FIJI

Concept Note
Australian Government Support to Fiji Education Post-2009

1. Program Objectives

Australia proposes to support Fiji's education sector by working with the Ministry of Education to assist in:

(i) mitigating the effects of political instability and the global recession on the most vulnerable through reducing financial barriers to accessing education;
(ii) investing in school infrastructure in the poorest communities to ensure that facilities are adequate and safe, and contribute to improved learning outcomes; and
(iii) conducting targeted research and analysis on the systemic challenges to achieving improved education outcomes in Fiji.

2. Country Context

Economic Situation Fiji's economy continues to experience difficulties. The Reserve Bank of Fiji (RBF) has forecast a decline of 0.3 per cent in 2009, following very low growth of 0.2 per cent in 2008. Following the 2006 coup, Fiji's economy contracted by 6.6 per cent in 2007. In March 2009, Standard and Poors downgraded Fiji's credit rating from stable to negative based on weak economic growth. In an attempt to slow the pace of falling foreign reserves the RBF devalued the Fiji dollar by 20 per cent in April this year. The 2007 Census indicates high unemployment levels (over 8 per cent), more than double the rates for earlier estimates in 1996 and 2004. Inflation accelerated to a 20-year high of 9.8 per cent in September 2008 year on year, driven by rising food and fuel prices coupled with second-round effects of higher oil prices, such as on transport. While inflation dropped to 6.6 per cent by the end of 2008 as global oil and commodity prices declined, it still averaged a high 7.7 per cent for the year.[1]

Development Environment Fiji has fallen from 81st (2003) to 92nd (2008) on the UN Human Development Index. It is off track in achieving a number of the MDGs, with deterioration in poverty reduction and maternal health[2]. Approximately 34.4 per cent of the population have an income below the basic needs poverty line, an increase from 25.5 per cent in 1990/91[3]. This is likely to increase further given the deteriorating economic situation. Pockets of deep poverty are found in town squatter settlements around Suva, the Suva-Nausori corridor, Ba, Lautoka, Labasa and Savusavu, with more widespread poverty apparent in rural areas (estimated to be as high as 55 per cent in the rural Northern Division).[4] Many of Fiji's poorer communities typically have low quality housing, limited utilities, and poor access to education and health services.[5] The 2002-03 Household Income and Expenditure Survey reports that 19 per cent of students from the poorest 20 per cent of households in Fiji dropped out of school compared to only 4 per cent of students from the wealthiest 20 per cent of households.[6]

[1] ADB (2009), Asian Development Outlook 2009, http://www.adb.org/documents/books/ado/2009/FIJ.pdf
[2] AusAID (2009), Tracking Development and Governance in the Pacific
[3] 2002/03 Household Income and Expenditure Survey
[4] Collingwood, Ian et al (2008), Situational Analysis: Fiji Education (unpublished). Census data shows the total squatter population at just over 60,000 people for 2007, however, squatter advocates report that for 2007 there were over 100,000 squatters in Fiji (12.5% of the population)
[5] ADB (2009), Asian Development Outlook 2009, http://www.adb.org/documents/books/ado/2009/FIJ.pdf
[6] Collingwood, Ian et al (2008), Situational Analysis: Fiji Education (unpublished)

Operating Environment Fiji's current political situation has constrained Australia's capacity to engage on development priorities, in particular the ability to implement principles outlined in the Paris Declaration and Accra Agenda regarding use and strengthening of Partner Government systems. Civil service pay cuts and mandatory reductions in operating budgets, a lowering of the compulsory retirement age to 55 years, reduction in staffing numbers through voluntary redundancy, personnel changes and the potential for decreased civil service staff morale also contribute to a situation that is not conducive for longer term strategic planning and public sector reform.

Australian Government Policy Australia's aid program in Fiji continues to adhere to the Australian Government's original response to the 2006 coup: Australia will support the ordinary people of Fiji by maintaining programs that improve their livelihoods, but suspend assistance where the actions of the interim government render Australian Government funded programs ineffective or compromised. Consistent with Australian whole of government engagement in Fiji, the aid program has been recalibrated to focus on mitigating the social and economic impacts on the vulnerable of political instability and the global recession. This includes an emphasis on maintaining essential services in health and education, promoting rural enterprise development and financial inclusion, exploring social protection measures, partnering with civil society on advocacy, income generation and service delivery programs, and provision of scholarships and volunteers.

