



# IMPROVING THE PROVISION OF BASIC EDUCATION SERVICES FOR THE POOR

## OVERVIEW OF ODE EVALUATIONS OF LAO PDR AND PAPUA NEW GUINEA

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Improving basic services for the poor was identified as a significant challenge for the aid program in the Office of Development Effectiveness's 2007 Annual Review of Development Effectiveness<sup>1</sup>. In response to this finding, ODE commissioned independent evaluations of the performance of the Australian aid program in three key service sectors: health, education and water supply and sanitation.

The education evaluation focused on two countries, Lao PDR and Papua New Guinea with field work in late 2008. Whilst Lao PDR and Papua New Guinea are vastly different countries, they were selected as subjects of this evaluation because both are considered to be particularly challenging environments for service delivery.<sup>2</sup> Also, Australia has had a long-standing engagement in working at a national level to support basic education in both countries. The evaluation team were independent consultants with expertise in education, education financing, capacity building, fragile environments and gender.<sup>3</sup>

The evaluation sought to answer the question of whether the approach taken by the Australian aid program to improving the delivery of essential education services for the poor was effective. While the country reports provide direct feedback to aid managers in Papua New Guinea and Lao PDR, this summary aims to draw out common issues and lessons on aid to basic education from the two country case studies. These lessons are particularly relevant as they relate to AusAID's internal capacity to change the way that it works in order to respond to new ways of delivering basic education assistance.

In the recent Policy Statement on Australia's International Development Assistance, education was mentioned as a flagship sector of Australia's increased aid program with *support extending from basic education to technical and vocational skills training and improving tertiary level qualifications*. The budget document for 2009-10 stated that further growth in education assistance is to be the centrepiece of Australia's ODA strategy.<sup>4</sup> In 2007-08 approximately

<sup>1</sup> Available at [www.ode.ausaid.gov.au](http://www.ode.ausaid.gov.au)

<sup>2</sup> Both Lao PDR and PNG are considered to be 'fragile states' by the Organisation for Economic Cooperation and Development and the World Bank. Operational definitions of 'fragile states' used by the OECD and other donor agencies focus on capacity (capability and effectiveness) and willingness (legitimacy and will) to perform key government functions for the benefit of all.  
 OECD (2008) Service Delivery in Fragile Situations: Key concepts, findings and lessons, Discussion Paper

<sup>3</sup> The evaluation team was comprised of Steve Packer (Team Leader), Keith Hinchliffe and Sue Emmott. Cate Rogers from ODE managed the evaluation and participated in the PNG leg of the country visits.

<sup>4</sup> Australian Government : Budget – Australia's international development assistance program, May 2009

13 per cent of Australia's Official Development Assistance was education sector assistance. Of this, around \$200 million was for basic and vocational education through bilateral and regional programs, and the Education For All Fast Track Initiative.<sup>5</sup> The majority of Australia's support for education has been directed to Indonesia, Papua New Guinea, Philippines and the Pacific. Given the increased emphasis on aid for education in the Australian aid program, the lessons from the evaluations of aid for basic education in Lao PDR and Papua New Guinea should be an important input into shaping future increased aid to education.

### International Context

The global context of aid for education is gloomy. The 2009 Education For All Global Monitoring Report notes that there has been *a slow down in aid for education and even more so in aid for basic education*.<sup>6</sup> On basic education, the Report notes that over half of all commitments came from three donors, and that these same donors provided 60 per cent of all aid to basic education in low-income countries.<sup>7</sup> In 2006 there were 75 million children of primary school age out of school. Of these, 55 per cent were girls. The Report projects that, based on current trends, there will still be 29 million children out of school in 2015. The world will therefore fall far short of the Millennium Development Goal of achieving universal primary education.

### The state of education in Lao PDR and Papua New Guinea : Country context

Both Lao PDR and Papua New Guinea face significant challenges in delivering education services. In Lao PDR for example, there are 50 different languages spoken. Papua New Guinea presents a different scale of challenge with over 800 different languages and a diverse and rugged geography – including 600 islands. Both countries have gross national incomes that equate to annual incomes of less than US\$750 per person and are in the bottom quarter of the Human Development Index.

