



IMPROVING THE PROVISION OF BASIC EDUCATION SERVICES TO THE POOR IN PAPUA NEW GUINEA

A CASE STUDY

MAY 2009



Australian Government

AusAID

Office of Development Effectiveness

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AN INDEPENDENT EVALUATION FOR
THE OFFICE OF DEVELOPMENT EFFECTIVENESS

EVALUATION TEAM

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Australian Government

AusAID
Office of Development Effectiveness

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ABBREVIATIONS

AIDS	Acquired Immune Deficiency Syndrome
AusAID	Australian Agency for International Development
BEDP	Basic Education Development Program
BEICMP	Basic Education Infrastructure and Curriculum Materials Project
CRIP	Curriculum Reform implementation Project
ECBP	Education Capacity Building Program
EFA	Education for All
ESIP	Education Sector Improvement Program
ESSP	Education Sector Support Program
ETESP	Elementary Teacher Education Support Project
GDP	gross domestic product
GoPNG	Government of Papua New Guinea
HIV	Human Immuno-deficiency Virus
MDGs	Millennium Development Goals
NGOs	non-government organisations
NZAID	New Zealand's International Aid & Development Agency
ODE	Office of Development Effectiveness, AusAID
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
PASTEP	Primary and Secondary Teacher Education Project
TORs	terms of reference
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund

SUMMARY

The Office of Development Effectiveness is conducting a wide-ranging evaluation of the performance of Australian aid in three key sectors: education, health, and water and sanitation. This evaluation addresses the question: in Papua New Guinea (PNG), has the approach taken by the aid program since the mid-1990s to improve the delivery of essential education services for the poor been effective?

Its overall conclusions are that:

- > the benefits that have accrued from more than 10 years of investment and support for a set of substantive education projects have made some limited inroads into realising the rights of all children in PNG to a complete cycle of basic education of acceptable quality
- > the approach has contributed little to overcoming the deep-seated structural and institutional barriers to financing, organising and managing basic education services in an effective and sustainable way.

The broad context of Australian aid to education in PNG

A challenging environment

The challenges in PNG are immense. Geographically, many communities are isolated—both from each other and from the outside world. Only a small proportion of the land can sustain cash crops. Politically and culturally, independent local clans and communities, which speak more than 800 languages, practise their own forms of democracy, including through violent conflicts. Socially, gender inequalities are deeply entrenched. After nine years of open conflict, Bougainville has a semi-autonomous government.

Slow progress on Universal Basic Education

From 1992 to 2002 the number of schools increased by 175 per cent, enrolments doubled and the number of teachers increased by 75 per cent, reflecting largely the expansion of elementary education. These were important achievements and AusAID helped to make them happen. However, an estimated 680 000 children aged 6–14 remain out of school. The gross primary enrolment rate¹ is 72 per cent and is less than 50 per cent in some provinces and districts. The net enrolment rate² is less than 30 per cent in some cases. These are some of the poorest sets of enrolment indicators worldwide.

Three out of every five children who enrol in the first grade of primary education complete their primary education. Across all developing countries, four out of five children complete their primary schooling. If weak indicators on gender equality, learning achievement and employable skills are added to the enrolment and completion deficits, it is not stretching language too far to say that PNG has an educational crisis.

¹ Gross enrolment rate is the total enrolment in a specific level of education, regardless of age, expressed as a percentage of the eligible official school-age population corresponding to the same level of education in a given school year. Source: UNESCO Institute for Statistics.

² Net enrolment rate (primary) is the number of pupils in the theoretical age group for primary education enrolled in primary education expressed as a percentage of the population in that age group. Source: UNESCO Institute for Statistics.

The national policy context

National policy frameworks give priority to basic education. PNG's Medium Term Development Strategy 2005–2010 identifies basic education and adult (non-formal) education as two of seven major national priorities. The National Education Plan 2005–2014 is designed to improve educational outcomes and includes crosscutting issues such as gender and HIV/AIDS. Work is under way to develop the Education Sector Improvement Program and to formulate a plan for universal basic education. Changes to the ways in which educational services are delivered across the country will be needed to translate these policy intentions into practice.

Service delivery constraints

Some observers suggest that the state is functionally unable to deliver public services that are adequate to meet the needs of the country's 6.2 million people, citing weak government and ineffective state institutions. Local interests and patronage vie—often successfully—with intended government policy and practice, distorting the equitable allocation of human and financial resources.

Analysis of government expenditure on education suggests that, contrary to high-level policy intentions, it has not been a priority sector. The shares of gross domestic product and total government expenditure spent on primary and secondary education during the period 1998–2007 are estimated to have fallen from 4.8 per cent to 3.5 per cent and from 19 per cent to 10 per cent respectively, which are disturbing indicators of commitment. Given the high levels of aid to the education sector, it is possible that aid is being viewed as a substitute for government spending.

The decentralisation of service delivery responsibilities to provincial and local governments remains a challenge. Large resource imbalances remain between provinces, and their capacity to ensure that teachers and learning materials are in all schools varies. Stated national education priorities on basic education are not shared by all provincial governments. In 2008 modest efforts were begun to reform the system of fiscal transfers between the national government and provincial governments, with the ultimate aim of ensuring that the revenues of all provinces are at least 70 per cent of what is required to fund basic services.

The aid relationship

Aid as a share of total government expenditure was 64 per cent in 1973 and 47 per cent in 1976 and is now approximately 16 per cent. As a share of gross national income, aid fell from 13 per cent in 1980 to 6 per cent in 2006. But while PNG has grown significantly less aid dependent, it remains relatively privileged in this area compared with most other countries with a similar level of per capita income.

From self-government in 1973 until the early 1990s, Australia's aid to PNG was through budget support, a modality that fell out of favour as confidence in governance generally and public expenditure management practices in particular began to recede. Since 1995 Australia has committed between \$300 million and \$400 million for education through projects (excluding scholarships)—a significant level of assistance relative to government expenditure in the sector. AusAID is the pre-eminent bilateral donor in the sector.

Australia is considering an increase in its commitment to education from around \$25 million a year to a minimum of \$43 million in recognition of the opportunities for greater synergy between its support for education, wider public service reform and greater aid effectiveness.

An assessment of Australian aid to education in PNG 1995–2008

No shortage of strategies and frameworks

There has been no lack of strategic frameworks to inform Australia’s assistance to the education sector. The March 2000 review *Strategy for AusAID support to the Papua New Guinea education sector 2000–2010* argued for moving towards a program approach, lessening the dominance of projects, developing a coordinated mix of modalities (including a sector-wide approach) and promoting strong partnerships. *Papua New Guinea – Australia Development Cooperation Strategy 2006–2010* identified improved service delivery and stability as one of four major pillars of cooperation.

The 2006 concept paper *A sectoral approach to education in PNG* argued for aid to: a) leverage improved PNG government processes for allocating resources to the education system, getting these resources to schools, creating incentives for their effective use, and monitoring their impact; and b) supplement PNG resources to increase participation in schooling and improve quality. A whole-of-government approach to improving the delivery of basic public services was highlighted. Currently, draft design documents for a new Papua New Guinea – Australia Education Program are advancing the case for a package of assistance to operate within an emerging sector-wide approach, using multiple delivery modalities.

Policy to practice: slow to change

Moving from strategic analysis to new ways of working has been slow. Since the March 2000 review, which argued for a resourcing strategy to support the move to a program approach, it has taken AusAID close to 10 years to begin to fully develop new ways of providing assistance to the education sector. Arguably, the limitations of political and technical leadership in PNG constrained efforts to adopt a more systemic approach. The influential presence of Australian project managers is likely to have played its part too. Additionally, it is only relatively recently that corporate guidance on working sector-wide has become more influential in AusAID.

The project portfolio

AusAID has supported a significant education project portfolio since the mid-1990s. Financially, five projects—overlapping in content and in time—with a combined commitment of \$231 million have been pre-eminent.

A 2008 review concluded that, while ‘demonstration projects’ served in part as a catalyst for change, a lack of diagnosis of the ‘real’ problems had contributed to a piecemeal approach. An earlier review (2004) found limitations in focusing on specific project outputs without taking account of wider cross-sectoral issues. Both reviews suggested that AusAID projects were designed, managed and reviewed in ways that ran counter to local ownership, capacity development and holistic reform. They lacked sufficient reference to and understanding of the complex and difficult institutional environment. Overall, this evaluation concurs with these judgements.

Education project portfolio since the mid-1990s

Projects	Dates	Value
Basic Education Development Project (BEDP) Supports capacity development and school infrastructure development at provincial and school community levels.	2004–10	\$44m
Education Capacity Building Project (ECBP) Designed to strengthen the capacity of the national education system at the national, provincial and district levels.	2004–10	\$80m
Curriculum Reform Implementation Project (CRIP) Developed a new curriculum for elementary, primary and lower secondary education and a plan for teacher in-service training.	1999–2006	\$44m
Primary and Secondary Teacher Education Project (PASTEP) Delivered technical assistance and infrastructure support for primary teacher training linked to PNG education sector reforms.	1999–2005	\$38m
Elementary Teacher Education Support Project (ETESP) Trained elementary teachers and teacher trainers.	1997–2004	\$25m

Central conclusions

The benefits that have accrued from more than 10 years of investment and support for a set of substantive education projects have made some limited inroads into realising the right of all children in PNG to a complete cycle of basic education of acceptable quality. Overall the projects have contributed little to overcoming the deep-seated structural and institutional barriers to financing, organising and managing basic education services in an effective and sustainable way.

1. The pragmatic supply-side approach has had limited impact

AusAID projects have been based largely on the premise that discrete, supply-side investments will make a lasting contribution to the quality of basic education services—a developed country model for pragmatic, responsive investments to resolve weaknesses in specific aspects of the delivery of education. It is not a reform or development model tailored to the circumstances of deep-seated poverty and weak service delivery. The demand side of the equation has been largely ignored; yet, demand-side interventions reduce the financial and/or other costs of schooling, including the opportunity costs of time, which are more likely to impact positively on the poorest children.

Similarly, addressing the institutional barriers to better service delivery has relied almost entirely on a traditional approach to building capacity, largely within the parameters and the needs of a project, as distinct from analysing systemic weaknesses and advancing strategies for financing, managing and organising education services at all tiers of government. This neglect may represent a conscious decision, given the high levels of risk associated with the political economy of PNG. However, this is not what the higher order strategy papers have advocated since 2000.

2. Approaches to dialogue and partnership have been fragmented

Until recently there has been limited evidence of a sustained dialogue on sectoral policy by AusAID with either the PNG Government or the other donors to the education sector. Donor dialogue prior to the institution of government-led mechanisms to advance the Education Sector Improvement Program (2007) was low key and is still not geared to promoting strong collective ways of working.

The decision to contract out the management of projects, and AusAID's focus on managing these relationships, has resulted in contractors and their technical advisers having a deeper dialogue with the National Department of Education than AusAID has with its government partners. AusAID has lacked the processes and the technical expertise to develop and sustain coherent government-to-government dialogue around the national education reform plan as a whole.

In addition, synergies across projects have not been recognised, and the budgetary implications for the long-term sustainability of project-based approaches have been neglected. Each project has had its own modalities. Critical reviews of the project portfolio have not been used as a way into a broader policy debate with the National Department of Education. Similarly, most AusAID-funded analysis has been primarily for its own use.

3. New directions need new ways of working

In the past three years AusAID has re-examined its strategy of support for education, linking it much more specifically to higher order education rights and outcomes. In so doing it has recognised important links and synergies between education, governance, stability and economic growth, and has committed itself to working in support of a sector-wide approach. The implications of moving from a well-defined project approach—deeply embedded as a way of working in AusAID—need to be worked through carefully. The experience of other agencies shows that, while education expertise is important, social and institutional analysis, as well as systemic approaches to building ownership and capacity and to financing education, are equally necessary.

4. A unique relationship has both benefits and limitations

Attitudes, behaviours and practices have been built up over many years as a result of the unique relationship between Australia and Papua New Guinea. There are strong subtexts expressed on each side of the PNG–Australia table on issues of competence and capacity, acceptable levels of risk, what is possible, the pace of change, the balance between technical proposals and complex political realities, windows of political opportunity, and the politics and the practice of expensive technical assistance. On the one hand, there is a clear comfort zone that results from familiarity; on the other hand, there is a mix of positions ranging from the desire for harsher conditionalities through to a wish for a much more equal partnership based on new levels of mutual respect.

The combination of personality politics in PNG, fluctuating levels of Australian political commitment to development in PNG during the period under review, high levels of staff turnover in AusAID and the project modality can limit and/or interrupt a well-balanced and sustained dialogue.

Ways forward

1. Think through strategies for a sector-wide approach

AusAID is now committed financially to an expanding education program that is designed to help advance the Education Sector Improvement Program, facilitate sectoral dialogue, provide support at the national, provincial and school levels and promote a culture of inquiry and reflection that addresses underlying systemic challenges facing the education system. Comparative experience suggests that carrying this type of approach forward will require new ways of working and mobilising resources within AusAID as well as between AusAID and the PNG Government.

- > **Sustain political dialogue.** Advancing a strong sectoral program requires sustained political dialogue at the highest levels of government, especially in the current context of a shrinking share of the budget being allocated to basic education.
- > **Adopt a cross-government approach.** Improving the benefits from aid to education requires a cross-government approach to the education sector.
- > **Accord priority to true sector-wide development.** Australia's contribution to sectoral development needs to be truly sector-wide. While according priority to basic education and meeting the needs of the poorest and least well-served communities, it is important to direct attention to other subsectors and to the urgent need for higher order skills. Too narrow an interpretation of the Millennium Development Goals and the 'Education for All' goals should be avoided.
- > **Pace the program.** It would be unwise to force the pace on the sectoral program. First, agree on joint ways of working, and then prepare a realistic timetable for joint action and commitment and the early inception of jointly monitoring progress.
- > **Articulate the future of projects.** For discrete projects to have a place in future AusAID plans their place within sector-wide development must be articulated very clearly.
- > **Consider the subnational level.** Careful appraisal will be required to determine ways of working at the subnational level consistent with, and supportive of, the national sector plan.
- > **Learn from the health sector.** Careful note should be taken of the experience of the health sector wide approach in PNG, especially as this relates to financial management.
- > **Get the most from AusAID expertise.** The roles and responsibilities assigned to the education sector adviser (working in the National Department of Education and AusAID), the AusAID team at the post in Port Moresby and the specialist education thematic group in Canberra, and their relationships, need some clarification. The service delivery team in Port Moresby should strengthen its strategic skills profile and lessen the burden of detailed administrative overview that characterises the project regime.
- > **Discuss the roles for managing contractors.** Roles for managing contractors in advancing sectoral programming and planning deserve careful consideration with the PNG Government and with other partner agencies.
- > **Learn from comparable experience elsewhere.** While PNG is unique in many respects and comparative experience needs to be sifted carefully, useful lessons can be learned from practice elsewhere, especially in the development of sector-wide programs.

2. Rethink technical assistance and capacity development

The time seems propitious for a fundamental and open review about the place, the role and the management of technical assistance, which should be closely allied to ongoing dialogue on the meaning of capacity development. AusAID has done considerable analysis of capacity development and the role of technical assistance so, among AusAID staff, there is now a greater level of awareness about the need for capacity development to be more process oriented than expert oriented. However, given the unique relationship between PNG and its predominantly Australian technical assistance, combined with the dominance of project modalities, there is a need for new strategies that draw on a wider range of global skills and experience of ways of working in sectoral approaches.

3. Reassess levels of risk

Risk management within a sector-wide approach requires high-level political dialogue and management. It needs a very different approach from project-level risk analysis, which has characterised the aid program for 10 years or more. Identifying roles that the AusAID team in Port Moresby will need to play in engaging in regular dialogue with the National Department of Education around its monitoring and review processes is important and gives added weight to the need to define anew the range of competencies needed by AusAID in PNG.

4. Exercise leadership and promote partnership

Australia has a very close political and economic relationship with PNG, including through its large aid program. The recent peer review of the aid program by the Development Assistance Committee of the OECD recognised the importance of this special position. To paraphrase its findings, it concluded that the aid program needs a strong analytical foundation (which has been lacking in the education sector), the promotion of development leadership capacity, more attention to working with civil society, and strong engagement with other donors in policy dialogue. There are clear signs in the education sector that AusAID is heeding some of these calls. There are positive indications of a more open approach to dialogue and to consulting on proposals and initiatives, and of being a little less prescriptive about ways of working. In an environment where there is no other bilateral agency of any great weight, it is vitally important that AusAID invests heavily in strategies to build and cement partnerships across a very broad range of stakeholders.

Future Programming

After taking account of the conclusions and the lessons, seven points to inform future programming have been identified.

1. It will be important to sign off relatively quickly and publicly on AusAID's new education strategy and program of work.
2. The processes of dialogue, monitoring and review associated with the new high-level country partnership should be consistent and mesh well with the PNG Government's sector-led planning and programming.
3. The financial and procurement reviews being undertaken by the World Bank should be complemented by a rigorous institutional analysis of the education sector and system. This should be PNG led and donor supported.
4. AusAID should have a very clear advisory position on how PNG should carry forward its submission to 'Education for All' Fast Track Initiative—technically and in terms of what endorsement the initiative requires, but also in terms of managing expectations about the levels of additional funding that might be available to PNG.
5. Encouraging and assisting the development of a strategy for jointly reviewing and monitoring progress towards PNG's education goals and targets should begin sooner rather than later. Careful note should be taken of the need to minimise the burden of an externally driven process.
6. The completion of the Education Capacity Building Project and the introduction of the new program design needs to be carefully synchronised, both in relation to the management of the two activities by AusAID and in defining the process of the transition with all development partners.

7. Far greater attention needs to be given to gender equality. This requires quite specific and detailed appraisal.

CHAPTER 1: FOCUS AND METHODOLOGY

The Office of Development Effectiveness (ODE) is conducting a wide ranging evaluation of the performance of Australian aid in three key sectors: education, health, and water and sanitation. Particular attention is being paid to environments characterised by low capacity and to the ways of engaging through aid with state systems that have proved to have limited effectiveness in providing basic services.

1.1 Focus

This report presents the findings of a study of AusAID investment in basic education in Papua New Guinea (PNG) from the mid-1990s. It responds to detailed terms of reference, which are set out in Appendix A. In essence, the study is designed to address the core question: has the approach taken by the aid program since the mid-1990s to improve the delivery of essential education services for the poor been effective?

The report, which was prepared in November 2008, is one of two country studies of education services, the other being for Laos. These studies are the building blocks from which a summary evaluation report will draw lessons and conclusions to help inform future AusAID programs to support partner governments' delivery of basic education services.

1.2 Structure

In seeking answers to the core question, this report looks, first, at a set of important contextual issues in PNG (Chapter 2). Without considering the economic, geographical, political and wider aid environments within which the provision of basic education services is situated, as well as identifying recent educational trends in PNG, judgements about the influence and the impact of activities supported by Australian aid are likely to be of limited value.

After considering the strategic program statements and frameworks that have been and are guiding AusAID support for education—basic education in particular—attention is given to AusAID's project portfolio for the period 1995–2008, its influence and impact, and the lessons learned (Chapter 3). The engagement with PNG's education sector policy development, particularly from 2004, is also assessed, including the role that AusAID has been playing recently as the lead donor in advancing sectoral reform strategies consistent with broader national and international aid effectiveness agreements and plans. The evaluation plan for analysing these project and sectoral development activities is set out in Appendix B to this report.³

Conclusions and lessons (Chapter 4) are drawn from the findings of Chapter 3 before some immediate possibilities for more effective programming and practice are canvassed (Chapter 5).

³ Appendix B specifies five lines of inquiry—relevance, effectiveness, efficiency, sustainability and impact—as these relate to AusAID's education sector strategies, its project portfolio and its engagement with the PNG Government's sector-wide planning and programming during the period 1995–2008. This is a slight expansion of the three primary areas for investigation in the terms of reference: relevance, appropriateness and effectiveness.

1.3 Ways of working

The report has been prepared by an independent team of consultants contracted by and working with ODE. Appendix B sets out the team's evaluation plan.

While drawing on an extensive literature (see Appendix C) there was a notable absence of evaluation reports on Australian projects and aid processes in the education sector as distinct from implementation reports focusing largely on schedules, inputs and outputs. This was a limitation. So too was the limited time available for structured interviews in Papua New Guinea consistent with the framework in Appendix B.

The findings from the literature review were tested and extended through briefing discussions in Canberra (6–7 November) prior to working in PNG from 9 to 21 November 2008, when short field visits were made to Buka, Goroka and Madang. Key meetings are listed in Appendix D. Arrangements in PNG were developed mostly during the mission, partly for logistical reasons.