3. The Education Sector

The Fiji Ministry of Education (MoE) recently finalised its Education Sector Strategic Development Plan (ESSDP) 2009-2011 which includes a financing framework with cost projections. The ESSDP, which may require some further work to accurately capture intended expenditure and financing gaps, provides an understanding of current priorities, intended outcomes, and government financing.

Education Priority Outcomes The ESSDP 2009-2011 outlines the following priority outcomes:

- all children, especially those in kindergarten, disadvantaged students and those with special needs to have access to expanding, improving and inclusive education and care, and to a relevant, flexible and innovative curriculum;
- all schools to be well resourced to offer responsive learning programs;
- an education workforce that is appropriately qualified, competent and committed to deliver quality education services with integrity and transparency;
- an increased prominence of TVET and a consolidation of its role in developing a skilled and productive workforce;
- communities, stakeholders and donors responsive to the education and development needs of students; and
- improved management through accountability, transparency and good governance.

MoE has projected that the cost (recurrent and development combined) of achieving these outcome objectives is FJ$246m in 2009, FJ$259m in 2010, and FJ$272m in 2011. They predict financing shortfalls of: FJ$11m in 2009, FJ$24m in 2010, and FJ$37 in 2011. However, if Fiji's economic performance worsens, the predicted shortfall may exceed these estimates and hamper the implementation of these objectives.

The Education budget The portion of the national budget that has been allocated to education (excluding commitments to the Fiji Institute of Technology and the University of the South Pacific) has declined from 20 per cent in 2006 and 2007 to slightly over 16 per cent in 2009 (its lowest level since the early nineties). Over the same period education's share of GDP declined from 6.3 per cent to 4.7 per cent (a fall of 25 per cent). On average

40 per cent of the education budget is allocated to primary education. While, as expected, roughly 80 per cent of the overall commitment to education finances salaries, the salary share is particularly pronounced at the primary level, where salaries account for 93 per cent of the recurrent education budget.[7] The remainder finances operational costs, teaching and learning resources and infrastructure maintenance.

As a consequence of budgetary limitations, facility maintenance and upgrading has been under-resourced: on average less than 5 per cent of the MoE's recurrent budget finances capital works, including maintenance. The impact of this is significant, especially as the costs of building materials increase, and could result in more schools experiencing poor infrastructure conditions, which in turn may discourage student attendance and retention.

School management and resourcing Over 98 per cent of schools in Fiji are operated and managed by religious groups, cultural groups and communities. Of the 906 schools and 760 kindergartens in Fiji, the government owns and operates only 15 (13 secondary and 2 primary). Seventeen of the non-government schools cater to children with special needs. Almost all teachers, with the exception of early childhood teachers, however, are paid by Government. Government also provides tuition grants,[8] building grants and per capita grants directly to non-government schools. Registered kindergartens are provided a salary grant for teachers as well as grants for infrastructure upgrades and equipment. Depending on the availability of funds, other government grants are periodically made available for books and materials, library resources, salaries for clerical assistance in schools, furniture and transport (boats for island and coastal schools). Total grant expenditure amounts to 10 – 15 per cent of the recurrent Education budget. In 2007, the total revenue of primary schools was around $14 million, of which Government grants made up around 39 per cent ($5.5 million)[9].

Reaching MDG 2 While Fiji is progressing towards meeting MDG 2, and has been regarded as an "early achiever" in terms of universal primary education by 2015[10] (the primary enrolment rate is currently 98 per cent), there are indications that gains are being significantly undermined by high drop-out rates. MoE's 2007 statistics show that 15 per cent of children who enrol in primary school do not reach Class 8, and 25 per cent of those who start secondary school do not reach Form 6.[11]

Furthermore, as it is the most disadvantaged, marginalised and vulnerable that comprises the 'missing' 2 per cent of enrolments, the combination of existing service provision arrangements, current political environment, global recession, and the impact of the recent currency devaluation make it unlikely that these children will ever receive schooling without some form of support to ensure their access and continued participation.