Progress towards meeting the Education For All and the education Millennium Development Goal for Lao PDR and Papua New Guinea has been relatively slow. In Lao PDR, the net primary enrolment rate – the ratio of the number of students in a particular age group in all levels of education to the number of people in that age group – for 2006 was 86 per cent for boys and 81 per cent for girls. If this is compared to the other 21 countries in East Asia and the Pacific region for which this data is available, Lao PDR is ranked at number 17, ahead of East Timor, Marshall Islands, Cook Islands and Solomon Islands.<sup>8</sup>

There is limited internationally comparable data on basic education participation in Papua New Guinea. However, in 2003 (the last year that the enrolment data was provided to

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<sup>5</sup> AusAID: Annual Report 2007-08. pp 25

<sup>6</sup> UNESCO (2009) Education for All Global Monitoring Report 2009: Overcoming Inequality; why governance matters. Summary. Paris 2008

<sup>7</sup> Netherlands, UK and International Development Association of the World Bank.

<sup>8</sup> Note: there was no data for Papua New Guinea

UNESCO) the gross primary enrolment rate in PNG was the seventh lowest in the world<sup>9</sup>. According to the PNG Department of Education, the gross and net enrolment rates for grades 1-6 were 74 per cent and 45 per cent respectively for 2007. Data also suggest very wide variation in school attendance between provinces and within provinces. For example, the 2000 National Population Census showed the proportion of 5-15 year olds “now attending school” varied across districts from 13 per cent to 63 per cent. In a quarter of the 89 districts the proportion was 30 per cent or below.

Data on the quality of learning outcomes is limited for both Lao PDR and PNG. In Lao PDR the average pupil:teacher ratio, often used as a proxy for quality of learning – has remained the same at around 32:1 over the past decade. However, only 44 per cent of schools have the infrastructure to offer all five grades of primary school. In PNG, the pupil teacher ratio across all grades in primary school averaged 36:1 in 2005. This figure hides large variation across provinces. Including both primary and secondary grades, ratios varied from less than 20:1 in Manus, Central and New Ireland to almost 40:1 in Southern Highlands, Sandaun, Eastern Highlands and Bougainville.

Delivering education services can be expensive, particularly in countries with isolated and dispersed populations and multiple languages. Nevertheless, current levels of public funding for basic education in both Lao PDR and Papua New Guinea are below the average across developing countries.

In Lao PDR, the share of domestically generated government revenue (excluding aid) devoted to education in 2005-06 was 5.5 per cent. This was amongst the lowest in the world. However, indications are that this is improving, and the budget forecast for 2009-10 was for 14 per cent of funding to be contributed by the central government. If this figure is realised, it would bring Lao PDR close to the average of 15 per cent for East Asia and the Pacific (for 2006).

Trend data in PNG suggests that the share of GDP and total government expenditure spent on elementary, primary and secondary education have fallen dramatically over the last decade. The share of GDP fell from 4.8 per cent in 1998 to 3.5 per cent in 2007 and the share of total expenditure fell from 19 per cent to 10 per cent. Donor expenditure remained relatively constant over this period. This suggests the possibility that aid is being viewed by the Government of PNG as a substitute for government spending.

### AusAID support for basic education in Lao PDR and Papua New Guinea

In 2005-06 Lao PDR accounted for 1.1 per cent of AusAID disbursements for basic education whereas Papua New Guinea accounted for 24 per cent. The scale of Australia’s support for basic education in these two countries is therefore vastly different. Important similarities between the two programs are that both are moving towards developing a sector-

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<sup>9</sup> Gross Enrolment Rate is a ratio of the total enrolment at a specific level of education regardless of age as a percentage of official school age population corresponding to the same level of education for a given school year. It is used when data is not available by separate age groups.

wide approach to education support and in both cases Australia has plans to increase aid to basic education<sup>10</sup>.

Over the period under review for Lao PDR (2000-08) and PNG (1995-2008) stand alone projects were AusAID's default mode of operating in both countries. In Lao PDR, AusAID worked primarily with other agencies, such as the World Bank, UNICEF and the Asian Development Bank on projects that targeted the poorest districts. This was seen as a deliberate strategy to be administratively simple and not exacerbate donor coordination and capacity problems. Towards the end of the period under review, an engagement strategy for AusAID's assistance in basic education in Lao PDR proposed a much more proactive role for AusAID at the national level, with a focus on a sector-wide approach, linking to the Government of Lao PDR budget systems, retaining a pro-poor focus and promoting new ways of working with education sector donors.

