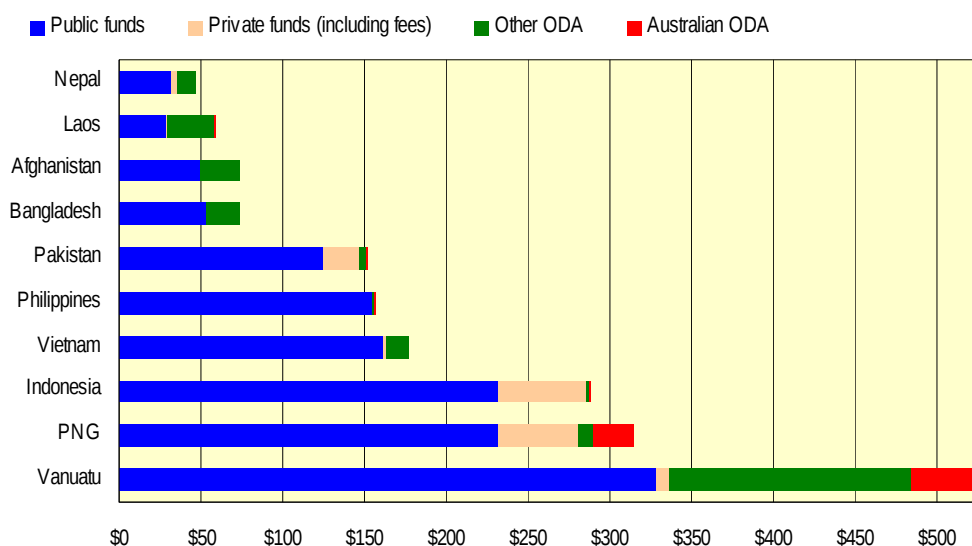
² AusAID 2006/07 Budget Statement analysis across DAC codes in line with the strategic framework of the White Paper.

Indonesia and the Philippines. Much of this technical assistance followed a short-term model with many advisers spending less than a year in country.

Support for education will be expanded across the Asia–Pacific region. The 2007–08 budget announced an additional \$540.3 million over four years for education, starting with \$43.2 million in 2007–08. This additional funding will triple support for the education sector by 2010 from around \$100 million annually. New assistance will be provided to the education sectors of East Timor and South Asia. Major existing programs will be strengthened in Indonesia, the Philippines, PNG and the Pacific. This support will help to strengthen national education systems in terms of better governance and improved service delivery, as well as targeting specific education needs such as extended support for Islamic schooling, vocational education and training and development of English language skills.

Australian aid is usually a small proportion of the total financing for education in partner countries. Total expenditure per student (including contributions from public funds, private payments and foreign assistance) are shown in Figure 4 for a selection of countries in Asia and the Pacific. The limited correlation between expenditure per student and progress towards the *Education for all* goals (Figure 1) indicates that many countries are spending money ineffectively and that significant reforms of the education system will be necessary to improve service delivery.

Figure 4 Estimated expenditure per student



Since the vast majority of partner government resources (sometimes over 95 per cent) are assigned to teacher salaries, even relatively small volumes of aid from Australia and other donors can often help to leverage key reforms in the delivery of education. Australian aid is allocated strategically to meet immediate needs in the country and to

maximise the opportunities for Australia to make an effective contribution, taking into account how well foreign assistance can be absorbed, support from other donors and Australian comparative advantages.

- > *Indonesia*, the *Philippines*, *Samoa* and, until recently, *Fiji* are not dependent on foreign assistance and have made good progress in education. In these countries, Australian aid is a small proportion of the total envelope of resources available in the education sector, and is most effectively used to support critical improvements, such as promoting a fair allocation of resources to disadvantaged regions (for example, Nusa Tenggara Timur in Indonesia and Mindanao in the Philippines).
- > *Vanuatu*, *Nepal* and *Bangladesh* still require continuing foreign assistance but have been making fair progress in education. Education system reforms are already underway in these countries, and the most effective use of Australian aid is to provide additional resources to increase the speed and scale of planned improvements.
- > *Kiribati*, *Nauru*, *PNG*, *East Timor*, *Pakistan* and *Laos* have been making only moderate progress in education, despite in many cases receiving substantial foreign aid. In these countries, Australian aid is most effectively used to prompt essential reforms in the education system and provide the resources required to carry them through.
- > *Sri Lanka* and *Afghanistan* are suffering serious internal conflicts or political instability. In these countries, Australia provides humanitarian assistance in education through respected international agencies such as UNICEF and CARE.
- > *Vietnam*, *Cambodia*, the *Maldives*, *Tuvalu*, *Tonga*, the *Cook Islands* and *Solomon Islands* receive foreign aid for education from other donor agencies but not currently from Australia. The situation in these countries is kept under constant review, and there may be the need and opportunity for Australia to make a contribution in future.