Teacher quality Teacher quality is an issue, and there are differences in teacher quality (as measured by teacher qualification and experience) between rural and urban areas. For example, rural secondary schools have a lower percentage of degree qualified teachers than urban schools, 27 per cent compared to 35 per cent. On the whole rural provinces have far less degree qualified teachers than the national average (32 per cent) – e.g. rural Bua has 14 per cent, and rural Cakaudrove, and Lau, 22 per cent. On average, rural secondary teachers have 12 per cent less teaching experience than their urban counterparts. This difference is

[7] Collingwood, Ian (2007), *A Paper to Inform the Draft Policy Framework for Australian Development Assistance to Education in the Pacific*, p 2 (unpublished)
[8] Although education is supposed to be fee free (for tuition), most schools continue to charge costs like building levies, book and library fees
[9] Collingwood, Ian et al (2008), Situational Analysis: Fiji Education (unpublished)
[10] ESCAP/ADB/UNDP (2007), *The Millenium Development Goals: Progress in Asia and the Pacific* 2007, p33
[11] http://www.fijitimes.com/story.aspx?id=123207"National Exams on Chopping Block"

more pronounced at the primary level, with the average years' experience in rural primary schools being 19 per cent less than in urban schools.[12]

The 2009 interim government directive requiring the retirement of civil servants at age 55 may have a significant impact on the availability of quality teachers. Roughly 1,000 teachers (750 primary and 250 secondary) have retired under this directive, many of whom have considerable experience, and many would have been school principals and senior teachers. While replacement may not be an issue, given the large numbers of university and teacher college graduates, the impact of their retirement in the classroom may influence student outcomes, at least over the short-term.

Sector Analysis A 2008 AusAID analysis of the education sector recommended that equity shortfalls at all levels of the system were an appropriate focus for post-2009 assistance, arguing that this would target higher order aid objectives such as reducing poverty and social disadvantage.[13] The analysis identified a number of concerns, including: a strong correlation between poverty and performance; high teacher attrition, low quality of education databases, the difficulty in attracting qualified teachers to rural areas; and the need to strengthen an evidence-based approach to policy and planning.

The private costs of schooling are a substantial barrier for poorer families, influencing enrolment and early drop-out.[14] This may be further compounded by the global recession: Fiji's MoE expects that reduced incomes may cause a subsequent reduction in school attendance.

Impact of the global recession While there is currently no collated data that specifically identifies the impact of the global recession on schooling in Fiji[15], a recent study (July 2009) undertaken by UNICEF identifies, as a potential consequence of the current global recession, that more Pacific Island children will not enrol or will drop out of school.[16] This outcome is consistent with the impacts of previous financial crises on the education sector. For example, after the 1997 Asian financial crisis, an analysis of drop-out rates showed that poor families withdrew their children at a greater rate than their wealthier counterparts[17].

The expected impact on schooling is confirmed by anecdotal data and local press coverage suggesting that economic problems are influencing school attendance: For example: from the September 10 "The Fiji Times" - "*a Tailevu high school has been plagued with absenteeism and student dropout in the past four years as a result of economic hardships*".

Recent Australian Support to the Sector Australia is the largest donor in the sector and, from 2010, will most likely be the only significant bilateral education donor once the European Union (EU) commitment (see below) through EDF9 concludes at the end of 2009.

Australia provided support to Fiji's education sector during the 1990s through a number of projects that mainly targeted teacher training and upgrading of physical infrastructure and library resources in rural schools. The current AUD28m Fiji Education Sector Program (FESP) which commenced in 2003, shifted the focus of Australian assistance to

[12] Collingwood, Ian et al (2008), Situational Analysis: Fiji Education (unpublished)
[13] Collingwood, Ian et al (2008), Situational Analysis: Fiji Education (unpublished)
[14] Moock, Peter and Collingwood, Ian (2005), *Review of Human Development in Pacific Island Countries: Education Development in Fiji*
[15] However, UNICEF is currently in the process of developing a matrix that will monitor the impacts of the global recession in the Pacific, including education in Fiji. This data will inform future assessments of the appropriateness of Australia's assistance to the sector.
[16] UNICEF (2009) *Protecting Pacific Island Children and Women during economic and food crises*.
[17] Education Resource Facility- AusAID (2009), The Global Recession: the impact on education in developing countries, p 3.

strengthening systems and building the capacity of MoE central office to improve service delivery.