In Papua New Guinea, the period 1995-2008 included significant reforms in both how AusAID delivered aid and in the PNG education system. For aid, the period included the end of a transition away from budget support towards project aid, in response to concerns regarding governance and the capacity of the PNG public service to implement programs effectively. In 2000, AusAID policy for education argued for a focused, targeted and prioritised support with universal basic education as a goal, with resources moving towards an approach that considered the development of the sector as a whole in PNG.

Papua New Guinea also had some fundamental shifts in its approach to education over this time period. Key amongst these was the move to six years of basic education (three years of elementary schooling and six years of primary) followed by four years of secondary schooling. This required the creation of elementary schools. A new curriculum was also proposed, aimed at improving the quality of teaching and learning, and developing life skills, including through introducing initial literacy through instruction in the mother tongue. Another major development over this time was the introduction of the Organic Law on Provincial and Local Level Government in 1996. This gave provincial and newly created local level governments significant expenditure responsibilities for education. This had far reaching implications in terms of capacity to deliver education services. It also led to a lack of clarity in the assignment of functions at different levels of government, problems with communication, flows of funds, information and accountabilities that are still being addressed.<sup>11</sup>

Major activities in Lao PDR and PNG examined as part of the case studies are listed in Table 1 below.

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<sup>10</sup> **Sector-wide approaches** are a type of program-based approach to aid delivery. These aim to deliver aid based on the principles of coordinated support for a locally owned program of development, such as a national development strategy or a sector program. In principle, they provide a stronger basis for engaging in policy dialogue, and progressing principles of partner ownership and alignment, donor harmonisation and results management. Program based approaches share the following features: 1) leadership by the host country or organisation 2) a single comprehensive program and budget 3) formalised donor coordination and harmonisation and 4) greater use of local systems for program design and implementation, financial management and reporting.

<sup>11</sup> These problems are expanded on in the background paper for the AusAID-Papua New Guinea Education Design Mission in November 2007.

**Table 1: Main AusAID-supported projects in the education sectors of Lao PDR and Papua New Guinea, 1997 to 2008\***

| Project   | Lead agency/implementer        | Commitment  | Duration  |
|---|--------------------------------|---|-----------|
| <b>Laos</b>                                     |                                |   |           |
| Second Education Development Project            | World Bank                     | A\$2.5 million contributing to a total loan and grant of US\$14.4 million | 2008–2010 |
| Access to Basic Education in Laos               | UNICEF & World Food Programme  | A\$11 million   | 2004–2010 |
| Laos Australia Basic Education Program          | Asian Development Bank         | A\$8.2 million (US\$5.1 million) in support of a US\$21 million loan      | 1998–2007 |
| Teacher Upgrading Program                       | UNICEF                         | A\$1.1 million  | 1998–2001 |
| <b>Papua New Guinea</b>                         |                                |   |           |
| Basic Education Development Project             | Australian managing contractor | A\$44 million   | 2004–2010 |
| Education Capacity Building Project             | Australian managing contractor | A\$80 million   | 2004–2010 |
| Curriculum Reform Implementation Project        | Australian managing contractor | A\$44 million   | 1999–2006 |
| Primary and Secondary Teacher Education Project | Australian managing contractor | A\$38 million   | 1999–2005 |
| Elementary Teacher Education Support Project    | Australian managing contractor | A\$25 million   | 1997–2002 |

\*AusAID has also supported and facilitated technical assistance for and through the Asian Development Bank in Lao PDR

## Achievements

In **Laos (2000–08)** a modest program of assistance (A\$38 million over 10 years) enabled approximately 4 per cent of the primary teaching force to receive training under the World Bank's Second Education Development Project, extended the work of UNICEF and the World Food Programme in improving the quality of primary schooling in selected districts and helped to demonstrate that it is possible to meet the primary schooling needs of ethnic communities and their teachers in remote and highly disadvantaged areas.

In **Papua New Guinea (1995–2008)** the situation was a good deal more complex. AusAID had a relatively large program (A\$336 million for the period under review) that included some substantial, nation-wide projects<sup>12</sup>. Judging the program by its outputs, a new primary curriculum is in place, the start-up of elementary education was facilitated with training of more than 9000 teachers, more than 1700 communities were helped to better maintain their primary schools, approaches to primary teacher training were renewed, and a range of studies and activities involving technical assistance took place in the National Department of Education.

