



# Technical Assistance Consultant's Report

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## Republic of the Marshall Islands: Increasing Ownership and Effective Demand for Improved Education (Financed by the Asian Development Fund)

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**Asian Development Bank**

Final Report:

ADB TA No. 4458 Increasing Ownership and  
Effective Demand for Improved Education

A Pilot Project in Civil Service Reform and  
Government Asset Rationalization

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## List of Abbreviations

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AA	Associate of Arts degree (used by MOE and here to include other Associate degrees)
ADB	Asian Development Bank
BA	Bachelor of Arts degree (used by MOE and here to include other Bachelor degrees)
CBGS	Community Based Governance System
CHS	Calvary High School
CMI	College of the Marshall Islands
CSP	Country Strategy and Program
EPPSO	Economic Policy, Planning, and Statistics Office
ESL	English as a Second Language
EU	European Union
F	Fail
FJ	Fiji Islands
FY	Fiscal Year
GED	Graduate Equivalency Degree (local High School level)
GRMI	Government of the RMI
HS	High School
ITBS	Iowa Tests of Basic Skills
JHS	Jaluit High School
JOCV	Japanese Overseas Cooperation Volunteers
K-12	Kindergarten through 12 <sup>th</sup> Grade
KHS	Kwajalein High School
LHS	Laura High School
MA	Master of Arts degree (used by MOE and here to include other Master degrees)
MCHS	Majuro Christian High School
MICNGOs	Marshall Islands Council of NGOs
MIHS	Marshall Islands High School
MIITF	Marshall Islands Intergenerational Trust Fund
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
N	Number of cases

NGO	Non-Governmental Organization
NIHS	Northern Islands High School
OI	Outer Islands
PBB	Performance Based Budgeting
PI	Philippines
PILL	Pacific Islands Literacy Levels
PSC	Public Service Commission
PTA	Parent Teacher Association
PSC	Public Service Commission
QPHS	Queen of Peace High School
RCHS	Rita Christian High School
RMI	Republic of the Marshall Islands
ROC	Republic of China
SAT	Stanford Achievement Test
SDA	Seventh Day Adventist
SY	School Year
TA	Technical Assistance
TOEFL	Test of English as a Foreign Language
TOR	Terms of Reference
TQE	Teacher Quality Enhancement
US	United States
WASC	Western Association of Schools and Colleges
WB	World Bank
WUTMI	Women United Together in the Marshall Islands

## Executive Summary

1. The purposes of the Technical Assistance (TA) were to raise ownership and effective demand for improved public services through strengthened, informed, and empowered participation and to provide positive directions for further assistance to public service development. Because of limited success in previous attempts at civil service reform, ADB and GRMI decided to undertake a pilot project first to develop and assess stakeholder support for civil service reform before determining whether or not to attempt a full-scale project.
2. The assistance was carried out as planned in the form of facilitated participatory processes. Two rounds of consultations were carried out — the first in March and April of 2005 and the second in July and August of 2005. The purpose of the first round of consultations was to brief people on the state of education and to ask them what issues need to be addressed and what options should be considered. Stakeholders were consulted individually and in group meetings on Majuro. The Midterm Report, *Briefing Paper: Issues and Options for Improving Education in the RMI*, summarizes the state of education, the first-round consultation program, and the results of those first-round consultations.
3. The purpose of the second round of consultations was to seek a national consensus on which specific options should be implemented to address the issues. Fifty-three group meetings were conducted in this round. Thirty-eight government and public stakeholder groups were consulted on Majuro — including groups from Jaluit, Likiep, and Wotje Atolls. In addition, four groups were consulted on Ebeye, one on Lib Atoll, three on Arno Atoll, and five on Mili Atoll. A total of 716 people participated in the second round of consultations. Results of both rounds were presented to Cabinet.
4. A similar presentation scheduled for the Nitijela with the approval of the President and the Speaker was, instead, repeatedly delayed and eventually blocked entirely by the Minister of Education and other members of the ruling party. Comments made in the Nitijela by members of the ruling party falsely characterized the procedures and results of the project as justification for blocking its presentation to the Nitijela and as justification for rejecting the report outright and failing to act on the issues and options raised by stakeholders. The President did later authorize publication of the project results in the *Marshall Islands Journal*, however, and that publication did appear on Friday, October 14, 2005. These results demonstrate a mixture of support and resistance within government for increased transparency and accountability.
5. The resistance comes because the stakeholder consultations and the research of official government documents together show that the issues identified by stakeholders are primarily caused either directly or indirectly by small-scale but widespread and longstanding abuse of the civil service personnel system. Endemic corruption and abuse of the personnel system undermines the education system itself and it undermines technical solutions that would otherwise improve education. An important conclusion of the TA is that the RMI will not have an adequate public education system as long as abuses in the civil service personnel system go uncorrected.
6. People thus want immediate reform of the civil service personnel system to improve education and other public services. This result of the consultation program confirms the broad stakeholder support for civil service reform documented last year in consultations to review and update the ADB Country Strategy and Program for the RMI. Responses to the project have also revealed some reluctance and even strong resistance, however, among members of government, among Public Service Commission officers, and among Ministry of Education staff.

7. Government has announced plans to conduct personnel and performance audits of MOE and other ministries to begin addressing the civil service personnel issues. Carrying out and acting on these audits would show strong and clear government commitment to transparency and accountability. Failure to do so would send the opposite message.

8. Increasing accountability of the public service would improve education results now and would provide a firm foundation for subsequent technical solutions. One option stands out as the consensus of stakeholders for reforming the civil service. That option is to amend the constitution and PSC Regulations to transfer authority for personnel matters to MOE and other ministries and to provide a functioning Appeals Committee that is independent of government influence. Stakeholders who support other options also require a functioning Appeals Committee that is independent of government influence.

