



# Technical Assistance Report

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Project Number: 40387  
Regional-Capacity Development Technical Assistance (R-CDTA)  
September 2009

## Higher Education in Dynamic Asia

## ABBREVIATIONS

ADB	–	Asian Development Bank
DMC	–	developing member country
RSDD	–	Regional and Sustainable Development Department
TA	–	technical assistance

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Type</b>	–	Regional-capacity development technical assistance (R-CDTA)
<b>Targeting classification</b>	–	Targeted intervention (Millennium Development Goal)
<b>Sector (subsector)</b>	–	Education (tertiary and higher education)
<b>Themes (subthemes)</b>	–	<b>Capacity development</b> (institutional development; client relations, network, and partnership development); social development (human development); regional cooperation and integration (other regional public goods)
<b>Location impact</b>	–	National (high), regional (high)

## NOTE

In this report, “\$” refers to US dollars.

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## I. INTRODUCTION

1. Under its long-term strategic framework 2008-2020 (Strategy 2020), the Asian Development Bank (ADB) will refocus its operations on five core areas that best support its development agenda, reflect the needs of its developing member countries (DMCs) and ADB's comparative strengths, and complement the efforts of its development partners.<sup>1</sup> The education sector is one of these five core operational areas, in view of its potential to sustain inclusive social and economic development, and the strength of ADB's project response to the education needs of the DMCs.

2. Strategy 2020 emphasizes the need to reinforce the five core areas, including the education sector, for sustained growth and access to economic opportunities—the pillars of inclusive growth. Strategy 2020 directs ADB to continue to support expanded, higher-quality, more-accessible basic and secondary education, as well as tertiary and higher education.

## II. ISSUES

3. As economies in the region have grown larger and more complex, they have also become more integrated through economic and social exchange. Higher education is seen to have an ever-more-important role in human resource development and the movement of people, students, and the workforce.<sup>2</sup> Demand for higher education is expected to double in 5 years and triple in 10 years in many DMCs, to meet their manpower needs for social and economic development and growth,<sup>3</sup> and the strong demand will drive the countries to invest more in higher education.

4. Therefore, the question is not whether investment in higher education is justified but how the DMC governments can improve higher education through adequate policies and regulations, and position their economies to recover from the impact of the current economic crisis. Higher education must also become more diversified, more inclusive and equitable and not catering merely to the upper-income groups, and financially sustainable through cost sharing and partnerships, including partnerships with private sector.

5. While demand for higher education that is more expanded, inclusive and diversified, is increasing in many DMCs, so is concern about its quality and relevance. The current economic crisis has heightened these concerns. Demand for higher education graduates will be unaffected in some key areas but is already softening in other areas. The DMCs must carefully review higher education priorities to improve quality and relevance to match the needs of the labor markets and knowledge-based economies.

6. The rationale for cost-sharing in higher education is strong. Costs per student are much higher in comparison to lower levels of education. On average, low-income countries spend 34 times more on a student in higher education than they spend on a student in primary education, and 14 times more than they spend on a student in secondary education. The corresponding

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<sup>1</sup> ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

<sup>2</sup> ADB. 2008. *Emerging Asian Regionalism: A Partnership for Shared Prosperity*. Manila.

<sup>3</sup> ADB. 2008. *Education and Skills: Strategies for Accelerated Development in Asia and the Pacific*. Manila.

figures for high-income countries are 1.8 and 1.4.<sup>4</sup> The current economic crisis further underlines the importance of cost-sharing and financing partnerships. In the DMCs sudden, large shifts in government financing in favor of higher education can diminish funds for basic and secondary education.

7. Arguments that enrollments will increase and equity will improve if higher education is free generally do not hold up in the face of evidence and international comparisons. Given public resource constraints, allocating more public funds to higher education at the expense of basic and secondary education would be counterproductive.<sup>5</sup> Moreover, there is substantial evidence that an increasing number of students (or their families) in many DMCs are willing and able to share the costs of good-quality higher education.<sup>6</sup>

8. Demand for technical assistance (TA) and financing from ADB for higher education reform, including financing from ordinary capital resources, is rising. ADB assists DMCs in two categories with different priorities in higher education: (i) low-income and low-middle-income DMCs, where the demand is primarily for the expansion of higher education systems to increase enrollment, and for infrastructure development; and (ii) middle-income DMCs with well-established higher education systems, where the priorities are quality improvement and diversification to support economic development.