CHAPTER 2: THE BROAD CONTEXT OF AUSTRALIAN AID TO EDUCATION

Australian aid to basic education in PNG has been significant relative to total government expenditure in the sector during the period of this evaluation—around 12 per cent—and it is intended that it should grow. It cannot be assumed that the projects and programs supported by AusAID have occurred in isolation, unaffected by practice in the sector as a whole and by wider governance issues, especially those related to service provision.

2.1 Challenges to service delivery in PNG

Papua New Guinea presents an enormously complex environment for delivering basic education services of good quality for all.

- > The geographical challenge is immense. Many communities are isolated and hard to reach.
- > Communication is difficult. There are 600 islands and a mainland (85 per cent of the surface) that is rugged.
- > Costly natural disasters occur with some regularity.
- > There are social challenges. Gender inequalities are deeply entrenched. Highly independent local clans and communities with more than 800 languages hold traditional beliefs and practice their own brands of democracy. Some propensity to violence and local conflict reflects both accepted practice and current economic and social circumstance.
- > Bougainville gained semi-autonomous government after nine years of open conflict.⁴

In this context, the provision of good basic services requires a sustained political commitment to work in the interests of all communities and an institutional capacity in state organisations at each tier of government capable of responding to multiple needs in diverse situations in effective ways. It is this combination of will, funding and capacity that has been hard to forge—a fact reflected in PNG commonly being listed as a fragile state⁵ and its Human Development Index ranking of 145 out of 177 countries.⁶

Some, academic commentators—mostly external—suggest that PNG is unable to deliver public services adequate to meet the needs of the country's 6.2 million people (Box 2.1). This they ascribe to weak government and ineffective state institutions.⁷ Observers highlight that, politically, local interests and patronage vie—often successfully—with intended government policy and practice in ways that distort the equitable allocation of human and financial resources across the country.⁸

⁴ Bougainville deserves detailed scrutiny in its own right but this was not the remit for the evaluation and logistically it proved possible to only touch base with a small number of stakeholders in Buka. AusAID recently reviewed its aid strategy for Bougainville (2004–07), noting that 'the trend to mainstream support under national programs has unfortunately not translated into strong service delivery ... to some extent the issues in Bougainville are likely to be reflective of the [education] sector program's lack of responsiveness at the sub-national level in PNG more generally'. The report notes too the educational needs of a 'lost generation' in Bougainville.

⁵ International Development Association, 2007; DFID, 2005. *Why we need to work more effectively in fragile states*. London. DFID .

⁶ United Nations Development Programme, 2007.

⁷ Weakness of state or government refers to when the state has limited coverage, penetration and control of society, and hence limited capacity to deliver services, which in turn lowers the public's acceptance of state authority.

⁸ B Standish (personal memo) notes that figures as senior as the Governor-General and the Prime Minister have acknowledged that service delivery is disappointingly low. Studies by the National Fiscal Commission support this conclusion, citing the lack of funding for provinces and districts to fulfil their functions and responsibilities.

In such circumstances it is difficult for basic education to be conceived and provided as a basic human right and entitlement. Similarly, the idea of public goods and externalities arising from primary education is unlikely to be foremost in the minds of politicians and policymakers whose major priority is to focus on their own political and clan constituencies. So, a rational, well-managed approach to school development and improvement nationwide comes up against local pressures for facilities negotiated through influence and patronage. For example, an established school may cease functioning when a new one is built elsewhere, and neither may have adequate operational funds. In addition, in a society of limited wage employment there may not appear to be much payoff for individual politicians to push for education—in contrast to, for example, roads.

Although often echoed in the PNG media, these observations and international categorisations are challenged and found unacceptable in some quarters of government within PNG. However, there is little doubt that establishing basic education services of good quality for all children remains primarily an issue of governance. There are technical, education-specific challenges, but overcoming these is not the fundamental key to change. If it had been, some of the main indicators of educational progress would not be as poor as current evidence suggests.

Box 2.1: Perspectives on the state of Papua New Guinea

Fukuyama (2007) argues that state weakness lies primarily in the way in which the political system interacts with underlying social and cultural traditions and the limited ability of formal institutions to overcome deep-seated social and cultural patterns. Government works on the basis of ‘highly unstable coalitions based on personality and patronage networks’. He identifies the failure to delegate authority arising from the relatively egalitarian structures that characterise much of traditional PNG society, arguing that in this sense PNG is one of the most inherently democratic societies in the world. On the other hand, there is a lack of political accountability with an associated relatively weak demand for equitably distributed public goods. He suggests that ‘any feasible political reform and any successful donor-funded project has ... to be undertaken with a view to the interests and incentives of individual national legislators and the short-lived coalitions that they manage to put together’.

Cammack (2008) argues that chronic poverty in PNG is deepening. She highlights the lack of strong civic institutions and the presence of highly politicised development policy and practice. She describes PNG democracy as having ‘dysfunctional aspects which reduce or undermine service delivery’.

Standish (2008) concludes that PNG’s democracy ‘is not functioning to provide essential services needed by the community, hence the social contract between the state and populace has broken down’. He describes the growing cynicism of people around the expansion of ‘money politics’ and of the plight of underfunded provinces. He suggests that there is a ‘profound distrust of government and politicians in general in Papua New Guinea which seriously impinges upon the capacities of state agencies ... to deliver basic services’. He comments that the state and increasing popular demand are ‘difficult issues for foreign donors to handle’.

Harris (2007) argues that if the country and the nation of PNG are to have long-term viability, there will have to be ‘some fundamental rethinking of how the national level works, how the national level interacts with the local level, and how more integrative and inclusive aspects of the local level can be encouraged and fostered and how they, in turn, can force an adoption of national level strategies and processes’. He recognises significant differences in traditional societies across the country in the sources and nature of authority and in the control of economic resources, land and other goods.

Sources: F Fukuyama, *Governance reform in Papua New Guinea*, 2007; D Cammack, *Chronic Poverty in PNG*, 2007; R Standish, *Political and governance conditions in Papua New Guinea and their impact on service delivery outcomes*, background brief for the education sector review team, 2008; BM Harris, *Papua New Guinea: a nation in waiting—the dance of traditional and introduced structures in a putative state*, 2007.

2.2 A unique relationship

If the weakness of the state is important for understanding the impact of aid on basic education, so too is the unique relationship between Papua New Guinea and Australia (and between Papua New Guineans and Australians).

In 1973, when self-government was achieved, PNG was highly dependent economically on Australia in several ways. Its near neighbour provided two-thirds of the government's total revenue. More than 80 per cent of the country's imports and exports, whose values were equal to half of PNG's gross domestic product, were from and to Australia. The value of shares held by foreigners (mainly Australians) as a percentage of total share values ranged from 83 to 100 per cent across the eight defined sectors of the economy. And a significant number of Australians were employed in government and commerce.⁹

The closeness of the two economies continues today, as do many remaining strong personal contacts between citizens of the two countries. These considerations, alongside a continuing mix of altruism and a post-colonial sense of responsibility, have resulted in an ongoing close, if intermittently fraught, relationship. This situation, in combination with PNG's own unique characteristics, makes it difficult to identify other developing countries able to offer useful comparative experiences. In part, this too has resulted in Australia remaining a model. The design of institutions, public service conditions, and the definition of standards across a wide range of formal sector activities continue to be influenced significantly by Australian practice and experience.

For almost two decades following self-government in 1973, the substantial amounts of Australian aid were delivered as an untied grant within medium-term frameworks. Beginning in 1976, the Australian Government committed to provide grant aid for budget support for five years, with the aid level fixed for the first two years and a guaranteed minimum for the following three years. It can be argued that this modality predated by three decades the ways of working being sought now across all developing countries under the umbrella of the Paris Declaration on Aid Effectiveness.

In the early 1990s, however, the situation began to change and the Australian Government developed increasing concerns about aspects of governance and the capacity of the PNG public service to implement programs effectively. Budget support gave way to specific projects and to large 'projectised' technical assistance programs. In recent years Australian aid has been equal to around 16 per cent of total government expenditure, compared with an annual average of 36 per cent during the period under budget support.¹⁰

2.3 Primary education: policy and practice

Australian aid to education since the 1990s has operated against the backdrop of two major PNG education policy documents: the National Education Plan 1995–2004 and the National Education Plan 2005–2014. Both plans were developed in line with wider national development policy

⁹ B Allan & K Hinchliffe, *Planning, policy analysis and public spending: theory and the Papua New Guinea practice*, Gower, Aldershot, 1982. The World Bank (*Papua New Guinea: its economic structure and prospects for development*, Washington, DC, 1978) stated that at independence: 'Capital goods through almost every type of durable and non durable consumer good were ordered by Australian buyers, supplied by Australian suppliers, carried in Australian ships, and financed through branches of Australian banks. Three large importing and distributing companies, two headquartered in Australia and the third in Port Moresby but owned and run by Australians, distributed most imports. In the building and repair trades, and in the few local factories which grew up, almost all the skilled labor and supervisors was Australian, as were the owners'.

¹⁰ A figure provided by the AusAID post in Port Moresby at the time of the evaluation mission.

statements. Currently, the Medium Term Development Strategy 2005–2010 identifies basic education and adult (non-formal) education as two of the seven major national development priorities.

The 1995–2004 plan was linked to a set of far-reaching reforms of the structure of basic education and its curriculums that had been initiated earlier in the 1990s. The restructuring defined primary schooling as nine years of basic education (three years of elementary and six years of primary) followed by four years of secondary schooling. The creation of elementary schools (preparatory and grades 1 and 2) was intended to allow for many more schools to be established closer to communities and to be used as feeders for primary schools. A revised curriculum was intended to improve the quality of teaching and learning and to develop life skills including, at the elementary level, acquiring initial literacy through instruction in the mother tongue.

The time frame of the 2005–2014 plan takes it to the target dates set for achieving the Millennium Development Goals (MDGs) and ‘Education for All’ (EFA) goals,¹¹ both of which emphasise universal primary education. The plan sets a far-reaching agenda to improve educational outcomes across 127 indicators. These include crosscutting issues such as gender and HIV/AIDS. However, no agreed financial commitments have been provided nor have implementation mechanisms and coordination structures to oversee the plan been identified clearly. A heavy reliance is put on provincial levels of government, district authorities and other parties, notably churches, for improving service provision.

Work is under way to develop a plan for achieving universal basic education and the Education Sector Improvement Program (ESIP), PNG’s interpretation of a sector-wide approach. Both activities are designed to give greater coherence and urgency to the achievement of national education goals. And both—as described below—involve donor partners, particularly AusAID.

To date, performance in the primary education subsector has not matched intentions. This is not to deny some significant achievements: between 1992 and 2002 the number of schools (mainly elementary schools) increased by 175 per cent; enrolments doubled (again mainly as a result of the introduction of elementary schools); and the number of teachers increased by 75 per cent. However generally, achievements have been well below both targets and expectations, particularly over the past decade. With regard to this evaluation, if the impact of the Australian aid program to PNG on basic education is to be judged by progress towards the MDGs and EFA goals—especially universal basic education—then it has been disappointing.¹²

Access to meaningful education¹³

In 2003 (the most recent year for which enrolment data have been provided internationally to UNESCO) the gross enrolment rate for primary education in PNG was the seventh lowest in the world (75 per cent) and below the rate recorded in 1999 (78 per cent). The rate for boys was 80 per cent and for girls 70 per cent. The gross intake rate to grade 1 was 95 per cent in 2003 compared with 105 per cent in 1999.¹⁴ Access to primary education appears to have declined, at least during the first years of this

¹¹ The six goals agreed at the World Education Forum in Dakar in 2000.

¹² In accepting the figures in this text a very strong caveat applies to the availability, accuracy and authority of educational data in PNG.

¹³ In analysing access to meaningful education in PNG, both the National Department of Education and AusAID would benefit from studying the international research work being undertaken by CREATE (the Consortium for Research on Educational Access, Transition and Equity), which very helpfully unpacks ways of analysing access and identifies the need to recognise the importance of a range of different measures both within and outside of schools to ensure that all children benefit from a good basic education <<http://www.create-rpc.org>>.

¹⁴ UNESCO, *Education for all by 2015: will we make it?*, EFA Global Monitoring Report 2008, UNESCO Publishing, Paris, 2007. Papua New Guinea is not timely in providing data to UNESCO, and some of the data provided are problematic. The EFA Global Monitoring Report

decade. The only countries with a gross enrolment rate below that recorded for PNG were six French-speaking West and Central African countries. According to UNESCO, across 22 countries with a gross enrolment rate for primary education below 70 per cent in 1991, the average rate had increased from 48 per cent to 80 per cent by 2005. In Papua New Guinea the improvement was just 9 percentage points.

These internationally quality-assured data are similar to statistics released recently by the PNG Government from the 2007 School Census.¹⁵ According to the census, the gross and net enrolment rates for grades 1–6 were 74 per cent and 45 per cent respectively (though some concern is noted about the accuracy of the grades 1 and 2 enrolment data from the elementary schools). The gross intake rate for grade 1 was reported as 92 per cent (compared with 101 per cent in 2000), though only around a tenth of the children enrolled are of the ‘official’ age of seven years, making it impossible to estimate the effective coverage of children.¹⁶

Enrolment in grade 1 in 2005 in both elementary and primary schools is reported to have been lower than in four of the previous five years, though it increased by 6 per cent in each of the following two years.¹⁷ Given the significant rate of increase in the school population age group, these very recent rates of expansion will need to be further accelerated if the decline in the enrolment ratios is to be turned around. Overall, these two sets of data together show that the gross enrolment rate for primary education in PNG is very low, has increased at a much slower rate than in many other countries since the early 1990s, and may even have declined in the first part of the 2000s.

While the national gross enrolment rate for grades 1–6 in 2007 recorded in the School Census was 74 per cent, the rate varied across the 19 provinces from around 60 per cent and below in Western, Gulf, Oro and Eastern Highlands to more than 80 per cent in Central, Milne Bay and each of the five island provinces. In Milne Bay and Bougainville the rate was more than 90 per cent. The provincial variations, however, do not tell the full story of spatial differences. Within most, if not all, provinces there are wide differences in access due in part to isolated communities and their lack of access to schools. To illustrate this point, according to the 2000 National Population Census the proportion of 5–15 year olds ‘now attending school’ varied across districts from 13 per cent to 63 per cent. In a quarter of the 89 districts the proportion was 30 per cent and below.

In addition to increases in the intake rate, there will need to be progress in the completion rate if enrolment ratios in primary education are to improve. According to the National Department of Education¹⁸ the main obstacle to attaining universal basic education is the low levels of retention in primary schools. The 2007 School Census reports completion rates of 62 per cent across grades 1–6 and 56 per cent across grades 3–8. In other words, only about three out of every five children who enrol in the first grade of primary education complete the cycle. Across all developing countries, four out of five children complete this education.

for 2009 (UNESCO, *Overcoming inequality: why governance matters*, EFA Global Monitoring Report 2009, UNESCO Publishing & Oxford University Press, Paris, 2008) provides a gross enrolment rate for 2006 of just 55 per cent—an unlikely fall from 75 per cent in 2003—and no figures are now presented for 1999.

¹⁵ National Department of Education, *The state of education in Papua New Guinea*, Port Moresby, 2008.

¹⁶ There are very limited data on age–grade enrolment but over-age enrolment is undoubtedly a major factor in explaining drop out and poor completion rates.

¹⁷ Confusingly, enrolment in the preparatory class in elementary schools is shown to have increased significantly over this period (National Department of Education, p. 12).

¹⁸ National Department of Education, 2008.

Quality

Enrolling in and completing primary school education are not ends in themselves. Although analysis often separates access and quality, they are part of the same equation.

In an effort to measure achievement, a Curriculum Standards Monitoring Test for grades 5 and 7 pupils has been developed and piloted. It was meant to be implemented in 2007 but the funds were not made available. Grade 8 examination results are a limited alternative source of information. While they do not necessarily measure the level of achievement of pupils in mastering the curriculum they do reflect the degree to which pupils have performed in the tests set for them. The results are poor; the mean scores in the literacy and numeracy tests were just above 20 per cent, with variations across provinces of between 15 per cent and 25 per cent for literacy and between 12 per cent and 26 per cent for numeracy.¹⁹ According to one study only 19.3 per cent of primary school leavers can write a complete simple sentence with the correct spelling.²⁰

A commonly used proxy measure of quality is the pupil:teacher ratio. Across all grades in primary schools this averaged 36 in 2005, similar to that in 1999.²¹ The ratio is high compared with the average for the Pacific region as a whole (19) and higher than across all developing countries (28), though not as high as the average for all of sub-Saharan Africa (45). The School Census reports a large variation in the pupil:teacher ratio across grades—from 56 in grade 1 to 30 in grade 6. Again, there are large variations across provinces. Including both primary and secondary grades, the ratios varied from below 20 in Manus, Central and New Ireland to almost 40 in Southern Highlands, Sandaun, Eastern Highlands and Bougainville.²² These averages suggest that some ratios will be very high across some districts and in particular schools.

The physical barriers, the remoteness and low density of populations, and the severe income poverty in many areas of PNG naturally result in significant challenges in providing facilities for primary schooling and in persuading households to enrol their children over the full primary schooling cycle. However, these factors cannot in themselves explain why the improvement in the gross enrolment rate in the first six primary grades since 1991 is significantly lower than in other countries that were in a similar situation in that year. Since 1999 there appears to have been little improvement in the enrolment rate and, while the data on school achievement are limited, those that exist infer low-quality performance. These facts point to an underperforming system.

2.4 The organisation and management of the education system

The effectiveness and impact of aid-supported education programs are influenced to a large extent by the financing, organisation and management of the education system. This is particularly the case when aid is delivered either in the form of sectoral budget support or to implement system-wide programs such as teacher training or curriculum development.

In 1996 the Organic Law on Provincial and Local Level Government gave provincial and newly created local-level governments significant expenditure responsibilities for education. Almost

¹⁹ School Census, p. 28.

²⁰ Papua New Guinea Australia Education Program, 'Final draft design document', vol. 1, August 2008.

²¹ UNESCO, 2008, p. 21.

²² Centre for International Economics, 'Papua New Guinea education sector: key public expenditure management and fiscal decentralisation issues', Canberra, 2008.

overnight provincial governments (and districts as non-political administrative sub-branches of provincial administrations) found themselves charged with managing elementary, primary and many aspects of secondary education (in addition to responsibilities in other sectors). The allocation of major responsibilities is summarised in Table 2.1.

Table 2.1: Main responsibilities in the education sector by level of government

Activity	National government	Provincial government	Local-level government
Policy & planning	<ul style="list-style-type: none"> > Administer the National Education Board and Teaching Services Commission. > Develop curriculum. 	<ul style="list-style-type: none"> > Develop provincial education plan. 	<ul style="list-style-type: none"> > Identify local priorities.
Elementary education	<ul style="list-style-type: none"> > Set school fees. > Pay school fees subsidy in 1st and 3rd quarter. > Develop curriculum (some locally based curriculum developed at community/school level). > Deliver new curriculum materials to provincial government headquarters. > Provide pre-service teacher training and registration. 	<ul style="list-style-type: none"> > Decide to recognise new schools. > Pay school fee subsidy in 2nd and 4th quarters. > Distribute curriculum in province and acquire additional education materials. > Assist with logistics of teacher training (e.g. venues, transport). 	<ul style="list-style-type: none"> > Assist in securing land for new schools and assist the community with construction. > Maintain schools; inspect buildings that are council funded.
Primary education	<ul style="list-style-type: none"> > Develop curriculum and deliver to provincial headquarters. > Pay school fees subsidy in 1st and 3rd quarter. > Provide grade 8 exams to provincial government and collate results across PNG. > Provide teacher training and in-service training. > Inspect schools. 	<ul style="list-style-type: none"> > Store and then distribute curriculum throughout province. > Pay school fee subsidy in 2nd and 4th quarters. > Run Grade 8 exams and send results to the National Department of Education. > Compile district monthly reports and submit quarterly to The National Department of Education. > Provide logistical support for school inspections. > Administer payrolls (in some provinces). 	<ul style="list-style-type: none"> > Construct and maintain primary schools. > Maintain schools; inspect buildings that are council funded.
Secondary & vocational	<ul style="list-style-type: none"> > Run the national high schools. > Develop grades 9 and 11 selection criteria. > Prepare and deliver grades 10 and 11 exams to provincial headquarters; mark exams. > Grant school certificate and higher school certificate. > Develop curriculum and deliver to provincial headquarters. > Provide teacher training, admission and registration. > Inspect schools. 	<ul style="list-style-type: none"> > Run and maintain provincial high schools. > Distribute grades 10 and 12 exams and supervise them, and return unmarked papers to the national department. > Compile district monthly reports and submit quarterly. > Prepare storage plan and distribute curriculum to schools. > Determines applications for in service training, organise venues and logistics (also District involvement). > Payroll administration. > Inspect some schools and provide logistical support for national inspections. 	