As AusAID triples its official development assistance for education over the next four years, levels of support to individual partner countries will need to be carefully adjusted to reflect changes in needs and opportunities for Australian aid

2.2 ACHIEVEMENTS

Drawing on AusAID country program reports, broad estimates have been derived for Australia's contributions to increasing the number of children in school and improving the quality of education delivered over the past year. Although these figures must be treated with considerable caution, according to this analysis Australian education programs across the region have contributed in 2006–07 to increasing the number of children in school by a total of around 0.6 million, and to improving the quality of education for almost 5.5 million children. The limited data available do not allow these results to be disaggregated by gender in this first year of thematic performance reporting.

Table 1 summarises the quality ratings of major education aid activities in the implementation stage during 2006–07 in seven key aid partner countries using the AusAID Quality Reporting Tool, which captures information regarding achievement of objectives, implementation progress, monitoring and evaluation and sustainability.

According to these management reports, overall quality scores achieved across the education sector show activities are tracking well, with 95 per cent of activities scoring satisfactorily in terms of achieving objectives and implementation progress, 90 per cent scoring satisfactorily in terms of sustainability, and 70 per cent scoring satisfactorily in terms of monitoring and evaluation. Key findings are summarised in Table 1.

Table 1 Major education activities assessed, 2006–07

	Achieving objectives	Implementation progress	Monitoring and evaluation	Sustainability
% of activities rated satisfactory	95%	95%	70%	90%

Source: AusAID Quality Reporting System, 2007.

The consistency of scores using the Quality Reporting System across different programs is improving, although further progress is required. There still appear to be noticeable discrepancies between the scores provided by different country programs. The scores for activities that more closely resemble traditional stand-alone projects are also appreciably higher than those for activities that are closer to sectoral programs. As AusAID engages in more education sectoral programs, greater efforts will be required to ensure that these meet expected quality standards.

The Australian aid program's education policy commits to 'a dual emphasis on improving the governance of the systems and on strengthening the quality and efficiency of service delivery' (p. 1). The following subsections look at the extent of the achievements of the Australian education aid program in relation to these two goals of improving service delivery and enhancing governance of the education sector.

2.2.1 IMPROVING SERVICE DELIVERY

Australian support for improving the delivery of education services is designed to enhance partner governments' own efforts, and is usually aimed at four key areas: teacher training; curriculum and materials; infrastructure; and school operations.

- > **Supporting teacher training:** properly trained teachers can have an enormous impact on the quality of education, and AusAID has a long history of supporting teacher training. For example, in the Philippines during 2006–07, AusAID provided in-service training for close to 9000 teachers, including 350 Muslim teachers, in the key subject areas of English, mathematics and science, as well as in multigrade teaching. In Laos, AusAID has provided in-service training to over 4000 teachers and pre-service training to nearly 400 ethnic minority teachers, over half of whom are women.