9. Another option stands out as the consensus of stakeholders for raising education standards. That option is for public and private schools to pursue accreditation by the Western Association of Schools and Colleges (WASC).

10. The TA facilitated stakeholder discussion of four major sets of issues that might attract a request from GRMI for further ADB technical assistance to reform the civil service and otherwise to improve public service delivery in education. Those four sets of issues include:

- i) Education Act and Rules and Regulations
- ii) PSC Act and Regulations
- iii) MOE Resource Management
- iv) MOE Structure

11. The TA recommends that ADB favorably consider one or more requests, if any, by GRMI for technical support to help implement institutional strengthening options to address the above issues, but only after GRMI has demonstrated its commitment to civil service reform by substantially solving the personnel issues raised by local stakeholders. Depending on the option chosen, item (ii) PSC ACT and Regulations might actually involve dismantling PSC rather than strengthening it.

12. The TA also recommends that ADB favorably consider a request, if any, by GRMI for technical support of the planned personnel and performance audits of MOE and other ministries. Government intends these audits as one of the first steps in solving the personnel issues. No technical or other assistance is necessarily required for government to enforce existing laws, however. As a result, it is feasible for GRMI to improve education service delivery with or without major structural changes and with or without further technical or financial support from ADB or other donors. GRMI could strengthen its position in making a request, if any, for external support of the personnel and performance audits by beginning now to carry out reforms of the civil service personnel system as identified by stakeholders during project consultations.

13. The TA recommends that any technical personnel that might be provided by ADB to support the personnel and performance audits should make up a minority of the total number of personnel working on the audits and should be junior members of the team. GRMI staff, or independent consultants or staff of a commercial firm hired by GRMI, should make up the majority of the team in order to retain GRMI ownership of the audits.

## I. INTRODUCTION

1. The overall purposes of the Technical Assistance (TA) were to raise ownership and effective demand for improved public services through strengthened, informed, and empowered participation and to provide positive directions for further assistance to public service development.
2. The Government of the Marshall Islands (GRMI) requested the assistance from the Asian Development Bank (ADB) following broad stakeholder consultations carried out from December of 2003 through February of 2004 to update the Country Strategy and Program (CSP) of assistance the ADB provides to the Republic of the Marshall Islands (RMI). Those consultations included all government ministries and agencies as well as representatives of the private sector, Non-Government Organizations (NGOs), and other members of civil society. The strong consensus of those stakeholders was that the top priority for technical assistance was Civil Service Reform and Government Asset Rationalization (see *ADB CSP Update for the RMI, 2005 - 2007*).
3. Because of limited success in previous attempts at civil service reform, ADB and GRMI decided to undertake a pilot project first to develop and assess support for civil service reform before undertaking any larger program of assistance. The education sector was chosen for the pilot project because:
  - Education is the nation's #1 priority sector;
  - Education is the largest part of the public service;
  - Education touches the most families in the RMI at the most basic level;
  - Issues in education reform are relatively easy for the public to understand;
  - The Ministry of Education has already started a program of improvement on its own;
  - The Ministry of Education offered to host the pilot project.
4. As a result, the Ministry of Education (MOE) became the executing agency for the TA, with assistance from the Economic Policy, Planning, and Statistics Office (EPPSO) in the Office of the President.

## II. TERMS OF REFERENCE

### 1. Methodology and Key Activities

5. Under terms of the approved TA Paper (p. 3; 11 November 2004), the assistance was to be carried out in the form of scheduled, extensive, informed, and facilitated participatory processes. Key activities were to be: (i) preparation of educational videos, radio programs, drama, articles, and other media as relevant that describe the outcomes of the current delivery of primary education as this can be understood best by the community of RMI; (ii) presentation of this material to a series of targeted primary education providers and users and to other relevant members of the community in order to raise awareness of principles, issues, and options, followed by the facilitated participation of relevant stakeholders, and ultimately to design alternative interventions and programs of assistance to improve public service delivery in education; (iii) strengthening capacity of policy makers to use participatory processes; (iv) independent monitoring and reporting of the entire process to provide directions for further RMI public service development; and (v) presentation of the results to the leadership of the RMI.

## **2. Specific Terms of Reference for Individual Consultants**

6. The project team consisted of two individual consultants — a Lead Participatory Processes Specialist and Team Leader and a Local Social Development Analyst. The individual consultants' specific terms of reference are summarized below (for details, see Attachment 1: Terms of Reference):

1. Review the framework for social service provision as it applies to the RMI, including:
2. Work closely with counterpart personnel in the Ministry of Education and other relevant government and non-government agencies.
3. Review all relevant, available studies relating to Education and to Public Service performance and related matters in the RMI.
4. Prepare a detailed work program, action plan, and implementation schedule.
5. Liaise with the Ministry of Education, Mission Pacific, and MICNGOs.
6. Train 3 counterparts (one each from the Ministry of Education, NGO, and Ministry of Internal Affairs).
7. Identify all relevant stakeholders in the urban areas of Majuro.
8. Organize and facilitate a series of participatory processes, consultations, and workshop(s).
9. Assess and report on the feasibility of establishing new institution(s) or relationships between government and civil society.
10. Assess and report on the feasibility of further improvement to education service delivery.
11. Assist stakeholders in the design of further project assistance and independently comment on the need for further assistance.
12. Undertake any other work that ADB staff may reasonably request.

7. In addition, the TA paper calls for “presentation of the overall results to the leadership of the RMI” and “independent monitoring and reporting of the entire process,” which will be inserted as TOR Items 13 and 14, respectively.

## **III. PROJECT ACTIVITIES AND OUTCOMES**

8. This section of the report summarizes the project activities that were carried out and the project outcomes that were achieved under the respective TOR items listed above.

## 1. Review the framework for education provision in the RMI, including:

- a) Priority setting and the adequacy of funds to education.

