Australian Support for
Basic and Secondary Education in
Papua New Guinea

2010 - 2015

Delivery Strategy

September 2010
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# Abbreviations and Acronyms

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<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADS</td>
<td>Australian Development Scholarships</td>
</tr>
<tr>
<td>AIDS</td>
<td>Acquired Immune Deficiency Syndrome</td>
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<td>ALA</td>
<td>Australian Leadership Awards</td>
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<td>AMC</td>
<td>Australian Managing Contractor</td>
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<tr>
<td>AOFP</td>
<td>Annual Operational and Financial Plans</td>
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<td>APTC</td>
<td>Australia Pacific Technical College</td>
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<td>ARDS</td>
<td>Australian Regional Development Scholarships</td>
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<tr>
<td>AusAID</td>
<td>Australian Agency for International Development</td>
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<td>BEDP</td>
<td>Basic Education Development Project</td>
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<td>CBSC</td>
<td>Capacity Building Service Centre</td>
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<td>CEA</td>
<td>Church Education Agencies</td>
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<td>CPG</td>
<td>Commonwealth Procurement Guidelines</td>
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<td>CPP</td>
<td>Church Partnership Program</td>
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<td>CSO</td>
<td>Civil Society Organisation</td>
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<tr>
<td>DoE (PNG)</td>
<td>(PNG) Department of Education</td>
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<tr>
<td>DP</td>
<td>Development Partner</td>
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<tr>
<td>ECBP</td>
<td>Education Capacity Building Program</td>
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<td>EMIS</td>
<td>Education Management Information System</td>
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<td>ESIP</td>
<td>Education Sector Improvement Program</td>
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<td>EU</td>
<td>European Union</td>
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<td>FODE</td>
<td>Flexible Open and Distance Education</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>GoPNG</td>
<td>Government of Papua New Guinea</td>
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<td>HDI</td>
<td>Human Development Index</td>
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<tr>
<td>HE</td>
<td>Higher Education</td>
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<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<td>HRD</td>
<td>Human Resource Development</td>
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<tr>
<td>HRM</td>
<td>Human Resource Management</td>
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<td>HSIP</td>
<td>Health Sector Improvement Program</td>
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<td>JCP</td>
<td>Joint Commitment of Principles</td>
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<td>JFA</td>
<td>Joint Financing Arrangement</td>
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<tr>
<td>LLG</td>
<td>Local Level Governments</td>
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<tr>
<td>LNG</td>
<td>Liquefied Natural Gas</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MDG</td>
<td>Millennium Development Goals</td>
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<td>MPA</td>
<td>Minimum Priority Activities</td>
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<td>MTDS</td>
<td>Medium Term Development Strategy 2005 - 2010</td>
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<td>MTEF</td>
<td>Medium Term Economic Framework</td>
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<tr>
<td>NCD</td>
<td>National Capital District</td>
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<td>NEC</td>
<td>National Executive Council</td>
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<td>NEB</td>
<td>National Education Board</td>
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<td>NEP</td>
<td>National Education Plan</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>NGO</td>
<td>Non Government Organisation</td>
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<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>P4D</td>
<td>Partnership for Development</td>
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<tr>
<td>PGK</td>
<td>Papua New Guinea Kina</td>
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<tr>
<td>PLLSMA</td>
<td>Provincial and Local Level Service Monitoring Authority</td>
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<td>PNG</td>
<td>Papua New Guinea</td>
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<td>PPII</td>
<td>Provincial Performance Improvement Initiative</td>
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<td>PPP</td>
<td>Preparation Phase Plan</td>
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<td>SLIP</td>
<td>School Learning Improvement Plans</td>
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<td>SNS</td>
<td>Sub National Strategy (AusAID)</td>
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<td>SSP</td>
<td>Specialised Services Provision</td>
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<td>SPSN</td>
<td>Strongim Pipol Strongim Nesen</td>
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<tr>
<td>STI</td>
<td>Sexually Transmitted Infections</td>
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<tr>
<td>SWAp</td>
<td>Sector Wide Approach</td>
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<tr>
<td>TA</td>
<td>Technical Assistance</td>
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<tr>
<td>CDF</td>
<td>Capacity Development Facility</td>
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<tr>
<td>TOR</td>
<td>Terms of Reference</td>
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<tr>
<td>TVET</td>
<td>Technical and Vocational Education and Training</td>
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<tr>
<td>TWG</td>
<td>Technical Working Group</td>
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<tr>
<td>UBE</td>
<td>Universal Basic Education</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children's Fund</td>
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<td>WB</td>
<td>World Bank</td>
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Basic Education for All is critical if all citizens are to participate in a modern society.

This is a right for all children, both boys and girls, in Papua New Guinea as stated in the National Constitution. A basic education is essential for the personal development of all people to provide them with the skills and knowledge to improve their quality of life.

Basic education is the building block on which all other levels of education, both formal and non-formal, are built (from Papua New Guinea Universal Basic Education Plan 2010-2019).
Executive Summary

1. The provision of quality basic and secondary education remains a serious challenge in Papua New Guinea. PNG is not on track to achieve the Millennium Development Goals (MDG) or the Education For All (EFA) targets. In 2008 it was estimated that 580,000 school aged children were out of school. There is a lack of skilled labour with an adult literacy rate of 52% linked with low levels of educational achievement.

2. Nonetheless the Government of Papua New Guinea (GoPNG) has made strong strides in basic education in recent years. On access, the basic education net enrolment rate has increased from 52.9% in 2007 to 63.6% in 2009. 41.5% of enrolled students completed Grade 8 in 2006, with 56.9% achieving this milestone in 2009. The increase in enrolment has meant that in 2009, there were 1,272,559 students in elementary and primary schools compared to 973,822 in 2006, or an average increase of 9.2% per year.

3. Solid progress has been made on sector management, with broad DP support for the NEP and UBE Plan. A national and sub-national system of sector reviews is in place, with M&E requirements informed by a functioning education monitoring information system and a newly established Performance Assessment Framework.

4. Australia has provided substantial support to the sector, including the construction of classrooms, provision of educational materials and capacity building. The future support will build on these accomplishments and increase substantially core support towards service delivery at school and institution level.

5. The Australian Support for Basic and Secondary Education is built on three years of consultations and analysis. The delivery strategy represents a grounded partnership approach to development. The support will be coordinated by the GoPNG and guided by the GoPNG-Australia Partnership for Development (P4D). The delivery strategy has the following key objectives:
   a) Increasing net enrolment rate at elementary, primary and secondary level;
   b) Maximum class size at elementary, primary and lower secondary schools of 45 and upper secondary of 35;
   c) Improved performance by students completing grade eight and grade 12;
   d) The percentage of primary, elementary and secondary school pupils who are female increases towards the target of gender equality,
   e) Improved management capacity at all levels of the education system.

6. The key objectives align with the National Education Plan (NEP) 2005-2014, the PNG Universal Basic Education (UBE) Plan 2010-2019 and the PNG Development Strategic Plan 2010 – 2030 (DSP). The UBE Plan was independently appraised by Australia and the other development partners as representing an important step forward in addressing access, equity, quality and capacity building needs in PNG’s education system. GoPNG has has demonstrated its commitment to education, with education’s share of total public expenditure staying relatively constant at nearly 16% over the last four years.

7. GoPNG has developed a sound policy framework to address the challenges in the education sector. However, there are serious challenges and a projected funding gap to cover all the needs to make significant progress against the NEP and UBE targets. In view of this Australia is working closely with the European Union, Japan, New Zealand, UNICEF and the World Bank to provide financial and technical support totalling $524 million over the next five years. Australia’s contribution would be $410 million of targeted assistance with the remaining $114 million from the other development partners.

8. Australian support would focus on six areas: teacher education, educational materials, infrastructure, education standards, grants to education institutions and education management. The strategy will put greater emphasis with over 60% of the total $410 million targeting educational materials, school infrastructure and grants. This is in line with the GoPNG priorities.

1 This figure is estimated based on an assumption that the other DPs would continue funding at the same levels from the current 3 year framework.
9. The support will be delivered through a mixture of modalities. These will ensure a strict accountability of the Australian funds while also ensuring greater GoPNG ownership and a strengthening of the government systems. The modalities are as follows:

a) **Direct Financial Support (DFS):** funds disbursal and accountability relying on Department of Education (DoE) financial management and reporting systems with safeguards to ensure accountability. The DFS will be used for the disbursal of school grants and agreed support to teacher education, education standards and management. The support could potentially include support to provincial administrations and church education agencies.

   Safeguards will include the use of an imprest account managed by a contractor in the first two years including ex-post reviews. The imprest account will be designed to allow for other development partners to use the same which would lead to a reduction in transaction costs for GoPNG. Fiduciary risk will be furthered assessed and if found to be reduced Australia would consider entering into a Joint Financing Agreement which would give GoPNG greater control.

b) **Specialised Services Provision (SSP):** providing support for the design, contracting and construction of basic and secondary education facilities (classrooms, teacher houses, dormitories and other facilities). Includes the procurement and distribution of teaching and learning resources to schools and other institutions.

   Safeguards will include the appointment of an SSP Procurement Specialist Organisation to procure and distribute the targets using the local private sector where possible. A sustainable capacity building program will also be introduced.

c) **Capacity Development Facility (CDF):** providing capacity building support, as prioritised by DOE and provincial administrations at the national and sub-national levels.

   Safeguards will include the appointment of a CDF Facility Manager, responsible for recruitment, mobilisation and the provision of logistical support for technical personnel and other support. All other capacity development activities will be agreed by the relevant government authorities at the national and provincial levels.

10. The modalities have been designed to minimise fiduciary risk. A mechanism will be put in place to adjust the balance of funds across the three modalities over time, based on agreed triggers and annual monitoring systems. Details associated with triggers and indicative targets to achieve the Australian aid outcomes will be outlined in the implementation arrangements.