## Issues

It is not possible to determine what basic education service delivery would have looked like in Lao PDR and PNG without Australian intervention. What is clear though is that in both countries the project approach did not result in systemic change to the way that education services were delivered. This is a common criticism of stand alone projects and it applies to

<sup>12</sup>The timeframe in PNG reflects the fact that substantial projects finished over the period 2000-08 that commenced in the mid-90s. For example, the Commodity Assistance Support Program (1995-2005, \$36 million).

AusAID's engagement in both countries. More specifically, the evaluation highlighted the following issues:

- > Projects were effective in delivering project outputs, but much less so in delivering lasting educational benefits to the poorest and most disadvantaged. They were largely efficient in meeting their contractual requirements, but they represented a high-cost model of support designed to offset risks associated with poor governance and weak capacity in the public sector.
- > A culture of preferring projects over other forms of aid was deeply embedded in the practice of Australian aid. This resulted in power and influence residing with managing contractors and the consultants they employ. This undermined capacity to develop joint strategies grounded in strong policy dialogue between AusAID and partner governments. In PNG, in particular, the presence of a considerable volume of long-term technical assistance needs more detailed review.
- > The skills profile of some AusAID staff also seems to have been geared more at project oversight. This is being remedied now, in part through contracting sectoral specialists.
- > AusAID was slow to translate recommendations of reviews and strategic analyses—both corporate and at the country level - into practice. For example, the limitations of projects and the need for a much more systemic approach to the delivery of basic education services for the poor were identified in PNG in the early 2000s. Notwithstanding the challenge of working in PNG, only now are there signs of AusAID adopting a more collaborative approach of working with and through government and other partners.
- > Cross-cutting corporate imperatives were not translated into practice on the ground. Input from gender and HIV/AIDS advisers, for example, has been occasional rather than a matter of course.
- > The role of the Education Thematic group in Canberra in the development, evolution and review of policy and practice in country is unclear. More ongoing support is required if a sector-wide program is being advanced.

## Recent Developments

In the past three to four years in both Lao PDR and PNG, AusAID has become increasingly proactive in encouraging the governments of both countries to translate their planning frameworks for national education into realistic, costed medium-term plans and programs aligned with national budgets.

The evaluations found evidence that AusAID is developing its own sectoral strategies in a much more collegiate way than it previously did, is being relatively flexible in funding the provision of technical assistance to help develop the education programs for Lao PDR and Papua New Guinea, and has recruited a specialist sectoral adviser in Papua New Guinea and set in train a similar process in Lao PDR. AusAID is anticipating expanded aid allocations in both countries, which may be pooled with funds from the government and other donors and in due course channelled directly through government systems. In both countries, strategies encompassing a mix of approaches to assistance are being promoted, including through support at sub-national levels of government.

With the move towards sector-wide programs, there is a greater incentive for donors to improve the quality of sectoral policy making and implementation. AusAID's work in support of public sector reform and better management of expenditure at all levels of government can therefore impact directly on improving the delivery of services, including basic education. Box 1 provides examples from the Lao PDR and PNG programs:

#### **Box 1: Working across the public sector to support service delivery in education**

In **Lao PDR**, AusAID is contributing to the Poverty Reduction Support Operation and to the Public Financial Management Strengthening Program together with other partners. The Poverty Reduction Support Operation provides (general) budgetary support triggered by the achievement of particular 'policy actions', which include improving public financial management and delivering basic education and health services. In the education sector the policy actions focus on identifying strategic directions and resource requirements, reflecting these in the annual budget, and integrating an education information system into the budgeting and planning processes. The Poverty Reduction Support Operation includes a monitoring and evaluation framework, which will be reviewed annually by the Government of Laos and the donors during negotiations for the next tranche. For the education sector, the operation will track the level of the recurrent budget, the provision of textbooks and recurrent financing in priority districts, and the completeness of data and reporting from the education management information system. It will also monitor progress in the net primary enrolment rate and disparities between rates in priority and non-priority districts.

In **PNG**, basic education is largely a provincial and local government function. Given this, improvements in governance at these levels could have a direct impact on the quality of education services delivered. The Provincial Performance Improvement Initiative funded by AusAID is intended, initially, to strengthen the corporate management of provincial administrations and the relations between these administrations and elected leaders, improve national agency support for provincial administrations, and improve provincial and district administrations' accountability for service delivery. The anticipated outcomes from improvements in these areas are better service delivery and more effective economic policy and planning.