All recent national consultations have shown that education is the nation's top priority. Reflecting that priority, education takes by far the largest share of public spending each year — about \$38 million per annum in total for public primary and secondary education and about \$3,300 per public school student. This level of spending on public education is among the highest in the Pacific (which in turn is among the highest in the developing world). Most of the funds are provided by the US Compact, under which education is one of three priority areas (the others being health and environment).

- b) Timely transfer of prioritized funds from the center to the service provider.

Public education in the RMI is almost entirely centralized, so there is little or no transfer of funds from the center. The degree of centralization is an issue in itself. The only significant funds that are “transferred” from the center to the service providers are the fortnightly paychecks of individual staff. There appears to be no major problem with the timeliness of that transfer.

The transfer of school supplies and materials from the center to local schools is a serious issue. It is more a symptom of fundamental management issues in MOE, however, rather than being an independent issue. Because of the difficulty of securing school supplies and materials from the center, school principals and head teachers often use school fees (generally \$20 per student), which are collected locally, to purchase supplies and materials rather than attempting to get them from MOE.

- c) Appropriateness of incentives structure that service providers face.

The two main positive incentives that public service providers face are: (1) their individual pay and benefits and (2) the higher education and other professional training programs provided free for individual staff (MOE reports that one such program, funded by the US Compact Supplemental Education Grant, is also available to private school staff).

Interviews and document research undertaken by the TA show that individual pay and benefits of public service providers in education bears no relationship to an individual's professional qualifications, job responsibilities, or performance. In addition, scores of staff receive pay that is either below or (more often) above the appropriate ranges specified in the PSC Act 1998 As Amended. Similarly, government provides higher education and other professional training programs to public education staff with no apparent regard for the public benefits that might be expected to derive from the training.

The main negative incentive that public service providers might be expected to face is disciplinary action, with the ultimate action being dismissal or, in cases of serious misconduct, even legal action. The TA could find no evidence of any disciplinary or legal action, however, even in well documented cases of serious misconduct.

Overall, the incentives structure that service providers face must be judged as highly inappropriate if the goal is taken to be efficiency and effectiveness in the provision of that service.

- d) Responsiveness and the ability of service receivers to take advantage of the services.

There is no significant issue of public access to primary schools. Indeed, MOE provides local primary schools (grades K-8) in virtually every community in the Marshall Islands — no matter how small or remote. Eleven out of 76 public primary schools have 25 or fewer students, with the smallest having only six. In contrast, 20 public primary schools have 100 or more students, with the largest having over 900.

Responsiveness of service receivers is low, however. Analysis of 1999 census data and public school enrollments shows that about 20% of school-age children did not enroll in primary school at that time even though virtually everyone has immediate access to a neighborhood school. Most observers believe that the enrollment ratio has declined further since 1999, but no data is currently available. The reasons for the low enrollment ratio have not been examined directly or in detail, but the major reasons undoubtedly include (but are not limited to) the poor quality of the school environment and the poor quality of the education being provided.

Forty-two of 76 public primary schools had average student scores of less than 30 out of 100 possible points on the locally developed high school entrance test over the three years from 2002 through 2004. Most of that test consisted of multiple choice questions offering only four possible answers. Sixty points out of 100 was required to “Pass” the test, so a score of 30 points or less can be considered a very low “Fail”. No primary school — public or private — had an average student score above “Fail” for the three years from 2002 through 2004. A new test was presented in 2005, but the TA was not allowed access to the test or the results.

Enrollment rates secondary school are much lower. Data is not very accurate, but it appears that just over half of all children complete 8<sup>th</sup> grade (either public or private) and about one quarter of all children complete high school (either public or private). Some students prefer to go to one of 14 private, church-sponsored high schools in the RMI. Other students attend these private high schools simply because they did not gain admission to a public high school. A few students go overseas to attend high school.

Admission to a public high school is limited by the available space, which is increasing now with the addition and planned expansion of Laura High School and Kwajalein High School. Average scores on the high school entrance test, cited above, indicate that the great majority of students who were admitted to a public high school from 2002 through 2004 had failed the local high school entrance test — usually by a wide margin. Those remaining students who did not gain admission had even lower scores. It would be accurate, therefore, to say that space in the public high schools is currently more than adequate to serve the number of students who qualify academically for admission even though space is not adequate to serve the number of students who want to attend.

## **2. Work closely with counterpart personnel in the Ministry of Education and other relevant government and non-government agencies.**

9. The TA was unsuccessful in attracting counterpart personnel from MOE. No other government agencies were appropriate for providing counterpart personnel.

10. All TA activities were carried out with the specific approval of the Secretary of Education. In other respects, the TA worked with little or no net support from the ministry. The Minister of

Education approved (or acquiesced to) the project at its inception, but later tried to undermine the project behind the scenes and publicly rejected the results of the consultation program. The Minister declined to meet with TA personnel to discuss matters.

11. Due primarily to the failure of MOE to provide counterpart personnel, the TA formally proposed to ADB in early June that one or two additional local facilitators be hired from local NGOs to help with the consultation program. That proposal was part of a broader proposal — accepted by MOE and ADB in the project *Inception Report* of March, 2005 — which was aimed primarily at supporting consultations on Kwajalein and the Outer Islands that were outside the scope of the original TOR. A detailed budget for the proposal was provided to ADB in mid June. ADB authorized other aspects of that proposal in early August, but did not mention the proposal to add one or two local facilitators. An early August decision date was too late in any case to select, mobilize, and train local facilitators for a consultation program that began in mid July and ended in late August. As a result, the original two TA personnel worked alone on the project.

### **3. Review studies relating to Education and to Public Service performance in the RMI.**

12. The content and results of the initial review are presented in the TA Midterm Report, *Briefing Paper: Issues and Options for Improving Education in the RMI* (May 2005). Additional studies and documents were reviewed during the second half of the project after the *Briefing Paper* was issued. Results of that additional review were added as appropriate to the information presented during the second round of consultations in July and August of 2005. Attachment 4 (Newspaper Insert) presents a shortened version of that information.