11. This delivery strategy explains how Australia will support this progress, in full recognition of the existing challenges. In the context of the P4D, and the broadly endorsed PNG Commitment on Aid Effectiveness, the delivery strategy emphasises a whole of government partnership approach, a commitment to common outcomes, joint management and increased use of GoPNG systems. Central to the delivery strategy is equity, gender equality and sustainability.

12. The strategic focus will remain on managing for development results, mutual accountability and partner country ownership of effective implementation strategies guided by GoPNG plans. At the modality level, design will focus largely on: implementation arrangements; governance and management; disbursement strategies; monitoring systems; reporting and partner performance requirements; risk management; and program evaluation.

13. The monitoring and evaluation of the Australian support will be aligned with the GoPNG systems and information generated. This will include the data from the schools census, budget and expenditure reports from Treasury and the Department of National Planning and Monitoring, quarterly reports from DoE budget reviews and reports from the quarterly regional consultative forums. Where necessary, separate M&E information will be gathered to ensure that Australian support is reported. The support will be reviewed annually through the P4D process.
1 State of the Basic and Secondary Education Sector

1.1 Introduction

1. The Australian Support for Basic and Secondary Education provides financial and technical assistance to the national education system in Papua New Guinea. The support is coordinated by the Government of Papua New Guinea (GoPNG) and the Government of Australia under the Partnership for Development (P4D). The purpose of this document is to: a) present the National Education Plan (NEP) and the Universal Basic Education Plan (UBE) of GoPNG, which provides the framework for the support; b) detail Australia’s financial and technical contribution to the NEP and UBE Plan; and, c) outline the approach and modalities of the support.

2. The preparation of this document has a long history with participation and collaboration from a wide variety of stakeholders. The initial preparation began in 2007 with the commissioning of various studies. In 2008, consultations were held broadly within the Department of Education at the national and sub-national levels. A first draft was completed in late 2008 but was overtaken by external studies and a move within AusAID to explore possibilities to enhance use of government systems. In addition, the development of the P4D and subsequent Education Schedule led to changes in the direction of the support. Further analysis was carried out in 2009 and a decision was taken to shift from the traditional design methodology to the development of delivery strategies and implementation arrangements. This document is a product of that process.

3. This document presents the delivery strategy for the financial and technical support and is organised as follows: Chapters 2 and 3 provide the macro-economic context and the situation analysis for the education sector in PNG. Chapters 4 and 5 outline Australian support to the basic education sector including the overall strategy, approaches and modalities that will be employed. Finally, Chapters 6, 7 and 8 provide an overview of the implementation arrangements that will be used in providing the support, including the management and coordination mechanisms.

4. A separate set of documentation will accompany this strategy and will include the comprehensive implementation arrangements for the modalities chosen. This will include detailed implementation schedules for the initial years of the support and scope of services for those modalities that will go to tender.

1.2 Policy and Strategic Context

5. Situated in the South Pacific, Papua New Guinea (PNG) covers a landmass of 463,000 square kilometres and comprises around 600 islands. The main island of PNG, which takes up about 85% of the total landmass, has some of the most rugged terrain in the world with rainforest covering around 75% of the land and many areas difficult to access. With a population of around 6.5 million, PNG is home to over 800 different linguistic and cultural communities, many of which live in various degrees of isolation. The median age is less than 20 years with 40% of the population under 15 and the population growing at an average annual rate of 2.7%. Around 85% of the population lives in rural areas spread across 20 provinces and 89 districts with the agriculture sector employing about 90% of the population.

6. The PNG economy relies heavily on natural resources as the country has abundant reserves of gold, oil, copper, natural gas, timber and fisheries. Since 2002 the Government of PNG (GoPNG) has restored and maintained macro-economic stability and presided over the longest period of uninterrupted economic growth since the country’s independence from Australia in 1975. In 2007 economic growth reached 7% and the public debt burden was reduced to 35% of the Gross Domestic Product (GDP). This has been achieved through economic stability and policy consistency, steadily increasing revenue thanks to rising world prices in commodities which are PNG’s main export, as well as through prudent expenditure management. However, PNG was affected by the global financial crisis and since 2007 its revenue and expenditure have been declining in real terms.

7. Nevertheless, with the commencement of the recently approved US$15 billion PNG Liquefied Natural Gas (LNG) project, there is hope that the economic growth will accelerate significantly in the near future with projections of PNG’s GDP doubling over the next few years and much employment created. A more prudent assessment of direct benefits would indicate that it is likely to be many years before significant profits are realised, with a high level of initial investment required from GoPNG.

8. Notwithstanding the strong macro performance in recent years and the relatively high GDP per capita compared to other developing countries, PNG has performed weakly on most social indicators. Around 40% of the
population lives on less than US$1 a day and the country is ranked 148th on the UNDP Human Development Index (UNDP 2009). There is widespread unemployment with the formal sector employing only about 6% of the workforce and the natural resource sectors creating relatively few employment opportunities to date. In 2006 adult and youth literacy rates were estimated at only 52% and 64% respectively.

9. Recent studies and assessments show that GoPNG has taken important steps to improve fiscal discipline and establish sound policies, laws, and oversight institutions in financial management and procurement. But these improvements have been slow to achieve in practice. This is due to lack of enforcement, weak human and financial capacities, particularly in oversight institutions, and flaws in the decentralization framework that impede service delivery and accountability.

10. A 2005 Public Expenditure and Financial Accountability (PEFA) assessment found that public financial management is based on sound legislative and procedural frameworks, systems and processes, but weaknesses in implementation undermine accountability and budget credibility. Procedures are not always followed; and breaches are not effectively penalised. There is a lack of transparency in budget execution which makes it difficult to track expenditures. A considerable diversion of budgeted resources and reliance on non-transparent extra-budgetary trust funds often translate into insufficient resources and staff for priority services.

11. The difficult PNG terrain and limited infrastructure isolate many communities and drive up the cost of transport and service delivery. A low skill base and the small number of formal jobs created by the PNG economy lead to lack of opportunity and poverty in urban settlements. This has led to serious law and order issues in the cities, leading to further deterioration of service delivery and access. There is also a growing alienation of PNG children and youths from their immediate communities and customary values, which further contributes to rising crime and substance abuse. Some parts of PNG (such as Southern Highlands) still experience frequent bouts of tribal fighting, which also affects service delivery.

12. Women are especially vulnerable in PNG given their lowly status in most PNG communities and their low representation in decision-making positions with only one female Member of Parliament. Studies indicate that about 70% of women have been exposed to domestic violence with fear of rape severely limiting women’s mobility in most parts of the country. Given their exposure to rape and violence, women are particularly vulnerable to the rising HIV/AIDS epidemic which is estimated to affect 2% of the population with over 80,000 infected. Hence, women suffer even more from lack of access to basic services including access to all forms of education opportunities.

13. In addition to the above issues, political and administrative factors play a significant role in the weak service delivery such as basic education. GoPNG lacks capacity at all levels with serious difficulties in the execution and tracking of expenditure. Transparency and accountability are weak with widespread nepotism and corruption. The GoPNG Public Accounts Committee estimated in 2007 that between 25% and 50% of all public money had been misappropriated or misapplied in the previous five years. Moreover, the decentralised nature of service delivery with significant financial shortfalls at sub-national levels presents another challenge to effective service delivery. Basic education is not an exception.

14. As a result, PNG is not on track to the Millennium Development Goals (MDGs) by 2015. Poverty and inequality continue to be major concerns for the country. More specifically, it will difficult to achieve the UBE by 2015. The Government recognises this and has developed strategies to address the various problems identified above. In 2009 GoPNG launched its National Strategic Plan 2010-2050, also known as GoPNG’s Vision 2050. The Plan seeks to address PNG’s low social & economic indicators and puts a high priority on human resource development, which must necessarily rely upon strong basic education outcomes. In 2010 the Vision was operationalised through the PNG Development Strategic Plan 2010-2020.
1.3 Education in PNG

1.3.1 Education System

15. The education sector in PNG is managed by two Government Departments - the Department of Education and the Office of Higher Education - each belonging to a different GoPNG Ministry. The Office of Higher Education is responsible for universities and research institutes. The Department of Education (DoE) manages education up to and including grade 12, namely: elementary school (preparatory grade to grade 2), primary school (grade 3 to grade 8), secondary school (grade 9 to grade 12), vocational schools and flexible, open and distance education (FODE) institutions, technical and teachers colleges which together form the “national education system.” The DoE is responsible for national technical colleges which provide a pathway to year 8, 10 and 12 school students.

14. In 2009, the national education system had grown to one employing around 44,558 teachers, and 1.43 million students in 5,366 elementary schools, 3,275 primary schools, 218 secondary and high schools, 139 vocational schools. While the DoE provides the support to and oversight of all school registered within the national education system, about half of all the schools are run by the non-government sector. The main church education agencies are: Catholic, Anglican, Seventh Day Adventist, and Lutheran with smaller ones like the Evangelical Brotherhood Church (EBC) and Baptist Union picking up in numbers. There are several independent, non faith based agencies that provide elementary and primary education, the largest being International Education Agency of PNG with 20 “international” schools serving around 5,000 students. These schools are considered as “permitted schools” to distinguish them from a few other private schools, which are run completely independently and outside of the national education system.

15. A review of the PNG national education system in 1991 initiated the education reform process with the aim of increasing access for all children at the lower and upper secondary levels and the quality of basic education. The reform defined the a primary schooling as nine years of basic education (three years of elementary and six years of primary) followed by four years of secondary schooling. The creation of elementary schools (preparatory and grade 1 and 2) was intended to allow for many more schools to be established closer to communities and to be used as feeders for primary schools. A revised curriculum was also introduced with the aim of improving the quality of teaching and learning. It introduced the local language (tok ples) as the language of instruction for elementary school, adapted the curriculum to make it more relevant to PNG village life and introduced outcome based education (OBE) which focuses on the needs and achievements of each student. The OBE curriculum has since been heavily criticized for being too demanding on teachers with inadequate support provided and for contributing to the decline in the quality of education, especially reading and writing for academic purposes.