- > **Curriculum and materials:** good textbooks based on a rigorous school curriculum also contribute to improving the quality of education. AusAID provides significant support for curriculum reform and the production of related materials. For example, in PNG AusAID recently helped to complete the reform of the school curriculum and in 2006–07 distributed learning materials to all 4531 elementary, 3273 primary and 183 lower secondary schools in the country, directly benefiting over 1 million students.
- > **School operations:** well-functioning schools increase participation and provide children with a better education. A number of AusAID programs are focused on improving the operation of schools, often within particular localities. For example, in Mindanao and the Visayas in the Philippines, AusAID has been supporting the rollout of school-based management. In 2006, more than 5600 school heads and district supervisors were provided with training that enabled their schools to implement their plans within the allocated resources. In Indonesia's East Nusa Tenggara province, Australia has helped to improve school administration and management through developing district school handbooks, which have allowed over two-thirds of schools in target regions to produce their first school development plans.
- > **Infrastructure:** adequate classroom places and other facilities are essential to increase participation in education. AusAID has supported a wide range of projects to improve essential school infrastructure. For example, in Indonesia, access to school has been increased through the construction of 380 junior secondary schools, including 46 Islamic schools, over the past year – creating an additional 70 000 new school places ready for the 2007 school year. In Kiribati, around 4000 new school places have been added through the construction of seven junior secondary schools.
- > **Re-establishing schools after natural disasters:** Australia has provided rapid support for re-establishing education services after natural disasters, often working with communities, non-government agencies and partner governments. After the Pakistan earthquake, 4800 transitional tent schools were set up to cater for over 427 000 children. Following the Indian Ocean tsunami, as part of the Australia–Indonesia Partnership for Reconstruction and Development, Australia rebuilt 2840 school places in nine schools in Aceh. In response to the 2006 typhoons in the Philippines, AusAID contributed to emergency repair works in the 10 worst-affected schools, benefiting more than 11 000 students.
- > **The promotion of gender equality:** has been successfully integrated into most of AusAID's education activities. Teacher training programs have helped to improve the gender balance in teaching workforces. Curriculum reforms have redressed gender stereotypes in learning materials. Infrastructure programs have helped to encourage more girls into school, for example by providing separate toilet facilities. Women have also been empowered to play a greater role in the management of education, particularly as members of school boards.

AusAID also addresses specific regional needs, including English language education, Islamic schooling and vocational education.

- > **English** is the foremost language for international communication, trade and higher education. Many of AusAID's education programs include activities to improve English teaching in schools, for example by training English language teachers and producing English language textbooks. In Indonesia, AusAID has also supported the popular Radio Kang Guru English program, which broadcasts via 130 radio stations across the nation each week and reaches over 17 000 people through print and electronic media each quarter.
- > **Islamic schools**, including schools in Indonesia, the Philippines, Pakistan and Bangladesh, provide both general and religious education for large numbers of children, and are an important part of national education systems. In Indonesia and the Philippines, AusAID has been supporting Islamic schools to improve the quality of secular subjects in the curriculum. In the Philippines, an AusAID training program in English language, lesson planning and teaching skills for Islamic schools has been adopted as a national prototype by the Department of Education.
- > **Improving vocational and technical training** for young people is essential to improve employment and productivity. AusAID's vocational education programs have focused on adapting and transferring the essential elements of Australia's world-leading system based on demonstrable competencies and led by demand from industry. While these programs have made valuable incremental improvements in the past, broader system reforms have been more elusive and there have been few demonstrable gains in employment or productivity. The lessons learned from earlier activities have been applied in a new vocational education program in Pakistan. By linking support to progress against an agreed set of reforms, AusAID is helping to drive essential changes in the vocational education system while ensuring that Australian aid is only used when it will be effective.

2.2.2 BUILDING GOVERNMENT CAPACITY

AusAID's long-term ambition is for countries in Asia and the Pacific to be able to sustain well-functioning and affordable education systems. While inputs to service delivery produce immediate and often significant benefits, the greatest long-term impact is from systemic improvements in the governance of education – ensuring that teachers are effectively deployed, that curriculum materials are made available to all students every year, that infrastructure is maintained, and that schools are able to respond to changing circumstances, such as population growth and urban migration.

Most AusAID education programs include significant components to build the capacity of partner governments alongside inputs to service delivery. Although ministries of education are typically only one of a number of public and private sector agencies that contribute to education, they are responsible both for establishing the

regulatory environment (such as teacher qualifications) and for the allocation of most of the resources available to the sector. Improvements in governance are inevitably slow and incremental, and primarily rely on partner government commitment and capacity. Accordingly, it is often difficult to identify demonstrable impacts from AusAID programs to build capacity in education.

While most countries in the Pacific allocate well above the international benchmark of 20 per cent of their national budgets to education, allocations across Asia are often much lower. There is little evidence that aid from Australia or other donors has had an influence on partner governments' allocations to education. In the past few years, few of AusAID's partner countries have made any significant change to overall levels of public funding for education, or to the allocation of resources within the sector. In Laos, despite very high levels of foreign assistance, government salaries are still so low and infrequently paid that teachers often cannot afford to be in the classroom. In the Philippines, while AusAID's model for supporting Islamic schools has been officially adopted as a national prototype, this has yet to translate into a change in levels or forms of government support.