### **4. Prepare a detailed work program, action plan, and implementation schedule.**

13. A general work program, action plan, and implementation schedule was presented in the *Inception Report* (March 2005). A detailed consultation schedule was prepared in early July, but it remained unconfirmed while the TA awaited a decision from ADB on the proposal, mentioned above in Item 2, to broaden the consultation program to include Kwajalein and the Outer Islands and to extend the period of the consultation program to the end of August.

### **5. Liaise with the Ministry of Education, Mission Pacific, and MICNGOs.**

14. The TA liaised with the Secretary of Education throughout the project.

15. The TA met with Mission Pacific as one of the NGO stakeholder groups during both the first and second rounds of consultation. The TA also discussed with Mission Pacific the possibility that Mission Pacific would prepare one or more videos as public information mass media for the project. The TA decided against that course of action for two reasons, however.

16. First, the funding that Mission Pacific might have made available for that purpose, as assumed in the approved TA paper, ran out in June, 2005. Because of the late start of the TA, the project was not advanced far enough for the public information media to be prepared before the funding ran out. Second, because of the sensitive social and political nature of topics addressed by the project, the TA determined that it would be more constructive to focus the presentation of briefing materials on the specific groups that were consulted by the TA

rather than blanketing the public with mass media presentations that would leave most viewers with no outlet for their resulting comments.

17. The TA also met with the Marshall Islands Council of Non-Government Organizations (MICNGOs) and its individual member organizations as NGO stakeholder groups during both the first and second rounds of consultation. MICNGOs also provided a consultant to carry out independent monitoring of project activities and the implementation by government and other stakeholders of any commitments that might be made as a result of the project.

**6. Train 3 counterparts (one each from the MOE, MICNGOs, and Ministry of Internal Affairs).**

18. TA personnel had no counterparts, so the Local Social Development Analyst was the only person trained.

**7. Identify all relevant stakeholders in the urban areas of Majuro.**

19. Relevant stakeholders were identified during the inception phase and then consulted in two rounds of consultation meetings. The TA recommended in its *Inception Report* of March, 2005, that relevant stakeholders included groups on Kwajalein and the Outer Islands and, consequently, that the scope of the consultation program should be expanded to include those areas. The TA also recommended that the term of the project be extended some 20 days to accommodate the expanded scope. ADB eventually accepted both of those proposals.

**8. Organize and facilitate a series of participatory processes, consultations, and workshop(s).**

20. The first round of participatory processes, consultations, and workshops was carried out in Majuro during March and April of 2005. The purpose of the first round was to brief people on the state of education and to ask what issues need to be addressed and what options should be considered. Stakeholders were consulted individually and in group meetings. The *Briefing Paper: Issues and Options for Improving Education in the RMI* summarizes the state of education and the results of those consultations. Attachment 2 of that report presents the list of group consultation and briefing meetings conducted at that time. Attachment 3 of that report presents the list of individuals consulted outside the group meetings.

21. The second round of participatory processes, consultations, and workshops was carried out from mid July through the end of August, 2005. The purpose of the second round was to seek a national consensus on civil service reform in education and on which specific options should be implemented to carry out the reform. The TA conducted 53 group meetings in this round of consultations. Thirty-eight government and public stakeholder groups were consulted on Majuro — including teachers groups from Jaluit, Likiep, and Wotje Atolls. In addition, four groups were consulted on Ebeye, one on Lib Atoll, three on Arno Atoll, and five on Mili Atoll. A total of 716 people participated in this round. The great majority of these meetings were conducted in the Marshallese language. Attachment 2 of the present report lists the group consultation and briefing meetings conducted during the second round. Attachment 3 of the present report lists individuals consulted outside the group meetings.

**9. Assess and report on the feasibility of establishing new institution(s) or relationships between government and civil society.**

22. One option stands out as the consensus of local stakeholders to raise education standards by bringing in a new institution. That option is for public and private schools to pursue accreditation by the Western Association of Schools and Colleges (WASC). WASC accreditation procedures help local schools apply 'Best Practice' to achieve education goals determined by the schools themselves. WASC then provides independent, professional monitoring in order to certify to local communities that the schools can be trusted to achieve the education goals the schools have chosen. The accreditation process could begin with a preliminary phase of reform guided by private consultants recommended by WASC. Such a preliminary phase would be designed to help schools improve to the point that they could actually apply to WASC for accreditation (see Slide 28, page 8 of Attachment 4, below).

23. Another option stands out as the consensus choice of local stakeholders to improve service delivery in education by changing the relationship between government and civil society. That option is for parents and other local community members to help provide basic monitoring, oversight, and assessment of staff working in local schools (see Slide 31, page 9 of Attachment 4, below). MOE and the Public Service Commission (PSC) have shown that they are not able to provide adequate monitoring of education staff — especially in remote locations — and MOE and PSC have also shown that they are not able or willing to hold staff accountable even if they would monitor staff performance.

24. In such cases, a standard technique is to provide an independent check and balance over both the service personnel and their managers by giving a formal assessment role to a group representing those stakeholders who have the strongest interest in seeing that the services are delivered properly. That group would probably be the parents of local students. The parent members of local Parent Teacher Associations (PTAs) could be given that role or, following the successful example of Likiep, a local school board could be given that role. The specific membership could be determined locally. The same local group might share other important management roles to some degree — perhaps participating in the planning and formulation of local operating and capital budgets and grant applications. Such involvement by local communities would follow the basic principle of the Community-Based Governance System for local schools that was attempted for a few years in the RMI, beginning in 1991, but then abandoned.