Figure 1. The PNG Education Structure

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2 UBE Plan (2010-2019)
In 2005, GoPNG adopted a National Education Plan (NEP) for the ten-year period 2005-2014. The NEP sets out the broad road map for education in PNG with specific education targets and strategies for achieving them. It provides the framework for translating the MTDS and the international education goals, including the Millennium Development Goals and the Education For All Goals, into concrete targets and strategies for the PNG education sector. NEP’s overarching goals are those of access, quality, management and financing of education with specific targets and strategies proposed for each education level, including elementary, primary, secondary, FODE, vocational and technical education.

The NEP goals for the basic education sector, are for all children to begin education at the age of 6 in their local language and during the first three years (elementary school), to develop the basis for sound literacy and numeracy skills as well as family and community values. Then, at the age of 9, all children are to continue education in a primary school in a bilingual program gradually progressing towards instruction in English only so that by grade 8 students will have the skills to live happily and productively, contribute to their traditional communities and use English to understand basic social, scientific, technological and personal concepts.

### 1.3.2 Decentralised Service Delivery

In 1996, the Organic Law on Provincial and Local Level Government gave provincial and newly created local level governments significant expenditure responsibilities for education. Almost overnight provincial governments (and districts as non-political administrative sub-branches of provincial administrations) found themselves charged with managing elementary, primary and many aspects of secondary education (in addition to responsibilities in other sectors). The allocation of major responsibilities is described in Figure 2.

In summary, the National Government, in addition to its policy, regulatory and curriculum development role across the sector, finances and runs the national high schools and tertiary institutions. The provincial governments manage and maintain provincial high schools and manage primary and elementary schools, while local governments are meant to maintain the buildings of the primary and elementary schools. New elementary and primary schools are proposed by local governments and approved by both provincial and national governments. Requests for staffing are then made to the Teaching Commission (a national body) and invariably accepted. The following figure details the specific functions and responsibilities by administrative level.

**Figure 2. National and Provincial and LLG Decentralised Service Delivery Functions and Responsibilities**
## Service Delivery Functions and Responsibilities

<table>
<thead>
<tr>
<th>National Government</th>
<th>Provincial Governments</th>
<th>Urban LLG and Rural LLG</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>level (through NDOE):</em> new schools; amalgamations of existing schools; school re-openings; change of school names; closure of schools; transfer of schools and changes in status.</td>
<td>establishment and development of new schools.</td>
<td></td>
</tr>
</tbody>
</table>

### Infrastructure
- Funds/expertise to expand infrastructure should be responsibility of LLG and Districts
- Prepare an annual maintenance plan
- Inspect the condition and maintain
  - Provincial Secondary schools
  - Vocation and Trade Training Schools
  - Teacher / education worker housing; and,
  - ancillary facilities.

### Teachers
- Pre-service teacher training and registration
- In-service training
- Inspect schools
- Appoint, deploy and redeploy teachers to their posting in Provincial education institutions.
- Procure and arrange teacher leave fares.
- Repatriate and remove teacher personal effects.
- Administer the teachers payroll, including school resumption visits, leave applications.
- Coordinate in-service training at the Provincial level.
- Deliver in-service training (short presentations and/or workshops at school in-service meetings or during in-service week but not fund further study or courses) as required.
- Distribute in-service materials (provided by NDOE) to schools.
- Recommend candidates (through the Provincial Education Board) to NDOE for further study and National in-service training.

### School Operations
- Set school fee limits
- Pay school fees subsidy in 1st & 3rd quarter
- Deliver new curriculum materials to Provincial Government HQ
- Provide Grade 8 exams to Provincial Government: collate results across PNG
- Purchase and distribute materials and supplies for Provincial schools where the school does not have sufficient capacity to make own purchases or source these from other donors.
- Fund and distribute (2nd and 4th quarter fees) school subsidies.
- Set school fees within the limits imposed by the NEB.
- Distribute curriculum materials, National examination papers, Certificates, Diplomas and awards to schools.
- Select students for grade 9 classes.
- Organise venues, and fund supervisors for National Grade 8, 10 and 12 examinations.
- Organise venues, and fund markers for marking for National Grade 8, 10 and 12 examinations.

20. An inter-governmental funding mechanism has been put in place to enable each level of government to fulfil their education responsibilities. Donor funding supplements GoPNG funding and has in the past been directed mostly at the national and school levels with a smaller amount directed at the provincial level.

21. A system of inter-governmental accountability and monitoring has been put in place to ensure all the levels spend the funding on their areas of responsibility and account for the funds received. Provinces have to provide quarterly budget reviews to the Treasury and annual performance reports (known as s.119) to the DoE to account for their expenditure and performance in education. The recently introduced Minimum Priority Areas (MPAs), attached to each function grant, further serve to oblige provinces to expend education function grants on three areas identified as priorities: a) distribution of school materials; b) supervision of schools by district and provincial officers; and, c) operation of district education offices. MPAs are not the only activities that can be funded through function grants, but rather represent a core set of basic activities that most provinces are expected to have in place.

22. However, at this stage, no minimum targets have been set for MPA expenditure and it is not yet clear what the impact of the MPAs will be on improving service delivery. The Provincial and Local Level Service Monitoring Authority (PLLSMA) has been established to coordinate and monitor national policies at provincial and local level.
and it reviews service delivery and administrative performance at the sub-national levels. In turn, PLLSMA has set up the Provincial Coordination and Monitoring Committees to undertake the functions of PLLSMA in the provinces. Figure 3 illustrates the inter-governmental financing and accountability arrangements.

Figure 3. Intergovernmental accountability mechanisms and financing arrangements

23. Nonetheless, in practice, the roles and responsibilities of each level of government are not always well understood or implemented while monitoring and enforcing the effectiveness of decentralised service delivery have been weak. There are some overlaps in roles, such as approvals of new schools, as well as some disconnects between the funding need and the funding source, which at times results in discrepancies between what should happen in theory and what happens in practice. Furthermore, the financing structure of basic education is unnecessarily complex with financing expected to come from various levels and resulting in a fragmented financing system. In particular, the multiple sources of funding have made it difficult to account for and acquit all funds especially at the school level. The inter-governmental financing model faces a number of challenges due to a large number of administrative processes which have to take place for the funds to flow from one level of government to another and to the schools. As such, there are multiple delays and all levels of government are often faced with shortages of much needed funds. The risk of corruption has been a prevailing condition in all institutions and levels of governments.

24. Until recently all the provinces received an equal function grant without regard to the widely differing cost of providing education services in each province. Since 2009 this has been addressed through the Inter-governmental Relations (Functions and Funding) Act 2009 which applies a principle that funding for service delivery in provinces should be matched to the actual cost of supplying services. Nonetheless, there are still wide discrepancies between provinces with regards to how much funding is needed to cover their education responsibilities, how much funding is available to cover the costs and how much funding is actually spent on those responsibilities. In particular, it has been difficult to ensure that provinces devote a sufficient part of their internal revenue to service delivery with some provinces prioritising general administration and not fulfilling their education responsibilities even when they have funding available.

25. The National Economic and Fiscal Commission (NEFC) Review of All Expenditure in 2008 by Provincial Governments found that, while education was the best supported service delivery sector by provinces across PNG,
the education spending in 12 provinces still averaged only about 29% of what was required. Interestingly, provinces with lower overall funding continue to outperform the better funded provinces.

1.3.3 Financing Basic Education

26. The table below illustrates trends in education expenditure in recent years, including GoPNG’s commitment to education in the face of declining revenue following the commodity boom. Education’s share of total public expenditure rose from 11.4% in 2007 to an estimated 15.1% in 2009. Nonetheless, due to declining revenue, GoPNG expenditure effort on education fell as a share of GDP from 4.4% in 2007 to 3.9% in 2009, a level that falls below the developing country average of 4.7% and the East Asia and Pacific average of 4.9%

Table 1. Expenditure on Education 2007 - 2009

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL EDUCATION (Kina millions)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant 2004 Kina (millions)</td>
<td>635.9</td>
<td>562.0</td>
<td>613.4</td>
<td>603.8</td>
</tr>
<tr>
<td>Of which Provincial Allocations (%)</td>
<td>58.2</td>
<td>58.3</td>
<td>58.9</td>
<td>58.5</td>
</tr>
<tr>
<td>Annual real growth</td>
<td>-12</td>
<td>9</td>
<td>-1.2</td>
<td></td>
</tr>
<tr>
<td>As % of GDP</td>
<td>4.4</td>
<td>3.7</td>
<td>3.9</td>
<td>4.0</td>
</tr>
<tr>
<td>% Government financed</td>
<td>91.3</td>
<td>90.7</td>
<td>91.3</td>
<td>91.1</td>
</tr>
<tr>
<td>% Total Public Expenditure</td>
<td>11.4</td>
<td>11.7</td>
<td>15.1</td>
<td>12.7</td>
</tr>
<tr>
<td>% Public Expenditure (excl. debt service)</td>
<td>12.0</td>
<td>12.4</td>
<td>16.2</td>
<td>13.5</td>
</tr>
<tr>
<td><strong>EDUCATION RECURRENT (Kina millions) a/</strong></td>
<td>752.8</td>
<td>734.5</td>
<td>780.5</td>
<td>755.9</td>
</tr>
<tr>
<td>Constant 2004 Kina millions</td>
<td>576.0</td>
<td>505.7</td>
<td>555.4</td>
<td>545.7</td>
</tr>
<tr>
<td>Of which Provincial Allocations (%)</td>
<td>63.7</td>
<td>64.3</td>
<td>64.3</td>
<td>64.1</td>
</tr>
<tr>
<td>% of Total Education Expenditure</td>
<td>90.6</td>
<td>90.0</td>
<td>90.5</td>
<td>90.4</td>
</tr>
<tr>
<td><strong>EDUCATION DEVELOPMENT (Kina millions)</strong></td>
<td>78.4</td>
<td>81.8</td>
<td>81.6</td>
<td>80.6</td>
</tr>
<tr>
<td>Constant 2004 Kina (millions)</td>
<td>60.0</td>
<td>56.3</td>
<td>58.1</td>
<td>58.1</td>
</tr>
<tr>
<td>Domestic Financing</td>
<td>5.8</td>
<td>5.6</td>
<td>6.5</td>
<td>6.0</td>
</tr>
<tr>
<td>External financing total</td>
<td>72.7</td>
<td>77.0</td>
<td>75.0</td>
<td>74.9</td>
</tr>
<tr>
<td>Development as % of Total Education</td>
<td>9.4</td>
<td>10.0</td>
<td>9.5</td>
<td>9.6</td>
</tr>
<tr>
<td>% Externally Financed</td>
<td>92.7</td>
<td>94.1</td>
<td>91.9</td>
<td>92.9</td>
</tr>
</tbody>
</table>

Sources: IMF on-line indicators for GDP, exchange rates, deflators; IMF PRGF reviews for government expenditure; GoPNG Budget Books for education expenditure

a/ Totals include an amount of 100 million Kina kept in a separate Treasury Account intended for school subsidies. The amount actually allocated for school subsidies is, however, not available.