9. DMCs seek evidence-based advice and support for capacity development in critical development dimensions in higher education, such as policy, regulation and governance, quality assurance, cost-sharing and financing mechanisms, and partnerships with the private sector. These dimensions are interconnected, in ways that depend on DMCs' stage of economic development and strategic priorities in higher education.

10. In addition, there is growing demand in the region, particularly in Southeast Asia, for cross-border collaboration and partnerships in higher education and labor markets.<sup>7</sup> But such collaboration is hampered by the lack of a systematic database on the various institutional networks, as well as their arrangements and partnerships, that already exist. A comprehensive database would promote the sharing of experiences and lessons from regional collaboration activities and partnerships, and from collaboration with broader international networks and institutional partners in higher education development.

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<sup>4</sup> Glewwe, P. and M. Kremer, M. 2005. *Schools, Teachers, and Education Outcomes in Developing Countries*. Harvard University Working Paper in Handbook on the Economics of Education. Cambridge, Massachusetts: Harvard University.

<sup>5</sup> Mohamed, B. M. 2008. Credit Constraints in Education: Evidence from International Data. *Journal of Applied Economics* 11(1): 217–239; Bergh, A., and G. Fink. 2008. Higher Education Policy, Enrollment, and Income Inequality. *Social Science Quarterly* 89(1): 33–60.

<sup>6</sup> Kapur, D., and M. Crowley. 2008. Beyond the ABCs: Higher Education and Developing Countries. *Working Paper Number 139*. Washington, DC: Center for Global Development.

<sup>7</sup> Sarvi, J. 2008. Higher Education in Asia and the Pacific Region: Issues of Financing and Partnerships, Particularly from the Perspective of Access, Equity, Quality, and Diversity of Higher Education. Paper presented at the *Asia–Pacific Subregional Preparatory Conference for the 2009 UNESCO World Conference on Higher Education*. Macao (24–26 September).

### III. THE TECHNICAL ASSISTANCE

#### A. Impact and Outcome

11. The impact of the TA will bring about comprehensive higher education policies and reforms in the region. The outcome includes improved knowledge and strengthened capacity in DMCs to plan and implement critical aspects of higher education reform. The design and monitoring framework is in Appendix 1.<sup>8</sup>

#### B. Methodology and Key Activities

12. The proposed TA will have the following four components: (i) studies, (ii) knowledge products, (iii) capacity development and network strengthening, and (iv) the publication of the book Higher Education in Dynamic Asia.

##### 1. Studies on Higher Education Reform

13. A comprehensive analysis will be made of the key issues facing higher education, the dynamics of higher education supply and demand in the region and differences imposed by the level of economic development, the evolution of the labor market, and higher education development in low-income and middle-income DMCs (para. 8). Existing data and materials will be used, and supplemented, where necessary, by new data.

14. The studies will center on the most critical themes in higher education, presented in the table below.

**Critical Themes in Higher Education**

<b>Theme</b>	<b>Illustrative Issues</b>
Internal efficiency	Quality assurance and accreditation Faculty, instruction, and student assessment Throughput rates
External efficiency	Relevance to the labor market, and diversification Partnerships between the public and private sectors, and other partnerships Private education
Costs and financing	Cost-sharing and innovative financing mechanisms Sustainable financing
Administration and supervision	Policy and regulatory frameworks Governance structures Management of higher education institutions
Access and equity	Equitable access Targeted support for disadvantaged students
Special issues	Regional cooperation / cross-border collaboration Information and communication technology for service delivery, in distance education, open universities, and virtual universities, among others Research and innovation; higher education for science and technology, and for knowledge-based economies

<sup>8</sup> The TA first appeared in the business opportunities section of ADB's website on 13 May 2009.

15. These themes represent dimensions of concern relevant to both individual higher education institutions and national higher education systems. The issues identified here are only illustrative at this stage, as the TA will need the latitude to assign emphasis to those issues that, according to the studies, are most important to the DMCs at different stages of economic development.

## **2. Knowledge Products on Higher Education Reform**

16. In this component, concise knowledge products that deal with important and timely policy, strategic, and technical issues in higher education reform and the ways in which they interconnect will be prepared and published. The issues will interconnect differently in low-income and middle-income DMCs. The knowledge products will help to identify the important contextual factors and the best policy, strategic, and technical choices that can be made under the circumstances. The studies and ensuing analytical papers of the TA, as well as existing material and literature on higher education, will inform the knowledge products.