FESP made progress in a number of areas, including providing leadership/management training to over 93 per cent of school principals and 86 per cent of school managers (this has resulted in a clearer understanding of roles/responsibilities; increased community involvement in schools e.g. through regular PTA meetings; and improved relationships between school administration and management committees); developing the first kindergarten curriculum guidelines for Fiji; increasing stakeholder participation in MoE planning and policy development; increasing enrolments in FESP supported vocational courses by up to 75 per cent; introduction of the Fiji Education Staffing Appointments (FESA) database; and strengthened early childhood education and primary teacher training courses at Lautoka Teachers College.

While FESP is scheduled for completion by end 2009, Australia will continue to provide substantial support to Fiji's education sector, in line with priorities of both Fiji and Australia. However, as outlined in this document, this support will need to be prudently designed/managed in light of Fiji's current political and economic situation and complex operating environment; progress towards Millennium Development Goals (MDG) and Education for All (EFA) targets; likely impacts of the global recession; and the Accra Agenda for Action and Paris Declaration principles on aid effectiveness and aid harmonisation.

Lessons Learnt Previous independent technical reviews and Fiji program performance reviews generally agreed that FESP had been effective in delivering outputs (mainly at Education central office level). While there is now evidence of improvements in the delivery and quality of education services, there is limited empirical evidence of significantly improved educational outcomes for students. A key consideration for future support must be the appropriate balance and links between national and sub-national level interventions and direct support at the point of service delivery. If a goal of Australia's assistance is to improve learning outcomes with a view to creating more productive individuals then a shift in the targeting of aid may well be necessary.

The EU-financed Fiji Education Sector Program provided around F$43million between 2005 and 2009. The overall objective of the EU FESP is to achieve equitable access, participation and achievement in life-long education for disadvantaged communities in Fiji and improve educational quality and outcomes. The program focussed on infrastructure development (classrooms, teachers' quarters, libraries and laboratories, water, sanitation, electricity and communications); resources and materials (teaching materials, books, computers, laboratory equipment); and non-formal education and community awareness programs (e.g. carpentry, farming, small/micro enterprise, handicrafts, law and security).

4. Paris, Accra and Cairns

The political and diplomatic environment in Fiji renders working through partner government systems difficult for Australia and other development partners. It is likely that parallel aid mechanisms will remain the norm for the foreseeable future, with limited scope for investing in strengthened public expenditure management, procurement and monitoring systems at present.

In respect of the Cairns Compact, there are significant political, diplomatic and capacity constraints with progressing this agenda in Fiji. However, incremental steps may be possible, notwithstanding that Australia will most likely be the only significant bilateral partner in the education sector. This includes the possibility of collaborating with the MoE and other development partners to undertake analytical work in the education sector which would support longer term evidence based planning and resource decision making for the Ministry.

Despite significant emphasis placed on donor harmonisation across the Fiji program, AusAID has experienced only limited success in the education sector due to donors having different planning cycles, implementation timelines, and reporting/acquittal requirements. The previous absence of a costed sector plan has also tended to restrict collaboration.

5. Education and Training for the Pacific: Australia's Forward Agenda

To guide its growing commitment to education in the region, Australia is developing a Pacific Education Framework. The Framework will explicitly link basic education to further education and training outcomes (vocational, technical and professional). It will articulate the intent of Australian assistance to be guided by and be in line with the priority outcomes agreed with Pacific Island Countries in the Pacific Partnerships for Development.

In the case of Fiji where there is, as yet, no Pacific Partnership Agreement in place, Australia will ensure that its education investments are guided by a few key principles: MoE's priority outcomes articulated in the ESSDP 2009-2011; meeting MDG and EFA targets (including addressing barriers to education associated with gender, poverty, disability and distance); investing in results through school quality improvement and, where appropriate, workforce development; and, importantly, by selectively targeting resources at those areas where Australian aid can significantly impact development outcomes at the local level.

6. Principal Features of the Proposed Education Program

Within the context outlined above, and drawing on the 2008 situational analysis, Australia proposes to support Fiji's education sector by working with the MoE to provide assistance to (i) mitigate the economic and social impacts of political instability and the global recession on the most vulnerable through reducing financial barriers to accessing education, and (ii) invest in school infrastructure in the poorest communities. [18] Taking into account the lessons of FESP, the proposed intervention will reflect a desire to ensure that Australian resources are more deliberately targeted at school level beneficiaries and that efforts focus on measuring results at that level. In addition, in preparation for the provision of broader assistance, Australia (in consultation with the MoE) will begin the process of gaining a comprehensive understanding of the systemic challenges that face Fiji's education sector through an analytical research component.