25. Finally, two higher level options to establish new institutions and relationships between government and civil society were raised by local stakeholders in several meetings. Stakeholders offered these options as solutions to a perceived unresponsiveness of government to the fundamental needs of the general public. The first option is to amend the constitution of the RMI to provide for the direct election of the president, which would have the ultimate effect of separating the executive functions of government from the legislative functions. The intended practical effect would be to protect the PSC, MOE, and the rest of the public service from political interference. The second option was to amend the residency requirements for voters and candidates in the election of senators so that senators would more closely represent the interests of people living in their place of residence. While these two options arose and were discussed at some consultation meetings during both rounds, neither was included in the formal list of options presented to stakeholders in the second round of consultations because the TA determined that the issues were rather too large and too far reaching to fit within the intended scope of the present TA.

## **10. Assess and report on the feasibility of further improvement to education service delivery.**

26. The consultations and document research carried out by the TA show that the issues identified by stakeholders are primarily caused either directly or indirectly by small-scale but widespread and longstanding abuse of the civil service personnel system. Although there are dedicated public servants in education, other people often take or avoid actions that sacrifice the large, long-term public benefits of education for their own short-term personal benefits. The dot-point items on the left side of Slide 29 (page 9 of Attachment 4, below) concerns PSC Regulations and presents an itemized, but nevertheless partial list of such abuse. The first dot-point item summarizes the situation best by noting that the PSC does not comply with requirements to “avoid influence of political, religious, social, and family ties.” Instead, as the PSC acknowledged during the consultations, such influence undermines all aspects of the personnel system. An important conclusion of the TA is that the RMI will not have an adequate education system as long as abuses in the civil service personnel system remain.

27. The basic problem is that employment in the public education system has come to resemble a make-work scheme, with personnel decisions heavily influenced by private interests. Public service jobs are often created or filled to serve political or family interests. Favoritism raises and protects some people while it lowers and injures others.

28. Although progress is now being made in some areas, abuse of the personnel system has resulted in a public education work force that is inefficient, ineffective, and unaccountable. Resources spent on education produce little of their intended public benefit, but instead seep away to provide small personal benefits to many individuals who then have a vested interest in preventing transparency and accountability. Without public oversight, personal interests then undermine much of the private education system as well.

29. Endemic corruption and abuse of the personnel system undermines the education system itself and it undermines technical solutions that would otherwise help to improve education. Stakeholders thus want immediate reform of the civil service to improve education and other public services. People want the corruption and abuse to stop, and they want staff that cannot or will not perform to be fired now — not in 2008 or 2010 as proposed by MOE — even if that means firing a close relative.

30. Increasing accountability of the public service would improve education results now — not five or 10 years from now as forecast by MOE — and would provide a firm foundation for subsequent technical solutions to further enhance efficiency and effectiveness.

31. One option stands out as the consensus of local stakeholders for reforming the civil service. That option is to amend the constitution and PSC Regulations to transfer direct authority for personnel matters to MOE and other ministries and to provide a functioning Public Service Appeals Committee that is independent of government influence (see Slide 29, page 9 of Attachment 4, below). Other options that also attracted support all had the common ingredient of a functioning Appeals Committee that is independent of government influence.

32. Options that would require a constitutional amendment, if pursued, might take some months or years to implement. In the meantime, or perhaps as an alternative, the efficiency and effectiveness of service providers in education could be enhanced immediately just by enforcing current laws and regulations — including the Public Service Act and Regulations and the Education Act and Rules and Regulations — by holding public servants accountable

for their actions or inactions and by carrying out an accreditation process for primary and secondary schools.

33. No technical or other assistance is necessarily required for government to enforce existing laws. As a result, it is feasible to improve education service delivery with or without further support from ADB.

#### **11. Assist stakeholders in the design of further project assistance and independently comment on the need for further assistance.**

34. The government of the RMI might call upon ADB (or other donors) to provide technical assistance to help MOE develop a new strategic plan that deals directly with the issues raised in the consultations and to restructure MOE as part of a broader civil service reform project (see Slide 30, page 10 of Attachment 4, below). Those types of “institutional strengthening” projects could further enhance education service delivery, but only if the personnel issues were solved first.

35. Consequently, the TA recommends to the ADB that the ADB delay related technical or loan assistance until the RMI substantially solves the civil service personnel issues raised by local stakeholders. The ADB Country Program Manager for the RMI fully supports that recommendation. At the request of the Country Program Manager, the TA has communicated this official view to GRMI.

36. The Chief Secretary and the Minister of Finance have recently announced plans to conduct personnel and performance audits of MOE and other ministries. GRMI may request ADB assistance in conducting those audits. The TA recommends to the ADB that it favorably consider such assistance. The Country Program Manager has advised that ADB could support such audits if requested by GRMI. At the request of the Country Program Manager, the TA has also communicated this official view to GRMI. Note, however, that nothing prevents GRMI from addressing many of the personnel issues now without awaiting the results of such audits.

37. The TA facilitated stakeholder discussion of four major sets of issues that might attract a request for ADB technical assistance. Those sets of issues include:

- v) Education Act and Rules and Regulations.
- vi) PSC Act and Regulations.
- vii) MOE Resource Management.
- viii) MOE Structure.

38. Slides 28 – 36, on pages 8 through 12 of Attachment 4, below, list the options considered by stakeholders for addressing each set of issues. The slides also indicate the level of and basic reasons for stakeholder support (or lack of support) of each option. Note that these slides indicate only the results of the stakeholder consultation program. The slides do not indicate an official government position on any issue or option.

39. Government could approach ADB or other donors for technical assistance to help in the detailed design and implementation of any or all of the options that government might eventually select (including options not canvassed by the TA consultation program), but that selection process has not been completed at the time of writing. Consequently, it was not

possible for the TA to work with stakeholders at the end of the project to help design further project assistance in any greater detail than appears in the slides.