Source: Centre for International Economics, 'Papua New Guinea education sector: key public expenditure management and fiscal decentralisation issues', Canberra, 2008, p. 8. (Taken from National Economic and Fiscal Commission's Responsibility Specification Exercise matrix.)

In summary, the national government, in addition to its policy, regulatory and curriculum development role across the sector, finances and runs the national high schools and tertiary institutions. The provincial governments manage and maintain provincial high schools and manage primary and elementary schools, while local governments are meant to maintain the buildings of the primary and elementary schools. New elementary and primary schools are proposed by local governments and approved by provincial governments. Requests for staffing are then made to the national level Teaching Services Commission and are invariably accepted.

As a response to the need for greater provincial financial resources following the transfer of a wide range of service delivery functions, the national government reduced its own programs in service delivery and introduced unconditional block transfers. However, according to observers, the assignment of functions was not clearly made and the de-linking of established lines of communication, flows of information and accountabilities resulted in a deterioration in the regularity and quality of public services through to the end of the 1990s.²³ Since then, a greater understanding of the functional divisions has developed. However, there are still weaknesses in planning and executing programs at all levels, particularly in local and provincial governments and administrations. Some of these result from a continuing inadequacy of financial resources in many provinces (see below) but others are linked to systems and practices and to the quality of the central agencies' and line departments' support for subnational government staff and, in turn, the capacities of those staff.

It is not the function of this evaluation to explore these issues in any great depth, but selecting from a recent paper prepared for AusAID²⁴ (and underscored by findings from the brief provincial missions undertaken by the evaluation team) there is evidence of:

- > a lack of capacity in subnational governments to plan and administer local systems and to match needs to available funds
- > a dichotomy between a) local and national priorities, and b) provincial spending patterns and provincial education plans
- > slow disbursement of funds and the consequent uncertainties that prevail at school level
- > dysfunctional district headquarters, which lack credibility with teachers and with church school authorities
- > weak standards and guidance frameworks and weak support for schools
- > poor teacher management and supervision and an often demoralised teaching force
- > a lack of capability to introduce and implement curriculum reform
- > largely weak community support
- > inappropriate levels of funding, advice and support for the development and maintenance of infrastructure
- > limited accountability and communication channels.

This is a formidable list of organisational and management weaknesses and impediments to achieving PNG's educational objectives. In turn, these are likely to severely constrain the effectiveness of

²³ Centre for International Economics, 2008.

²⁴ 'Delivering education services in a decentralised system: issues, bottlenecks and solutions', background paper for the AusAID – Papua New Guinea Education Design Mission, November 2007.

technical projects designed to improve the quality of teaching and learning in elementary and primary schools, largely through pedagogical and subsector initiatives. Some of these issues are discussed further below, particularly as they relate to financial allocations and expenditure management.²⁵

2.5 The financing of primary education

Budget allocations

The most recent estimates of public expenditure on education in PNG were constructed purposely for this report.²⁶ In 2007, expenditure on primary and secondary education by all levels of government was equal to 3.5 per cent of gross domestic product (GDP). Expenditure on tertiary education was 0.9 per cent of GDP and donors contributed the equivalent of a further 0.5 per cent, resulting in total government education expenditure of 4.4 per cent of GDP and total public expenditure of 4.9 per cent of GDP. Government expenditure on education was equal to around 13.8 per cent of total internally generated revenue. In addition, households, through tuition fees charged for each level of education, contributed 0.5 per cent of GDP.²⁷ According to 2006 figures, government expenditure on education as a share of GDP compares reasonably well with other developing countries in general (median shares of 5.0 per cent for sub-Saharan Africa and 4.7 per cent for East Asia and the Pacific) but less well in terms of share of total government expenditure (17.5 per cent for sub-Saharan Africa and 15.0 per cent for East Asia and the Pacific).

Apart from scholarships, Australia's aid for education has focused on the elementary, primary and secondary levels. Overall, the shares of GDP and total government expenditure spent on these levels have fallen dramatically over the past decade. The share of GDP fell from 4.8 per cent in 1998 to 3.5 per cent in 2007, and the share of total expenditure fell from 19 per cent to 10 per cent.²⁸ Over most of the same period, donor expenditure remained constant as a share of GDP.²⁹ If these data prepared by the Centre for International Economics are broadly accurate, the implications for both the PNG Government's commitment to the sector and the impact that AusAID is having on total funding for the sector are disturbing. It cannot be ruled out that aid is being viewed by the PNG Government as a substitute for government spending.

This reduction in government expenditure on school education as a share of GDP has not resulted from a fall in teacher salaries relative to the average income of the working-age population. This ratio has been more or less constant during the past decade (at around 2.3). Rather, it is a result of the relatively slow expansion of the system.

²⁵ In addition to the three levels of government, the churches play a role in managing the education system. While few exercises have been undertaken to quantify the impact of the churches, it is reported that they 'co-manage some 40% of primary and secondary facilities' (V Hauch, A Mandie-Filer & J Bolger, 'Ring the church bells: the role of churches in the governance and public performance in Papua New Guinea', paper prepared for the Capacity, Change and Performance Project, European Center for Development Management Policy, 2005, p. 5). At the same time these authors suggest that despite the broad presence of the churches there is a risk of overestimating their potential to play a greater role in improving governance and public performance and that they have little to say in the areas of finance or personnel.

²⁶ Centre for International Economics, 2008.

²⁷ Over the past decade 14 countries have abolished tuition fees for primary education (UNESCO, 2007).

²⁸ School education's share of GDP in 2006 was 3.8 per cent (prior to the higher than normal growth of GDP in 2007 and 2008). Government expenditure per student increased by 38 per cent between 1998 and 2007 but in real terms they fell by 32 per cent.

²⁹ Between 1998 and 2007 donor expenditure (nominal) on school education increased by 126 per cent and government expenditure by 76 per cent.

Expenditure

In 2007, 66 per cent of government expenditure on primary education was for teacher salaries and a further 13 per cent for the costs of administrators (a very high ratio of teacher costs to administration costs). Around 10 per cent of total expenditure was distributed as direct grants to schools, with an additional 10 per cent for goods and services. Just over 1 per cent was used for capital expenditure and maintenance. The composition of donor expenditure was different—78 per cent for technical assistance and for goods and services and 22 per cent for capital expenditure and maintenance. In all, capital expenditure was equal to just 4.0 per cent of total government and donor expenditure on school education (plus any local government expenditure not captured in this analysis). This is a very small share for what should be an expanding and improving system.

Teacher salaries are administered centrally but are notionally part of the provincial governments' budget allocation transferred from the centre. This results in provincial governments apparently dominating the financing of school education. For instance, in 2007 almost 80 per cent of total government expenditure was shown in the national budget to have been the responsibility of provincial governments. However, taking out the teacher salary component leaves an expenditure pattern of 40 per cent by provincial governments and 60 per cent by the national government. The main direct expenditure of the national government on schools is through school grants (equal to around a third of all national government expenditure on school education). Without these grants, tuition fees charged to households would need to be higher or schools would have to operate with fewer resources. The evaluation team could find no evidence of any evaluation of the effects of the school grants program. Direct financial transfers to schools from provincial governments which, in principle, are meant to be equal to those of the national government, have been roughly half and are reported to vary considerably across provinces.

A particularly important area that appears to have lost out in the decentralisation process is curriculum materials. As a result of the collapse of the national book distribution scheme, few, if any, books are reaching the classroom other than the small number that the schools themselves are able to purchase.

Government expenditure on education was described above as having decreased as a share of both GDP and total government expenditure during the past decade, when GDP growth itself averaged only 1.9 per cent a year between 2000 and 2006 (though it has picked up since 2003). What are the future prospects for economic growth? World Bank projections suggest an annual average growth rate for the period 2007–12 of 4.1 per cent. The growth of commodity exports, through which the government gains most of its revenue, averaged around 25 per cent a year in the period 2005–07, but the projections through to 2012 are again for an annual average of 4.1 per cent. In the meantime, however, the windfall taxes from the recent commodities boom have been placed largely in trust accounts, one of which is for education. This holds the equivalent to 2 per cent of GDP, part of which could be used for much needed infrastructure expansion in the sector. There is considerable optimism within the country that in the near future government revenues resulting from new energy projects will be substantial. However, the current downturn in the world economy may dampen this expectation in the medium term.

Visits to Eastern Highlands, Madang and Bougainville helped the case study team to understand better the financial limitations within which the education sector is operating in some of the provinces—and the consequences. In those schools visited, the amounts of educational materials were sometimes low, and some buildings were in disrepair. Little in-service training or staff development was available—even in those schools relatively close to provincial headquarters. In schools in more remote areas, conditions are said to be far worse. In the provincial and district administrations, many staff are not

resourced to perform their range of responsibilities. In particular, the lack of vehicles or petrol money results in an almost total lack of monitoring, let alone inspection or professional advice. These symptoms of under-financing often have a knock-on effect in terms of the morale of teachers and their ability to concentrate attention on the classroom.

Provincial disparities

In the past few years the National Economic and Fiscal Commission has highlighted the need to improve the efficiency and equity of fiscal transfers to and between provinces. A recent study identified the basic recurrent costs of delivering basic services for each provincial government and the financial resources available to each. Of the 19 provincial governments, five were found to have more than enough revenue, six to have between 40 per cent and 100 per cent of that needed (average of 80 per cent) while six provinces had less than 40 per cent of the revenue required (average of 24 per cent).

With regard to education alone—and combined with the results of another study, which concluded that an additional 1 per cent of GDP was necessary to fund education at a minimum level—the findings were more dramatic. The National Economic and Fiscal Commission calculated that 16 provinces in PNG allocated and spent approximately less than half of what was required for education in 2005 compared with costing estimates. The average expenditure of the bottom 13 was just 36 per cent of costs.³⁰ The government has accepted the commission's proposal to reform the fiscal transfer system so as to gradually bring the revenues of all provinces to at least 70 per cent of those 'required', and to do so through additional allocations to grants linked to specific sectors. The 2009 budget began this process. Grants for education (directly to schools) increased from K43 million to K135 million.

Public expenditure management

Improving the delivery of education services by provincial governments is not just a matter of money, however. It is also linked to capacities, including in the area of public expenditure management. These are generally judged to be weak. Issues include:

- > Slow spending often forces governments to roll over large amounts of financial resources to the following year. The field visits to Eastern Highlands and Madang provided examples of this.
- > Funds intended for national priorities are reallocated to non-essential items.
- > There is poor communication between financial management and program teams.
- > Across all levels of government, but perhaps impacting on provincial governments most, there is a fragmentation of sources of financial data, resulting in a less than full picture of resources, activities and intended outputs being available at the time that spending decisions are made.
- > Apart from at the level of the national government, there is little information on actual expenditure and what does exist (such as in individual districts) is often not collated.
- > Audits are much delayed, except in the case of donor expenditure. Given the fragmented nature of the public service in PNG—more than 500 departments, statutory authorities, parastatal entities, and provincial and local governments—this is not surprising.
- > A somewhat different problem—again felt at all levels but perhaps most keenly at the provincial and district ones, and in schools—is the impact that a fear of accusation of corruption has on spending decisions, slowing them down.

³⁰ Centre for International Economics, 2008, p. 17.

Overall, parts of the organisation, management and financing of the system for delivering basic education within which the projects of AusAID and other donors operate remain problematic.

- > Many parts of the system operate at a low level of capacity and/or face significant recurrent resource constraints: schools without books or teachers, and bureaucrats without offices or the means to carry out their functions.
- > The execution, delivery and performance monitoring of recurrent programs, particularly at subnational levels, are weak.
- > The very low level of capital investment in education, particularly in those provinces without revenue from the exploitation of natural resources, inhibits increased access to schooling, the incentive for pupils to remain enrolled and improvements in the quality of education.

Twelve years after the decentralisation of the responsibility of many aspects of primary and secondary education to subnational governments, it is not clear that the division of assignments is in all cases the most appropriate nor that appropriate distributions of public revenue (between the national and subnational governments and across subnational governments) have yet been determined. The recent work of the National Economic and Fiscal Commission to reform the fiscal transfer system is therefore a positive step.

2.6 Levels and patterns of aid for education

Aid to PNG

The relative importance of aid in PNG has been falling. As a share of gross national income, aid fell from 13 per cent in 1980 to 6 per cent in 2006. By the latter year, while aid receipts per capita (US\$46) were above the average for countries across sub-Saharan Africa (US\$33), 15 countries with a population of at least 5 million had equal or higher per capita receipts. However, each of these countries had a per capita income below that of Papua New Guinea. Overall, while PNG has grown significantly less dependent on aid, it remains relatively privileged in this area.

Australia is the main donor. The World Bank's Country Assistance Strategy describes annual aid programs of US\$300 million from Australia, US\$35 million from the European Commission, US\$28 million from the Asian Development Bank, US\$15 million from New Zealand, US\$8 million from the UN agencies, plus smaller amounts from Japan, China, Germany and Korea.³¹ No new commitments were made by the World Bank between 2002 and 2007 but a medium-term agreement through which it will again become active has been made. The already large role of Australia is somewhat underestimated by these figures since part of the Asian Development Bank's commitments is funded by Australia. Importantly, there is no other large bilateral donor.

Aid to education

Of the aid received by PNG for government expenditure programs in 2006, 11 per cent of commitments and 14 per cent of disbursements were for the education sector.³² Of this aid, around three-fifths were for basic education.

³¹ World Bank, *Country assistance strategy for Papua New Guinea for the period FY08–FY11*, 20 November 2007.

³² UNESCO, 2008.

A total of US\$40 million was disbursed by donors in the education sector in 2006.³³ The main donors were Australia (US\$25.7 million), the European Commission (US\$7.4 million), Japan (US\$2.8 million) and New Zealand (US\$2.7 million), followed by Austria (US\$0.6 million) and UNICEF (US\$0.2 million). The main new commitments made in 2005 and 2006 combined (for disbursement in different numbers of years) were the European Commission (US\$51.1 million), Australia (US\$37.6 million), Japan (US\$6.2 million) and New Zealand (US\$5.9 million). Roughly half of both commitments and disbursements for education in 2006 were for basic education—in the case of Australia, two-thirds.

Australia's aid to education

Australia's aid commitments for education across all of its recipient countries have remained steady at around 9–10 per cent of its total commitments since 2001. In 2005–06, 85 per cent was allocated to countries in East Asia and the Pacific compared with 96 per cent in 1999–2000. Half of all aid for education in 2006 was for basic education. The main recipients of aid commitments for basic education in 2005–06 were (in order) the Philippines, Indonesia and PNG; and for disbursements, Indonesia, PNG and the Philippines. These three countries accounted for around 75 per cent of total Australian aid for basic education. PNG alone received 24 per cent of total disbursements and 21 per cent of new commitments.

The current aid picture for education in PNG, as in many other areas, is unique. It is dominated by one bilateral donor—Australia—whose aid disbursements are close to 10 times that of the next most important bilateral donor and, in all, there are only three bilateral donors disbursing more than US\$1 million a year. The European Commission is the next most important donor, with disbursements around 30 per cent of those of Australia's in 2006. UNICEF has a small program but engages with other donors. The World Bank currently has no lending/grant program in the sector but has initiated some analytical work. The Asian Development Bank has no lending program in the sector. The implications for the development of aid practices and priorities for funding of there being a single dominant bilateral donor is a recurring theme through the remainder of this report.

2.7 Aid to education—looking ahead

There are two main considerations regarding future aid for education in PNG. The first is the funding level together with the possible sources, and the second is the evolving changes in the relationships and modalities for designing and implementing aid programs, which are being encouraged internationally.

Beginning with levels and sources, the August 2008 version of the AusAID document setting the framework for future support to the education sector in PNG foresees an increase in aid commitments to PNG from around \$24 million a year to a minimum of \$43 million a year. The European Commission is also expected to increase its program in education, training and/or human resources development. The current European Commission project, which was meant to run from 2006 to 2013 but which has been delayed by at least two years, is for €39 million. Another operation of a further €39 million, covering the European Development Fund 10 period (2008 to 2013) could be

³³ OECD Development Assistance Committee, International development statistics online databases on aid and other resource flows, July 2008 <<http://www.oecd.org/dataoecd/50/17/5037721.htm>>.

agreed in 2009. The components of this have not yet been discussed with the PNG Government and finalisation of the design is planned for November 2009.

The World Bank's International Development Association plans to allocate to PNG an estimated total of US\$31 million a year from 2010. Some 'programmatic support' to basic education is tentatively pencilled in as one of the operations for 2012, together with a public expenditure tracking survey. Managed by the World Bank, but not funded by it, are grants for basic education from the Catalytic Fund of the 'Education for All' Fast Track Initiative. PNG expects to apply to the initiative for endorsement of its education sectoral program in 2009 in anticipation of qualifying for financial support from the Catalytic Fund. Given the limited resources of the fund, it is not clear what level of funding, if any, might result. Japan and New Zealand also plan to increase their financial support to the education sector, the latter wishing to be an active supporter of Education Sector Improvement Program (ESIP), as does UNICEF (which chairs the ESIP donor group).

If all or most of these plans eventuate, aid for education will increase significantly during the next five years, at a time when there is interest among most donors—both bilateral and multilateral—in adopting aid modalities that aim explicitly to increase the effectiveness of aid. The concepts of country ownership of development plans, alignment of donor programs with these plans and with government processes, and harmonisation of all donor activities have been championed through the Paris and Accra declarations of 2005 and 2008 respectively. Following the Paris Declaration on Aid Effectiveness, a similar set of principles with some tailoring to the Papua New Guinea context was outlined in the Kavieng, later the PNG Commitment on Aid Effectiveness. Put simply, the modalities being advocated require (among other things): governments to prepare sectoral programs that they themselves demonstrably support, politically and financially; donors to accept these programs as the framework for aid; governments to improve their expenditure management processes to an agreed level and donors then to use them; and donors to harmonise not only their financial support behind the government program but also their appraisal, supervisory and reporting processes.

As described above, from self-government in 1973 until the early 1990s Australia's aid to PNG was in line with the Paris principles of ownership and alignment. Support for these principles began to decline as confidence in governance generally and public expenditure management practices in particular began to decline. Australia now has to decide to what extent that confidence has been restored. The same is the case for the other donors.

AusAID's program of aid to education in PNG has been, and will continue to be, a relatively large program undertaken in a challenging environment and a complex context. The program for education has been attempting to encourage the improvement and expansion of basic education to meet an overarching corporate objective of poverty reduction. Within the education sector, this requires the basic education completion rates of poorer children to increase and the quality of their education to match that available to others. This constitutes a large challenge, which is made greater by Australia being by far the largest bilateral donor. Further compounding the challenge of being the dominant donor is the recent increase in international pressures on donors to align further their aid programs with both government policies and programs, and government systems, and to harmonise further their individual efforts and practices.

The following chapter assesses how AusAID's program of support to pro-poor basic education in PNG has been designed and implemented in the broader context, and how Australia has been adapting, as the largest donor, to the calls for greater alignment and harmonisation.

CHAPTER 3: AUSTRALIAN AID TO EDUCATION IN PNG 1995–2008

3.1 The wider policy environment in Australia

Since the Simons review of Australia’s overseas aid program in 1997,³⁴ reducing poverty and achieving sustainable development in the Asia-Pacific region have been the guiding objectives for AusAID strategies. Education has been consistently identified as a core development concern—first, under the umbrella of *Better aid for a better future* and, more recently, in the 2006 white paper on Australian aid where it was announced that there would be a significant scaling up of Australia’s investment in education, and a major new education strategy as part of Australia’s commitment to a rapid increase in total development assistance.³⁵

These announcements found expression in the policy for Australian development assistance in education.³⁶ This gives strong impetus to improving the governance of education systems and to strengthening service delivery mechanisms as primary pathways to increasing the number of children attending schools and benefiting from a quality education. Improving the effectiveness of aid is also given prominent attention. A monitoring framework for assessing progress against the strategy was developed and the first annual thematic performance report for education (2006–07) was issued in February 2008.³⁷

3.2 AusAID education strategies in Papua New Guinea

AusAID education strategies in PNG are guided by:

- > AusAID corporate policies, including at the sectoral level (see above)
- > the frameworks set by joint treaties on development cooperation and partnerships between the Australian and PNG governments
- > PNG – Australia cooperation strategy papers
- > specific sectoral strategy documents, which include much greater detail.