Education systems in the Asia-Pacific are encumbered by a variety of inefficiencies, such as large class sizes, low contact hours, delays in disbursements and inequitable distribution of resources. Australian aid has had mixed results in improving the efficiency of partner governments' education systems. Teacher training programs have undoubtedly enhanced the quality of education in many classrooms but have had a negligible influence on teacher deployment. Curriculum reform programs have improved textbooks but have not helped to ensure that they are routinely delivered to students. New schools have been constructed but are often not maintained. School operation programs have made demonstrable enhancements in the way that schools in the target localities are run; however, because of their limited influence on national policy and practices they have rarely had a broader or longer term impact. Even capacity-building programs, which have often made significant improvements in individual work practices, have rarely had demonstrable impacts on the efficiency of education systems. One exception has been an AusAID initiative to cleanse the teacher payroll in PNG, which has resulted in savings of up to \$4 million in public funds every year.

2.3 INCREASING AID EFFECTIVENESS

As AusAID triples its support for education over the next four years, an additional \$540 million will be allocated to supporting education in partner countries. While considerable improvements in aid effectiveness will be required over future years to meet AusAID's aims of increasing access for an additional 10 million children and improving quality for 50 million children, the results from 2006–07 suggest that these aims will be testing but achievable. Annual program monitoring will continue and be

enhanced to track and report progress against these criteria, and will ensure that all data are disaggregated by gender.

In line with the *Paris declaration on aid effectiveness*, AusAID is committed to strengthening harmonisation and alignment by continuing the shift towards broader sectoral programs. The key features of sectoral programs are that they are led by partner governments, inputs from all donors are made against a single prioritised and costed education sector plans, and donors move to greater reliance on partner government systems.

The move to more effective ways of working is strongly influenced by the situation in individual partner countries (especially by the levels of partner government commitment and capacity) and by the policies and practices of other donors.

In countries with strong government-led education programs already underway, such as Indonesia and the Philippines, AusAID has moved quickly over the past year to align support with critical reforms, including a fairer allocation of resources to historically disadvantaged regions.

- > In Indonesia, the school building program under the Australia–Indonesia Partnership for Reconstruction and Development is based on Indonesian Government plans and uses existing processes for contracting. In 2006 a total of \$57 million in grants for school building was disbursed through the Indonesian Treasury, incorporating appropriate safeguards against corruption.
- > In the Philippines, a major new investment in the Philippines Government’s reform program alongside the World Bank has been agreed to build on existing AusAID programs in Mindanao and the Visayas. Australia will put additional effort into ensuring that national and subnational elements of its basic education assistance are mutually reinforcing, so that reforms at the national level are well implemented locally, and successful approaches to implementing change locally are better integrated into improvements to the national system.

In some countries with existing sectoral programs, concerns about financial management and institutional capacity have led Australia to develop complementary strategies for engagement. In Bangladesh, AusAID is currently providing parallel support to the sectoral program through UNICEF and the Bangladesh Rural Advancement Committee (BRAC), a local non-government organisation.

Many of AusAID’s partner countries in the Asia–Pacific region are developing new sectoral programs in education.

- > In Vanuatu and PNG, AusAID played a crucial role in gaining initial government commitments to this new way of working. Officers at post are leading efforts within local donor groups to improve coordination and provide effective support for the establishment of these programs.

- > In East Timor, we have recently formed a partnership with the World Bank to support vocational education and training in line with government plans.
- > In Laos, AusAID is driving an initiative to start to bring donors and the government together to develop a shared plan for supporting education.

Nauru, Kiribati and Pakistan have severe capacity constraints and are not yet in a position to set up harmonised and aligned sectoral programs. Even in these countries, AusAID has made significant advances in coordinating donor assistance. In Kiribati, AusAID and NZAID have been working on a joint program of support.

Following the military coup in Fiji in December 2006, planned moves to a sectoral program in Fiji were put on hold. To avoid hurting the people of Fiji, it is proposed to extend the existing AusAID education program for an additional year at current funding levels.

3 Key lessons

The effectiveness of aid for education needs to improve over the next four years to achieve AusAID's aim of increasing the number of children in school by 10 million and improving the quality of education for 50 million children.

Strengthening aid effectiveness will require a greater focus on the performance orientation of education programs, aid delivery mechanisms and information systems, and on capacity development within AusAID. These changes are expected to lead to greater impact, especially in the area of improving education governance.