## **12. Undertake any other work that ADB staff may reasonably request.**

40. The ADB Country Program Manager requested that the TA personnel develop options for ADB to continue its support of civil service reform in the RMI after the completion of the current project. The TA has, in turn, recommended to ADB the following four complementary courses of action:

- ix) Expand the scope of the TOR for the Local Social Development Analyst to include facilitating a GRMI response to this Final Report if requested by GRMI (the current TOR ends when the TA presents the “overall results to the leadership of the RMI;” [see also Item 13, below]). The Local Social Development Analyst has enough time remaining in his contract to carry out that activity if requested. ADB supports the recommendation.
- x) Provide project funds for publication of the results of the second round of consultations so the general public will have the same information provided to Cabinet and the Nitijela. ADB supports that recommendation (see also Item 13, below).
- xi) Favorably consider a request, if any, by GRMI for technical support of the planned personnel and performance audits of MOE and other ministries. The TA recommends, however, that any technical personnel that might be provided by ADB should make up a minority of the total number of personnel working on the audits and be the junior members of the team, with the majority of the team or at least its senior personnel made up either of GRMI staff or of independent consultants or staff of a commercial firm hired by GRMI. ADB supports that recommendation.
- xii) Favorably consider a request, if any, by GRMI for technical support aimed at the institutional strengthening of MOE, as outlined above in Item 11, but only after GRMI has demonstrated its commitment to civil service reform by substantially solving the personnel issues raised by local stakeholders. Depending on the specific option GRMI chooses, any ADB support for “institutional strengthening” of PSC might actually involve dismantling PSC and transferring most or all of its present functions to MOE and other line ministries. Such technical support might also help recommend revisions to the Marshall Islands Code relating to MOE and/or to PSC and/or to those parts of the constitution dealing with PSC. ADB supports that recommendation.
- xiii) Once GRMI has considered the results of the consultation program, selected the specific options government wants to pursue, and made a request, if any, to ADB for further technical assistance, ADB could prepare the necessary project documents and seek the necessary project approvals, but delay implementation until GRMI has demonstrated its commitment to civil service reform by substantially solving the personnel issues raised by stakeholders. ADB supports that recommendation.

## **13. Present the overall results to the leadership of the RMI.**

41. The TA planned to present the results first to MOE, then to public stakeholders, then to Cabinet, and finally to the Nitijela. The TA attempted to arrange those meetings accordingly. The TA was able to present the overall results of the consultation program to

senior MOE management on the afternoon of August 29 and to representatives of Majuro stakeholders on the evening of August 29.

42. The Minister of Education declined to speak with the TA. As a result, the TA pursued other avenues to arrange a meeting with Cabinet — first through the Chief Secretary and then through the Minister in Assistance to the President. In contrast, the TA was quickly successful in arranging with the Speaker to present the results to the Nitijela. The Nitijela presentation was scheduled for the afternoon of 31 August — the last possible time before the departure of the Team Leader — in order to allow the greatest possible opportunity for the TA to meet first with Cabinet. In the end, the President postponed the presentation to the Nitijela, but arranged a last-minute meeting with Cabinet late in the afternoon of 31 August.

43. Following the presentation to Cabinet, the President authorized the TA to make the same presentation to the Nitijela as soon as it reconvenes again in September. The Speaker also authorized the presentation to the Nitijela and placed it on the calendar. The presentations was repeatedly delayed, however, and eventually blocked entirely by pressure from the Minister of Education and other members of the ruling party. Comments made in the Nitijela by members of the ruling party falsely characterized the procedures and results of the project to provide justification for blocking its presentation to the Nitijela and for rejecting the report outright and failing to act on the issues and options raised by stakeholders. The President did later authorize publication of the project results in the *Marshall Islands Journal*, however, and that publication did appear on Friday, October 14, 2005. These results demonstrate a mixture of support and resistance within government for increased transparency and accountability.

44. Following the TA presentation to Cabinet, Cabinet also agreed to prepare a formal response to the TA findings. That response was to be included as an attachment to this Final Report. The Local Social Development Analyst was made available to help facilitate Cabinet discussions and preparation of a response if requested. No response has been received to date.

#### **14. Independent Monitoring and Reporting of the Entire Process**

45. A representative of MICNGOs has been contracted separately to carry out the NGO Independent Monitoring. That activity will be reported separately by the consultant carrying out that monitoring. One change in the TOR will be mentioned here, however, because it originated with a recommendation by personnel of the present TA. That recommendation was to expand the scope and time period of the TOR for the NGO Independent Monitoring to include monitoring and public reporting, over one year, of government and other stakeholder implementation of results listed in the present report.

## **Attachment 1: Terms of Reference for Consultants**

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### **A. Lead Participatory Processes Specialist and Team Leader**

1. An international consultant, Lead Participatory Processes Specialist and Team Leader, will be recruited on an intermittent basis for a total period of 4 person months, over the ten months duration of the project.

2. Four broad issues are often put out for assessing the effectiveness and impact of social service provision: (i) the priority setting and the adequacy of aggregate funds allocation to social services; (ii) the timely transfer of prioritized funds from the center to the service provider; (iii) the appropriateness of incentives structure that service providers face; and (iv) the responsiveness and the ability of service receivers to take advantage of the services provided. The consultant will review this framework for social provision as it applies to the RMI. In addition the consultant's work will include, but not be limited to the following:

- (i) At all times and at every opportunity work closely with counterpart personnel in both the Ministry of Education and other relevant government and non-government agencies to impart skills and knowledge in a hands-on manner.
- (ii) Review all relevant, available studies relating to Education and to Public Service performance and related matters in the RMI.
- (iii) Review the proposed work program with relevant stakeholders and contributing parties (including relevant NGOs, Mission Pacific, officials of the Ministry of Education, Public Service Commissioners, and the local Social Development Analyst) and prepare a detailed work program, action plan, and implementation schedule for the TA.
- (iv) Liaise with the Ministry of Education, Mission Pacific, the NGO that will independently monitor the progress of the TA and coordinate all components and activities of the TA.
- (v) Train 3 counterparts (one each from the Ministry of Education, NGO, and Ministry of Internal Affairs) during the course of the execution of the TA in the methodologies and approaches of participatory process planning.
- (vi) Identify all relevant stakeholders interested in the supply and demand for improved primary education services in the urban areas of Majuro.
- (vii) Organize and facilitate a series of participatory processes, consultations, and workshop(s) to bring all interested and relevant stakeholders to understand the status and trends of primary education services in Majuro and to help the same stakeholders to consider and to design future interventions, whether improved institutions, policies, and, or development programs to seek to improve education service delivery.
- (viii) Assess and report on the feasibility of establishing new institution(s) or relationships between government and civil society that will continue to sustain the demand for improved public performance.
- (ix) Assess and report on the feasibility of further improvement to education service delivery, and to further public service development.
- (x) Assist stakeholders in the design of further project assistance and independently comment on the need for further assistance, including participatory processes and applications to program design in support of implementing the new Pacific Strategy toward the end of the TA.
- (xi) Report on all activities as per D 5.
- (xii) Undertake any other work that ADB staff may reasonably request.

## **B. Local Social Development Analyst**

3. A local Social Development Analyst will be hired on an intermittent basis, for a total period of 4 months over the ten months duration of the project, to work with the Lead Participatory Processes Specialist and Team Leader.

- (i) At all times and at every opportunity work closely with counterpart personnel in both the Ministry of Education and other relevant government and non-government agencies to impart skills and knowledge in a hands-on manner.
- (ii) Assist the Team Leader in reviewing the framework for social provision as it applies to the RMI.
- (iii) Help the Lead Participatory Processes Specialist to collate and review all relevant, available studies relating to Education and to Public Service performance and related matters in the RMI.
- (iv) Help the Lead Participatory Processes Specialist to review the proposed work program with relevant stakeholders and contributing parties (including relevant NGOs, Mission Pacific, officials of the Ministry of Education, Public Service Commissioners, and the local Social Development Analyst) and prepare a detailed work program, action plan, and implementation schedule for the TA.
- (v) Help liaise with the Ministry of Education, Mission Pacific, the NGO that will independently monitor the progress of the TA and coordinate all components and activities of the TA.
- (vi) Help identify all relevant stakeholders interested in the supply and demand for improved primary education services in the urban areas of Majuro.
- (vii) Help organize and facilitate a series of participatory processes, consultations, and workshop(s) to bring all interested and relevant stakeholders to understand the status and trends of primary education services in Majuro and to help the same stakeholders to consider and to design future interventions, whether improved institutions, policies, and, or development programs to seek to improve education service delivery.
- (viii) Assist the Team Leader with all improved education, and other public service delivery feasibility assessments.
- (ix) Identify any need for further assistance, including participatory processes toward the end of the TA.
- (x) Assist the Team Leader in all reporting as per D 5.
- (xi) Undertake any other work that ADB staff may reasonably request.

## **C. NGO Independent Monitoring**

4. An RMI NGO will be engaged on an intermittent basis for a total period of one month to independently monitor the activities and progress of the TA and to report on the same to Government and to the ADB at the conclusion of the TA. The NGO's work will include, but not be limited to the following:

- (i) Attend a representative sample of the participatory discussions and other meetings, including work programming meetings, and subsequent presentations of the results of the exercise, and review all progress with the TA.
- (ii) Maintain an ongoing summary of the nature and extent of preparations, discussions, and presentations (who did what, and where, and how often, who attended, what was discussed and what was decided).

- (iii) Consider and summarize recommendations as to how the exercise could be improved upon and repeated in the RMI.
- (iv) Produce a hard copy report on the process and progress of the TA and deliver same to both the ADB and the EA at the end of the entire exercise.
- (v) Discuss summary report with the consultants, and with ADB and EA.

#### **D. Consultants' Reporting Requirements**

5. The following reports will be prepared by the Lead Participatory Processes Specialist/ Team Leader, assisted by the local Social Development Analyst, and submitted simultaneously to the Government and ADB:

- (i) An inception report four weeks from the commencement of services detailing initial findings and recommendations for the future direction of the TA;
- (ii) A progress report summarizing the progress of work, major findings and any revisions to the forward program of the TA (possibly June 2005); and
- (iii) A draft final and final report, based on the draft final report, incorporating the comments and view received on the draft, possibly in October 2005.

## **Attachment 2: Second Round Group Consultation Meetings**

	Morning	Afternoon	Evening
July 18 2005			Upward Bound – Parents & Students 6:00pm
July 20	PSC 10:00am	CMI Staff 3:00pm	
July 21	Chamber of Commerce 11:30am		
July 22	MOE Staff – 8:30am	CMI 3:00pm Students	
July 23 – Sat			
July 24 – Sun			
July 25	MOE 8:30am	USP Staff 3:00pm	
July 26	Mission Pacific 11:00am	WUTMI 1:00pm	
July 27	EPPSO 8:00am	PIER Consultants 1:00pm	
July 28	MIHS Parents 10:00am	Youth to Youth in Health 3:00pm	
July 29	Colleen Taylor ADB Youth Social 8:00am	Youth Congress 1:00pm	
July 30 – Sat	Floyd Takeuchi WASC 8:00am Wotje Teachers 9:00am	Likiep Teachers 3:00pm	
July 31 – Sun			
Aug 1	JOCV 10:00am	Mayor’s Association 1 <sup>st</sup> Round 4:00pm	
Aug 2	Secondary Teachers 8:30am	Middle School Teachers 1 <sup>st</sup> Round 3:00pm	Mayor’s Association 2 <sup>nd</sup> Round 6:30pm
Aug 3	Chief Secretary EPPSO	Middle School Teachers 2 <sup>nd</sup> Round 3:00pm	
Aug 4	Aljeltake Teachers 9:00am	Delap Teachers 3:00pm	Assumption PTA 6:00pm
Aug 5	9:00am WAM	Rita Teachers 3:00pm (No Show)	Rita Parents 5:30pm (No Show)
Aug 6 – Sat	Leave for Arno	Ulien Parents	Return to Majuro