This evaluation looks briefly and selectively at some key documents and statements from 2000 onwards.³⁸

No shortage of strategies and frameworks

At the beginning of the new millennium PNG and Australia signed a new Treaty of Development Cooperation. This affirmed Australia’s commitment to providing assistance to PNG in line with the

³⁴ H Paul Simons (committee chairman), Gaye Hart & Cliff Walsh, *One clear objective: poverty reduction through sustainable development*, Report of the Committee of Review of the Australian Overseas Aid Program, Australian Agency for International Development, Canberra, April 1997.

³⁵ Downer, the Hon. Alexander, Minister for Foreign Affairs, *Better aid for a better future: seventh annual report to Parliament on Australia’s Development Cooperation Program and the Government’s response to the Committee of Review of Australia’s Overseas Aid Program*, Australian Agency for International Development, Canberra, November 1997; AusAID, *Better education: a policy for Australian development assistance in education*, Australian Agency for International Development, Canberra, May 2007.

³⁶ AusAID, *Better education: a policy for Australian development assistance in education*, Australian Agency for International Development, Canberra, May 2007.

³⁷ The current government in Australia, which came to office in 2007, is taking a new look at Australian aid policy. The recent OECD Development Assistance Committee peer review suggested that ‘a new overarching statement guiding the aid program would ... be welcome’.

³⁸ Earlier strategy documents were not available to the evaluation team.

PNG Government's Medium Term Development Strategy, and to give priority to education alongside six other priority areas, including governance. Emphasis was placed on a cooperative approach to jointly programmed aid and to the development of benchmarks to enable progress to be monitored by both parties together.

Consistent with the attention given to education in the treaty, a report was commissioned to develop a strategy for AusAID support to the PNG education sector for the period 2000–10.³⁹ Taking a long-term view, and acknowledging that the PNG Government had established three main priorities for sectoral development—universal basic education, a literate population, and skills development for life—the report identified three key challenges:

- > meeting the actual and potential demand for education
- > restructuring the administrative systems
- > resolving some common sector-wide issues.

The report argued for focused, targeted and prioritised support with universal basic education as the key goal. It suggested that resources support the move to a program approach, diversifying from the current dominance of the project mode of delivery to a coordinated mixture of modalities, including a sector-wide approach and strong partnerships in developing and managing all modes of delivery. The paper raised issues that are still central to the policy debate nearly 10 years later.

The framework document for Australia's aid program to PNG in 2002 gave considerable weight to issues of governance.⁴⁰ It cited the decline in the provision of public services as a significant indicator of poor government performance. Improving the delivery of efficient and effective public services, especially for rural people, was seen as critical for reducing conflict and social instability; so too was working with elements of society capable of delivering public services (notably the churches) and of holding PNG government officials to account. The report on PNG for the 2006 white paper on Australia's aid program proposed that PNG accept greater responsibility for service delivery generally, focusing on the poor and the vulnerable, and that Australia be consistent and long term in its support.⁴¹ Working to support the links between public services, better governance and greater stability have been recurring themes in statements about aid for education for most of the current decade.

Under the Papua New Guinea – Australia Development Cooperation Strategy 2006–2010, improved service delivery and stability is seen as one of four major pillars of cooperation consistent with the PNG Government's Medium Term Development Strategy and its medium-term fiscal framework. Very little is said specifically about education beyond statements of working with national agencies and other stakeholders to improve education outcomes for students through implementation of the National Education Plan. However, more broadly, education is subsumed within the intention to support:

- > the development of coherent prioritised and affordable service delivery systems
- > subnational public administration and budgeting

³⁹ AusAID, 'Strategy for AusAID support to the Papua New Guinea education sector 2000–2010', final report, March 2000, <www.ausaid.gov.au/country/png/png_ed_sec_strat.pdf>.

⁴⁰ AusAID, 'Framework: Australia's aid program to Papua New Guinea', Australian Agency for International Development, Canberra, October 2002.

⁴¹ Alan Morris & Rob Stewart, *Papua New Guinea: analytical report for the white paper on Australia's aid program*, Australian Agency for International Development, Canberra, September 2005.

- > effective partnerships between state and non-state providers, especially churches
- > strategies for an improved decentralised system of service delivery
- > special case provinces.

Defining new ways for working

Since the inception of the current Papua New Guinea – Australia cooperation strategy in 2006, detailed work has been undertaken to develop a more strategic approach to assistance in the education sector, returning in part to some of the issues set out in the 2000–10 strategy paper.⁴²

The concept paper ‘Sectoral approach to education in Papua New Guinea’ (June 2006, internal) identifies guidelines to govern future AusAID support to the education sector, which can be summarised as:

- > achieve universal basic education
- > provide funds directly to any part of the national education system, including direct funding to subnational agencies (Programs to improve the overall performance of government at the provincial and district levels, including AusAID’s Sub-National Initiative, were seen as relevant to improving the delivery of education services.)
- > explore possible assistance for technical and vocational education and training
- > ensure that funding resources do not replace government resources at any level
- > take account of public expenditure reform initiatives
- > provide resources at levels that recognise the longer term responsibility of the PNG Government to provide educational services
- > increase the channelling of funds through government systems
- > support PNG agencies to play a more prominent role in identifying and managing technical assistance
- > support technical components of the education system
- > work with other donors in support of a sectoral approach.

The concept paper concludes that AusAID resources should be used for two main purposes:

- > to leverage improved PNG government processes for allocating resources to the education system, getting these resources to schools, creating incentives for their effective use and monitoring their impact
- > to supplement PNG resources as necessary to increase participation levels in schooling and improve quality.

It indicated strong support for establishing a governing committee to develop a sector-wide program and provided a timetable for action to the end of 2007.

In December 2007 the 2006 concept paper was updated. This reflected Australia’s commitment to scaling up its support for education and to advancing its better education precepts in the PNG

⁴² It was not clear to the evaluation team what weight and subsequent value were given to the 2000–10 report. It does not appear to have strongly guided programming in recent years.

program. It recorded the establishment of the PNG government-led ESIP Steering Committee, some structural improvements in the organisation of the education system and the value derived from a series of analytical studies, including on public expenditure, decentralisation and unit costs. It openly acknowledged that AusAID, along with other donors, would be challenged to work differently in advancing a sector-wide agenda. It foresaw—in due course—AusAID supporting the funding of priorities within the framework of annual sectoral plans. It envisaged that a sectoral plan supported by donors and central agencies would be developed by 2010.

AusAID's intentions in these two concept papers reflect changing corporate policy, some greater stability and new directions in the National Department of Education and acceptance once again of the limitations of discrete, topic-specific projects in a poorly performing system. There is also a strong understanding that much more of a whole-of-government approach is required to improve the delivery of basic public services at different levels of government.

The design strategy

The concept paper foreshadowed much more detailed work on a design strategy for the education program, the further development and finalisation of which was being reviewed at the time of the evaluation mission.⁴³ The June 2008 version of the draft strategy advances the case for a package of assistance to operate within an emerging sector-wide approach, using multiple delivery modalities. Four streams of assistance are identified: supporting the implementation of the National Education Plan; engaging each province; directly supporting schools and communities; and actioning learning to build a continuous learning culture. Each aspect of the program is expected to use different forms of aid, with different strategies, processes and methods of applying resources. Each stream of assistance would be monitored to determine its effectiveness against a key results statement with identified indicators. A detailed implementation strategy for each stream of assistance would outline separate delivery processes and roles and responsibilities.

While articulating the importance of a partnership approach to reform in the education sector and the need to focus on jointly agreed outcomes, the paper has a strongly prescriptive and almost project-like approach to Australia's engagement with ESIP. There is a tension in the paper between wanting to work in support of government and use government systems in an aligned and harmonised way, while determining quite specifically how AusAID intends to work, including, for example, specifying the role and number of contracting agencies—which may or may not be the way forward in a broad partnership.

A revised version of the strategy document (August 2008) placed much greater weight on the processes that the PNG Government and its National Department of Education are pursuing in developing a common policy and expenditure framework. It is less prescriptive about modalities and emphasises PNG leadership. It retains the four streams of work mentioned above at different levels in the system. Contractors would be engaged by AusAID to support the mobilisation of technical

⁴³ This work began early in 2007. The team, which comprised external specialists, PNG government representatives and AusAID officials from Port Moresby and Canberra, came together late in 2007. An AusAID PNG education adviser joined the team in February 2008. A wide consultation process was conducted across PNG and a set of specialist background papers was commissioned.

assistance but would report directly to the National Department of Education, and a facilitation contractor would undertake the outsourced delivery of specific activities.⁴⁴

In both these early versions of the new strategy design, attention is given to the experience of and the lessons from the health sector-wide approach, and to the importance of addressing crosscutting issues, including gender and HIV/AIDS. Perhaps surprisingly when compared with some of the directions itemised in the concept papers, relatively little attention is paid to the synergies that could be developed through connections with governance programs, especially at the provincial and district levels. Only brief mention is made in the risk analysis section of the paper to strong engagement with the broader program to draw on a whole-of-government approach, working with central agencies at a more senior policy level. Further work on the design strategy appears to have reflected on some of these issues.

The education program has a 10-year time frame, with an AusAID budget scaling upwards from \$43 million in year 1 to possibly three times that amount by year 5.

Slow to change

The strategy paper prepared in 2000⁴⁵ argued for a resourcing strategy to support the move to a program approach. However, it appears to have taken AusAID the best part of 10 years to begin to fully develop new ways of working in PNG that have the potential to have greater impact on achieving universal basic education and the Education For All goals.

Why is this? The 2000–10 strategy paper identified that technically discrete project activity was unlikely in itself to address service delivery weaknesses (see also Section 3.3). However, AusAID has been slow to react to this analysis in terms of changing its ways of working. And while it is not possible to establish firm reasons for this in the documentation that is available, possible reasons include the lack of commitment and capacity in PNG to move towards a more coherent sectoral programming approach. It may also be the case that the role of project management contractors was a good deal more significant than that played by AusAID itself, given the absence of dedicated AusAID sectoral expertise in Port Moresby (until 2008). High AusAID staff turnover may also have played a part. In addition, it is only relatively recently that corporate guidance and advice on ways of working sectorally in challenging environments has come to strongly influence thinking in AusAID.

Nevertheless, it remains something of a conundrum that, even during a period of considerable thought being given to aid policy and aid modalities, stand-alone projects have continued to be the main AusAID investment. However, a point now appears to have been reached where AusAID has the potential to play a more significant role in helping to improve the performance of basic education services systemically in PNG. It now has the benefit of an experienced sectoral adviser on the ground, sound relations with the upper echelons of the National Department of Education and growing confidence in taking a more cooperative stance in its dealings with other donor agencies. All of this being so, it would not be helpful to prolong a debate around too much of the detail of the new program, as long there is clarity on ways of working with the PNG government to move forward on its sectoral program, accepting that this is a relatively high-risk strategy.

⁴⁴ It was not ascertained by the evaluation team as to whether this proposed Australian-led approach was welcomed and endorsed by other ESIP partner agencies.

⁴⁵ AusAID, 2000.

In so doing, there may continue to be a place for discrete projects and activities at subnational, school and community levels (as has been recognised in the new strategy development process). However, in future these need to be well-defined contributions to wider program objectives, using modalities that are neither separate from nor parallel to agreed government and development partners' ways of working.

A new partnership

Finally, it is important to note that in August 2008, a partnership for development between the Government of Australia and the Government of Papua New Guinea was signed. The agreement, which is designed to reflect a shared vision and principles to underpin all aspects of Australia's development relationship with PNG, identifies a large number of priority targets and outcomes. These include the achievement of universal basic education (with associated indicators) and resource indicators on the quality of aid as this relates to support for basic services. Annual high-level joint discussions will take place along with regular, evidence-based reviews of progress towards agreed objectives and targets. AusAID will also prepare an annual program performance report. Schedules were to be agreed at the end of November 2008 on basic education and on public service capacity building (among other topics).

Ensuring effective links between these high-level processes and the ongoing progress of the new sectoral program will require careful attention. While it is beneficial that basic education and public service delivery gain regular political and technical attention, there is a danger of being overly prescriptive and detailed instead of leaving this to the sectoral program. There are already some indications of the heavy reporting burden that could be placed on both AusAID in Port Moresby and the National Department of Education.

3.3 The project portfolio

Overview of projects

Against the backdrop of this challenging environment, AusAID has supported a broad range of education-specific and education-related projects since the mid-1990s. The main focus of this study is the five major projects listed in Table 3.1, which were designed to provide different facets of assistance to basic education (including both primary and secondary schooling) at the national level. Together these projects represented a financial commitment of \$231 million. Their goals and major components are listed in Appendix E and their primary outputs/achievements are in Appendix F.

In addition, support for the education sector was provided through: the Commodity Assistance Support Program (1995–2005, \$36 million); the National Department of Education Institutional Strengthening Program (1996–2002, \$6 million); Quality Initiatives in PNG Education (2001–04, \$12 million); Upgrading Provincial High Schools (1999–2003, \$27 million); Manus Schools Upgrading Project (2004–06, \$3 million); the Asian Development Bank Employment-Oriented Skills Development Project (2000–03, \$13 million); Payroll and Personnel Systems (2002–05, \$4 million)

and the PNG Occupational Skills and Standards Project (2004–06, \$4 million).⁴⁶ Together with the first five major projects, a minimum of \$336 million was committed—a significant level of investment.

Table 3.2 shows the timelines for the projects listed in Table 3.1 together with the Basic Education Infrastructure and Curriculum Materials Project (BEICMP), the predecessor to BEDP. ESTEP, PASTEP and CRIP, which ran concurrently from 2000 to 2004, had a high degree of similarity and overlap between their goals, all having curriculum development and associated teacher-training components.

Table 3.1: Major AusAID education projects

Project (in reverse order of completion date)	Dates	Value
Basic Education Development Project (BEDP)	2004–10	\$44m
Education Capacity Building Project (ECBP)	2004–10	\$80m
Curriculum Reform Implementation Project (CRIP)	1999–2006	\$44m
Primary and Secondary Teacher Education Project (PASTEP)	1999–2005	\$38m
Elementary Teacher Education Support Project (ETESP)	1997–2004	\$25m

Table 3.2: Major AusAID education projects—a timeline

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
			Elementary Teacher Education Support Project (ETESP)									
		Primary and Secondary Teacher Education Project (PASTEP)										
			Curriculum Reform Implementation Project (CRIP)									
		Basic Education Infrastructure & Curriculum Materials Project (BEICMP)					Basic Education Development Project (BEDP)					
							Education Capacity Building Project (ECBP)					

These projects have been responsible for a considerable array of activity (see Appendix F). A new primary curriculum has been developed and is being used in schools. Maintenance is being improved in nearly 2500 schools through community-based management approaches. National studies have been supported (school census, expenditure frameworks, teacher in-service design) and budgeting, audit and human resource systems developed. HIV strategies have been designed and materials prepared and distributed. Primary teacher training has been renewed. More than 9000 elementary teachers have received some training, as have their trainers. Expatriate technical advice has been made available for all projects. Together this represents an impressive catalogue of inputs and outputs. The difficulty comes when evidence is sought for the impact of these activities on the enrolment, attendance, retention, completion and performance of PNG children, especially those who are most disadvantaged. This is not to underestimate the quality of individual activities, rather to indicate the lack of evidence on the connections between project outputs and the educational goals of PNG.

⁴⁶ Two of these projects—the National Department of Education Institutional Strengthening Program and Payroll and Personnel Systems—were clearly intended to contribute to improving systems (see section 3.3).

In an attempt to make these connections, evidence has been drawn from three main sources: recent AusAID reviews of its education program in PNG, individual project monitoring and completion reports, and the discussions held in PNG during the evaluation mission in November 2008.

Reviews of support to the education sector

Reviews of AusAID's support to education were undertaken in 2004 and 2008. In 2004, four international consultants worked with AusAID and PNG government officials.⁴⁷ They reviewed documentation and undertook field visits. The January 2008 review was an Australia-based desk exercise by a single consultant. It provided one of a series of background papers for the design strategy of the next phase of AusAID assistance to follow the completion of BEDP and ECBP.⁴⁸

Findings of the 2004 review

In 2004 the AusAID education program consisted of a set of large stand-alone projects (ETESP, PASTEP, CRIP and BEDP) as well as the National Department of Education Institutional Strengthening Program, managed by Australian managing contractors. The review assessed whether these interventions were on track to achieve the basic education outcomes broadly defined in the 2000–10 strategy paper.⁴⁹ This task proved difficult. Each project had been designed to respond to individual requests from the National Department of Education, at different points in time, by different design teams, reporting to different AusAID staff, and managed by different managing contractors. The conceptualisation of objectives, outputs and outcomes was not consistent across the projects and a focus on managing and monitoring the achievement of separate outputs meant that they could not be compared in a systematic way.

Support for basic education had focused on discrete activities, formally requested and defined by the PNG Government as part of its reform agenda.⁵⁰ That AusAID project support had contributed to the achievement of a range of important outputs in the form of new curriculums for teacher development and pre-service training courses, especially at the primary level, new curriculums and learning materials, classroom construction and textbook procurement and distribution was therefore to be expected (see Appendix F). The introduction of the elementary component of the national education reforms was credited by the PNG Government to ETESP.⁵¹ However, the review observed that across the project portfolio there was an implicit assumption that project inputs and outputs would, in themselves, enhance the quality of basic education.

With regard to the wider systemic and structural changes introduced by the PNG Government in 1996 (see Section 2.4), the review found that the implementation of the reforms to give greater functional responsibilities to the provinces was still working its way through the system. Consequently, it was difficult to judge the effectiveness and the long-term impact of the education projects, given that their success depended in large measure on the overall efficiency and effectiveness of the sector as a whole.

⁴⁷ AusAID, 'Papua New Guinea: review of AusAID support to basic education', Canberra, September 2004.

⁴⁸ AusAID, 'Review and lessons learned from PNG education program activities', Canberra, January 2008.

⁴⁹ AusAID, 2000. Most of the projects were designed prior to 2000.

⁵⁰ PNG National Education Plan 1995–2004.

⁵¹ National Department of Education, *State of education in PNG*, Port Moresby, 2003.

The contribution of the projects to wider institutional strengthening was found to be limited. The National Department of Education Institutional Strengthening Program was apparently well regarded in PNG, but its support focused on just two units of the National Department of Education and some activities to enable other projects to achieve particular objectives. The lack of consideration of cost effectiveness and long-term affordability were also cited by the review as matters of concern. The long-term implications of the AusAID projects for teachers' salaries and regular training opportunities, the sustainable supply of learning materials to schools, and effective monitoring, especially for elementary schools, were highlighted. Insufficient consideration had been given in project design to what would need to be continued after project completion to ensure sustained benefits. The systems and processes initiated in BEICMP, for example, were deemed inoperable without further project support.

The 2004 review also noted some unfavourable unintended consequences.

- > Projects had resulted in considerable pressure on PNG systems and personnel, with an over-reliance on a limited number of capable individuals.
- > The milestone-driven approach and tight timeframes were counterproductive to local ownership, participation and capacity building.
- > There was a sense of too much happening too quickly, with insufficient attention to the limited absorptive capacity to either implement or sustain reforms.
- > Projects had been designed as entities unto themselves without regard for the bigger picture, external constraints, or opportunities to maximise the impact of resources. They promoted a compartmentalised approach to reform and assumed ownership of activities, which should have been led by the National Department of Education. Project activity was driving the department rather than vice versa and non-project activity was neglected.

A number of lessons were drawn from the 2004 review including:

- > the limitations of focusing on specific project outputs without taking account of the wider cross-sectoral issues that affect development impact
- > the need at school and community levels for improved knowledge of the multiple factors that affect student participation and quality teaching and learning processes and outcomes
- > the absence of attention to issues of equity
- > the need to reconsider aid delivery mechanisms to avoid dependency
- > the need for a coordinated approach to support and cooperation across projects
- > the weakness of monitoring and evaluation strategies in shedding light on development outcomes.

Most of these lessons reflect on the project mode of delivery. However, at the time of the 2004 review the ECBP (designed to strengthen the capacity of the education system to achieve improvements in education service delivery) was being developed in the context of shifts in AusAID strategy and with reference to lessons that were being learned. While supporting the direction of ECBP, the review drew attention to the potential for the program approach to be restricted by project-style contractual arrangements, and for the planned ECBP subprogram activity to become a collection of subprojects that could replicate the less-effective characteristics of project interventions.

Findings of the 2008 review

The 2008 desk review undertook an extensive documentary analysis of BEDP, ECBP, PASTEP, BEICMP, CRIP and the PNG Occupational Skills and Standards Project. Most of the documents were in the form of annual plans and milestone reports written by managing contractors. So the lessons learned were predominantly at the operational level of projects, reflecting contractual obligations. The focus of such reports was on what had been achieved in terms of targets and outputs, with a tendency to downplay any non-achievement. Where issues beyond the control of the project were identified, such as constraints within the PNG education system, their significance in terms of achieving project outputs tended also to be downplayed.