## **Recommendations**

The country reports drew attention to a number of issues that are relevant to future ways of working. Recommendations have been split into those that have broad applicability for Australia's aid to education and those specific to situations where AusAID is moving to a sector approach in education.

### **General recommendations**

#### *1. Give more attention to the demand side*

Widespread and deep-seated poverty requires an approach to education that includes an emphasis on the demand side of education services as well as the supply. To do this, there needs to be an understanding of why children from poor households do not attend school, for

example because their parents do not see the value in schooling, or there are barriers to their participation such as fees/uniform requirements or the need to work. A greater emphasis on building the demand side of education may require engagement with partner governments on policies and strategies needed to enable children from poor households in all parts of a country to benefit from a complete cycle of basic education.

## *2. Relate service delivery goals to public financial management goals and broader public sector reform*

AusAID should articulate a clear and strong relationship between the assistance to education and improvement in public service delivery through wider reforms in public sectors and public financial management. There are good examples of where AusAID has started to do this in both Lao PDR and PNG and these should be built upon (see Box 1). In order to do this AusAID needs to:

- > Understand the governance, political economy, financing, organisation and management of the education sector at all levels. Although AusAID had some good technical appraisals for AusAID supported projects, there was little detailed analysis of the institutional environments within which the support operates. It is argued that this may have resulted in missed opportunities to improve practices and structures that are relevant to education service delivery.
- > Develop a strong cross-government approach to strengthening the delivery of basic services at all levels of government. Where there has been decentralisation, such as in Lao PDR and PNG, this may involve helping partners to develop or strengthen effective systems for collecting data and monitoring progress, and building the capacities of provincial and district administrations.

## *3. Rethink capacity development and technical assistance*

Building capacity to deliver donor-designed projects is different to supporting the development of capacities within government as a necessary, ongoing ingredient in delivering good-quality public services. Attention should be paid to identifying and understanding what is working well and to building on good practices, rather than to continually identifying weaknesses and barriers to change.

## *4. More timely translation of policy into practice*

The evaluations highlighted a disconnect between levels of policy ambition and practice. Major delays in translating policy to practice can create problems with relationships with partner governments and make it difficult to coordinate with other donors. AusAID should be better at predicting the timeframes required to translate policy into practice. This may require improved analysis of institutional and political economy issues that cause delays with the partner government. It may also require a more realistic understanding of AusAID's capacity to change its own internal systems to meet the requirements of new ways of delivering aid.

## **Recommendations for taking forward sector-wide approaches in education**

Australia is now committed to an expanding medium-term education program in both Lao PDR and Papua New Guinea delivered through a sector-wide approach. There are several recommendations that are specific to the scenario where AusAID is moving to a sector approach in education, including:

### *1. AusAID should draw together lessons on comparative experience.*

There are many lessons that can be drawn from comparative experience, including on the pace of negotiations on sector-wide approaches. It would be beneficial for country programs involved in moving towards sector approaches in education if these lessons were brought together and disseminated.

### *2. Recognise the need for and plan for sustained political dialogue at the highest levels*

The objectives for policy dialogue are likely to change substantially as the engagement with the government on the sector deepens. There is therefore a need to plan for this and ensure that AusAID has access to appropriate technical skills to inform its political dialogue. AusAID should also ensure that capacity exists to support sustained policy dialogue at the highest levels.

### *3. Review the role of managing contractors and technical assistance*

In the context of sector-wide approaches it is particularly important that AusAID consider the relative roles and skills of posted staff, technical assistance and managing contractors in working with partner governments over sector plans. It is likely that the skill mix required will vary according to how far progressed the sector-wide approach is, the sector that it is in, and the involvement of other donors.

### *4. Give priority to pro-poor basic education.*

In a sector wide approach this needs to happen at the same time as enhancing attention to other sub-sectors including higher education and vocational and technical education.

### *5. Adopt a clear strategy for promoting gender and cross-cutting objectives.*

This is particularly important given that international experience shows that these objectives can get lost or diminished in efforts to secure support for a sector wide approach.

### *6. Clarify the roles and relationships of AusAID staff working on education*

This involves clarifying the roles of new in-country education sector advisers, AusAID teams in country and the specialist Education Thematic Group in Canberra.