A two part strategy is proposed:

> **1)** *Over an initial two - three year period, focusing on the most vulnerable communities[19], Australian aid will strengthen the services that schools provide their communities and ensure that all students in the targeted communities have access to quality schooling by reducing financial barriers.*

The proposed Program will work with a selection of vulnerable communities and the managers of their schools to facilitate school level improvements and to promote better quality schooling and stronger student outcomes. The Program will help ensure that the costs of schooling are lowered for the most economically disadvantaged and that their school facilities are adequate and safe. It is anticipated that the Program, through a range of activities, will explore methods of improving service delivery at the community/school level,

[18] This approach is consistent with the Fiji bilateral aid program's overarching objective of "mitigating the economic and social impacts on vulnerable groups of political instability, and the global recession"
[19] **Vulnerable communities** For the purposes of this program, vulnerable communities are considered those that are most economically disadvantaged or most disadvantaged by their remoteness, and/or those communities whose schools are performing well below average in terms of student learning outcomes and/or have school facilities that are in exceptionally poor condition.

and that these will be evaluated against set success criteria at regular intervals. Activities are expected to include community/school grants, school levy relief, materials provision, and continuing or expanding school construction and maintenance programs/grants. The Program will also explore opportunities for piloting additional support to enhance learning outcomes at classroom level e.g. in-school teacher support and assistance in school-based management. These could complement wider planned research (refer below).

> **2)** *Over the short- to medium term Australia (in consultation with the MoE) will undertake a series of studies that will collectively provide the knowledge base for a concerted effort to address systemic weaknesses in the education sector.*

To inform and facilitate the planning of longer-term support to Fiji's education sector, AusAID will commission, in consultation with MoE and other development partners, a series of sector-specific research papers. Topics may include, but not be limited to: designing a medium term expenditure framework; sector expenditure tracking; inclusiveness: assessing gender and disability profiles and services; assessing school-based management and resourcing needs, conducting early grade reading assessments; reviewing teacher professional development options; and assessing sector policy and management shortfalls.

While the involvement of donors such as the EU and New Zealand is currently restricted, Australia will continually explore opportunities for collaboration with other development partners and the NGO sector on these or complementary activities.

Alignment with existing GoF policy Preliminary discussions with the MoE indicate general support for the proposed two part strategy, and confirmation that the goals of reducing financial barriers to education, mitigating the social and economic effects of the global recession, and strengthening school systems were all closely aligned to its policies.[20]

Targeting community-based interventions Relatively straightforward targeting mechanisms will be essential to begin this work, though they may be refined over the course of the program as more information becomes available. Recently, the EU relied on the MoE's Disadvantaged Schools Index (DSI) to identify schools most in need of facilities rehabilitation. MoE also has information on which schools do not have a reliable source of electricity or water and their databases can provide information on 'socially disadvantaged' schools, as well as 'poor performing' schools. An obvious and simple starting point may be to compare the ranking of socially disadvantaged schools compared with the ranking of poor performing students, and then correspond this information with the DSI to identify potential communities to target.

Funds flow In response to the floods in early 2009, AusAID provided direct funding to assist in the payment of school levies and to finance the rehabilitation of flood affected schools through MoE financing channels. An assessment of this process and its adequacy in terms of implementation and reporting/acquittal requirements will inform useful options for passing funds to communities and their schools. This will be essential to ensure AusAID accountability needs are met.

Monitoring and evaluation In order to demonstrate program achievements/benefits over time, a comprehensive monitoring program that draws on existing baseline data (from sources such as MoE's Corporate Information Systems and Schools Information Management Systems databases; the 2008 Education Situational Analysis; and the Department of Social Welfare database) will be required. Clear, achievable outcomes (matched with targeted, relevant indicators and realistic timeframes) will need to be

[20] In particular, those policies relevant to reducing the numbers of drop-outs and increasing the years of compulsory education from 8 to 12

established. To achieve these objectives an innovative and informative M&E system will need to be developed that will feed into, as well as draw on, the existing MoE information system.