27. Resources at the sub-national level have been inadequate to cover the cost of delivering education services, due to insufficient allocations both from GoPNG and from provincial internal revenues. As a result, in practice, communities have had to bear the brunt of the costs of school construction and maintenance. Nonetheless, the recent changes to the inter-governmental financing system are resulting in provinces with higher service delivery costs receiving more funding through function grants. Provinces have also gradually increased the proportion of internal revenue spent on education but this still varies from province to province. Direct funding to schools has also increased significantly over the past few years with the allocation of an additional 100 million kina for school subsidies from a separate GoPNG trust fund account since 2006.

28. The National Department of Education receives funding from annual GoPNG Treasury allocations for its recurrent activities as well as from the Department of National Planning and Monitoring for development activities. One important component is the provision of school subsidies which provides direct funding to all schools as
operational grants for their core activities. Teacher salaries, which fall under the responsibility of the DoE and its Teaching Services Commission, are appropriated directly to provinces. Provincial Governments are responsible for the delivery of services including education and have three sources of funding: internal collections of revenues (including GST), annual “function grants” from the National Government and the ability to borrow.

29. Districts and local level governments generally have few financial resources other than what is transferred by other tiers of government. Nonetheless, the District Services Improvement Program (DSIP) is a one-off initiative made possible by buoyant tax revenues in recent years. In total K14m has been appropriated to each district through their Member of Parliament, with guidelines that K1m should be spent on education per district, however, this is difficult to police in practice. Schools receive funding from school fees (although these have been abolished for elementary education from 2010), school subsidy from the national government (which at times is supplemented by a subsidy from the provincial governments, often provided in kind) and other income-generating activities by the school. Church run schools also benefit from some additional church funding or support.

30. In 2010 GoPNG is allocating 900 million kina to the national education system. This figure includes approximately 144 million kina for school subsidies, which is an increase of about 11 million kina from 2009 and will cover the abolition of school fees in elementary school. School subsidy funding was transferred to the DoE in January 2010 and is expected to be disbursed to schools much earlier than in the recent years. The education allocation includes a 10% increase in the DoE’s non-salary recurrent expenditure and a 67% increase in the DoE development budget. Function grants to the provinces have increased by 23%. In addition to the 900 million kina, the provinces are estimated to provide 32 million kina from their internal revenue for provincial education responsibilities in 2010. This estimate is in line with the recent trends.

1.3.4 Financial Management and Procurement Systems

Financial Management

31. In 2009, the World Bank funded a consultancy of the financial management systems to assess the levels of fiduciary risk in the education sector in PNG. In addition, AusAID has carried out further work of the fiduciary risk at sub-national levels. These studies have been complemented by further analysis on district funding flows in health and education, also funded by AusAID. All of the studies found that, while relatively sound systems and procedures are in place, the levels of compliance and capacity at all levels of government are weak. Major problems and risks include: lack of transparency in the intergovernmental fiscal relations; inadequate information to and from national and sub-national levels of government on allocations and expenditure; high level of unreported extra-budgetary expenditures; weak oversight of autonomous government agencies and sub-national governments; slow disbursements; poor bank reconciliations; weak establishment, personnel and payroll controls; low internal audit coverage; lack of well costed sector strategies; weak statistical capacity.

32. While the World Bank findings on school level financial management were more positive, few schools were actually visited and the report accepted that a much broader assessment at the school level would be needed. Given the large number of funding sources, schools face a high administrative burden and often lack capacity to fully respond. Lack of acquittals has been a persistent challenge.

33. The above problems with financial management are further compounded by corruption and perception thereof. Perceptions of PNG’s ability to control corruption have been deteriorating constantly since 1996, when PNG was considered to be in the top 60% of countries surveyed as being perceived as effective in controlling corruption. As at 2007, PNG had fallen to being in the bottom 10%.

34. Donors have further contributed to the problems by resorting to the use of parallel financial management systems to ensure that their funds are protected from the weaknesses of the GoPNG systems. While this is not surprising given the high perception of corruption and while it may have reduced donors’ fiduciary risk, it may have contributed to further weakening those same systems.

35. GoPNG and DoE are currently undertaking a number of initiatives to address some of the above issues, including through follow-ups to the World Bank report recommendations. However, it is still too early to judge the result and any education program would need to support the DoE to continue these reforms.

36. Taking into account the above issues, the major and immediate fiduciary and development risks that need to be taken into account by AusAID education programs are: slow flow of funds to front-line service delivery units; problems with key internal controls including bank reconciliations, reporting, procurement, and arrears; and lack of
follow-up on recommendations from existing oversight bodies. The major longer term fiduciary and development risks include: opaque resource revenue controls; unsustainable policies associated with payroll controls; and resource allocation problems associated with fragmented non-consolidated annual budgeting.

**Procurement**

37. The situation is similar in the area of procurement with the 2006 World Bank procurement review assessing procurement risks as very high. The assessment found widespread waivers of competitive processes and lack of transparency with gaps in the legal and regulatory instruments from the highest level (laws, regulations decrees) down to detailed instructions, procedures and bidding documents. Other weaknesses include: poor management and reporting of the GoPNG funds, poor record keeping, poor procurement planning and limited procurement capacity at all levels with few opportunities for improvement.

38. Although legal and regulatory frameworks for public procurement have improved more recently and some other actions have been taken, such as establishing a central tender board, improvements in practice are slower to achieve. Further exacerbating the situation, donors have tended to operate within a parallel system of procurement using very few of the GoPNG processes. AusAID is currently undertaking a procurement assessment of the PNG education system on behalf of the donor group.

39. AusAID is carrying out a comprehensive procurement assessment in the 1st and 2nd quarters of 2010. This assessment is being carried out in close coordination with the other donors in the sector and with full coordination from DoE. The assessment will be complemented by a separate national assessment of procurement systems in PNG also to be carried out in early 2010.

1.4 Basic Education Situational Analysis

40. The following information provides an overview of the current situation and recent trends in PNG basic education as well as outlining major challenges and opportunities. These issues are addressed according to five priority pillars in basic education, as identified by the DoE. The data used in this section is derived from the DoE Education Management Information System (EMIS) which is collected through annual school census. While this data is generally considered reliable, there could be a risk of over-reporting as funding is dependant on enrolments. Moreover, the 2009 figures are preliminary, are based on actual returns of nearly 85% and are not officially endorsed. In spite of this, it is expected that the final figures will be higher when all schools are included.

1.4.1 Access

41. Student admission rates and basic education enrolment rates have been increasing steadily over the past few years. The net admission rate (the total number of six-year old entrants in the preparatory grade, expressed as a percentage of the six year old population) has increased significantly every year since 2006, both for boys and girls, from a total of 11.5% in 2007 to 23.9% in 2009. This represents an average yearly increase in admission of 44.5% over the period of three years, which is an enormous achievement. While the 2009 figures are not yet finalised, they are not likely to show a decrease. If children of all ages who enrol in the preparatory grade are considered, the admission rates are much higher, but GoPNG is making a concerted effort to get the children aged six to enrol and hence, reduce the problems of having children of many ages in the same grade.

42. Similarly, the basic education net enrolment rate (total enrolment of 6 to 14 year olds in grades prep to 8, expressed as a percentage of the 6-14 year old population) has also been increasing steadily: from 52.9% in 2007 to 63.6% in 2009. If gross enrolment figures are used (that is, non-age specific enrolments) the figures are even higher because many children enrol in school later than at age 6. The increase in enrolment has meant that in 2009, there were 1,272,559 students in elementary and primary schools compared to 973,822 in 2006, or an average increase of 9.2% per year. This increase can be explained through the successful expansion of elementary education and a greater awareness of the importance of education.