The review concluded that AusAID-supported projects, which often had overlapping objectives, appeared to have had limited success either in achieving the planned outcomes in a sustainable way or in impacting on the broader PNG education system. Many of the reasons for reaching this conclusion were linked to broader issues impacting on service delivery in PNG, including the limited PNG government budget for education, high population growth, high staff turnover, low technical capacity, geographical isolation, poor communication between and across the national, provincial, district and school levels, and the difficulty of achieving a critical mass for implementing and sustaining reform. Although it was acknowledged that ‘demonstration’ projects had served in part as a catalyst for change, their lack of grounding in a diagnosis of the ‘real’ problems had contributed to a piecemeal approach that addressed parts of the system rather than the whole.

Key conclusions

The following conclusions can be drawn from the two reviews.

- > Projects were designed without sufficient reference to the context and institutional environment
- > Several aspects of the way in which projects were designed, managed and reviewed ran counter to local ownership, capacity development and holistic reform
- > While projects produced some impressive outputs, and might act as a catalyst for change, they were insufficiently grounded in a deep analysis of the primary challenges and constituted a piecemeal approach rather than addressing the whole system.

Individual project reviews from 2004 to 2008

Given that the AusAID portfolio of projects was reviewed thoroughly in 2004, the evidence in this subsection draws on more recent reports and analysis.

Primary and Secondary Teacher Education Project

The purpose of PASTEP was to assist the PNG Government to raise the quality and relevance of teacher education to meet the requirements of the National Department of Education’s education reform agenda by strengthening and improving teacher education in primary, secondary and special education areas, and by promoting gender equality and change management.

PASTEP concluded in October 2005. The independent completion report found that many immediate project stakeholders considered PASTEP to be a success. The focus on primary teacher colleges was seen as relevant and necessary. Staff and students at these colleges had better access to library and computing resources; teaching training curriculum development processes were reviewed

and improved; new courses were introduced, including on teaching strategies for multigrade classes; gender equality issues were raised and gender policies established for teacher education; and college infrastructure was upgraded.

The role of the long-term advisers in skills transfer was appreciated and the nexus of teacher college cooperation and the inflow of resources and expertise were deemed to have had lasting benefits for primary teacher education. A brief visit in 2008 by this evaluation team to Madang Teachers College appeared to substantiate these conclusions. The commitment levels of staff remained high (despite some complaints about conditions of service) and imaginative ways had been brought to bear to sustain the benefits of the project through income-raising activities, including by providing services to local schools.

However, PASTEP was found to have had a more limited impact on secondary education, primarily because the main secondary teacher education body, the University of Goroka, was outside of the authority of the National Department of Education. Other weaknesses in the project as a whole included a lack of consultation in the design phase, requiring considerable redesign later in the lifetime of the project and the poor quality of some of the new infrastructure.

The primary lessons identified by the independent completion report related to the need for longer design processes to ensure that objectives are realisable within the institutional structures of implementing agencies. The sustainability of computer resources, which have a limited lifespan and are unaffordable for poorly funded institutions, was also highlighted. Overall, the achievement of project objectives and the management of the project were rated fully satisfactory, but the appropriateness of the design and attention to sustainability were found to be only marginally satisfactory, verging on weak.

In addition, the presence of CRIP drew attention to the controversial issue of teaching styles and classroom pedagogy. Where PASTEP advocated an 'objectives' approach to curriculum development and teaching consistent with a teacher-centred classroom, CRIP (see below), which ran concurrently with PASTEP, advocated an 'outcomes' approach consistent with a student-centred classroom. The effect of these differences is discussed further in the subsections on overall effectiveness and impact.

Curriculum Reform Implementation Project

CRIP's goal was to improve the relevance and quality of education provided to school students, and its purpose was to effectively develop, implement and gain wide support for a new curriculum at the basic education and secondary level. CRIP was completed in December 2006 and reviewed independently in August 2008.

The independent completion report found that CRIP had achieved its goal to a limited degree. It responded to a real desire to improve the relevance of the school curriculum and the quality of teaching in PNG's schools. A good spectrum of stakeholders found that the new curriculum was attentive to national identity and PNG's own aspirations. Its determination to set national standards was welcome. Learning materials were developed and distributed in a well-managed and efficient manner. There was strong commitment and professionalism among administrators and educators of the National Department of Education who were involved in the curriculum renewal process, and a strong legacy of curriculum development expertise now resides within the system. At the school level many principals and teachers worked hard to accommodate a new and challenging pedagogy.

On the other hand, the independent completion report found that many teachers and Standards Officers were finding it very difficult to understand and implement the new curriculum effectively. Outcomes-based learning was such a departure from previous practice and required new and quite difficult ways of working for teachers (especially older teachers) in terms of lesson preparation, teaching and student assessment. There was evidence of teacher (and some parent) discontent, concern, confusion and frustration over the substance of the curriculum materials, difficulty in accessing the resources needed to implement the curriculum, and consequent limitations in being able to assess learning outcomes at the level of the individual student.

During field visits some of the concerns expressed in the report were drawn to the attention of the evaluation team. At Madang Teachers College there were mixed opinions. Some teacher trainers welcomed the greater relevance of the curriculum to local needs and circumstances. Others felt basic skills were now receiving insufficient attention. Some school teachers in Madang Province found the curriculum demanding, both in terms of teaching preparation (and the resources required) and classroom teaching. Reconciling an outcomes-based student-centred approach with their long experience of a teacher-led classroom-based approach was found to be not easy. In Bougainville three Standards Officers commented that the curriculum required university-level education whereas many teachers had only grade 12 education.

Questions of relevance were also raised in Bougainville. The Provincial Education Adviser and the Senior Standards Officer (Primary) commented that at both political and professional levels there was a resistance to following the new curriculum. Politically, there is a strong sense that Bougainville is different from PNG. Professionally there was talk of reviewing the curriculum because of the number of complaints from parents and students. This view was partially borne out by the Catholic Education Service, which indicated that, while there was no inherent problem with a national curriculum, it needed to be applied with considerable flexibility. In some areas, whole modules had been rejected on the grounds that they were culturally inappropriate.

Two years after its completion, CRIP remained a controversial project, politically as well as pedagogically. It certainly had been catalytic in escalating engagement and debate within the sector and more publicly on the nature and the substance of curriculum reform. The new curriculum continues to receive largely adverse attention in the PNG press. However, the view in the National Department of Education is that it is important to make the new curriculum work and that there is no going back.

Basic Education Development Project

BEDP is one of the two projects ongoing at the time of this review. It follows from an earlier project (BEICMP), redesigned to emphasise facilitation rather than training, and to promote gender equality. Essentially it seeks to build capacity for community management of school infrastructure and has been held up as something of a showcase project.

The latest review of this project—in September 2007—asserted that BEDP was a path-breaking project in terms of community engagement and gender mainstreaming. It was found to be well designed with sufficient flexibility to evolve during implementation. A high level of stakeholder participation and ownership was noted, especially at the school and community levels, and capacity was being built in ways likely to lead to significant improvements in the delivery of primary and community infrastructure maintenance. Innovative features have been the involvement of locally recruited District Women Facilitators and School Board of Management Facilitation Teams. There

was effective monitoring and evaluation based on action learning and the use of significant change methodologies, which supported the integration of lessons learned into future project planning.

However, in its final overview the review identified some underlying weaknesses. The most important of these were weak links with broader reforms in the education sector, which limited the potential to inform policy dialogue, and weak national and subnational links. The review recommended an extension to BEDP in order to sustain the network of District Women Facilitators. This can be interpreted as an admission that the network is not sustainable within PNG government systems. Indeed, all of the recommendations required an extension of the project with very little design modification, which may indicate a lack of potential for integration.

On this review's field missions there was a measure of criticism of BEDP. In Madang the Catholic Church education authorities highlighted a lack of support by provincial education administrators and poor follow-up at the school level. There was scepticism about the long-term future of women facilitators and unhappiness at the failure of the project to draw in the church schools and their administrators. In Bougainville, the Catholic Education Service stated that BEDP was like other big projects in that 'there is a lot of activity for a few years and then there is nothing'. The authorities also noted that supervision was a problem and that, given the logistical difficulties of supporting schools, BEDP was no more successful than other community-based projects in spite of far greater resources. With limited supervision (monitoring), those involved in BEDP were always subject to criticism about where the money was going.

Education Capacity Building Program

ECBP's goal is to strengthen the capacity of the national education system at the national, provincial and district levels to achieve quality improvements in education service delivery. Its purpose is to support the education reform agenda by strengthening education administrative operations and improving systemic integration among the four levels of administration responsible for managing and financing the education sector. The primary input is expatriate technical assistance placed centrally in the National Department of Education.

There was an independent review in September 2005 but the project does not appear to have been reviewed subsequently. The review found that ECBP had been successful in supporting a range of significant activities which, while needing more time to be fully realised, were likely to make useful contributions to enhancing capacities to manage change in the National Department of Education. It was also found to have been well managed, and implemented in a timely and respectful manner, with reasonable efforts made to use departmental operating systems. One perhaps unexpected benefit accruing from ECBP was AusAID's much better understanding of both the system and the National Department of Education.

Overall, however, ECBP was found to be inadequately strategic, failing to address the fundamental causes of the poor delivery of education services in PNG. These were identified to include: continuing confusion concerning roles and responsibilities at different levels of government; the absence of a consolidated picture of resources dedicated to education by province; inadequate prioritisation of objectives in the context of constrained resources; poor coordination and communication between all service providers; and a dispirited education workforce. Although some of these issues were identified in the design, the managing contractor did not undertake the more detailed analysis of these and other systemic issues to enable the program to be more effective.

Other important weaknesses were that the program did not work fully in the systems and processes of the National Department of Education, and was virtually ignoring the role of subnational government. There was no process to develop shared understandings or promote frank engagement on development priorities, given the difficult medium-term outlook and the targets of the National Education Plan. The project was essentially supply-driven and activity-focused and lacked a coherent capacity development strategy. Although described as a program, ECBP at the time of the review was seen as a project type of intervention based on an a priori selection of activities rather than a process initiative based on a diagnosis of sectoral issues on which interventions could be built gradually. Given its dependence on a large number of long-term advisers, it was not a sustainable intervention. The review concluded that the original aspirations for a program that would underpin all support to the education sector had not been realised and was not likely to be, and that the human and financial investment was disproportionate to the results that were likely to be achieved.

Since 2005, ECBP has been changed to give greater support to the National Department of Education to develop a sector-wide program, including greater involvement at subnational levels. According to the managing contractor there has been considerable support from senior levels in the department and a strong sense of ownership. At the same time there has been an insistence that the pace be reduced in order to make reforms stick.

Overall assessment of projects

An overall assessment of the projects reviewed was made using the OECD Development Assistance Committee's evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability.

Relevance

During the period under review AusAID sought to make its project portfolio relevant to PNG's education priorities. Between 2000 and 2004 there were at least six projects running simultaneously, having similar and overlapping objectives. Each had been designed according to a request from the PNG Government and each supported a component of PNG education policy at that particular time. However, none of the projects was conceived explicitly to improve service delivery for the poorest and most disadvantaged in PNG.

The reduction in the number of projects to two since 2006 reflects an attempt to be more relevant in terms of international best practice and to move towards a more coherent sector-wide approach. As the 2007 updated concept paper noted, although projects have brought substantial benefits, it is evident from the mounting challenges facing the education sector in PNG that they have not enabled the PNG Government to put the administration and financing of education on a sound footing.

In reviewing the project portfolio the main issue emerging in terms of relevance relates primarily to the design process and the degree to which higher order educational outcomes were addressed.⁵²

- > PASTEP had an 'overblown' design, which was not well understood by some of the implementing institutions, reflecting a lack of consultation with stakeholders and limited analysis of the institutional environment. The component on distance education was driven largely by Australian agendas and did not attract much support in PNG.

⁵² Words in quotations in the following points are from previous reviews (cited in earlier sections).

- > ECBP had ‘extremely weak’ design integrity with ‘little to commend it from either a strategic or technical perspective’. In a changing policy environment in AusAID it was compromised by undue haste to adopt a new modality, which obscured the prior and more significant question about the fundamental problems to which Australian assistance should be directed.
- > CRIP’s concept and timeline were ‘overly ambitious and inappropriate’ in the context and in relation to the capacity of the National Department of Education. Had the design been critically and independently evaluated, it is likely that this would have been recognised and the project could have been redesigned to take account of the complexity. The decision to pursue an outcomes-based curriculum was not in the original design and was not contested, except by those directly engaged with the project.
- > BEDP was assessed as having an extremely thorough design, which contributed to its success. Compared with other projects, however, it is a much simpler and more linear concept.

All projects were designed to be national in their coverage. This raises the question of whether, in a country as complex and diverse as PNG, the different challenges addressed in projects are equally relevant across the country. In addition, with projects managed largely from a central level, the depth of implementation possible across the country is questionable if there are major weaknesses in the system at the provincial and district levels.

To develop relevant interventions there needs to be a problem analysis that addresses the fundamental causes of poor and deteriorating service delivery in order that programs are anchored in social, political and institutional realities. Most projects have not succeeded in achieving this and have been restricted to analysis of the issues that appear to directly affect the project rather than a holistic analysis of the context, which might have resulted in a very different design strategy, one that focuses on the totality of school improvement or service delivery effectiveness.

ECBP appears not to have been reviewed since 2005 even though there were major concerns at that time. Rather, preparation has begun on the concept and design for the next phase of assistance when ECBP and BEDP conclude. There is certainly evidence that ECBP has adapted to changing circumstances—for example, in making greater use of PNG government systems and in supporting increased ownership—but it is unclear how systematic this has been or the extent to which it has been led by the desire on the part of AusAID to pursue a different sector-wide modality.

Effectiveness

Past reviews of the overall portfolio and individual projects detailed their achievements and concluded that AusAID has been pivotal in supporting important improvements. Some of these are documented in Appendix F. Clearly, projects have been largely effective in that they have achieved what they set out to do. Individual evaluations, except of CRIP, were positive about the achievement of outputs and, in line with their terms of reference, focused tightly on the predefined cause and effect chain of project inputs and outputs. Where objectives proved to be unrealistic or ill-defined this was usually assessed as a design fault and not analysed in depth. Lessons, of which there were many, tended to focus on what needed to be done to sustain project outputs or impacts.

Rarely was that the project modality itself challenged. This is important because achieving outputs, especially with ambitious objectives and tight timeframes, has been possible only using the project modality, managed by contractors using systems and processes in parallel to those of the PNG

Government, and with significantly higher human and financial resources than would be possible through government budgets. While outputs could not have been achieved without close cooperation and coordination with government at all levels—which was evident in feedback from stakeholders—the bottom line is that the gains from projects in PNG, as elsewhere in the world, are largely unsustainable.

BEDP was generally described as a ‘good’ project both by stakeholders and in reviews. Given that the project modality and contractor management lends itself to effectiveness in terms of achieving what was intended, it is important to look at other contributing factors. It was said that BEDP was well designed—and that may be true—but the concept of building and maintaining school infrastructure through community involvement is neither a difficult nor controversial one. In contrast, ECBP is difficult both conceptually and in implementation, and CRIP was extremely controversial.

If effectiveness is about achieving intention, the interface between PASTEP and CRIP is an interesting example. Where PASTEP supported a teacher-centred curriculum, CRIP simultaneously introduced an outcomes-based one. Teaching style is highly contextual and is deeply contested across the world. For CRIP to have been genuinely effective in introducing a new curriculum there would have needed to be a substantive debate within the PNG Government involving a wide range of stakeholders to work through what would be most effective within the particular context. Apparently there was no such debate and, given the lack of specification of curriculum in the design, ultimately the decision rested with key individuals in the National Department of Education and the managing contractor. This raises important issues for AusAID about the capacity of activity managers to monitor effective implementation or source appropriate advice to support the process.

In reviewing across projects it becomes apparent that mechanisms for managing effectiveness overall were weak. Where similar projects were managed by different managing contractors, such as PASTEP and CRIP, there was inevitably a degree of competition, which made it difficult to get coordination and a common approach between the two. This is also an issue currently with the potential merger of ECBP and BEDP. The two projects have very different objectives, so the main argument for merging seems to rest on efficiency. Since both are managed by the same contractor this would potentially be relatively straightforward to achieve but it is questionable whether it would improve effectiveness. More fundamentally this should not be conceived merely as a process of project rationalisation at a time when PNG ownership of its own sectoral program is a key consideration.

This raises issues of partnership. With contractor-managed project implementation it seems clear that the relationship between AusAID staff and its contractors is closer than between AusAID and the PNG Government. The primary partnership appears to lie between managing contractors and the PNG Government rather than AusAID and the PNG Government. In addition, contractors believe that AusAID micro manages them which, if true, results in AusAID activity managers having a deeper understanding of the contractor than of their government partner.

In turn, this is linked to issues of ownership. There is limited evidence of project ownership by the PNG Government. This reflects a number of factors: the dominance of the project modality, the lack of political engagement in education policy, and the pre-eminence of Australian technical assistance. In the move to a sector-wide approach, one of the challenges of operationalising new modalities will be how to build the capacity for ownership.

The awareness that projects ‘don’t work’ in isolation is not new in AusAID (as earlier sections have described). This is not to suggest that attempts to support the PNG Government in the

implementation of its own plans have not been sincere; indeed, there is even a sense in AusAID post in Port Moresby that the PNG program is 'ahead of Paris' in terms of ownership. However, what appears to have been the issue is how to do it, and projects have remained the default option.

Although it is still a project, and there were major concerns about its design in 2005, ECBP has evolved in line with thinking about sectoral approaches and is working on systemic issues. In using elements of PNG government systems it has become clear that many of the problems are to do with service delivery implementation. This has added weight to the argument for a sectoral approach. There is also commitment by project management to support ownership by the PNG Government and to work at a pace in helping to progress ESIP that is dictated by PNG circumstances and capacities. However, this positive change has raised many issues, including how to ensure that technical assistance advisers adopt much more of a facilitation approach to their work. AusAID too has tended to use ECBP as the route to the PNG Government rather than establishing its own dialogue separately. However, this is changing as the next section of this report shows.

Gender equality is an important crosscutting theme for AusAID and is, in theory, mainstreamed across all projects and programs. However, a recent internal analysis in PNG showed weak mainstreaming across all sectors.⁵³ Within the education portfolio, only BEDP has achieved this. ECBP has few female advisers and there is no gender focus enshrined within the project. In part this is a design issue, reflecting the more readily perceived benefits and ease of working on gender issues at the community level compared with within the public service. In part it is because the gender strategy of the National Department of Education is floundering. And in part it is because there has been no deliberate attention given to gender by, for example, employing a gender adviser until recently. Overall, the gender equality work that is occurring in most projects is largely peripheral and rarely influences the strategic direction. Given its importance to AusAID corporately, it is surprising that gender monitoring is not followed through effectively at the country level. HIV has also not been mainstreamed across all projects.

Efficiency

It is difficult to evaluate the efficiency of the project portfolio from available evidence. So the following comments are by no means the full answer.

Using contractors for implementation is an expensive model but, in choosing this modality, AusAID has clearly determined that it is an effective use of funds. However, the evaluation of CRIP concluded that the financing, contractual, reporting and quality assurance arrangements were less than satisfactory and impacted negatively on implementation. The contract, and basis of payment which exceeded 150 pages, made it impossible for either the contractor or AusAID to monitor cash flow or expenditure over the four years. In terms of financial risk (on investment), given that CRIP funded many core activities for which there was no, or inadequate, PNG government budget, the risk was high. This risk was linked to effectiveness in that outputs can be achieved with sufficient inputs. However there were significant sustainability concerns that were not addressed. More importantly for CRIP, the independent completion report commented that there was a high risk that the reform curriculum could stall or at worst be rejected. This would be a significant loss of investment.

⁵³ S. Ferguson, 'Gender integration within the Australia PNG aid program', AusAID, Canberra, July 2008.

It is estimated that infrastructure built under BEDP using community resources is six times cheaper than the formal contract model. However, this does not take account of the training costs, which are higher than in a straight procurement and construction model, nor the costs of employing a managing contractor. BEDP is also said to offer value for money through recruiting 90 per cent of its full-time staff locally. Both these assessments, in line with their terms of reference, take for granted the project approach and make no assessment of whether this is the most efficient modality.

None of these findings are surprising and are part of the reason why sectoral approaches are now generally considered better practice than projects—even though they do not automatically right the wrongs of the project approach. The cost of management through a contractor is high and could undoubtedly be reduced by working to a greater extent through government systems. However, AusAID is deeply concerned about the risks of reduced efficiency through corruption. Unless a greater degree of risk is considered it will prove difficult for AusAID to operate through other modalities, including the sectoral approach.

