

Conclusion

The Asian Development Bank's Pacific Education and Training Sector Strategy



The Asian Development Bank's Contribution to Education in the Pacific

ADB is committed to support PDMCs in their efforts to improve the supply of and demand for high quality education services. It will do this in different ways for different countries to ensure that its support responds to countries' needs and complements and reinforces the support of other development partners. ADB recognizes that it is only one of several development agencies that actively support education development in the Pacific, that its financial contribution is modest, and that its lending terms are not particularly attractive for a number of PDMCs. At the same time, PDMCs and other partners recognize that ADB can bring valuable contributions to education development as an independent agency with a strong economic and social policy focus, broad experiences throughout Asia, and the capacity to tap experience from other regions.

In many PDMCs, the level of education expenditure is already high. The priority for these countries is not so much mobilizing additional external or internal resources but rather providing adequate and equitable funding for basic education and improving the results produced by currently available resources through policy and institutional reforms and more effective collaboration with external

partners. Under these circumstances lending levels may not be the appropriate yardstick for measuring ADB performance in the education sector. Instead, the results of ADB's work should be assessed by the extent to which it has been able to (i) help PDMCs deal more effectively with key policy challenges of education development, and (ii) contribute to improvements in the effectiveness of external support, especially for basic education.

Given the importance and diverse nature of regional external support for education, the results of ADB support will be strongly determined by the effectiveness of its participation in the partnerships for education development that are emerging in several PDMCs. The more closely this participation is aligned with ADB's comparative advantage, the more value ADB will be able to add through its contribution to policy dialogues, its lending, and its national and regional technical assistance programs.

Supporting Education Outcomes for the Poor

The adoption of poverty reduction as ADB's overarching objective has had important implications for its education and training strategy and its Pacific strategy. It also has implications for the focus of its support for education in PDMCs. While there can be no single set of priorities that applies to all PDMCs, the discussion in Chapter 3 of this paper suggests that the challenge of equity in basic education remains important everywhere, especially as regards equality of learning opportunity and equity of results. ADB will monitor the progress of PDMCs toward the education MDGs and, where necessary, support measures to accelerate progress. There is a robust international body of research evidence and practical experience that ADB can draw on (Chapter 4) to shape its contribution to the policy dialogue and to strategic interventions in this area.

A second area of focus must be skills development. It is an area of concern that has been highlighted repeatedly by PDMC ministers of education. It is also a key element of private sector development and the creation of more income earning opportunities for the poor, one of the central foci of ADB's overall Pacific strategy. Unfortunately, the international knowledge base in this area is much weaker than for basic education, and the singular features of national economic development strategies and labor markets often uniquely shape

strategic choices. This suggests the need for up-front work to identify a set of policy options that countries may consider as they formulate national policies and investment programs.

Strategic Focus

Box 8 outlines the medium-term strategic framework, setting out the goals, outcomes, strategic objectives, and key results areas of ADB support to education in the Pacific for 2005–2009. The three strategic objectives are closely related and mutually reinforcing in support of the goal of an increased national capacity to use resources effectively to deliver an improved quality education service that responds to national needs and objectives. Appendix 5 includes ADB activities for the medium-term (2005–2007) to achieve the strategic objectives of this framework. The framework is designed as a frame of reference for ADB's education work in the Pacific, but of course the actual implementation of the strategy will be country specific through country sector work, dialogue, and program design.

Consistent with ADB's overall education policy, the strategy recognizes the limitations of the project approach and emphasizes the importance of linking specific investments to an overall framework for sector reform and development. This consolidates a shift in strategy that has already begun. In some PDMCs, PARD is providing significant support for sector analyses designed to develop medium- and long-term strategic education plans and is aiming to use a sector instead of a project approach to support education development.

Strategic Objective 1: Relevant Education Strategies

Relevant education strategies respond effectively to national objectives and client needs. While PDMCs have identified the need to improve basic education service delivery, most have not succeeded in putting in place the policies and strategies necessary to achieve that goal. Sector analyses have often been weak. Donor interventions—including those of ADB—have often been fragmentary and difficult to sustain, and investment strategies inadequately focused on progress towards the MDGs.