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3 However, some of this achievement may be due to the structural changes in the education system, which has led to children who would have previously enrolled into grade one of a community schools enrolling in the preparatory grade of a primary school instead.
Table 2. Enrolment in elementary and primary schools from 2006 - 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Elementary</th>
<th>Primary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>330,713</td>
<td>643,109</td>
<td>973,822</td>
</tr>
<tr>
<td>2007</td>
<td>355,816</td>
<td>626,648</td>
<td>982,464</td>
</tr>
<tr>
<td>2008</td>
<td>422,592</td>
<td>715,764</td>
<td>1,138,356</td>
</tr>
<tr>
<td>2009</td>
<td>508,955</td>
<td>763,604</td>
<td>1,272,559</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Elementary</th>
<th>% Change of total</th>
<th>% Av. Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>34.0%</td>
<td>0.9%</td>
<td>9.2%</td>
</tr>
<tr>
<td>36.2%</td>
<td>15.9%</td>
<td></td>
</tr>
<tr>
<td>37.1%</td>
<td>11.8%</td>
<td></td>
</tr>
<tr>
<td>40.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3. Net Admission Rate for Prep Grade by Gender from 2007 - 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>11.9%</td>
<td>11.2%</td>
<td>11.5%</td>
</tr>
<tr>
<td>2008</td>
<td>18.0%</td>
<td>17.4%</td>
<td>17.7%</td>
</tr>
<tr>
<td>2009</td>
<td>24.5%</td>
<td>23.3%</td>
<td>23.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Change of total</th>
<th>% Av. Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>53.9%</td>
<td>44.5%</td>
</tr>
</tbody>
</table>

*Age-specific data is not available before 2007

Table 4. Net Enrolment Rate for Prep - Gr. 8 by Gender from 2007 - 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>51.4%</td>
<td>54.3%</td>
<td>52.9%</td>
</tr>
<tr>
<td>2008</td>
<td>57.9%</td>
<td>62.1%</td>
<td>60.1%</td>
</tr>
<tr>
<td>2009</td>
<td>61.2%</td>
<td>65.7%</td>
<td>63.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% Change of total</th>
<th>% Av. Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.6%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

*Age-specific data is not available before 2007

43. While these achievements are important, these national figures do not reflect significant variation between provinces and within provinces. Also, the access rates still fall below the MDG 2 with approximately 582,000 children still out of school in 2008 but this is a significant decrease from the previous year. Most of those who do go to school do not yet start at the correct age and girls’ enrolment continues to lag behind that of boys, especially in later grades.

44. The main challenges in the area of access include: insufficient number of schools, especially elementary schools, within a reasonable distance; insufficient capacity of existing elementary schools, especially in urban areas, to admit all school aged students; the financial burden on parents who find it difficult to afford school fees; limited parental or community understanding of relevance of schooling; and localised natural disasters and incidence of violence, such as tribal fighting. Another reason contributing to low admission rates is the cultural approach to age: in PNG age is not always strictly measured or seen as crucial and many children are enrolled in school later than at the age of 6. With the abolition of school fees for elementary school in 2010, there is expected to be a significant increase to school access, and particularly to school admission, in the near future.
1.4.2 Retention
45. Similarly to admission and enrolment rates, retention rates have been steadily increasing over the past few years with more students staying on to complete the basic education cycle. While 41.5% of enrolled students completed grade 8 in 2006, 56.9% completed it in 2009. This is an average yearly increase of 13.6%, which is even higher than the average yearly increase in enrolment of 9.2%. However, once again, these national figures hide important discrepancies between and within provinces and they are still relatively weak compared to other developing countries and education sector targets. In addition, girls continue to be less likely to complete grade 8 than boys with no significant change made in the gender index for completion. There are also few students who continue on to secondary and tertiary sectors.

Table 5. Completion Rate for Gr. 8 by Gender from 2006 - 2009

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>38.5%</td>
<td>42.0%</td>
<td>44.6%</td>
<td>54.2%</td>
</tr>
<tr>
<td>Male</td>
<td>44.2%</td>
<td>45.8%</td>
<td>53.6%</td>
<td>59.0%</td>
</tr>
<tr>
<td>Total</td>
<td>41.5%</td>
<td>44.1%</td>
<td>49.3%</td>
<td>56.9%</td>
</tr>
<tr>
<td>% Change of total</td>
<td>6.3%</td>
<td>11.8%</td>
<td>15.3%</td>
<td></td>
</tr>
<tr>
<td>% Av. Change</td>
<td>13.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

46. There are many factors which contribute to school children dropping out of school early, including in-school factors and out-of-school factors. In-school factors include: the continuing burden of school fees which become higher as grades progress; a poor learning environment caused by lack of educational materials, lack of adequate school infrastructure, poor teacher attitude/attendance and negative student behaviours which are not being addressed effectively; and remoteness of schools, which makes it more difficult for both teachers and students to attend. Out of school factors include lack of parental support and community responsibility towards the education of children; perceived irrelevance of schooling given lack of job opportunities; and localised incidence of violence, such as tribal fighting.

1.4.3 Quality
47. In PNG there are currently few clear and undisputed means of assessing the quality of learning, yet the general agreement is that, overall, the quality of learning in basic education is fairly low. Examination results can be used to measure quality, but to date they have not been analysed thoroughly and consistently. A sample of Grade 8 Certificate of Basic Education results analysed in 2006 showed low numeracy, literacy and general skills across the board. A Curriculum Standard Monitoring Test (CSMT) was introduced at the end of 2008 to measure the effects of the new outcome based curriculum. The new curriculum sets out clear learning outcomes for all subject areas by grade and has been introduced in order to increase the relevance and quality of learning. The new curriculum, however, has been heavily criticised and blamed for the low quality of education due to challenges presented to teachers and lack of sufficient support to implement it. The results of CSMT are currently being finalised but there are indications that the quality of teaching and learning is severely lacking.

48. Another way to look at the quality of learning is through that of the learning inputs, including quality of teachers, of learning materials and of classroom facilities. While the average pupil teacher ratio across PNG is 34.2, this figure hides significant differences between and within provinces. Many urban schools are seriously overcrowded with ratios of over 50:1. The DoE is beginning to pilot shift teaching in an attempt to address this situation. While primary school teachers are required to have a teaching certificate, the prerequisite for elementary teachers is a grade 10 Certificate only. At this stage few teachers have upgraded their qualification to a Diploma or a Degree. While AusAID and the EU are delivering a significant number of primary school textbooks to all primary schools in 2010, this is the first large scale textbook distribution in years. To date, schools have generally had to cope with a severe dearth of any up to date learning materials. Finally, the quality of classrooms across the country tends to be poor, especially at the elementary school level where many classrooms lack even basic furniture.
There has been little research in PNG to identify the reasons for the low quality of learning, yet international literature states that quality of learning is linked to the availability of educational materials; the quality of teachers; and instructional time and work placed on students. All of these areas are of concern in PNG. Apart from the lack of learning materials and low quality of teachers, there is a significant problem of teacher absenteeism, linked to school remoteness, poor learning environment and salary issues. Moreover, the new curriculum requires different and more interactive methods of teaching but many teachers have not yet required the requisite skills.

The new Performance Assessment Framework (PAF) for the basic education sector, which is currently being finalised jointly by the DoE and the development partners, addresses the issue of quality measurement. Apart from the pupil:teacher ratio, the PAF will also measure pupil:textbook ratios, teacher qualifications and CSMT results. This will help to better monitor quality of learning in the future.

### 1.4.4 Equity

Three major areas of equity in education relate the issues of gender, HIV/AIDS and disability. All three present some concern in PNG but are starting to be addressed.

**Gender**

More boys than girls are represented at most educational levels within the basic education cycle. While the number of girls that enter elementary preparatory grade is virtually the same as that of boys, the gender parity index for the full basic education cycle has remained generally stable at around 0.91 over 2007-2009. This means that for elementary and primary school for every 10 boys enrolled there are just over 9 girls. The disparity is greater for those completing 8 years of education at 54.2% for girls compared to 59% of boys. Certain provinces are particularly affected by lack of gender equity. In addition, only about 44% of basic education teachers are women, although the proportion is growing. Female participation in education decision-making is also poor with a rare woman in the DoE’s Top Management Team and only one female Provincial Education Adviser.

**Table 7. Gender Parity Index for elementary and primary pupils from 2006 - 2009**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>0.95</td>
<td>0.95</td>
<td>0.96</td>
<td>0.95</td>
</tr>
<tr>
<td>Primary</td>
<td>0.91</td>
<td>0.87</td>
<td>0.85</td>
<td>0.86</td>
</tr>
<tr>
<td>All Basic</td>
<td>0.93</td>
<td>0.91</td>
<td>0.91</td>
<td>0.91</td>
</tr>
<tr>
<td>% Change of total</td>
<td>-2.2%</td>
<td>-0.5%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>% Av. Change</td>
<td>-0.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
have been some improvements in how DoE perceives the importance of gender issues. Importantly, while the system has collected gender disaggregated data for a while, recently DoE reporting has also been made in a gender-disaggregated fashion, which is an important step forward.

54. Despite the policy progress, there are still few significant improvements in practice. Cultural and economic factors have contributed to lower female enrolment and completion rates. The lack of sufficient number of toilets or toilets providing sufficient privacy is also contributing to the female drop out rate, especially that of older girls.

**HIV/AIDS**

55. PNG has the highest number of people with Sexually Transmitted Infections (STI) of 38 Asia Pacific countries with 2% of the population estimated to be infected with HIV/AIDS. The education system has a vital role to play in responding to the epidemic by reducing risks, reducing stigma and discrimination, offering HIV/AIDS orphans opportunities and mobilising young people in the fight against HIV/AIDS. The DoE has adopted a *HIV/ AIDS / STI Implementation Plan for National Education System in PNG 2007-2012* which includes materials for teachers and schools Boards of Management. In 2009 HIV/AIDS booklets were distributed to all primary and secondary schools. HIV/AIDS issues have also been included throughout the curriculum and are part of teacher training. However, it is as yet difficult to see significant behaviour change induced by these policies or materials. There are also few ways of effectively measuring how HIV/AIDS is being addressed in the system. However, the new PAF has introduced an indicator on orphans, which can be used as a proxy for the HIV/AIDS epidemic.

**Disability**

56. There is a substantial number of PNG children who are physically or mentally disabled. The annual school census has not gathered data on the actual numbers. However, in 2010 the census will include children with special educational needs. While the DoE has a Policy and Guideline for Special Education, it is somewhat outdated and is being reviewed. The DoE National Behaviour Management Policy was launched in 2009, emphasising the need to address the needs of all children, including those with disabilities. A special education course is offered at all teachers’ colleges and the Divine Word University offers a Bachelor in Special Education.