## **3. Capacity Development and Network Strengthening for Higher Education Reform**

17. Critical issues in higher education reform in the DMCs and the subregions will be discussed in workshops and seminars, to be organized in cooperation with leading higher education institutions and networks in the region. A comprehensive database of institutional networks and partnerships in higher education in the region will also be established. The database will facilitate the sharing of knowledge between networks and partnership initiatives in higher education development in the region—their objectives, operating arrangements, and successes and challenges, and the opportunities for strengthening subregional and regional collaboration and partnership with international networks and institutions. Once established, the database will also be used in analyzing further development needs in this area, and recommending operating and financing arrangements. The recommendations may include, but will not be limited to, setting up regional or subregional resource centers for higher education development, either by strengthening current leading networks or by establishing new centers.

18. A major international conference on higher education reform will be organized to share the outcomes from the workshops and seminars, discuss the findings of the studies under the TA, and receive feedback before the study outputs are finalized. Delegates to the conference will come from the DMCs, key higher education institutions and networks in the region, the private sector, and other relevant regional and international partners and stakeholders in higher education.

## **4. Publication on Higher Education in Dynamic Asia**

19. A comprehensive publication, Higher Education in Dynamic Asia, will be produced in print and compact-disc (CD) format under the TA, and published or copublished by ADB.<sup>9</sup> The publication will draw on the TA activities and outputs produced under components 1–3 above.

20. Print and CD copies of the knowledge products and publications developed under the TA will be shared with the relevant ministries, higher education institutions, and other

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<sup>9</sup> The possibility of joint publication with a commercial publisher that specializes in higher education issues will be explored.

stakeholders in the DMCs, as well as with higher education networks in the region and beyond. The products and publications will be disseminated at specific launch events, through ADB's education sector website, in workshops and seminars under ADB's higher education loan projects in DMCs, and in other appropriate subregional and regional events. The intent is to reach as wide a range of stakeholders as possible, in support of knowledge sharing and dialogue on higher education reform issues and priorities. The products and publications will also guide ADB mission leaders in processing specific higher education projects for ADB financing.

### **C. Cost and Financing**

21. The TA will cost about \$800,000. It will be financed on a grant basis by ADB's TA funding program (Technical Assistance Special Fund – IV). The bulk of the financing will cover the costs of consulting services, travel, workshops and seminars, a conference, and publications. Reports and communication, equipment, and miscellaneous administration and support costs will take up a minor part of the financing. A breakdown of the cost estimates is found in Appendix 2.

### **D. Implementation Arrangements**

22. ADB will be the Executing Agency for the TA, and its Poverty Reduction, Gender, and Social Development Division, under the Regional and Sustainable Development Department (RSDD), will be the focal point for TA implementation and administration.

23. The TA consulting team will be headed by an experienced international expert in higher education. Over 8 person-months of intermittent participation, he or she will plan, manage, and coordinate the inputs and outputs of the TA team, and will report to the Practice Leader (Education Sector), RSDD. The TA consulting team will also include pools of international consultants (15 person-months) and national consultants (13 person-months), and an international consultant for the establishment and regular updating of the necessary databases (12 person-months). The database consultant will also contribute to the analytical work and TA coordination, and will be based at RSDD.

24. Outline terms of reference for the consultants are in Appendix 3. Given the intermittent nature of the assignments and the variety of skills required, all consultants will be hired as individual consultants by ADB according to its *Guidelines on the Use of Consultants* (2007, as amended from time to time).

25. The TA will be implemented over 24 months, starting in September 2009. The TA team leader will submit (i) an inception report by the end of the 2nd month; (ii) an interim report by the end of the 12th month; (iii) a draft final report by the end of the 22nd month; and (iv) a final report, incorporating comments from ADB and stakeholders in participating DMCs, by the end of the 24th month.