ADB is already helping several countries develop a national education policy framework and strategic plan. It will explore, with

Box 8

Education and Training Sector Strategy for Pacific Developing Member Countries 2005–2009

Logical Framework

Design Summary	Outputs	Key Performance Indicators and Targets	ADB's and Other Donors' Activities
	(What will ADB contribute toward this goal?)	(How will the success of its efforts be measured?)	(What are the assumptions that condition ADB's performance?)
Goal (Long term development objective): Improved learning outcomes for the disadvantaged		PDMCs at least on track to reach 100% NER and survival to grade 5 and gender equity in primary and secondary education by 2015	National education statistics improved with UNDP/SPC and PRIDE support
Outcome (medium term development objective 2005–2009): Enhanced supply of and demand for equity, quality, and relevance of education services		ADB engaged in PDMCs that are off track for education MDGs or have significant distortions in education spending Pacific strategy for skills development guiding ADB interventions and accepted by PDMCs	Client capacity and willingness to borrow and/or avail of technical assistance External partners ready to support work on skills development
Strategic objective 1: Education strategies that are relevant and responsive to national development objectives and client needs	Sector development strategies and plans for at least five PDMCs that are supported by ADB technical assistance and projects Financially sustainable strategies for universal completion of basic education supported by ADB technical assistance and projects Effective skills development strategies supported by ADB regional technical assistance	ADB support provided for preparation of the sector development strategies and plans in three Melanesian countries through regional technical assistance; Completed preparation of education strategies in Samoa and Tuvalu. Involved in SWAp in four countries: PNG, Samoa, Tonga, and Tuvalu Completed skills development strategies in at least three countries as part of the Pacific plan	PDMC and development partner interest in harmonization and SWAp-based support
Strategic objective 2: Demonstrably more effective public, private, and development partner resource allocations for basic education	Efficient allocation of public, private, and external funding to the basic education subsector through ADB supported/ led policy dialogue	Programs supported by ADB will include: – review of education expenditures and an analysis of the financial sustainability of proposed policies and investments – targeted policies and expenditures to ensure equitable learning outcomes – explicit support for innovations for more cost-effective service delivery	ADB education staffing sufficient to engage in SWAp-based policy dialogue and analytical work
Strategic objective 3: Enhanced capacity of PDMC to manage and deliver a basic education service of quality	Strengthened national capacity and regional support systems for a more effective delivery of education services in at least five PDMCs supported by ADB technical assistance and projects	ADB lending operations as well as country and regional technical assistance all include support for: – a baseline assessment of organization capacity and institutional effectiveness – identification of specific capacity building needs at school, national, and regional level – financing of institutional reforms and staff training – involvement of all stakeholders	PDMCs ready to adopt policy reforms; development partners and regional institutions ready to align their intervention with country capacity building priorities
Source: ADB Staff.			

PRIDE, their needs for additional support especially in countries where ADB and collaborating agencies want to move to sector programs. ADB will also support regional initiatives in developing strategies, especially for vocational training and skills development under the Pacific plan. A first priority in this approach will be to carry out sector analyses that provide a robust basis for the design of policy reforms and expenditure programs that, most importantly, ensure effective and equitable basic education service delivery. This work should be supported and reviewed jointly by the government concerned and its development partners—including ADB. In addition, ADB will develop a knowledge base that will allow it to engage in a dialogue with governments and development partners on the most effective and efficient way to provide opportunities for skills development. Regional technical assistance support will be available to analyze the issues and develop policy options appropriate for the Pacific.

ADB will give priority in its support to those countries that are off track in respect of the education MDGs. The large Melanesian countries in particular face challenges in this regard. A number of donor agencies have been active in these countries, and in some the absorptive capacity of governments is in question. ADB will enhance its engagement in these countries by joining donor agencies that already actively support basic education development, through active participation in policy dialogues and through the provision of technical assistance and lending operations as appropriate. In addition, sustained progress in several other PDMCs toward the education MDGs is limited by severe distortions in education spending. Helping these countries enhance the efficiency of education spending will be a priority for ADB technical support and possibly for lending.

In its support, ADB will emphasize innovations for achieving cost-effective higher level learning outcomes. Priority areas will be the development of and experimentation in research-based strategies: (i) for effective multi-grade instruction, (ii) for the development of a positive regulatory framework and effective partnership arrangements with the private sector providers including NGOs and faith-based organizations; and (iii) for the use of ICT to support teacher training, the interaction between students from different parts of the region and even outside, and provision of instructional support to teachers and students in upper secondary schools especially in math and science.