Importantly, efficiency is also about timeliness. What projects may do relatively well because of tight contract management, based on milestones and the availability of resources, is to deliver outputs within an agreed timeframe. Yet almost all reviews and evaluations note that this is also problematic. From the most senior levels of AusAID, through contractors, to the PNG Government, there is an awareness that AusAID is trying to do too much too quickly. If AusAID is to support PNG government ownership this will need to change. Again, it is not an issue of knowing what to do but more the challenge of finding an alternative ‘how’ and integrating realistic timeframes into policy dialogue.

Impact

An assessment of impact should start from the perspective of intended beneficiaries but in AusAID-supported education projects the intended beneficiary is not always made clear. At goal level, most projects use purpose-type statements that relate to improvements in the quality and relevance of schooling, the capacity of the system, and the number of teachers. Specific basic educational outcomes received very little attention.

External project reviews are variable in quality, and the information they provide to assess impact is often limited. Project monitoring reports focus on inputs and outputs. Looking over the project portfolio as a whole, the duplication of objectives and the sometimes competing objectives of different projects are likely to have reduced potential impact.

How often reviews are undertaken, and what happens to the recommendations, are also variable, even for high-profile projects. ECBP, for example, has not been reviewed since 2005. In some cases reviews appear to be undertaken by a small number of consultants, some of whom have had previous involvement with the project either at the design or implementation stage and cannot therefore be considered totally objective.

In terms of impact on broader AusAID goals, poverty reduction is not an explicit goal in most project documents and monitoring information has generally not been collected on poverty indicators. In terms of gender equality, only BEDP has genuinely mainstreamed an approach. The District Women Facilitators are assessed as being highly effective at the community level and there is evidence of positive change gathered in qualitative monitoring. However, given the lack of an institutional home

for these women after project completion and a degree of resistance to them by Standards Officers, the impact is predominantly localised rather than systemic.

Demonstrating impact on gender equality is also rather more challenging than simply involving women in project activities. In one independent completion report the comment that ‘any difficulty in implementing gender objectives was a sign of deep rooted cultural behaviours rather than project impact failure’ is indicative of the weakness of project design in addressing systemic issues.

Sustainability

Sustainability also receives very limited attention in project documents and reviews. But in the case of CRIP, while a strong curriculum capacity was developed and seems likely to be retained and sustained, many stakeholders in the education system believe the new curriculum to be unsustainable because of the high transactional and financial costs in terms of classroom resources, research facilities, teacher:student ratios, evaluation and moderation support.

Because sustainability requires a commitment of resources from local budgets, it is linked to ownership. This is an area that does not appear to be monitored, yet it would shed light on the types of interventions likely to be sustainable and on how decisions about resourcing are made at local levels. BEDP is interesting in that neither the role of the District Women Facilitators nor the provision of maintenance grants and infrastructure development to schools was intended to be sustainable. The District Women Facilitators were seen as a means to an end, and grants were intended to build capacity for self-management. Boards of management were intended to develop experience to self-manage infrastructure planning and development, and communities were intended to have experience and understanding to demand better support from government. While this is a sound rationale from a design perspective, sustaining motivation is extremely difficult in the absence of resources.

3.4 Advancing sectoral policy and a sector-wide approach

As noted previously, there are many education policy documents and frameworks in Papua New Guinea. The Medium Term Development Strategy 2005–2010 cites basic education as a development priority and the two 10-year education plans (1995–2004 and 2005–2014) set ambitious targets, currently for 2010 and 2014, consistent with the MDGs and the Education For All goals. In addition, provincial and district governments and authorities should prepare their own education plans. However to date, all of these strategies and plans have served largely as frameworks of broad intent, unable to provide the necessary impetus to tackle deep-seated, structural service delivery issues.

- > There is no comprehensive costing and financing plan for the sector.
- > Resource allocations for and within the education sector do not accord with stated national priorities for basic education, and resource allocations across provinces are inequitable.
- > Lines of responsibility and accountability between national and subnational administrations are diffuse, fragmented and ill coordinated.
- > Provincial and district education administrations rarely possess the requisite skills base.
- > Accountability throughout the system is weak.
- > Patronage secures resources for schools at the community and district levels.

> HIV/AIDS can mitigate gains and undermine the foundations of sector planning.⁵⁴

The resolution of many of these issues lies beyond the direct purview of the National Department of Education. It requires government-wide public finance and management reforms. Nevertheless, the need for a more coherent and better-coordinated approach to sectoral planning and financing is understood in the upper echelons of the department, including through direct learning from the comparative study of other countries in the Pacific and beyond.

Currently the work to develop ESIP and a plan to accelerate the achievement of universal basic education involves a range of stakeholders, including donor agency partners. The intention is for ESIP to provide the basis for annual and medium-term planning and financing from 2010 and for the plan for universal basic education to provide, among other objectives, the basis for dialogue with the 'Education for All' Fast Track Initiative during 2009. Ideally these two exercises should merge.

It appears that there is some political backing for these ways of working.⁵⁵ This seems to reflect PNG's growing exposure and commitment to the Paris and Accra aid effectiveness agendas as expressed nationally in the PNG Commitment on Aid Effectiveness (2008). This commitment includes targets to develop sectoral investment plans and consideration of a program-based approach for education. International obligations to achieve the MDGs and the Education For All goals, and PNG's weak position comparatively in this regard, also influence government thinking about more strategic and sector-wide ways of working. As noted earlier, the new partnership agreement between the governments of Papua New Guinea and Australia should also give further impetus to sector-wide planning and programming.

Internal government momentum is matched by a new willingness on the part of the small group of agencies working in the education sector to have collective dialogue on sectoral policy and contribute to its development with technical and analytical support—as their own internal capacities permit. Although the project mode is deeply embedded in the existing programs of the Japan International Cooperation Agency, NZAID, UNICEF, the European Commission and AusAID, the willingness of these agencies to engage with ESIP procedures and mechanisms is timely and, at this early stage, productive at the level of information sharing, some broad consensus on policy positions, and joint negotiation around a memorandum of understanding on ways of working. With both the European Commission and AusAID considering major new medium-term investments in the sector and the likely re-engagement of the World Bank in education, there is the potential for a more joint approach than has characterised aid to education in PNG hitherto.

As noted in Section 2.2, AusAID holds a uniquely influential place and voice in development cooperation in PNG. This is important in assessing the role that AusAID can play in helping to advance sectoral policy and a sector-wide approach in PNG.

It is clear from the range of analytical work commissioned by AusAID that the limitations of a project-led program have been voiced consistently since 2000. The relevance of working more strategically and systemically has been recognised for many years—in the education sector and beyond. However, until 2007 it appears that the primary programmatic response was through a project

⁵⁴ This list of points is drawn primarily from the recent AusAID-supported study *Education in PNG: problem analysis* as part of the documentation for developing the new program strategy.

⁵⁵ These points reflect discussions with the Secretary for Education.

modality—firstly under the Institutional Strengthening Program (1996–2002) and subsequently and currently through ECBP. The National Department of Education acknowledges that specific capacities have been built through these projects and that they are relevant to the needs of particular departments and to addressing specific technical problems. However, neither project could lead on sectoral policy development—although the Secretary for Education indicated that ECBP is helping the department to gear up to progress a sector-wide approach—nor could either be expected to lead in facilitating broader development partnerships. However, the ECBP managing contractor has recognised that the project and its technical assistance staff can and should take on a broader role in this regard.

In 2007 and 2008 there was something of a sea change in the way AusAID perceives its role. It has applied much more of its Port Moresby staff's time to engaging directly with the National Department of Education, including through ESIP processes, to consulting widely on future AusAID programming, through working with the Principal Education Adviser in Canberra, and perhaps most significantly to recruiting a full-time education adviser based in the department with a foot in AusAID who is able to contribute to wider sectoral policy discourse with other donors. All of this has resulted—if perhaps a little belatedly—in AusAID playing a much more direct strategic role in building partnerships around the department's sector-wide activities.

Judging the effectiveness of AusAID's support for a sector-wide approach at this relatively early stage in its evolution is problematic. It has certainly given strong public support to the National Department of Education's intentions and activities related to a sector-wide approach. It is proving flexible and responsive to the needs of these processes. It plays a well-prepared role in the sector's donor coordination group and the ESIP steering committee. Additionally, although it has yet to be finalised and agreed upon, AusAID's new education program, which has been developed through extensive consultation in PNG, is an important signal of Australia's intent to provide support through to 2014.

Some other aid agencies have reported changes in AusAID behaviour. UNICEF noted that AusAID was more open and consultative and prepared to judge when to, and when not to, take the lead. NZAID recognises more open engagement from an agency with unparalleled entrée to all levels of the PNG system. European Commission staff also note AusAID's greater interest in working with others. However, the perception remains that AusAID believes that external technical assistance can 'fix' problems.

The presence of the education sector reform specialist on the ground in the National Department of Education on a day-to-day basis at this stage in the development of a sector-wide approach is particularly beneficial. As far as can be detected, the network of the specialist adviser (working within the department and AusAID), the lead technical assistance in ECBP and the education team in Port Moresby seems to work well in support of departmental activities without obvious confusion as to the roles that are being played.

There are some issues of efficiency that are not peculiar to the PNG program. AusAID has a culture of closely monitoring all aspects of project reporting and management at posts. As AusAID moves towards playing a more strategic role, engaging more regularly with government and partner agencies and identifying synergies and potential links with wider public reform and subnational programs, the skills profile of an education team—including in its attention to crosscutting issues—may need some revision.

There is some questioning at the AusAID post in Port Moresby about what it should and should not be expecting in the way of specialist advice from Canberra, where the education thematic team is spread quite thinly across the range of countries in which AusAID has education programs. Managing the efficient use of this scarce professional time is revisited briefly in Chapters 4 and 5.⁵⁶

The impact and sustainability of AusAID's commitment to working towards an operational ESIP cannot be judged at this time. However, its willingness to contemplate long-term engagement with the sector and to use its influence and leadership position to foster strong strategic partnerships, in addition to its gradual preparedness to align with government policy and systems, bode well for a more systemic attempt to deliver basic education of acceptable quality.

3.5 Wider public sector reforms

As noted previously, the impact of projects supported by AusAID in the education sector is dependent not only on the efficiency with which projects are implemented, but also on wider societal conditions. These range from social and political structures through to the rules governing fiscal transfers to provincial and districts governments, and including the overall effectiveness of government structures and the capacity of the public service. Some of these can be influenced by reforms to the system of governance while others, particularly the social and political climate, are less amenable to change.

Over the past decade, a major new platform of development aid has been budget support linked to poverty reduction strategies and programs. Initially these operations were developed solely by the World Bank, mainly in sub-Saharan African countries, but increasingly some bilateral donors have joined in these operations. The typical focus of these programs, and the conditions for fund release, are improvements in the social sectors and reforms in governance, usually emphasising broad areas of public expenditure management. A recent example of these programs is in Laos, where a Poverty Reduction Support Operation has been designed by the World Bank, with additional participation from the European Commission, Japan and AusAID.

PNG does not have a donor-supported operation of this type. Part of the reason may be that until 2007 the World Bank had not engaged in any new lending/grant operation in the country for several years, and AusAID, following the decision in the early 1990s to move away from budget support operations, showed no interest in returning to them.

This reluctance has been linked to a perceived decrease in the quality of governance and an increase in corruption. In 2007 PNG ranked 162nd out of 179 countries in Transparency International's Corruption Perception Index.⁵⁷ This does not mean, however, that AusAID has not shown interest in efforts to improve governance across the national and subnational governments. Several projects are being funded, in conjunction with the World Bank and the Asian Development Bank under the Public Expenditure Review and Rationalisation Process, and with the Asian Development Bank and the United Nations Development Programme under the Financial Management Improvement Programme, in addition to some stand-alone activities. To the extent that these projects lead to a more effective public service, they will benefit the education sector. To the extent that they increase the confidence of

⁵⁶ AusAID recently set up a core human resource development facility designed to provide core experts and other forms of technical assistance on a call-down basis, which should give added capacity from which country programs can draw.

⁵⁷ Transparency International, *Corruption Perceptions Index 2007*, <http://www.transparency.org/policy_research/surveys_indices/cpi/2007>.

donors that systems are in place to effectively employ non-project financial support, the more likely it is that funds for sector-wide programs, such as for basic education, will be made available.

Most AusAID-supported efforts to improve governance in PNG come within the Economic and Public Sector Governance Program. This is mainly, though not solely, a technical assistance program and costs around K85 million (\$34 million) a year. A further K25 million (\$10 million) is spent under the Public Sector and Economic Reform component of the Enhanced Cooperation Program. Together, these are the highest annual cost programs within the AusAID portfolio. In addition to supporting 140 scholarships a year and various forms of public sector training, these programs essentially place senior Australian government officials and other advisers in mainly national government agencies dealing with functions such as budgetary and financial planning, strategic planning, public financial management, performance management, procurement, and human resources management and payroll.

Most of the achievements claimed by AusAID as a result of these programs will only very indirectly impact on the education sector. For example: improvements in human resource systems in the Treasury, the Department of Works, the Internal Revenue Commission and the Department of Provincial and Local Government Authorities; strengthened procurement systems in the Central Supply and Tenders Board; the passing of a Fiscal Responsibilities Act; the introduction of a performance management system for departmental heads; and clearance of unassessed tax returns. Others, such as the work leading to intergovernmental fiscal reforms and higher conditional grants to financially weak provinces may have more direct benefits.

Overall, AusAID takes at least some credit for the results of a public expenditure and financial accountability assessment made in 2005, which concluded that there had been improvements since 2002 in expenditure management. However, the World Bank stated that while the system and processes were in place, they were not always followed and breaches of procedures were not penalised.⁵⁸ The European Commission is very complementary regarding the impact of these programs on the whole budgetary process, which has seen improved revenue collection and strict aggregate expenditure control leading to budget outcomes in each year since 2003 being better than planned.⁵⁹

Given basic education is largely a provincial and local government function, improvements in governance at these levels may have a more direct impact on the quality of its delivery. The relatively recent Provincial Performance Improvement Initiative funded by AusAID is intended, initially, to: strengthen the corporate management of provincial administrations and relations between these administrations and elected leaders; improve national agency support for provincial administrations; and improve provincial and district administrations' accountability for service delivery. Inclusion in the program depends on a set of prior actions taken by provinces. The program provides a range of short-term technical advisers, some limited financial support (K250 000 a year per province) and, in a few provinces (for instance, Eastern Highlands and Bougainville), a full-time AusAID appointee. The explicit anticipated outcomes from improvements in these areas are a strengthening of service delivery and more effective economic policy and planning.

⁵⁸ World Bank, Country assistance strategy for Papua New Guinea for the period FY08–FY11, 20 November 2007.

⁵⁹ *Papua New Guinea – European Community: country strategy paper and National Indicative Programme for the period 2008–2013*, <ec.europa.eu/development/icenter/repository/scanned_sb_csp10_en.pdf>.

The approach taken so far by AusAID to improve the effectiveness of government and, hopefully in turn, the quality of service delivery in basic education, has largely been direct technical assistance to central agencies involved in public expenditure management. This is, of course, important for improving the effectiveness of all public expenditure, including that supported by donors. The next phase will need to lead to improvements in service delivery more directly, when the main actors will be the subnational governments. Given the number of these, a cadre of direct technical assistance advisers will neither be appropriate nor affordable, and alternative modalities will need to be developed. Field visits confirmed that initiatives taken under the Provincial Performance Improvement Initiative can benefit the provincial administrations, but these are still early days with relatively few provinces engaged in the process.

CHAPTER 4: CONCLUSIONS AND LESSONS

4.1 Broad conclusions

This evaluation addresses the question: in PNG, has the approach taken by the aid program since the mid-1990s to improve the delivery of essential education services for the poor been effective? The short answer has two parts. First, more than 10 years of investment and support for a set of substantive education projects have made some limited inroads into realising the rights of all children in PNG to a complete cycle of basic education of acceptable quality. Second, the approach has contributed little to overcoming the deep-seated structural and institutional barriers to financing, organising and managing basic education services in an effective and sustainable way.

More specifically, four broad conclusions emerge.

1. The pragmatic supply-side approach has had limited impact

During the 10 years 1997–2006 Australia, as the lead donor in the education sector, had project commitments totalling more than \$330 million. However, it seems that only limited progress was made in meeting some of the country's minimum basic education objectives and targets. While there were gains in the numbers of children enrolled, teachers trained and curriculums developed, an estimated 680 000 children aged 6–14 are not in school. Additionally, in some provinces and districts, net enrolment rates are below 30 per cent and gross enrolments rates are below 50 per cent. These are some of the poorest enrolment indicators in the world.

If weak indicators on school retention, completion, gender equality, learning achievement and employable skills are added to the enrolment deficit it is not stretching language too far to say that PNG has an educational crisis.

The AusAID projects that have supported advances in the education sector have been based very largely on the premise that discrete supply-side investments will in themselves make a lasting contribution to the quality of basic education service provision. This reflects a developed country model for pragmatic, responsive investments to resolve weaknesses in specific aspects of the supply side of education. It is not a reform or development model tailored to the circumstances of widespread and deep-seated poverty. Nor is it obviously an approach that takes into account that success depends crucially on strong political will, widespread professional capacity, a commitment to allocate adequate financial resources across the sector, and the ability to plan, implement and monitor across the whole of government.

This relative neglect of the enabling environment and of the factors that constrain parents in continuing to enrol their children in schools is in some respects surprising, given that AusAID's central development focus is on poverty reduction, including improvements in the delivery of education services to the poor. However, the program appears to have largely ignored the challenges of persuading government of the importance of the demand side of the education equation and the policies and the strategies that are needed to enable children from poor households in all parts of the country to benefit from a complete cycle of basic education. Yet it is the demand-side interventions that reduce the financial and other costs of schooling, including the opportunity costs of time, which are more likely to have a positive impact on the poorest children.

This is not to deny that AusAID has been highly responsive to particular technical requests from the National Department of Education, and that it has executed projects efficiently with a contractor management model involving a high level of expatriate technical assistance. However, the strategy of designing national education projects has led, on the one hand, to interventions that do not target the poor in particular and, on the other hand, to a more limited dialogue with government on demand-side issues rather than a wider sectoral program approach would normally allow.

Equally, addressing the institutional barriers to systemic educational reform has relied almost entirely on a very traditional approach to building capacity within the parameters and the needs of a project, as distinct from analysing systemic weaknesses and advancing strategies for financing, managing and organising education services at all tiers of government and in support of non-governmental actors in the education sector. While this neglect of the wider framework may have resulted from a conscious decision, given the high levels of risk associated with the political economy of PNG, it is not what the higher order strategy papers have advocated since 2000.

2. Approaches to dialogue and partnership have been fragmented

Until the past two to three years there was limited evidence of a sustained dialogue on sectoral policy by AusAID, either with the PNG Government, or with other donors in the education sector. Most AusAID-funded analysis has been primarily for its own use. Limited sectoral analysis has been generated by other agencies. There have been only broad discussions with the PNG Government around AusAID strategies for supporting the education sector and there has been some dialogue within the framework of projects, primarily on education-specific issues and more recently under the ECBP on ways of advancing a sector-wide approach. Cross-donor dialogue prior to the institution of new government-led mechanisms to advance ESIP in 2007 was and remains relatively low key and is not yet geared to working towards promoting collective positions and ways of working.

The project portfolio has not provided a workable platform for dialogue with the PNG Government to identify synergies across projects, the budgetary implications for the long-term sustainability of new approaches and the implications for system-wide capacity building. Each project has its own modalities and documentation and, after quite critical analyses of the project portfolio were prepared (2004 and 2008), they were used primarily within AusAID and not as a way into a broader policy debate with the National Department of Education.

It also appears that it has been easier for managing contractors and their technical advisers to have dialogue around particular reforms and policies than it has been to conduct a sustained dialogue—government to government—around the national education reform plan as a whole. The lack of dedicated sectoral reform experience and skills in the AusAID post in Port Moresby, the only occasional visits from the specialist education team in Canberra, the lack of a regular mechanism to engage with government, and the paucity of PNG-led sectoral analysis are all factors that appear to have contributed to the limited level of dialogue between governments.

3. New directions need new ways of working

It is in the past two to three years that AusAID has re-examined its strategy of support for education, linking it much more specifically to higher order education rights and objectives, and it has recognised important links and synergies between education, governance, stability and economic growth. It has

set out its wider intentions for better public services across the board and the implications that this has for joined-up government and joined-up aid.