## **IV. THE PRESIDENT'S DECISION**

26. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$800,000 on a grant basis for Higher Education in Dynamic Asia, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b></p> <p>Comprehensive higher education policies and reforms in the region</p>	<p>Higher education policies and regulations in DMCs</p>	<p>National plans for higher education development in DMCs</p> <p>DMC documents on higher education policies and regulations, and the corresponding financing strategies and partnerships</p>	<p><b>Assumption</b></p> <p>Demand for higher education and its reform will continue to increase in the region</p> <p><b>Risk</b></p> <p>Progress in higher education reforms will be undermined by slow DMC government approval of policies and regulations, and by the economic crisis affecting DMCs</p>
<p><b>Outcome</b></p> <p>Improved knowledge and strengthened capacity in DMCs to plan and implement critical aspects of higher education reform</p>	<p>Increasing attention to policies, system reforms, cost-efficient and sustainable financing, and partnerships in higher education, in education sector planning in DMCs</p>	<p>DMC programs and implementation plans, and partnership and financing plans, for higher education</p>	<p><b>Assumption</b></p> <p>DMCs will have enough human resource capacity to efficiently use the outputs of the TA in higher education subsector planning</p>
<p><b>Outputs</b></p> <p>1. Studies on higher education reform</p> <p>2. Knowledge products on higher education reform</p> <p>3. Capacity development and networks strengthening for higher education reform</p>	<p>Studies and ensuing analytical papers completed</p> <p>Knowledge products on critical policy, strategic, and technical aspects of higher education reform completed, published, and disseminated</p> <p>Workshops, seminars, and a conference held; database of higher education networks and partnerships in the region established</p>	<p>Study reports, analytical papers, and progress reports of the TA</p> <p>Knowledge products and progress reports of the TA</p> <p>Reports from workshops, seminars, conference; database report; progress reports of the TA</p>	<p><b>Assumptions</b></p> <p>Adequate, timely data will be available in the region for studies and analytical work inputs</p> <p>The activities will benefit from the participation of selected national and subregional higher education networks and institutional partners</p>

Design Summary	Performance Targets and Indicators	Data Sources and Reporting Mechanisms	Assumptions and Risks
4. Publication of Higher Education in Dynamic Asia	A comprehensive book on higher education reform in the region completed, published, and disseminated	Published comprehensive document; progress reports of the TA	A comprehensive publication, drawing on the material prepared for the TA, can be prepared, edited, and published on time
<b>Activities with Milestones</b>			<b>Inputs</b>
As the TA components are interlinked, the activities are designed to overlap to a necessary degree during TA implementation			Consulting services (\$470,000)
<p>Months 1–10:</p> <p>1.1 Preparation of basic database for the studies under the TA</p> <p>1.2. Analysis of existing data and collection of additional data if necessary</p> <p>1.3. Preparation of analytical study papers</p>			<p>Travel (\$70,000)</p> <p>Reports and communication (\$2,000)</p>
<p>Months 5–15:</p> <p>2.1 Preparation of knowledge products on higher education reform</p> <p>2.2. Printing of knowledge products and dissemination in e-format and hard copy</p>			<p>Equipment (\$3,000)</p>
<p>Months 7–20:</p> <p>3.1. Implementation of workshops and seminars with higher education stakeholders in selected DMCs and the subregions</p> <p>3.2. Establishment of a specific database on institutional networks and partnerships in higher education in the region</p> <p>3.3. Implementation of a major international conference on higher education reform in the region</p>			<p>Workshops, seminars, and a conference (\$140,000)</p> <p>Knowledge products and publications, and dissemination (\$35,000)</p>
<p>Months 15–24:</p> <p>4.1 Preparation of a major book publication, Higher Education in Dynamic Asia</p> <p>4.2 Printing of the book and dissemination in e-format and hard copy</p>			<p>Miscellaneous administration and support costs (\$2,000)</p>
			Contingencies (\$78,000)

DMC = developing member country, TA = technical assistance.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

<b>Item</b>	<b>Total Cost</b>
<b>Asian Development Bank Financing<sup>a</sup></b>	
1. Consultants	
a. Remuneration and Per Diem	
i. International Consultants	430.00
ii. National Consultants	40.00
b. International and Local Travel	70.00
c. Reports and Communications	2.00
2. Equipment <sup>b</sup>	3.00
3. Workshops, Seminars, and Conference <sup>c</sup>	140.00
4. Knowledge Products and Publications, and Dissemination <sup>d</sup>	35.00
5. Miscellaneous Administration and Support Costs	2.00
6. Contingencies	78.00
<b>Total</b>	<b>800.00</b>

<sup>a</sup> Financed by the Asian Development Bank's technical assistance funding program (Technical Assistance Special Fund – IV).

<sup>b</sup> Includes purchase of in-focus equipment.

<sup>c</sup> Includes travel costs of Asian Development Bank staff acting as resource persons.