There are other areas that are of critical importance such as the development and introduction of local languages in the early grades

of primary school, the improvement of teachers' English language capability, and the development of effective strategies for community-based early childhood education. ADB will emphasize the need to include these in sector development strategies, but it does not consider that it has a particular comparative advantage in direct analysis and program design in these areas. There are probably other partners that are better qualified to provide technical support in these areas.

Strategic Objective 2: Effective Resource Allocations

The central issue ADB proposes to emphasize will be the need to improve the management of resources within the education sector and at the school level. This will imply an emphasis on the collection of information regarding the sources of funding, the allocation of resources to schools, and the utilization of these resources at the school level. Currently information on actual spending, on cost per student, and on cost per graduate is often not available or is unreliable. This makes it difficult to develop an expenditure projection model that covers the totality of expenditures and allows government and development partners to engage in a dialogue on investment priorities based on information on long-term financial implications. Support for technical work in this area will be a high priority for ADB. Where necessary, ADB will make the case with governments, the private sector, and with other funding agencies to (i) reallocate resources to the basic education subsector, and (ii) encourage the development of a regulatory environment that will be conducive to the emergence of new private providers particularly for skills development programs at the higher levels.

A second area of concern for ADB is the allocation of resources for targeted investments to help the poor overcome obstacles to their access to basic education of quality. This may involve above-average allocations of resources for instructional materials and supplies to schools that enroll large numbers of disadvantaged students. In other cases, it may mean waiving fees or making scholarships available to students—especially girls—from poor families who cannot afford to enroll their children in school and ensure that they have the required supplies.

Strategic Objective 3: Enhanced Capacity to Manage

Relevant education strategies and adequate resource allocation to basic education are not enough to achieve results. The need for enhancing the capacity to implement the strategies and to manage the resources effectively may be the most important. ADB has long been involved in strengthening the capacity for education sector management in PDMCs. It will continue its support by helping PDMCs strengthen their capacity to deliver high-quality education services through technical assistance and project financing both at the country and regional levels. ADB is ready to work together with PRIDE and PIFS and, where needed, to strengthen the capacity to help countries implement education and training strategies under its Pacific Plan and the Forum Basic Education Action Plan. It should be noted that the nature of capacity building strategies is changing. Changes in the way the sector is managed bring the limitations of past capacity building strategies to the fore.

As the management of the sector becomes increasingly decentralized, more staff have management responsibilities that are of a different nature. For example, head teachers are expected increasingly to manage important budgets. Ministry staff are expected to develop policy through consultative processes. Public accountability is a challenge that managers at all levels need to be ready for. Finally, an important challenge is the management of relations with nongovernment providers in such a way that they can contribute efficiently to national education development objectives.

Capacity building support of ADB and other agencies has emphasized the training of managers and technical staff of education ministries. The limits of this approach are well documented (Moulton forthcoming). ADB will broaden its assistance to capacity building by including support for baseline assessments of organization capacity and institutional effectiveness, by identifying specific capacity building needs at the school, national, and regional levels, and by providing financing for institutional reforms and related staff training.

Increasingly, capacity building strategies emphasize the development of networks of professionals who can provide peer review and technical support. Especially in the Pacific, such networks can help overcome some of the constraints that small island economies face. ADB is ready to support the development of these networks through its technical assistance operations.

Implementing the Strategy

Country sector development plans will be the basis for ADB and like-minded partner agencies to help PDMCs establish a SWAp to education development. (See Appendix 6 for the objectives of SWAp processes.) This is expected to ensure that education development supports national priorities in a more coherent way and with lower transaction costs than has been the case in the past. ADB is committed to participate actively in SWAps—leading in some, supporting in others—that are emerging in the region. It will design its support as an integral part of the overall external support for national sector development programs. In practice, this will involve participation in joint reviews of sector studies and investment programs, support for gradual harmonization of procedures, and ensuring greater coherence of aid allocations. It is unlikely that at this stage Pacific Island countries will be ready for SWAp financing modalities such as budget support or pooled funding that involve significant demands on the local capacity for financial management, procurement and implementation, monitoring, and reporting. Strengthening the capacity of government in this respect will, however, be an important element of ADB technical assistance and lending. ADB is ready to play a leading role in the coordination of external support to education through SWAps in one or two countries. When necessary, and within the limits of its administrative resources, it would be ready to help mobilize additional international resources by putting in place arrangements for bilateral cofinancing for its operations, and organizing consultative group meetings.