Inclusiveness and Gender The Program will pay particular attention to ensuring that as many avenues as possible are open to ensure that schools are able to attract and retain all school-aged girls and boys in the targeted communities. This will require that communities identify those young people that are not in school and that the Program and the community determine how best they can be brought in. Ideally, the community will be supported in providing a means that ensures access to all, perhaps through school levy relief, or additional financial support. Where more than financial support is required, and communities cannot provide the necessary schooling, in cases of disability, for example, the program will seek to identify ways that families can gain access to appropriate services and support.

7. Implementation Arrangements

Critical to the success of the Program will be the means by which Australia and the MoE are able to ensure that the participating (vulnerable) communities and their schools are included in implementation. It will be necessary to ensure that in exchange for resources (which may include grants to communities and schools, teaching/learning materials, and technical support) schools/communities complete a number of agreed complementary actions (e.g. community wide efforts to ensure full enrolment, community involvement in school rehabilitation, facilitating early grade reading assessments and other learning outcome assessments, facilitating schools and community based teacher and school management training, and supporting in-school teacher development).

Taking into account the pressing contextual concerns, it is proposed that the design team explore three options for managing these agreements. 1) contracting a respected international/national NGO with a track record of successfully working on school level improvement; 2) placing a Program management team within MoE; and 3) engaging a traditional managing contractor.

It will also be necessary for the design team to outline preferred targeting and fund flow mechanisms following the finalisation of appropriate fiduciary risk and procurement assessments.

In respect to research activities proposed, it is expected that these would not begin until perhaps the second year of the activity, although they could be brought forward if circumstances suggested some urgency in the completion. It is anticipated that the first step would be to create a research agenda that could be managed through a consultancy (perhaps by a member of the AusAID Education Resource Facility's core team of specialists) that would define information needs and a schedule of activities.

8. Sustainability

International experience suggests that, over time, as systems and technical capacities[21] develop, school-based managements use funds more efficiently, and increase their focus on results and accountability to host communities. School-based managements also facilitate strengthened community ownership and, in many cases, this results in higher enrolment and

[21] These refer to systems and capacities that develop and become institutionalised as grant systems mature. At the program level these include grant program guidance (usually in the form of manuals that are improved as school grant systems develop over time), fund flow mechanisms, monitoring and oversight, refining targeting and standard setting for service delivery at the school/national level. At the school level these include school-based planning, grant book-keeping/reporting, community awareness and eventual ownership of the program, and the school to community accountability relationship.

participation rates. The community/school-based component of the Program is intended to be designed and implemented in a way that builds on this international experience. It is expected to focus on developing and establishing a sustainable means, via school based grants and teaching and management support, of supporting school-level services and the associated accountability for results (better facilities, better teaching and higher learning outcomes). Key to success will be demonstrating to stakeholders that the community/school-based interventions are producing quantifiable gains over time at reasonable cost. Robust M&E activities throughout the Program will be designed to provide and present this information.

9. Risk Management

Although additional risks may be determined during the Program's design phase, some of the more obvious risks to the Program's success are discussed below:

Political Risk

Given Fiji's uncertain political environment, the Program is envisaged to broaden the support base for Australia's interventions in the sector by increasing engagement with school controlling authorities, non-government organisations and other community groups while continuing to work with MoE.

Implementation Risk

Changes in the Fiji government's policy settings (for example, reduction of compulsory civil service retirement age from 60 to 55 years) adds considerably to the challenges faced by the aid program. These issues will require careful consideration in progressing towards using government systems and supporting implementation of national education sector plans in the medium to longer term.

Further downward shifts in the economy may render levels of assistance provided by the Program ineffective. The Program intends that funding and support levels to schools and communities be indexed to ensure that purchasing power and intended resourcing levels remain constant. Continuous monitoring of the economy and the inflation rate will be an integral part of the Program.

Fiduciary Risk

While the Program will explore, wherever practical and feasible, use of some government systems, it will only do so after necessary fiduciary risk assessments and after suitable accountability mechanisms have been agreed to.

Next steps:

- Concept Note Peer Review.
- Program design to be conducted in country early 2010
- Appraisal Peer Review of the design