Aug 7 – Sun			
Aug 8			Coop School PTA 6:00pm
Aug 9	Staff of EZ Price 8:00am	U.S. Ambassador 2:30pm	
Aug 10	Leave for Arno		Tutu Parents 4:30pm
Aug 11		World Teach 1:00pm Laura Teachers & Cluster PTA 3:00pm	
Aug 12		MOE – Staff 3:30pm	
Aug 13 – Sat			Jenrok Action Committee 6:30pm
Aug 14 – Sun	Leave for Ebeye 10:00am		
Aug 15	Ebeye Elementary Teachers 9:00am	Queen of Peace Teachers 1:30pm	Ebeye Youth 5:00pm Ebeye Elementary Parents 6:00pm
Aug 16	Leave for Lib Island 6:00am	Lib Parents 12:00 noon	Return from Lib to Kwajalein 3:00pm
Aug 17	Meet with Major Klein – Host Nations 12:00 noon	George Seitz Elementary Admin (USAKA) 3:00pm	Leave for Majuro 6:15pm
Aug 18			Middle School Parents 6:00pm (Postponed)
Aug 19		MIHS Teachers 3:00pm (Postponed)	MIHS Parents 2 <sup>nd</sup> Meeting 6:00pm (Postponed)
Aug 20 – Sat	Leave for Arno Atoll		Lukoj Parents
Aug 21 – Sun			
Aug 22	Leave for Mili Atoll 5:00am		5:30pm – Takewa Parents (Postponed)
Aug 23		12:00pm – Nalu Parents	5:30pm – Mili Parents
Aug 24	Leave Mili for Lukonor & Enejat	10:00am – Lukonor Parents	3:00pm – Enejat Parents
Aug 25		Travel to Takewa	6:00pm - Takewa Parents
Aug 26	Leave Mili Atoll for		MIHS Teachers 3:00pm

	Majuro 5:00am		(No Show)
Aug 27 – Sat			
Aug 28 – Sun			
Aug 29		MOE final meeting 4:00pm	Stakeholder wrap up meeting 6:00pm
Aug 30			
Aug 31		Nitijela Briefing 1:00pm (Postponed) Cabinet Briefing 3:30pm	Team Leader departs 5:30pm

## **Attachment 3: Individuals Consulted Outside Group Consultation Meetings During Second Round Consultations**

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### **Office of the President**

Hon. Witten Philippo                      Minister in Assistance to the President

### **Nitijela**

Hon. Litokwa Tomeing                      Speaker

Michael Kabua                              Senator, Kwajalein Atoll

### **Office of the Chief Secretary**

Bobby Muller                              Chief Secretary

### **Ministry of Education**

Biram Stege                              Secretary of Education

Mark Canney                              Project Manager, ADB Education Project

Brenda Maddison                      Assistant Secretary, Policy and Planning

Molly Helkena                              Director, Professional Development

Trevor Rees                              English Literacy Testing Consultant

Mashaishi Lometo                      Head Teacher, Lukunwod Primary School

Martin Schneider                      German Ph.D. student conducting research on Ailuk Atoll

### **Ministry of Finance**

Casten Nemra                              Assistant Secretary of Finance for Treasury

Bruce Billimon                              Director, OIDA

### **Economic Policy, Planning, and Statistics Office**

Carl Hacker                              Director

Akeke Paul                              Macroeconomist

Emi Chutaro                              UNDP Project Manager

Ben Graham                              ADB Pacific Island Economic Report Project Coordinator

Dr. Satish Chand                      ADB Pacific Island Economic Report Project Economist

Fuat Andic                              ADB Pacific Island Economic Report Project Tax Specialist

Stephen Boland                      ADB Economist, EPPSO Strengthening Project

Glen McKinley ADB Statistician, EPPSO Strengthening Project

**Ministry of Internal Affairs**

Stewart Hadfield Team Leader, Preparing the Youth Social Services Project  
Colleen Taylor Youth Policy Specialist, ADB Preparing the Youth Social Services Project

**Ministry of Public Works**

Tony Tomlinson Senior Associate, Infrastructure, Beca International Consultants

**Ministry of Health**

Kinra Mera Health Assistant, Lib Atoll

**Private Sector**

Marie Maddison Advisor/Administration Director, Women United Together in the Marshall Islands  
President, Executive Committee, Marshall Islands Council of NGOs  
Giff Johnson Editor, The Marshall Islands Journal  
Executive Committee, Marshall Islands Council of NGOs  
Board of Directors, Majuro Cooperative School  
Takbar Ishigura Leiroij, Mili Atoll and Majuro Atoll  
Chair, Jenrok Action Committee  
Baron Bigler College Student

**College of the Marshall Islands**

David Kupferman Assistant Dean, Academic Affairs

**Western Association of Schools and Colleges**

Floyd Takeuchi Member, College of the Marshall Islands Review Team

**Asian Development Bank**

Stephen Pollard Country Program Officer for RMI  
Clay Wescott Private Sector Specialist

**United States Army  
Kwajalein Atoll**

Major Jeffrey Klein

Chief, Host Nation Office

**United States Department of  
the Interior**

David Cohen

Deputy Assistant Secretary for Insular Affairs

**United States Embassy**

Greta Morris

Ambassador to the Republic of the Marshall Islands

Tom Maus

Military Liaison/Program Specialist, U.S. Embassy, Majuro

## **Attachment 4: Newspaper Insert Presenting to the Public the Results of First and Second Rounds of Consultations**

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The following 12 pages show the contents of the newspaper insert.

**Attachment 5: Selected *Marshall Islands Journal* Articles Relating to Project**

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