The strategic objectives and the medium-term output targets give strategic focus to ADB's education operations in the Pacific, but actual implementation will take place through operations at the country level. With 14 PDMCs and limited administrative resources available for education, ADB will need to be selective. At the same time, it may be possible to exploit the opportunities created by intensifying cooperation among development agencies in the education sector to leverage ADB's resources and expertise to service more countries than otherwise would be possible.

ADB's 2005–2007 education lending and technical assistance program includes four lending and six technical assistance operations as shown in Table 2. The support to the education sector has been

remarkably wide ranging. However, there are few follow-up investments even though international experience and ADB completion reports emphasize the need for long-term involvement in the sector given the time required for successful education reform and capacity building programs. Basic education support in Cook Islands and RMI ended after a single project investment. Even in PNG where ADB has been involved in several projects, support ranges across different subsectors: technical and vocational education, higher education, and a planned literacy training operation. Two other issues are important to consider.

- Four countries (Fiji Islands, PNG, Solomon Islands, and Timor-Leste) comprise more than 90% of the population of the PDMCs. Three of these are off-track (PNG, Solomon and Timor-Leste) for the education MDGs. ADB has not been active in Timor-Leste and Fiji Islands, and has only had a single technical assistance operation (for nonformal vocational education and training in 2003) in the Solomon Islands.
- Several countries have comparatively high levels of expenditure on education (e.g., FSM, RMI, and Vanuatu). There may not be a strong case for lending to education there, but ADB could play an important role in helping them design and implement policies that would enhance the efficiency and effectiveness of education expenditures. Tightly focused technical assistance operations may be the most effective way of providing this support.

Table 2

ADB Lending and Technical Assistance Program 2005–2007
(Million \$)

Country	Lending		Technical Assistance	
	Project Name	Amount	Project Name	Amount
FSM			Education & Health Sector Strategy	0.40
PNG	Literacy is for Everybody (LIFE)	10.00		
RMI	Youth Social Services Project	6.00		
Samoa	Education Sector Project II	5.00	Capacity Building for Education Sector	0.35
Tuvalu	Education Sector Reform & Dev't Project	2.00		
Vanuatu			Technical & Vocational Training	0.20
			Rural Productive Skills Development	0.30
Regional			Strategies for skills development in the Pacific	0.80
			Implementation of Pacific Education Strategy II	1.00

Notes: ADB = Asian Development Bank, FSM = Federal State of Micronesia, PNG = Papua New Guinea, RMI = Marshall Islands.

Source: ADB Project Processing Information System.

There is thus a strong case to strengthen the strategic focus and the impact of the education program in four ways:

- concentrating ADB support on basic education and skills development as the key education development priorities as discussed in the preceding chapter;
- planning a sustained involvement in selected countries through a coherent, long-term program of lending and technical assistance support and follow-up operations when appropriate;
- increasing the engagement with the larger countries that are off track for the education MDGs;
- providing technical assistance to enhance the capacity for analysis of education financial management to countries where improvements in the efficiency in resource allocation is the dominant priority.

ADB will also intensify its support for regional studies on key issues in education development in the Pacific, particularly:

- a regional review of skills development issues including an assessment of the experience with different strategies to date, a summary of international experience, and a framework for investment in skills development in the Pacific;
- analyzing and investigating key areas of concern in basic education particularly those relating to the prevalence, nature, and causes of educational disadvantage.

These studies will involve wide consultations with major stakeholders in education, namely parents, church groups, NGOs, teachers, students, and education officials. ADB will actively seek collaboration with all education development partners and the PIFS for the design, implementation, and dissemination of the study.