57. However, disability and inclusive education are still at the periphery of the education sector priorities and are often overlooked by decision and policy makers in the DoE. In practice, children with disability in PNG do not have access to or get the attention they require to be educated to the best of their capacity. To date there has been no formal tracking mechanism to establish the actual numbers of children with disability. Provincial resource centres and the DoE Special Education Unit are severely understaffed and underfunded and few inspections are taking place. All the special education programs offered to teachers need strengthening. Importantly, the school census forms have now been amended to include a question on disability, which will allow the DoE to have a better understanding of the scope of the need.

1.4.5 **Education Management**

58. As previously outlined, management of basic education in PNG is shared between the DoE, provinces, districts, local level governments, church education agencies and schools themselves. There has never been an in-depth capacity assessment of the national education system, however, there is general agreement that there are significant management challenges at each level. There are various degrees of capacity in the areas of planning, budgeting, implementing, monitoring and reporting.

59. Some education management progress has been made in recent years. A particularly significant step forward has been the production of a detailed DoE Annual Operational and Financial Plan which contains all the funding to the education sector for 2010. Nonetheless, most areas of education management still require significant strengthening. This is even truer at the sub-national levels, which tend to have even fewer resources or access to means of building capacity. Church Education Agencies also have capacity gaps although these have never been formally assessed.

60. Within PNG’s broader public sector management context, there are significant challenges in education, ranging from financial management at the school level through to concerns regarding technical and professional capacity of the provinces and districts to plan effectively for the expansion and development of basic education.

61. In order to address some of these challenges, DoE has adopted a sector-wide approach (SWAp), which recognises that the objectives of the NEP and the UBE Plan can only be met if government, civil society, men and women in communities, and the various external funding agencies work together in a coherent way. The approach
has required building and maintaining effective partnerships with the key stakeholders, including central GoPNG agencies, the DoE, sub-national levels of government, faith based / Church providers, other non-government education providers and the communities.

2 Support to Basic Education Sub-sector

2.1 GoPNG Efforts – Universal Basic Education Plan

62. The UBE Plan complements the NEP by providing more detailed analysis and strategies for improvement within the basic education sub-sector. The overall goal of the UBE Plan is that "All children of school age must enrol in school, complete nine years of basic education and should have learnt skills, knowledge and values covered in the basic education curriculum". The Plan sets the target of 74.3% net enrolment rate in the basic education cycle by 2015. To achieve the UBE goal, the Plan proposes to improve access to education, enhance the retention rates, improve the quality of education, while at the same time enhancing the basic education management and equity.

63. The Plan proposes a number of specific strategies to address the above issues, taking into account the main challenges in each of these areas. Access to basic education will be improved through: expansion of elementary school infrastructure, expansion of primary school infrastructure, construction of primary school teacher housing and provision of access to basic schooling for over-age students. Retention rates will be enhanced through: provision of school grants and abolition of school fees, advocacy and awareness on basic education, and provision of water and sanitation facilities in all schools. Quality will be improved through: pre-service and in-service basic education teacher training, provision of educational materials to elementary and primary schools, library development and maintenance, maintenance of all elementary and primary schools, and maintenance of a minimum number of learning hours.

64. Basic education management will be enhanced through: training of head teachers on administration, finances and general management, technical and planning support for District Education Administrators, support to inspectors to allow them to visit schools, support for the work of the provincial and national education authorities, and a series of research studies to be conducted. Finally, equity will be enhanced through interventions focussing on gender, HIV/AIDS, special needs education, most vulnerable children and remote and over-crowded schools. However, what these equity interventions will be is not clearly specified in the Plan.

65. The UBE Plan provides an indicative costing of its interventions. It estimates that the total cost of the UBE Plan implementation, including teacher salaries and administration costs, over a period of ten years (2010-2019) is 16.8 billion kina. This includes 7.5 billion kina for the UBE interventions, 8 billion kina for salaries and leave fares and 1.2 billion kina for administrative requirements. This is a substantial amount and presents a significant funding gap, given current levels of funding.

66. An independent appraisal of the Plan, funded by the development partners, concluded that the Plan was an important step forward in operationalising the NEP and in addressing the issues of access, equity, quality and capacity building in PNG’s education system. However, the appraisal also found a number of gaps, the major ones being as follows: lack of clear baseline indicators and annual targets; weaknesses in costing and confusion in financing responsibilities; some imbalance between the projected developments at the elementary and the primary levels; and lack of clear strategies to address equity issues. The appraisal also questioned the credibility of some of the Plan targets, arguing that they were not ambitious enough to keep up with the international goals.

67. The development partners have analysed the Plan and the appraisal and have endorsed the UBE Plan, even though they are cognisant of its various weaknesses. The development partners took on board most of the criticisms from the appraisal, although they disagreed on the issue of credibility of targets, given the low baseline and the extent of the problems faced. It was also determined that there was no significant imbalance between the elementary and primary level interventions.

68. Following the appraisal, the development partners have been working with the DoE to address the gaps. Importantly, it was agreed that a separate costing and financing framework would be produced in 2010 to clearly outline the cost of all the interventions, the funding sources, the funding gap and the funding strategies. Work is currently ongoing on the framework, which will be finalised in 2010. The development partners will also continue to support the DoE to address the other challenges and gaps of the Plan.
Discussions are ongoing with regards to whether an application will be made to the Fast Track Initiative (a global education fund, managed by the World Bank) for funding support for the implementation of the UBE Plan. Applications to the FTI require a formal endorsement by the local donor group.

### 2.2 Donor Support to PNG Basic Education

A number of bilateral and multilateral development partners work with GoPNG to support the basic education sector, including Australia, Japan, New Zealand, the European Commission (EC), the Asian Development Bank (ADB), the World Bank (WB) and United Nations (UN) agencies.

Australian assistance is by far the highest source of external donor support to GoPNG, representing well over 80% of total Official Development Assistance (ODA). This is also the case in education. AusAID has been active across the board in basic education, from school management to DoE capacity development, including curriculum support, teacher training, financial management, procurement and audit support, gender and HIV/AIDS support, ICT and EMIS support. Other development partners have tended to specialise in particular areas of education. JICA has focused on media education support; NZAID has been providing school journals, TVET support and education sector volunteers; the World Bank has provided specific TA, such as financial management assessment; UNICEF has focused on child friendly schools, disaster preparedness and early childhood; the EC has focussed on the DoE human resource branch and curriculum development branch, supporting infrastructure for teacher training and procuring a large number of textbooks; while ADB has not been active in education in recent years. Most development partners have shown commitment to not only continuing their support to the sector but increasing it in the coming years.

Within the sector the development partners have tended to operate through distinct multi-year projects, however, over the past three years there has been general agreement to move towards a sector wide approach. Within a sector wide approach all significant public funding in the education sector supports a single policy and expenditure program, under GoPNG leadership, adopting common approaches across the education sector, and progressing towards relying on GoPNG procedures to disburse and account for all funds. While donor agencies are still operating mostly through projects and GoPNG systems are used intermittently, significant progress has been made towards a sector wide approach. Significantly, development partners are increasingly aligning their support to one education GoPNG sector financial framework (DoE’s AOFP) and one education GoPNG sector policy (the UBE Plan), both of which have benefited from strong development partner support.

Development partners are also supporting the DoE to put in place all the necessary policy, institutional and procedural frameworks to have a fully functioning sector approach through strong participation in four Technical Working Groups (TWGs), chaired by the DoE and co-chaired by the development partners. Commencing their work in June 2009 and involving members from all education stakeholders (GoPNG, development partners, church education agencies, NGOs), TWGs have already made important progress. Main achievements to date have included: the development of a detailed AOFP; the development of a draft Joint Commitment of Principles, translating the PNG Commitment on Aid Effectiveness to the education sector; taking forward some of the recommendations from the 2009 World Bank education sector financial management assessment and enabling a joint procurement assessment; and the development of a draft Performance Assessment Framework for the sector.

### 2.3 Donor Coordination

For several years development partners have made efforts to coordinate their support to the education sector with various successes. However, in 2009 donor coordination was significantly strengthened through the formalisation of a coordination mechanism (DPaC). Chaired by UNICEF, DPaC meets on a fortnightly basis and serves for donors to discuss education issues and priorities, inform each other of missions and developments and coordinate their support to the DoE as much as possible. Development partners now meet regularly with the DoE as one group and separate meetings are discouraged, hence significantly reducing transaction costs on the DoE. Development partners are also increasingly coordinating their missions or undertaking joint studies and assessments, where possible.

DPaC has allowed the donors to work closely together and better support the DoE in a number of areas. Two recent examples include the support to the TWGs and the continuing discussions on a possible formal donor endorsement of the UBE Plan for the purpose of making an application for funding through the Fast Track Initiative education global fund.
76. The aid effectiveness agenda has driven much of the need for donor coordination and harmonisation in PNG. On the regional level, the leaders of the Pacific Islands Forum came together to sign the Cairns Compact in August 2009. The leaders expressed deep concern that, despite continued high levels of development assistance over many years, the Pacific region remains unlikely to achieve the MDGs by 2015. It was agreed there was an urgent need to establish a new development compact for the Pacific, to bring new determination and an invigorated commitment to lift the economic and development performance of the region.

77. The key objective is to drive more effective coordination of available development resources from Forum Island countries and development partners, centred on the aim of achieving real progress against the MDGs. The Cairns Compact also called on the International Financial Institutions to assist the Pacific Islands countries in responding to the global economic crisis, including through better coordination mechanisms.

78. At the country level, Australia and the other development partners have together with the government signed the PNG Commitment on Aid Effectiveness. The PNG Commitment on Aid Effectiveness aims to set measurable targets and actions to improve aid effectiveness over 2007–2012, based on 5 shared principles. Under the 5 principles are 12 related indicators and targets for 2012\(^5\) including increased use of GoPNG systems, reforming provision and utilisation of TA, and greater collaboration amongst development partners.

2.4 Australian Assistance to Education

2.4.1 Basic Education

79. Since 1995, Australia has provided upwards of AUD $400 m to the PNG education sector, around 10\% of its aid budget to the country, largely directed towards project-based activities, focused on strengthening elementary education, curriculum reform, teacher training, primary infrastructure upgrading, capacity building, trade testing and certification, payroll and personnel systems, occupational skills and standards, and upgrading provincial high schools.