It has committed itself to working in support of a sector-wide approach and to working at all levels of government. To this end it has recruited an experienced education sector adviser, become active in government–donor ESIP mechanisms and exercised its leadership role in a more measured and open way. More appropriate weight is being given to aligning activity with government-led policies.

At the same time, the implications of moving from a well-defined project approach to a sector-wide approach will need some very careful working through in ways that have yet to be articulated clearly. For example, the June 2008 version of the new strategy read rather like a project document with detailed requirements for managing agents or contractors. Consideration of both the roles and the skills of AusAID staff and of the types of technical advice that may be needed still need to be fully thought through. As the experience of other agencies that have moved in these directions demonstrates, while there is a place for expertise grounded in particular aspects of education, it is much more likely that social and institutional analysis, systemic approaches to building ownership and capacity, and the financing of education will be areas of much greater importance—and all of this in a political economy driven in large part by legislators seeking local advantage.⁶⁰

AusAID's intention to continue to support education at even higher levels than the substantive assistance provided during the past decade will be more easily justified and delivered if it can be shown that the positive outcomes of aid are likely to be sustained through positive financial commitments from the PNG Government. Education's shares of GDP and of government expenditure have been falling. Negotiations around the next period of Australian aid need to address this situation, particularly if support is sought and provided to help fund a sectoral program.

A helpful guiding principle in this regard is that of 'one plan and one budget'. With this joint understanding in place—embracing the PNG Government and all funding and development partners—it becomes that much easier to engage in a regular process of dialogue (through ESIP mechanisms) around the development of a medium-term expenditure framework, the preparation of the annual budget and the levels of commitment that all partners will be making in support of the sectoral plan, even if some agencies are required (consequent to their own procedures) to follow parallel financing processes.

4 A unique relationship has both benefits and limitations

It is not easy for an external evaluation team to come to grips with the attitudes, behaviours and practices that have built up over many years as a result of the unique relationship that flows from the joint histories of Australia and Papua New Guinea. However, there is undoubtedly a strong subtext expressed on both sides of the table on issues of competence and capacity, acceptable levels of risk, what is possible, the pace of change, the balance between technical proposals and complex political realities, windows of political opportunity, and the politics and the practice of expensive technical assistance. A variety of views on these and other issues infused a good number of the evaluation team's formal and informal discussions about Australian aid to education.

⁶⁰ It appears that some of these considerations have been given greater weight in more recent iterations of the strategy.

On the one hand there is a clear comfort zone that results from familiarity. On the other hand there are some strongly held views on the need for much harsher conditionalities based on the argument that aid has not made a difference at one end of the spectrum, through to the need for a much more equal partnership based on a new type of dialogue and a new level of mutual respect at the other end.

The experience of the past 10 years suggests that there have been some success stories in working through these issues at personal and project levels, but very little evidence of consistent and open dialogue around ways of working at the national level. The combination of personality politics in PNG, fluctuating levels of Australian political commitment to development in PNG, AusAID's high level of staff turnover, and modes of working through projects that lead to separateness rather than coherence, can together limit and interrupt a well-balanced and sustained dialogue.

4.2 Lessons

In addition to this set of conclusions some related, specific, practical lessons emerge from this evaluation, with relevance to moving forward (Chapter 5).

1. Think through strategies for a sector-wide approach

AusAID is now committed financially to an expanding education program that is designed to help to advance ESIP, facilitate sectoral dialogue, provide support at the national, provincial and school levels and promote a culture of inquiry and reflection that addresses the underlying systemic challenges facing the education system. The August 2008 draft education sector design document indicates that the new strategy will be underpinned by the principles of partnership, diverse modalities, improved performance information, gender equality, affordability and sustainability. This suite of objectives and principles suggests that AusAID has learned some important lessons from the project era.

Comparative experience suggests that carrying this type of approach forward will require new ways of working within AusAID as well as with the partner government, which were not reflected (at the time of the review) in the draft design proposals. Ten points can be made.

- > **Sustain political dialogue.** It is unlikely that significant progress in advancing a strong sectoral program will be made in the absence of sustained political dialogue at the highest levels of government in the current context of falling budget shares allocated to basic education. The new partnership agreement may provide a forum for this type of dialogue.
- > **Adopt a cross-government approach.** It is unlikely that significant progress will be made in improving the benefits from aid to education without a cross-government approach to the education sector. Issues of public service and financial management, probity and accountability are not sector-specific. Links with AusAID's improved governance and nation-building programs, notably through the Sub-National Strategy, will be important,⁶¹ as will greater dedicated attention to economic, social and institutional issues using AusAID in-house expertise and/or external consultants. Indeed, a broader conception of an in-house education sector team is necessary.
- > **Accord priority to truly sector-wide development.** Australia's contribution to sectoral development needs to be truly sector-wide in its conceptualisation and practice. While according priority to basic education and meeting the needs of the poorest and least well-served

⁶¹ This fact is recognised in the risk analysis section of the August 2008 design strategy paper.

communities, it will also be important to give attention to other subsectors and to the urgent need for higher order skills. At the same it needs to go beyond a narrow interpretation of the MDGs and the Education For All goals, and ensure that broader issues of relevance, quality and transition to higher level of education and training also receive attention.

- > **Pace the program.** It will be unwise to force the pace of the sectoral program. Experience from many countries—notably in sub-Saharan Africa (see Appendix G)—shows that unless there is a very broad understanding of the meaning of a sector-wide approach and the political and technical processes embedded in that approach, there will be constant and increasingly frustrating reiterations of plans, programs and budgets. It is better that there is early broad agreement on joint ways of working, the preparation of a realistic timetable for joint action and commitments, and the inception of joint monitoring of progress.
- > **Articulate the future of projects.** If projects are to have a place in future AusAID plans, their place within the overall scheme of sectoral development will need to be articulated very clearly.
- > **Consider the subnational level.** Detailed consideration of ways to work at the subnational level that are consistent with, and supportive of, the national sectoral plan will be required. It will be important to ensure that, if there are different activities at different levels of the system in the new AusAID education strategy, these are consistent with and contribute to the achievement of national objectives, accepting that different parts of PNG have different contexts and needs. This is likely to require:
 - a strong cross-government approach to strengthening the delivery of basic services at the provincial level (see above)
 - a conditional approach to the use of the Education Trust Fund—assuming that funds are released
 - support for the real implementation of the functions and responsibilities of provincial and district authorities, including a ‘real’ plan and a ‘real budget’ consistent with national policy
 - opportunities for targeted funding—but within budget—to meet very specific local needs (e.g. after natural disasters, in remote areas and in pockets of urban deprivation).

Supporting the development of effective systems of data collection and monitoring will be vital. The work of the National Economic and Fiscal Commission will be important in these areas. At the same time very careful consideration of the varying levels of capacity across provinces is required.

- > **Learn from the health sector.** Given current weaknesses in financial management and the challenges that a sector-wide approach will bring in this regard, careful note should be taken of the experience of the sector-wide approach for health in PNG (and Solomon Islands) and the flaws in that model noted and worked through. (See the parallel ODE health evaluation reports.)
- > **Get the most from AusAID expertise.** The roles and responsibilities assigned to the education sector adviser (working in the National Department of Education and AusAID), the AusAID team in Port Moresby and the specialist education thematic group in Canberra, and their relationships, need some clarification. These seem pragmatically workable at this stage of design but will require attention as consultation turns into commitments, implementation and joint review processes. Desirably the service delivery team will strengthen its strategic skills profile and lessen the burden of detailed administrative overview that characterises the project regime.

- > **Discuss the roles for managing contractors.** Roles for managing contractors deserve careful consideration with the PNG Government and with other partner agencies, both as to the overall model that is being proposed in the design strategy and to the detailed roles that they will play.
- > **Learn from comparable experience elsewhere.** In many respects PNG is a unique place where comparative experience needs to be sifted carefully. However, some useful lessons can be learned from practice elsewhere. (Appendix G points to some material in this respect.)

2. Rethink technical assistance and capacity development

For those unfamiliar with aid to education in PNG, the prevalence of both long-term and short-term technical assistance, after 35 years of independence, is something of a shock and a phenomenon that is relatively unusual now worldwide. As one agency representative put it, ‘there appears to be an Australian in every department’.

Given the new directions that both the PNG Government and the Australian Government intend to take together, the time seems propitious to have a fundamental and open review about the place, the role and the management of technical assistance, closely allied to ongoing dialogue on the meaning of capacity development. This work should draw on recent AusAID analysis of capacity development and the role of technical assistance. Among AusAID staff there is now a greater level of awareness of the need for capacity development to be more process oriented than expert oriented. However, given the unique relationship between PNG and its predominantly Australian technical assistance, combined with the dominance of project modalities, there is a need for new strategies to draw on a wider range of global skills and experience in ways of working in sectoral approaches.

3. Reassess levels of risk

A 2008 iteration of the draft strategy stated that the high degree of risk that surrounds all aid activities in PNG means that risk management requires high-level political dialogue and management. This is a lesson well learned and offers a very different approach to the project-level risk analysis and management that have characterised the aid program for 10 years or more. Additionally, identifying roles that the AusAID team in Port Moresby will need to play in engaging in regular dialogue with the National Department of Education around its monitoring and review processes is important, and gives added weight to defining anew the range of competencies needed in the AusAID post in PNG.

4. Exercise leadership and promote partnership

Australia has a very close political and economic relationship with PNG, including through its large aid program. As the recent OECD Development Assistance Committee peer review of the Australian aid program puts it, Australia has special responsibilities and very specific challenges. Exercising this special position is a critical component of working effectively in the education sector. To paraphrase the review, which stresses AusAID’s work in fragile states, this needs a strong analytical foundation (which has been lacking in the education sector), the development of leadership capacity, and greater attention paid to working with civil society and engaging other donors in policy dialogue.

There are clear signs that in the education sector AusAID is heeding some of these calls. There are positive indications that it is taking a more open approach to dialogue, consulting on proposals and initiatives, and being a little less prescriptive about ways of working. In an environment where there is

no other bilateral agency of any great weight, it is vitally important that AusAID invests heavily in strategies to build and cement partnerships across a very broad range of stakeholders—both a political and a technical task.

CHAPTER 5: AUSTRALIAN AID FOR BETTER EDUCATION—MOVING FORWARD

As the preceding chapters have made clear, AusAID is moving forward in PNG. The PNG Government is also attempting to inject some urgency and greater coherence into its sectoral planning and programming. There is a new type of dialogue taking place and the small but disparate set of donors to the education sector is behaving in a largely cooperative way in response to the PNG Government taking a greater lead. Lessons have been learned from a generation of projects, albeit that the project way of working is still deeply embedded in AusAID thinking and practice. The new partnership offers some opportunities for leveraging greater political support for education within PNG. All of these opportunities for new ways of working offer promise.

This being so and taking account of the conclusions and lessons in Chapter 4, this evaluation concludes with seven brief points.

1. Signing off relatively quickly and publicly on AusAID's new education strategy and program of work is important.
2. The processes of dialogue, monitoring and review associated with the new high-level country partnership need to be consistent and mesh well with PNG-led sector planning and programming.
3. The financial and procurement reviews being undertaken by the World Bank should be complemented by a much-needed rigorous institutional analysis of the education sector and system.⁶² This should be led by PNG and supported by donors.
4. AusAID should have a very clear advisory position on how PNG should carry forward its submission to the 'Education for All' Fast Track Initiative—technically, in terms of the nature of the endorsement the initiative requires and in terms of managing expectations about the levels of additional funding that might be available to PNG.
5. Encouraging and assisting the development of a strategy for the joint review and monitoring of progress towards PNG's education goals and targets should begin sooner rather than later. Careful note should be taken of the need to minimise the burden of an externally driven process.
6. The completion of ECBP and the introduction of the new program design needs to be carefully synchronised, both in relation to the management of the two activities by AusAID, and in defining the process of the transition with all development partners.
7. Far greater attention will need to be given to gender equality than under the project portfolio to date. This is unlikely to be achieved under the new design (August 2008) and requires more detailed and thorough appraisal. Comparative experience can be helpful in this regard.⁶³

⁶² An institutional analysis would examine the governance, financing, organisation and management of the education sector at all levels to determine those challenges and issues that are amenable to better practice within existing structures and organisations, and those that are likely to require significant structural changes. It would also pay attention to wider political change processes nationally and locally and to issues of privatisation and the role of civil society. It would be best if such an exercise were part of the process by which the sectoral development process moves forward. It is possible that the World Bank's review of public expenditure covers a large part of this ground and the team's attention was drawn during the peer review process to studies that might cover some of this territory (e.g. a Deloitte study for the UN agencies). However, not much attention seems to have been paid specifically to the political economy of education.

⁶³ See, for example, Development Assistance Committee, OECD, *Gender equality in sector wide approaches: a reference guide*, Paris, June 2002, and a variety of work undertaken by UNICEF, the Inter-Agency Network for Education in Emergencies, the UK Department for International Development and the World Bank. C Colcough, S Al-Samarrai, P Rose & M Tembon, *Achieving schooling for all in Africa: costs, commitment and gender*, Aldershot, UK, 2003, is another valuable text for considering the gender dimension of universal schooling.

APPENDIX A: TERMS OF REFERENCE

Improving the provision of basic services for the poor Education sector evaluation

8 August 2008

1. Background

1.1 The Office of Development Effectiveness (ODE) periodically undertakes evaluations of key aspects of the Australian aid program. Improving basic services for the poor was identified as a significant challenge for the aid program in the ODE's 2007 annual review of development effectiveness. During 2008–09, ODE will evaluate the performance of the Australian aid program in three key service sectors: health, education, and water supply and sanitation. These terms of reference relate to the education sector evaluation.

1.2 As a proportion of its total aid program, Australia is more engaged in environments characterised by low capacity than any other donor. Internationally donors are questioning the effectiveness of traditional models of engagement in these settings (project-based, non-state, short-term, humanitarian-focused). But there is a tension between the longer term objective of building local capacity for sustainable improvement and the more immediate needs of the poor. For example, a recent AusAID performance report for the health sector found that gains in strengthening policy and planning capabilities within local health systems had not yet influenced the delivery of services themselves. Similarly, there is tension in applying conventional models of delivery based on government as the primary agent, given that government capacity and/or willingness to provide services typically starts from a low base in these environments.

1.3 Improving the effectiveness of basic services is important for at least two reasons:

- > Globally, achievement of the MDGs requires that development progress is made. Specific attention is required in health, education, and water and sanitation provision, given these measures are lagging in progress against the poverty indicator. Among many countries of most significance to the Australian aid program, performance has been mixed, with key indicators of human development apparently stagnating or deteriorating in some cases.
- > Poor services may be both a symptom and a cause of country capacity constraints. For many of the poor, better governance equates directly with better services. Improvements in the quantity, quality and equity of basic services may, therefore, make a significant contribution to strengthening and reinforcing state capacity to meet people's needs.

1.4 In line with a number of other countries, the Australian Government has committed to increase significantly the volume of official development assistance (ODA) it provides. Australian ODA is set to more than double by 2015. But notwithstanding the need for increased support and improved performance, exactly how to scale up aid effectively in environments characterised by low government capacity also presents particular challenges.

1.5 Australia's investment in education comprises 10% of its overall aid budget of \$2.989 billion, including 13% on basic education, 36% on scholarships, 15% on secondary and higher education, and

8% on technical and vocational training. Education support has been primarily in Indonesia (56% in 2006–07)⁶⁴, PNG (16%), the Philippines (9%) and the Pacific (8%). There is evidence that Australian support in education in line with the 2007 Better Education policy is shifting from the traditional model (project-based and short-term) towards the application of sectoral program approaches (alignment and harmonisation). Substantial support continues to be in the form of technical assistance (65% in Fiji and 25% in Indonesia and the Philippines)⁶⁵. Currently, however, strengths and weaknesses of sector-wide approaches and high levels of technical assistance are not well understood, particularly concerning the extent to which such approaches have led to significant improvements in the delivery of services to the poor and vulnerable.

1.6 The findings and recommendations of this evaluation will inform the 2008 annual review of development effectiveness and any revisions to Australia’s development education policy and/or implementation approach in education. In the spirit of greater partnership with aid recipient countries, it is also hoped that the findings will help to inform the approaches to education delivery for partner governments, particularly for the two case study countries of Laos and Papua New Guinea. Interim products will be available during the second half 2008 to help to inform ongoing management decisions in education, with the final report completed in November 2008.

2. Objectives

2.1 The purpose of the education sector evaluation is to inform understanding about how Australian aid can support sustainable improvement in the delivery of basic education services, particularly for the poor and vulnerable. It will do this by assessing the effectiveness of previous Australian support to education service delivery in selected countries.

2.2 The evaluation will generate insights into what aspects of Australia’s current approach should be continued, and what Australia should be doing differently. In identifying these lessons, consideration should also be given to the scope for Australia to increase its support to education in these environments.

3. Scope

3.1 The fieldwork for the education case study will focus on Papua New Guinea and Laos. This selection was based mainly on the criteria that there has been a significant investments in basic education in the last five to eight years in both countries. This selection of countries will complement the scope of the health case study, which is focusing on Solomon Islands, Vanuatu and PNG.

3.2 The evaluation will review all major Australian activities supporting the delivery of basic education that have been completed within the last five years and assess their performance in these countries.

3.3 For the purposes of study in the case study countries, the education system is defined broadly to encompass all stakeholders involved in the financing and delivery of basic education services. It includes private sector, community and not-for-profit groups, where appropriate, as well as the public education system.

⁶⁴ These figures include scholarship funding, which will not be assessed in this review.

⁶⁵ AusAID, Education: annual thematic performance report 2006–07, Australian Agency for International Development, Canberra, 2008.

3.4 The primary interest of the evaluation is to determine what has worked and what hasn't. While this will entail a focus on the areas of Australian support, the aim is not to attribute results to Australian funds in a narrow sense. It is recognised that in most cases Australia will have contributed jointly to reforms with other stakeholders and the evaluation will examine the effectiveness of this joint effort.

4. Evaluation questions

The evaluation will address the following core question:

Is the approach by the aid program to improving the delivery of essential education services for the poor effective?

In order to identify what has been achieved and why, the evaluation will consider a series of subsidiary questions, organised under three, related headings:

- a. the relevance of Australian support
- b. the appropriateness of the approach taken by Australia to provide support
- c. the effectiveness of Australian support.

These questions are not intended to be prescriptive but are expected to be refined by the evaluation team and informed by the (ODI) international literature review.

- a. Relevance of Australian support
 - To what extent is the partner country's education sector strategy effective? How well are Australia's programs aligned to the education sector strategy?
 - Are there sufficient resources to implement the sector strategy? What is the contribution of Australia and other donors? What level of funding has reached provinces, districts and schools?
 - How relevant is Australian support in decentralised environments?
 - Were the objectives of Australian support: directed at priority constraints, realistic given capacity, amenable to aid-based solutions and capable of delivering improved services to the poor within a reasonable timeframe? (i.e. a clear line of sight between Australian support and priority improvements in basic education services for the poor)
 - Has Australian support been based on an adequate assessment of the constraints to service delivery for the poor, including political economy factors, the impact of conflict (where applicable) and the willingness and capacity of stakeholders to deliver the necessary improvements?
 - Has Australian support achieved the right balance between short-term improvements in service delivery and long-term capacity building of the state to deliver services?
 - Does the previous and current program of support provide a sound basis to scale up assistance for basic education?
- b. Appropriateness of the approach taken by Australian to provide support
 - Are the ways that Australian programs are delivered appropriate? Particularly, has Australian support engaged with the right delivery agents (public, private and not-for-profit service providers)? And has the form of assistance been appropriate?

- Has technical assistance been used appropriately? Have alternatives been adequately considered?
 - How has AusAID approached financing issues in the education sector? Has this approach been successful given broader financing and sectoral issues?
 - Has Australian support sufficiently harmonised with other international and national actors to manage risks of fragmentation?
 - To what extent has Australian support aligned with partner government systems?
- c. Effectiveness of Australian support
- What have been the key outcomes of Australian support on education service delivery?⁶⁶ What is the evidence base for these outcomes? And to what extent have these benefited the poor and promoted gender equality?
 - What factors explain variation in the outcomes achieved with Australian support?
 - How sustainable are the gains that have been achieved, in terms of the effectiveness of Australian support in building:
 - political support and pro-poor policy-making capability?
 - system capacity, including financial viability and harnessing skills of state and non-state providers?
 - voice and participation of the poor or advocacy groups in the system?

As far as possible, the evaluation should differentiate service users by poverty, ethnicity, gender, disability and other relevant dimensions of vulnerability.