Partnership Arrangements

The agenda outlined in the preceding section is ambitious and presents a significant increase in ADB involvement in the education sector in the Pacific. Even if a significant increase in ADB administrative budgets were possible, it would only allow very selective implementation of that agenda. To implement the proposed strategic agenda with broader country coverage, PARD intends to explore possibilities to collaborate more closely with regional organizations and to reduce the transaction costs of its support. This could involve a wide range of activities during the implementation of the education and training strategies, including the following:

- intensified collaboration with PRIDE to provide additional support that may be needed to strengthen the collection and analysis of financial data, develop education expenditure projection models, and help countries prepare investment plans for (joint) appraisal by external financing agencies;
- implementation, support, and supervision by regional institutions with technical competence in the education sector on behalf of ADB and its SWAp partners;
- preparation and coordination of joint review missions by PRIDE;
- ADB managed cofinancing arrangements with bilateral agencies;
- design and appraisal of multi-country operations for education development, preferably in cooperation with interested bilateral partners

The success of ADB's education and training sector strategies will depend on the readiness of each country to implement them to achieve the desired outcomes. Another important factor is the commitment of the regional institutions and external funding agencies to work together to achieve the best possible education outcomes for each PDMC. ADB will explore with the PIFS, PRIDE, and other regional agencies the needs for additional support especially in countries where ADB and other

partner agencies want to move to sector programs. ADB will also review with PIFS, PRIDE, PDMCs, and partner agencies the need to intensify and expand PRIDE activities and ways to do so. This will require the readiness of the development agencies active in education in the Pacific to take concrete steps to further develop the framework for cooperation and policy dialogue between agencies and senior policy makers in the region that currently function as part of the Pacific Islands Forum. A good example of the potential of this kind of wide ranging collaboration between donor agencies and countries is the Association for the Development of Education in Africa. (See Appendix 7.) ADB will actively support further development of this kind of structure for knowledge sharing and operational collaboration on education development in the region where necessary through regional technical assistance or through direct participation. To move this partnership agenda forward, ADB will engage in a dialogue with these agencies to explore their interest, to identify the conditions under which this kind of intensified collaboration could take place, and to agree on a program of action to be implemented in 2005–2006.

Internal Resource Requirements

Implementing the Pacific education and training strategy proposed in this paper will be possible only on a very limited scale with only one education specialist in PARD. A high priority is to assign other staff to complement the work of the education specialist and to strengthen ADB's capacity to contribute to the improvement of education resource allocation policies in the region. Should donor cooperation in the framework of SWAp take off, there will be a need for at least another staff member to support, monitor, and facilitate these processes. This would be particularly important if a number of operations were to be cofinanced and managed by ADB. In any event, ADB regular staff resources will always be limited, and reliance on consultants will be imperative. It will therefore be important to develop a roster of experienced consultants who share ADB's views on education development in the Pacific and can effectively represent ADB when regular staff are not available.

Risks and Monitoring

The successful implementation of this plan will depend in the first place on the readiness of PDMCs and major donor agencies to move decisively toward the SWAp strategy outlined in this paper and the willingness and capacity of the regional institutions to provide the necessary organizational and technical support once these are discussed and agreed on with ADB. Second, there is a risk that ADB may not be able to mobilize the staff support necessary to have a meaningful involvement in the SWAp. These risks are real, but they appear manageable. All major stakeholders have expressed support for a more sector-oriented, comprehensive, coordinated way of providing assistance for education development in the Pacific, and initial experiences, especially in Samoa, are positive.

There is also a risk that political and governance constraints will hinder the reforms that are necessary to improve performance. While a good analytical and technical foundation is essential, it is not sufficient. The reforms need a strong conceptual foundation. One of the key tasks is to help countries build a firm conceptual or philosophical foundation for their reforms. The commitment to provide all children with an equal opportunity to learn demands all stakeholders to contribute to this goal and create a conducive social environment. ADB and other external agencies can only play a catalytic role. Equally important is an effective process of policy dialogue and sharing of experiences that includes strategies for dealing with political opposition and local interest groups. An important part of the SWAp is therefore monitoring the process of reform and change as well as providing support for participatory and inclusive strategies.

The Pacific Forum Education Ministers meetings have called for improved coordination among donors and between donors and stakeholders including the forum's governments. Experience suggests that major donor agencies are clearly interested in making an effort (e.g., in Samoa); at the same time there are examples that demonstrate that partnerships do not always work smoothly. PARD will also meet at an early stage with the key regional institutions that are best placed to provide technical support for PDMCs to assess their interest and capacity to carry out the work called for in this strategy. ADB would be ready to consider a technical assistance operation to strengthen the capacity of these institutions, particularly in education finance

and expenditure analysis, should this be required. PARD will report on the progress of implementation of this strategy as part of its annual reporting on progress toward the key results areas of the third Pacific strategy.