80. Separately designed and contracted programs currently in implementation include the Education Capacity Building Program (ECBP 2004 - end 2009: $109m,) and the Basic Education Development Project (BEDP 2004 – May 2010: $44m). ECBP provided a program approach to the education sector and supports planning and management systems of the DoE as well as other priority areas of teacher training, curriculum development, HIV/AIDS mainstreaming, TVET, HRM and information systems. BEDP works primarily at the provincial and school level on infrastructure and community engagement with particular emphasis on the involvement of women as well as men.

81. The programs are drawing to a close at the end of 2010. ECBP has a limited role in the last year of the support. This involves a reduced role for the Managing Contractor which will manage and administer the imprest account while DoE has taken on increased responsibilities for selection and management of TA. With ECBP offering administrative and logistical support. BEDP continues to manage the contracting and construction of school infrastructure, which will cease at the completion of the contract at the end of 2010. This project supports the construction of new school and teaching facilities and buildings at selected schools throughout PNG, aligning with GoPNG and DoE / Church infrastructure plans for their construction / refurbishment program. In addition, BEDP is managing the distribution of textbooks from the provinces to schools. The materials were procured by a separate contractor and delivered to provincial centres.

2.4.2 Other Support to the Education Sector

82. In Higher Education a number of AusAID funded small scale initiatives are underway in university development. AusAID also provides support to several research institutes, including the National Research Institute (NRI). An independent review is being carried out and will inform Australia’s future support in the PNG HE sector including the development of a separate schedule under the P4D. The schedule will also include support to the Technical and Vocational Education and Training (TVET) sector. Australia currently supports the Australia Pacific Technical College (APTC), which has several campuses around PNG. In addition, some small grants to PNG industry associations have been made to support new training and skill formation programs and activities that are jointly delivered by industry and PNG training institutions.

\(^5\) PNG Commitment on Aid Effectiveness, July 2008 Annex 1
83. AusAID funds a large number of development scholarships for PNG men and women through the Australian Development Scholarships (ADS) and the Australian Leadership Awards (ALA). Australia is by far the largest donor of development scholarships to PNG and there is an increased emphasis on targeting these scholarships towards PNG’s stated priority needs, as well as on attracting more scholarship holders from the provinces. A percentage of the ADS are allocated to candidates employed within the PNG Higher Education sector, as part of supporting quality of tertiary institutions, teaching and learning and academic programs. AusAID also funds candidates for the Australian Regional Development Scholarships (ARDs), all of whom study at Pacific tertiary institutions in Papua New Guinea, the Solomon Islands, Vanuatu, New Caledonia, Fiji and Samoa.

84. In addition to the education and higher education programs, some support to education in PNG is also being provided through other AusAID programs. Australia’s support to community development and local governments through the Community Development Scheme, the Democratic Transition Program and now the Strongim Pipol Strongim Nesen Program has included and will continue to include support to community organisations involved in education activities. Australia’s Incentive Fund has also provided grants to education facilities, including primary and secondary schools, usually for infrastructure related activities. The Incentive Fund is due to commence a second phase later in 2010.

85. At present AusAID is not directly supporting secondary education. This has been increasingly identified as a gap which impacts both on the basic education subsector and the post secondary subsector. In the former the impact is being felt as enrolments are increasing and putting pressure on the need to create more spaces for those pupils completing basic education. The post secondary subsector has been affected by the poor quality of the students leaving high schools. The universities have been forced to introduce an additional year of pre-university studies to their courses to bring the students up to the requisite academic level.

2.5 Lessons Learned

86. Since 2000, AusAID has disbursed over $350 million to the PNG education sector, through 14 major education projects. In developing the Design Strategy past practice has been reviewed, such that good practice may be taken forward and important lessons applied to future planning and implementation. In drawing the lessons, the objective for future partnerships is to:

- support sustainable development in the PNG education system;
- reinforce country level ownership of education priorities and their implementation;
- enhance alignment and harmonisation in the sector; and
- prioritise clear and measurable outcomes for equitable access and student retention in a system of good quality basic education.

Better use of government systems

87. The 2009 ANAO review of Australia’s Aid program indicates that AusAID’s use of partner government systems to deliver aid is increasing, but remains well short of internationally agreed target. This reflects the complexity of transitioning from its historic model of discreet project modality, the lack of an agency strategy to reform this model, and the generally poor track record in accounting for government expenditure of many countries to which Australia provides aid.

Ensure that capacity building and technical assistance supports sustainable development

88. Several independent reports found that greater alignment of technical assistance is necessary in PNG. Personnel should be better embedded in GoPNG structures, with primary accountabilities and reporting to their GoPNG managers. Reflecting the Paris Declaration and the Accra Agenda, AusAID has learned in PNG and elsewhere that capacity building and technical assistance are more effective when it supports the implementation of national plans and priorities. The emphasis should link immediate system strengthening requirements with longer-term sustainability of the system. For improved efficiency, international good practice indicates that DPs should harmonise TA inputs, with external support managed, implemented and monitored via GoPNG systems. Capacity building plans need to have a clear purpose and focus, and clearly identified roles for women.

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Strengthen partnerships at a sub-national level

89. Culturally, linguistically and geographically, PNG is a complex country. Administratively, much decision-making and service delivery is decentralised to the sub-national level. For each of these reasons, development assistance needs to be contextualised to sub-national circumstances, and must respond to decentralised governance. In education and other sectors, a key lesson learned is the need to work more proactively with sub-national administrations, and to specifically target capacity building activities to sub-national roles and responsibilities. There is also a need to work with and through the GoPNG bodies established to coordinate the decentralised service delivery, including the Department of Provincial and Local Government Affairs (DPLGA), the Provincial and Local Level Services Monitoring Authority (PLLSMA) and the Provincial Coordination and Monitoring Committees (PCMCs). Further lessons can be drawn from the Strongim Pipol Strongim Nesen (SPSN) and AusAID’s Sub-national Strategy, for application to the education sector.

Make an operational shift towards programme-based and sector-wide approaches

90. Recent evaluations and the aid effectiveness agenda argue for Australia’s development partnerships to move away from stand-alone projects as much as possible, to focus more squarely on country leadership and mutual responsibility through support to education sector plans and increased harmonisation of development cooperation. AusAID has been a lead player in policy dialogue with GoPNG, sector stakeholders and DPs on the need to put into practice the aid effectiveness agenda. The delivery strategy – informed by the NEP, UBE and Education Sector Improvement Program – now provides the opportunity to move from policy dialogue to demonstrable practice in support of GoPNG ownership of education sector priorities, alignment to the greatest extent possible with GoPNG strategies and operational systems, and harmonisation of programming with other DPs. A related lesson learned is the need to move away from input/output planning, to focus more specifically on management for development results and mutual accountability. This shift will require in-house training, and transparent dialogue with key counterparts. P4D and the AusAID Operational Policy and Management Framework are key enablers to more effectively implement new approaches in development cooperation.

For development partnerships to be effective in PNG, it requires a deep understanding of the political, economic and social context.

91. Ongoing, frank and frequent dialogue with GoPNG counterparts (national and sub-national), civil society, NGOs and other DPs is essential in tailoring programs to immediate and longer term development priorities. Identified priorities are gender mainstreaming, culturally-sensitive mainstreaming of materials and strategies related to HIV/AIDS and STIs, and the need for approaches responsive to logistical challenges at a local level. To achieve this, there is a need for a closer relationship and better coordination with the Australian Department of Foreign Affairs and Trade (DFAT) as well as with other AusAID programs which have access to various GoPNG agencies and can provide invaluable insights into the political, social and economic context of the country. These programs include the Strongim Gavman Program, the Advisory Support Facility (and the upcoming Economic and Public Sector Program which replaces it), the Strongim Pipol Strongim Nesen Program and the Sub-National Strategy Program. There is also a need to form a closer relationship with the Department of National Planning and Monitoring and other relevant GoPNG bodies. In doing this, it will be crucial to use the skills, knowledge and networks of AusAID’s national staff.

Greater attention should be given to demand-side approaches.

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7 For example, a review of the PNG health sector-wide approach determined that the approach was overly centralised, had limited government collaboration, and did not take sufficient account of the sub-national level. See PNG Independent Monitoring Review Group for Health (2007) ‘Review of Sector-wide Approach and Technical Assistance’.
10 For a useful overview, see AusAID ODE (2009) ‘Service Delivery for the Poor: Lessons from Recent Evaluations of Australian Aid’.
12 A recent evaluation identified good gender mainstreaming practice in the PNG Law and Justice sector, with useful applications for other sectors. See Ferguson, S. (2008) ‘It’s just good practice: Gender equality in the PNG program’.
14 See two AusAID ODE (2009) publications, ‘Service Delivery for the Poor’ and ‘Improving the Provision of Basic Education Services for the Poor’, for further discussion of demand-side considerations.
92. With poor rates of right age enrolment and primary school retention, it is critical to gain a deeper understanding of why children, especially girls and children from poor households, do not enter or stay in school. Removing access barriers – such as establishing and improving school infrastructure, and providing school grants to support the removal of school fees – are features of the delivery strategy. Improved data collection and analysis will allow for a more differentiated understanding of school age demographics across PNG: this will require further support for a robust, user-friendly and responsive EMIS. Government-led dialogue at the sub-national and village levels would allow for a practical understanding of demand-side barriers, community perceptions about education, and supply-side constraints.

Relate public financing to progress on education outcomes

93. In recent years, education’s share of total public expenditure has increased. However, education expenditures as a proportion of GDP have been falling, partly due to declining national revenues. GoPNG’s Vision 2050 puts a high priority on human resource development, which must necessarily rely upon strong basic education outcomes. In partnership with GoPNG, AusAID and other DPs will need to continue support for whole of government planning and budgeting, with the achievement of better educational outcomes – linked to human resource development objectives – as a core performance outcome. At all levels, this will require further support for: accountable and transparent public financial management; sustainable budget planning; education system strengthening; and a clear and easily understood set of outcomes for improved literacy, numeracy and critical thinking skills.