3.1 PERFORMANCE ORIENTATION

AusAID education programs must be more tightly focused on achieving clear, measurable and realistic objectives. While activities to improve service delivery have generally achieved their expected outputs, more attention must be paid to achieving tangible impacts, such as increased participation and learning in schools. Similarly, activities to enhance governance through capacity building will need to be able to show that they are delivering demonstrably better functioning national education systems (evidenced, for example, by improvements in resource allocations or efficiency measures such as improved class sizes).

3.2 AID DELIVERY MECHANISMS

Aid effectiveness will be improved by the adoption of a range of delivery mechanisms tailored to country contexts. Sectoral programs are generally the most effective means for supporting public education systems in partner countries, since aid is aligned with partner government plans, coordinated with other foreign assistance and efficiently targeted. Also, the partnership arrangements within sectoral programs provide leverage for donors to influence policies and stimulate systemic reform (see Box 2).

3.3 INFORMATION SYSTEMS

In 2006–07 AusAID made significant advances in the monitoring and evaluation of education programs. For example, AusAID's Philippines Program developed a new performance framework, closely aligned with the Philippines Government's own framework, indicators and data collection systems, to monitor progress against specific and measurable objectives. In addition to ensuring that all of AusAID's education programs adopt a similarly robust approach, two key issues will need to be addressed in future years.

Box 2 Lessons learned from sectoral programs in education

Support for sectoral programs needs to be responsive and flexible, particularly during the early stages. Partner governments that have been accustomed to receiving foreign aid in the form of discrete projects often need time to develop transparent and comprehensive plans covering all investments in the education sector. AusAID must be ready to respond to partner government needs as they emerge during this process, and must avoid pre-empting partner government plans by 'locking in' long-term commitments too early.

AusAID needs to continue building relationships with other bilateral agencies and the development banks. A lack of coordination and competing priorities among donor agencies have often been the greatest obstacles to the development of effective programs of support. In the past year there has been good progress both at the country level, where AusAID posted officers have forged close relationships with other agencies, and at the institutional level, where AusAID was a founding member of a series of regular meetings between education donors in the Pacific. In addition to the new commitment to the *Education for All Fast Track Initiative* under the World Bank, AusAID must make additional efforts to harmonise assistance with organisations such as the European Union and the Asian Development Bank, which have in practice adopted the most dissimilar approaches in their country programs.

Sectoral programs need to involve all levels of government in partner countries, especially where responsibility for service delivery is devolved to subnational administrations. While AusAID has in the past worked at both national and subnational levels in many country education programs, those activities have rarely led to improved links within the partner government system. AusAID will need to intensify its efforts to build such links in future years.

- > As countries across the region move to education sector programs, AusAID will increasingly rely on partner governments' information systems to monitor some of the essential education system data, such as the number of children in school and financial flows within the sector. Few partner governments have robust education information management systems, despite many activities by Australia and other donors. AusAID needs to work closely with partner governments and other agencies to provide coordinated support to develop such systems.
- > AusAID will also need to place a higher priority on evaluating the impact of aid and on learning lessons from past activities. In the past, evaluation was sometimes seen as a long-term endeavour beyond the scope of the activity. Although some evaluation has been conducted through routine activity completion reporting, of more than 1000 education programs supported by AusAID over the past 10 years,

fewer than 20 have been scrutinised through independent ex-post evaluations. To address this weakness, a major evaluation of AusAID's education programs has recently been launched, with support from the Australian Research Council.

3.4 AUSAID CAPACITY DEVELOPMENT

AusAID needs to accelerate the professional development of its own staff. Increasingly, AusAID officers are called on to make technical policy judgements about partner governments' education plans and strategies, in addition to their routine work managing Australian assistance. A recent corporate restructure of AusAID resulted in the establishment of the Education Thematic Group, which is charged with, among other things, staff development and knowledge management.

Acronyms and abbreviations

AusAID	Australian Agency for International Development
BRAC	Bangladesh Rural Advancement Committee
CARE	humanitarian organisation fighting global poverty
DAC	Development Assistance Committee
NZAID	New Zealand's International Aid & Development Agency
ODA	official development assistance
PNG	Papua New Guinea
UNESCO	United Nations Education, Scientific and Cultural Organisation
UNICEF	United Nations International Children's Emergency Fund