<sup>d</sup> Includes cost of hiring manuscript and copy editors.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### A. **Team Leader** (international, 8 person–months, intermittent)

1. This position will require extensive experience in higher education development issues, obtained globally and particularly in Asia and the Pacific by leading high-quality research studies and undertaking consulting assignments in donor-funded higher education projects in developing countries. Familiarity with Asian Development Bank (ADB) procedures and experience in implementing ADB's technical assistance (TA) projects in the education sector will be an asset.

2. The team leader will be responsible for planning, managing, and coordinating the activities and outputs of the TA team, and will report to ADB's Practice Leader (Education Sector), Regional and Sustainable Development Department (RSDD).

3. He or she will undertake the following specific tasks:

- (i) At TA inception, lead TA team planning meetings, coordinate and further specify the team members' terms of reference according to the thematic areas of the TA, and prepare a TA implementation plan for ADB review and approval.
- (ii) As specified in the implementation plan, carry out study implementation activities and analytical work in his or her specific area of expertise in higher education development.
- (iii) Support and guide the work of the TA team members in their study activities and output areas, and, as necessary, contribute to discussions in TA workshops and seminars in the field.
- (iv) Advise on the design of specific knowledge products under the TA and support their preparation and publication; advise on the dissemination of the knowledge products.
- (v) Advise on the structure and substance focus of the international conference under the TA; coordinate the TA outputs and the preparation of presentations and proceedings for the conference.
- (vi) Advise on the structure and substance of the book on higher education to be published under the TA; contribute to the book as co-editor and chapter author.
- (vii) Regularly report to ADB on TA implementation and progress; prepare an inception report, an interim report, a draft final report, and a final TA report, incorporating comments from ADB, participating developing member countries (DMCs), and other stakeholders.

### B. **Pool of International Consultants in Higher Education** (total 15 person-months, intermittent)

4. The TA consulting team will include international experts with extensive expertise in research and consulting assignments in the region, in one or more of the critical thematic areas of higher education development indicated in para 14, page 3. The issues identified for each of these themes are only illustrative at this stage, as the TA will need the latitude to assign emphasis to those issues that, according to the analysis under the studies, are most important to the DMCs at different stages of economic development.

5. The international experts will provide intermittent inputs for the following specific tasks:
- (i) Undertake study activities and prepare analytical papers; use existing data for the studies, supplemented, if necessary, by new data.
  - (ii) Organize and implement workshops and seminars in selected DMCs or the subregions, or both, to support the study activities, the preparation of knowledge products, and capacity development; contribute to workshop and seminar discussions as resource persons and speakers.
  - (iii) Drawing on the TA outputs, prepare presentation materials for the conference, which will be organized under the TA, and, when required, contribute to the conference discussions as resource persons or speakers.
  - (iv) When required, contribute as coauthors to the book on higher education to be published under the TA.

**C. Pool of National Consultants in Higher Education** (total 13 person-months, intermittent)

6. The TA consulting team will also include national consultants from the region with extensive expertise in higher education issues in their respective countries. The national consultants will have the following specific tasks:

- (i) Support the collection of data in the field and the preparation of analytical papers; and when required, prepare materials for country case studies.
- (ii) Support the organization of workshops and seminars related to the study activities, the preparation of knowledge products, and capacity development; contribute as resource persons and speakers to workshop and seminar discussions.
- (iii) Support the preparation of presentation materials for the conference under the TA, and, when required, contribute to the conference discussions as resource persons or speakers.
- (iv) When required, contribute as coauthors to the book on higher education, to be published under the TA.

7. At TA inception, the terms of reference for the various members of the consulting team will be finalized and coordinated for maximum effectiveness of outputs in line with the key thematic areas of the TA, and included in the TA implementation plan. The required person-months will then be allocated from the pool.

**D. Consultant for Higher Education Database** (international, 12 person-months, intermittent)

8. This consultant position will require a junior expert with some relevant experience in research in the education sector (e.g., a recent PhD graduate in an area relevant to the TA, or someone with an equivalent background). The consultant will report to ADB's Practice Leader (Education Sector), RSDD, and undertake the following tasks:

- (i) Establish and regularly update the necessary databases at RSDD during the TA.
- (ii) Contribute to analytical work in his or her specific area of expertise, and support the TA team in drafting material for analytical papers, knowledge products, and publications.

- (iii) Support the TA team leader in TA coordination and implementation.
- (iv) Support the organization of workshops, seminars, and the conference during the TA, and, when required, contribute as a resource person in these events.