5. Approach

The education case study would involve the following steps:

1. ODI literature review of international experience in improving service delivery to the poor, focusing on health, education, and water and sanitation.
2. Evaluation team finalises TORs and develops methodology.
3. ODE undertakes document review of Australian support in the target countries and shares key documents with the evaluation team.
4. ODE commissions analysis of financing of education in Laos and PNG.
5. Field visits of 10–14 days each to target countries. Analysis of variance between different sites and interventions. Short country reports on findings. Details of the fieldwork approach and outputs will be confirmed with the fieldwork team.
6. Draft report peer reviewed by the Reference Group.
7. Final report and dissemination of findings and recommendations.

⁶⁶ In considering outcomes, the evaluation will look at student enrolment, attendance and completion rates at the primary school, post-primary transition rates and, to the extent that evidence is available, assessments of learning outcomes. It will specifically consider whether benefits have flowed to the most disadvantaged and equally to boys and girls.

6. Education Evaluation Team and Reference Group

The education evaluation will come under the overall evaluation management team, which will be comprised of ODE's Principal Adviser on performance assessment and an evaluation specialist.

The Education Evaluation Team will comprise five members:

1. Team leader with expertise in education systems, strategies and evaluation.
2. Social development adviser with experience in gender.
3. A public financial management specialist with experience in the education sector and sector-wide approaches.
4. ODE representative.
5. When the teams are in-country they will be joined by national expert(s) on education. They may also be joined by partner country representatives.

A Reference Group will also be established for the education evaluation. This will comprise an internationally recognised expert on education systems, the team leader of the health service delivery evaluation, partner government representatives (if desired), advisory support from within AusAID and other external experts. The Reference Group will have no direct management role but will provide advice to the team leader. A final decision regarding the composition of the reference group will depend on identifying appropriate, available external members.

7. Duration

It is currently anticipated that the timing of this evaluation will be as follows:

- > Finalise TORs by June 2008
- > Joint ODI international literature review by mid-July
- > Finalise methodology and document review: May–August
- > Laos field trip: 15–26 September 2008.
- > PNG field trip: 13–24 October 2008
- > Debriefing and presentations in Canberra: 27–31 October 2008
- > Peer review of draft report: November 2008
- > Final report on education case study: 30 November 2008.

8. Reporting

The education evaluation will aim to deliver some interim products in addition to the final evaluation report. These will include the ODI international literature review and two reports on findings in PNG and Laos.

9. Communication and dissemination

The progress reports and final reports will be published on the ODE internet site. They will also form the basis of a specific chapter in the 2008 and 2009 annual reviews of development effectiveness. The reports will be disseminated through networks internal to AusAID and internationally such the OECD Development Assistance Committee and the Inter-Agency Network for Education in Emergencies. The evaluation team will debrief senior AusAID managers in country and in Canberra, as well as interested partner government members as appropriate. Seminars will be arranged, probably on all three sectors of the evaluation.

APPENDIX B: EVALUATION PLAN

The evaluation

The object of the evaluation is AusAID's overall program in the education sector in PNG from the mid-1990s to 2008. This includes both the project portfolio and work since 2004 in education sector policy development.

Orientation or purpose

The overall purpose of the evaluation is to inform understanding about how Australian aid can support sustainable improvement in the delivery of basic education services, particularly for the poor and vulnerable in PNG through evaluating its recent program of work. It pays close attention to the challenging environments that provide the context for the development of basic education services. The evaluation is oriented to learning about what has worked and what has not, both within and across ongoing country programs.

Client and audiences

The client and primary audience is the Office of Development Effectiveness, which undertakes independent evaluations of key aspects of the Australian aid program. The secondary audience is the Country Program Office in PNG and the Government of PNG. Other donors and partners in PNG, academics and the broader Australian public are also secondary audiences.

Evaluation resources

The evaluation team consists of three international consultants with experience in education policy and practice, education economics, and social development. The time available for the evaluation is around 50 days for both PNG and Laos.

Evaluation focuses

The focuses of the evaluation are:

- > the broad context of development into which the Australian program in education fits
- > program statements and frameworks guiding AusAID, both in education and crosscutting
- > the influence, impact and lessons learned of the project portfolio
- > engagement with education sector policy development, including AusAID's role as lead donor in advancing sectoral reform strategies
- > the immediate possibilities for more effective programming and practice.

Key evaluation questions

The core question of the evaluation is: ‘is the approach by the aid program to delivery of education services for the poor effective?’

There are many subsidiary questions organised broadly around:

- > the relevance of Australian support
- > the appropriateness of the approach taken by Australia to provide support
- > the effectiveness of Australian support.

These questions are organised and elaborated in the following framework.

Framework for evaluating AusAID’s education sector strategies, its project portfolio and its support for sector-wide planning and programming in PNG

Lines of inquiry	AusAID education sector strategies in PNG	AusAID-supported education projects supporting PNG sector-wide planning and programming
Relevance	<p>Are AusAID country and country education sector strategy papers relevant to:</p> <ul style="list-style-type: none"> > wider national development strategies in PNG including decentralisation > alignment with PNG education sector frameworks and strategies > meeting the educational needs of the poorest > harmonisation of the collective effort of aid donors to education > wider AusAID crosscutting imperatives? 	<p>Is the AusAID project portfolio clearly defined to achieve pro-poor, government-defined, national basic education objectives? [Assess by project and for the portfolio overall.]</p> <p>Has/does AusAID’s education sector project portfolio clearly addressed financial and institutional constraints?</p> <p>Does AusAID’s project portfolio provide a sound basis for scaling up assistance to basic education? Is it commensurate with the scale and the challenge of access, quality and equality in basic education in PNG?</p> <p>Is AusAID’s project portfolio relevant to achieving wider Paris/Accra/Port Moresby aid effectiveness objectives?</p> <p>Is AusAID’s work in support of policy dialogue, sector-wide programming and aid harmonisation clearly relevant to developing government systems and the capacity to deliver basic education services of good quality?</p> <p>Is AusAID’s work in support of policy dialogue, sector-wide programming and aid harmonisation realistic in its assessment of the modalities that can be employed, the levels of financing needed and the role that AusAID can play in implementing a sectoral program in PNG?</p>
Effectiveness	<p>Are AusAID country and country education sector strategy papers effective in:</p> <ul style="list-style-type: none"> > incorporating lessons learned from AusAID activities and more widely in the education sector > being developed through dialogue with the PNG Government and aid agency partners > being realistic about government commitment and levels of financing > being realistic about institutional and capacity constraints and challenges? 	<p>In the period under review, what have been the main evidenced-based outputs and outcomes of AusAID-supported education activities? Can the benefits to the poor and disadvantaged be identified clearly and disaggregated by gender?</p> <p>What key lessons have been learned for ensuring that the outcomes have wider benefits in terms of influence, good practice and scaling up across the education system?</p> <p>How has AusAID demonstrated that partnerships, dialogue and coordination can have benefits beyond specific activity outputs and outcomes?</p> <p>How successful thus far has AusAID been in providing both leadership and appropriate resources for an effective process of sectoral dialogue and planning?</p> <p>What demonstrable effect has AusAID education activity had on political commitment to basic education, to enhanced levels of financing for basic education, for sustainable improvements in capacity, and in enhancing the levels of voice and participation in education?</p>

Lines of inquiry	AusAID education sector strategies in PNG	AusAID-supported education projects supporting PNG sector-wide planning and programming
Efficiency	Were AusAID country and country education sector strategy papers developed efficiently in maximising a full spectrum of AusAID expertise and beyond?	<p>AusAID employs a variety of different ways of working. Is this spread of modalities efficient? Does it make the best use of scarce financial and human resources? Is using different modes of operation and engaging with different bilateral partners in projects a sensible way to go? Is it too fragmented?</p> <p>Are government systems used or are parallel management systems required in AusAID-supported programs?</p> <p>How has technical assistance been identified, managed and used? What are the implications for the efficient use of technical assistance in a sector-wide approach?</p> <p>How efficient is the process of monitoring and performance reporting?</p> <p>How has the High Commission responded to new ways of working, especially in policy dialogue and aid harmonisation processes?</p>
Sustainability	Do AusAID country and country education sector strategy papers clearly address issues of sustainability ?	<p>What have been the main sustainable educational gains in the short period under review? How has this been achieved?</p> <p>What have been the sustainable gains in capacity, financial viability and in building state and non-state partnerships?</p>
Impact	Do AusAID country and country education sector strategy papers define ways of ensuring that monitoring, evaluation and the long-term assessment of impact through government systems are incorporated in support for the education sector?	<p>What has been the impact of AusAID's approach to promoting sectoral dialogue and joint engagement in sector planning across a diversity of partners?</p> <p>What lessons have been learned so far on strategies that have impact and those that do not?</p>

Assembly of evidence and data management

Documentary evidence comprises general background information on the country, PNG policy papers, AusAID policy and strategy papers, and project-related documents. Analysis of the documentary evidence was divided between the team with members interrogating: AusAID sectoral policy and activity; the broader political, economic and institutional context; and the project portfolio.

Interviews. The team interviewed a range of stakeholders: AusAID staff in Canberra and PNG, academics in Canberra, government officials in PNG, both in Port Moresby and the three field sites (Eastern Highlands, Bougainville and Madang), donors, church officials, and management contractors. Key meetings are listed in Appendix D.

Debriefing. The team debriefed with an official of the PNG Government and, separately, with AusAID and donor partners. The discussion of key findings was used to elaborate and refine the report.

Peer review. ODE organised both written commentaries from a peer review panel and a telephone conference involving AusAID Canberra and PNG.

Limitations to the evaluation

There were some limitations to the acquisition of evidence for the study. Some of the more important follow.

- > *Data* are often lacking and of poor quality in PNG. Additionally, reporting on projects is highly variable, with an excess of input and output reporting by contractors and a paucity of genuinely evaluative documents undertaken independently.
- > The *time* available for the evaluation in PNG was limited relative to the ambition of the terms of reference and the complexity of the country. The scheduling of meetings and interviews was done as the evaluation took place.
- > Although *field visits* were proposed according to objective criteria, the main determining factor was ultimately logistical.

Dissemination

The dissemination of findings is the responsibility of ODE, which has undertaken to publish the reports on the internet site and to use them in the 2008 and 2009 annual reviews of development effectiveness. They will also be disseminated through internal and international networks such as OECD Development Assistance Committee and the Inter-Agency Network for Education in Emergencies.

APPENDIX C: LITERATURE REVIEWED

AusAID

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APPENDIX D: MEETINGS SCHEDULE

Date	Location	Discussants
November 5	Arrive Canberra	
November 6	AusAID	Debriefing: <ul style="list-style-type: none"> > Lao PDR specialists and Education Thematic Team > Representatives of the Strongim Gavman Program /Enhanced Cooperation Program > Representatives of the Fragile States Unit > Representatives of the Education Research Project > Representatives of the Office of Development Effectiveness > Staff working on political and governance issues > Staff working on education in PNG
November 7	AusAID	Debriefing: <ul style="list-style-type: none"> > Public expenditure (Centre for International Economic Studies) > Political context Australia and PNG (Department of Foreign Affairs and Trade) > Staff working on monitoring and evaluation frameworks and capacity > Staff working on Partnerships for development > Staff working on CRIP evaluation > Health evaluation (Office of Development Effectiveness) > Staff working on the PNG Sub-National Initiative
November 8	Canberra	Team planning
November 9	Arrive Port Moresby	
November 10	AusAID PNG	Selected members of AusAID team (scholarships, gender, private partnerships, aid coordination) Senior management representatives Education Team
November 11	Port Moresby	Education sector donor partners AusAID Economic Governance staff Church Partnership Program staff PNG Government (Department of National Planning and Monitoring) PNG Department of Education (Policy Planning and Research) Fred Brooker (AusAID Education Adviser)
November 12	Port Moresby	School principals group Catholic Education Agency representative Teachers Service Commission representative ECBP representative
November 13	Port Moresby	National Research Institute representatives Institute of National Affairs representative National Department of Education Secretary BEDP representatives UNICEF representative Department for Provincial and Local Government Affairs representative European Union representative
November 14	Port Moresby	NZAID representative Staff working on the AusAID Sub-National Strategy Staff working on the Enhanced Cooperation Program AusAID Education Team

Date	Location	Discussants
November 15		
November 16		
November 17	Field visits to Madang, Eastern Highlands (Goroka) and Bougainville	
November 18		
November 19		
November 20		Team wrap-up sessions
November 21	AusAID Port Moresby Depart PNG	Debriefing: > AusAID and invited PNG government, donor agency and NGO participants
November 22		
November 23		
November 24	AusAID Canberra	Debriefing: > ODE/PNG > Lao PDR with Richard Moore, Deputy Director General, Asia > Lao PDR/PNG with Lao/PNG teams

APPENDIX E: FIVE MAJOR AUSAID EDUCATION PROJECTS 1997–2008

	Dates	Value	Goal, purpose, and components
BEDP Basic Education Development Project	2004–10	\$44m	<p>Goal: Contribute to effective implementation of quality and equitable primary schooling.</p> <p>Components:</p> <ul style="list-style-type: none"> > capacity building at the national, province, district and community levels to plan, manage and maintain infrastructure for schools > maintenance and minor works > infrastructure
ECBP Education Capacity Building Project	2004–10	\$80m	<p>Goal: Strengthen the capacity of the education system at the national, provincial and district agency levels to achieve quality improvements in service delivery.</p> <p>Components:</p> <ul style="list-style-type: none"> > strategic management > organisational systems development > project development and management > program management.
CRIP Curriculum Reform Implementation Project	1999–2006	\$44m	<p>Goal: Improve the relevance and quality of education provided to school students.</p> <p>Components:</p> <ul style="list-style-type: none"> > curriculum development for elementary and primary schooling > curriculum production and publishing > curriculum distribution > professional development and teacher in-service training.
PASTEP Primary and Secondary Teacher Education Project	1999–2005	\$38m	<p>Goal: Contribute to socioeconomic development by raising the quality and relevance of teacher education to meet the requirements of the Education Reform Agenda.</p> <p>Purpose: Assist in raising the quality and relevance of teacher education to meet the requirements of the Education Reform Agenda by strengthening and improving teacher education.</p> <p>Components:</p> <ul style="list-style-type: none"> > primary, secondary and special teacher education > gender equality program > infrastructure support > distance education.
ETESP Elementary Teacher Education Support Project	1997–2004	\$25m	<p>Goal: Assist the PNG Government to provide a sufficient number of appropriately trained elementary teachers to meet the requirements of education reforms</p> <p>Components:</p> <ul style="list-style-type: none"> > curriculum and materials development > training > infrastructure support > imprest account development

APPENDIX F: PROJECT OUTPUTS/ACHIEVEMENTS

This appendix lists the outputs/achievements of several projects. It is compiled from documentary evidence provided to the evaluation team, as cited in Appendix C or in Section 3.3, and is presented exactly as in those reports. Some data are quantified and others are claims that do not appear to have been subject to scrutiny or measurement. The information may not be complete, especially for projects that are ongoing.

Basic Education Development Project (2004–10)

- > Reportedly there has been an average increase in [initial?] enrolments of 9 per cent and the proportion of girls has increased by 0.3 per cent.
- > 1719 schools supported through maintenance grants with a median of K2762 per grant.
- > 2415 schools have a baseline survey and an annual survey.
- > 323 District Women’s Facilitators trained and participating in Boards of Management (BoMs).
- > Increased number of functioning BoMs.
- > Increased collaboration between government, communities and civil society.
- > School infrastructure maintenance office established in the National Department of Education.

Education Capacity Building Project (2004–10)

- > Supported national school census and development of the Education Management Information System.
- > Supported education study for medium term expenditure framework.
- > Supported sector/program approach through ESIP.
- > Improved human resource management systems and procedures in the National Department of Education and the Teaching Service Commission.
- > Support for HIV/AIDS policy implementation plan of the National Department of Education and distribution of materials for mainstreaming.
- > Improved budgetary, financial management and audit systems.
- > Support to establish four regional centres of the National Department of Education.
- > Support for implementation of Teacher In Service Plans to support curriculum reform.

Elementary Teacher Education Support Project (1997–2004)

- > 196 long-term advisers and 36 short-term advisers provided.
- > 9000 elementary teachers and 245 trainers (55 female) trained partially or fully.
- > Development and distribution of 450 sets of training materials.
- > Delivery of 10 120 elementary kits to schools.
- > Facilitation of national and regional workshops.

- > Construction of 15 houses for Provincial Coordinators.
- > Development of 100 orthographies.
- > Imprest and 121 subsidiary accounts established.
- > Financial management training program for 300 participants in 13 regional workshops.
- > Elementary trainers and provincial coordinators trained in gender equity.
- > Support for establishment of 3000 elementary schools.
- > Support for formalisation of school registration and payroll processes.

Primary and Secondary Teacher Education Project and Curriculum Reform Implementation Project

Papers available to the team did not include quantification of outputs.

APPENDIX G: COMPARATIVE EXPERIENCE

Although PNG presents a unique environment in respect of its geography, its social and linguistic profile, its local and national politics and its distinctive relationship with Australia, there are potential benefits for PNG and for AusAID from looking more closely at the experiences of other countries—beyond the Pacific, where small island states are different by virtue of their size from PNG—especially those that have sought to develop coherent multi-partner sector-wide policy, financing and practice as one means of achieving education for all against very considerable and complex odds.

From the overview literature, useful studies include:

- > Fast Track Initiative 2009, *FTI country level process guide*, Fast Track Initiative Secretariat, Washington, DC.
- > Foster, M, 'Linking budget support to progress towards education MDGs and EFA goals', paper for UK Department for International Development, Chelmsford, 2004.
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- > UNESCO/UNICEF, *A human rights-based approach to education for all*, UNESCO, Paris, and UNICEF, New York, 2007.

The Australian Development Gateway has its own website on sector-wide approaches <<http://www.developmentgateway.com.au/jahia/Jahia/pid/3045>>.

But arguably understanding the complexity of the development of a sector-wide program at the country level is more useful. In this regard the following publications and papers are helpful.

A detailed study of Uganda (Ward, M, Penny, A. & Read, T, *Education reform in Uganda—1997 to 2004: reflections on policy, partnerships, strategy and implementation*, UK Department for International Development, London, 2006) analyses the evolution and the experience of a national Education Strategic Investment Plan. It shows how the combination of strong national political commitment combined with good technical analysis and joined external supported allowed Uganda to make significant progress on its 'Education for All' agenda. It demonstrates clearly the complexity and the time needed to work through issues of financing education reform, improving the quality of basic education and addressing issues of equity.

A study by Kate Dyer, *'The cost of poverty': transaction costs and the struggle to make aid work in the education sector in Tanzania*, Occasional Paper 2005/9, United Nations Development Programme, Arusha,

Tanzania, 2004) explores good and bad practice by aid agencies in helping Tanzania to develop and implement its education sector plan.

Although India's size and technical capacity is very different from PNG's, that country's Sarva Shiksha Abhiyan (SSA) program to achieve the 'universalization of elementary education' in a time-bound manner is worthy of study. The program is implemented in partnership with state governments to cover the entire country and address the needs of 192 million children in 1.1 million habitations. A useful introduction is available on the Internet <<http://ssa.nic.in/>>.

A study by the Asian Development Bank (*Education sectorwide approach: Cambodia education case study*, 2003) drew the following conclusions, all of which have relevance to PNG.

- > High-level national leadership and authority of the reform process of the Education Sector Support Program (ESSP) is critical; in Cambodia it was provided through the Minister, Ministry of Education, Youth and Sport (also Deputy Prime Minister). Once this leadership is established, other champions of reform within the Ministry of Education, Youth and Sport and other ministries tend to become more visible.
- > There is no ideal process for engaging with the funding agency and non-government organisations in a sector-wide approach. In Cambodia it was a rolling and somewhat ragged process, led initially by a small number of like-minded donors and non-government organisations. Government flexibility in negotiating a mix of donor-financing modalities helped to maintain an inclusive partnership, and the formal partnership agreement also helped.
- > A rolling program of priority reforms focusing on sectoral outcomes and performance, rather than a fixed blueprint of activities, helps to maintain a sector-wide approach. In Cambodia it has also been critical to include institutional and financing policy targets as well as sectoral ones in ESSP performance-monitoring processes. This helps to maintain a wide definition of the sector and to promote inter-ministerial networking on key policy issues such as pay reform, financial management and decentralisation.
- > A government-led annual sector performance review process, including all key stakeholders, is vital for sustaining joint ownership, partnership building, and strategic negotiation processes. In Cambodia, greater engagement of civil society and private sector groups will be critical if decentralisation and post-basic education reform policies are to be implemented effectively.
- > Institutional analysis, development and capacity building needs to be an intrinsic part of initial policy dialogue and planning. Effective ESSP implementation will stand or fall on the commitment and capacity of the government, specifically the education ministry. In Cambodia, greater attention to capacity building at provincial, district, community and school levels is critical for sustainable implementation of ESSP.