Mainstream gender in all education interventions

94. At all levels, it is critical to support gender mainstreaming, such that women and girls are empowered to play active roles in education and community development. A gender stocktake across AusAID funded programs in PNG found that gender equality had improved in education through the BEDP community based initiatives and also in the law and justice sector due to the good quality policy dialogue by top level managers; resourcing by government and donors once priorities agreed by sector partners; and the recruitment of properly skilled people (both government and advisory support). The law and justice sector provides an appropriate gender model for use in other sector wide approaches in PNG.

The challenges identified in the preceding chapters the lessons learned underpin the principles for Australia’s support and inform the aid outcomes and priority areas for support described below.

3 Delivery strategy for Australian Support

3.1 Partnership for Development: Shared Development Outcomes

95. The 2008 Partnership for Development (P4D) established a shared vision for Australia and PNG to improve development outcomes and the quality of life of all Papua New Guineans. The Partnership demonstrates renewed commitment of Australia and PNG to support the MDG 2, as a core focus of Australia’s aid program. It recognises gender equality as an integral element to all aspects of the Partnership, with the needs of Papua New Guinean men and women to be addressed in ways that are equitable, ongoing and transparent. The P4D is the centre-piece of the relationship between the GoPNG and AusAID and commits the two governments to work in a more aligned way, with GoPNG taking the lead in improving those systems that contribute to improved service delivery outcomes.

96. Under the P4D, Australia and PNG have agreed to pursue, as a priority outcome, “significant, measurable progress towards the achievement of Universal Basic Education by 2015”. The jointly developed Schedule for Basic Education (at Annex 4) expands on commitments made under the P4D to meet specific targets in basic education. The Schedule commits Australia and PNG to support the DoE implement the NEP, the UBE Plan, with emphasis on delivery of equitable services at the school level, including support for: safe and functional school buildings; grants to schools; for teacher training, textbooks and curriculum materials; and support for education administration at national and sub-national levels. In addition, Australia will support development of strategies for “promoting the attendance and retention of girls at school, and the participation of women in management and teaching”16; and the DoE in developing its annual operational plans and budgets.

16 P4D Schedule 2
97. Policy and resource dialogue around P4D Schedule indicators and targets includes the joint allocation and prioritisation of agreed Australian aid resources that align with DOE priorities and UBE plans. High-level dialogue, leading to the jointly agreed schedules and implementation arrangements, will enable the P4D to be progressively refined and directly support increased access to (and quality of) basic education. The Education Schedule will be reviewed in 2010. This review will include a proposal to amend the schedule in line with the approved UBE Plan. The major amendments will focus on updating the indicators and targets. Following the agreement between DoE and the development partners to carry out a joint review, the costing framework will be revised.

98. Australia and GoPNG have agreed to progressively use GoPNG systems and processes, with the advantage of removing parallel management and monitoring systems and provide opportunities for AusAID to propose ideas, education strategies or approaches that can further support basic education in PNG.

99. Table 8 below show the five development outcomes, based on the UBE priorities, that have been agreed between the GoA and GoPNG in the P4D (Priority Outcome 2) and the Schedule for Basic Education. The five development outcomes revolve around Australia making a direct contribution towards the work of GoPNG and other service delivery agencies, in support of the MDG 2.

**Table 8. UBE Priorities, Areas for Improvement and P4D Outcomes**

<table>
<thead>
<tr>
<th>UBE Priorities</th>
<th>UBE Identifies areas for improvement</th>
<th>P4D shared development outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>o Infrastructure improvement (classrooms, housing)</td>
<td>o Increasing the net enrolment rate at primary and elementary level;</td>
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<tr>
<td></td>
<td>o Over-age students</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o School grants</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Abolish school fees</td>
<td></td>
</tr>
<tr>
<td>Retention</td>
<td>o Abolish school fees</td>
<td>o Achieving a maximum class size at elementary and primary schools of 45;</td>
</tr>
<tr>
<td></td>
<td>o Advocacy and awareness</td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td>o Pre-service and in-service teacher training</td>
<td>o Improving the performance by students completing grade eight</td>
</tr>
<tr>
<td></td>
<td>o Education materials</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Library development</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>o Advocacy and awareness</td>
<td>o Improving the percentage of primary and elementary school pupils who are female towards the target of gender equality;</td>
</tr>
<tr>
<td></td>
<td>o Water and sanitation</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>o Maintenance of primary and elementary schools</td>
<td>o Improving the management capacity at all levels of the education system.</td>
</tr>
<tr>
<td></td>
<td>o Meet the minimum hours of teaching hours (contact time)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Class size</td>
<td></td>
</tr>
</tbody>
</table>

100. The P4D commits Australia to targeting a minimum of 65% of its funding for the education sector to support progress towards achieving UBE, with an emphasis on the delivery of equitable services at school level. The core indicators to be jointly used for measuring progress of the P4D targets will be those as included in the approved UBE Plan. The Schedule for Basic Education outlines the contribution that Australia will make and includes (mainly) quantifiable targets, which provide a framework for both AusAID and DOE to jointly initiate and monitor GoPNG and Australian support for basic education. The P4D will be amended in line with the approved UBE Plan.

This delivery strategy explains how Australia will contribute to the P4D shared develop outcomes.
3.2 Australia's Aid Outcomes

101. Under the framework of the P4D, Australian support will respond to the critical challenges and priorities facing basic education, helping to accelerate achievement of PNG’s goals set out in the National Education Plan with specific support to the Universal Basic Education Plan. This will require a mix of support in the areas of access, retention, quality, equity and sector management. While progress has been made in recent years, there is a need to better understand why children from poor families do not attend or drop out from school (equity) and to increasingly focus on improving learning outcomes (quality) alongside improved access. Australian support will aim to strengthen responses set out in the UBE Plan that address demand as well as supply side factors and where necessary policy and institutional reforms.

102. Improved capacity of DoE, PDoE, LLGs and schools in education management including, financial management, audit, the procurement of goods and services, budgeting, planning and information systems and school management through provision of financial and technical assistance.

103. In order to meet national objectives for basic education, and the sector more broadly, increased and sustained national spending will be critical. This next phase of Australian support and associated policy dialogue will aim to facilitate improved use of government’s own resources and where necessary advocate for increased GoPNG funding.

104. Within the framework of the P4D, both AusAID and the GoPNG will agree on AusAID’s specific and measurable aid outcomes which will contribute to the agreed development outcomes. More precise details associated with indicative targets for the first two years of the support, approaches, methods and resources required to achieve the aid outcomes will be included in the Implementation Arrangements / Scope of Services.

3.3 Theory of Change

105. Table 9 below summarise the challenges to meet the UBE targets and the P4D outcomes. Figure 5 below summarises how Australia will support PNG to deal with these challenges by clearly outlining Australia’s aid outcomes and what is required to meet them (areas of support); and consequently, deliver its commitment to the P4D shared development outcomes.

3.3.1 The Challenges

106. Major challenges to access, retention, quality and equity; and management of education and the ways to deal with the challenges has been articulated in various documents (UBE, NEP, P4D Schedule 2, Vision 2050 etc). Table 9 below summarises the relationship between challenges and UBE and P4D objectives.

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Access</th>
<th>Retention</th>
<th>Quality</th>
<th>Equity</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure and materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of schools at accessible distances</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not enough classrooms</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor maintenance of classrooms</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor non-class infrastructure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of learning &amp; teaching materials</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>School fees - Parents can’t afford school fees</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Teachers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient instruction/contact time</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not enough qualified teachers</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Inadequately qualified teachers</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Poor teacher attitude/commitment</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Challenges Access Retention Quality Equity Management

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Access</th>
<th>Retention</th>
<th>Quality</th>
<th>Equity</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low morale of teachers</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Behaviour/attitude</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parents/ community don’t value education</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negative student attitude/behaviour</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Low consideration for girls education</td>
<td></td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Competing with economic activities especially For girls</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Inadequate consideration for HIV/AIDS issues</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Inadequate consideration for disability special needs</td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor understanding of capacity of the national education system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Poor financial management at the school</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Low technical and professional capacity of the provinces and districts to plan, inspect/ monitor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Poor planning, budgeting, implementing, monitoring and reporting at all levers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Poor coherence/ coordination between stakeholders/ key actors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

### 3.3.2 Inputs and Aid Outputs that Lead to the Shared Development Outcomes

Figure 4 provides a Theory of Change matrix that summarises how Australian support will help PNG meet the education challenges, i.e., what it will contribute (input) and produce (outputs) in order to deliver aid outcomes and fulfil its P4D commitment. Annex 2, Performance Assessment Framework for the Education Delivery Strategy details how the Australian aid outcomes will be measured and by who.

**Figure 4: Australian Objectives, outputs, inputs and modalities against Australia Aid Objectives and P4D development outcomes**

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Outputs</th>
<th>Australian Aid Outcome</th>
<th>Shared Development Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision of grants Direct Financing Support (DFS)</td>
<td>Education subsidies reaching and contributing to schools. 1140 elementary &amp; primary classrooms constructed, resourced and adequately used.</td>
<td>a. Increased enrolment of girls and boys in schools. Achievement of a net enrolment rate of 74% for girls and boys by 2015. Achieve a completion rate of 50% by 2015.</td>
<td>Access and retention - Completion Rate; &amp; Pupil: Class ratio (maximum class size of 45)</td>
</tr>
<tr>
<td>Construction of educational facilities Specialised Services Provision (SPP)</td>
<td>Non-class infrastructure e.g., water and sanitation in priority schools.</td>
<td>2.1 Increased retention of girls and boys in schools. 2.2 Improved student learning environment</td>
<td></td>
</tr>
</tbody>
</table>

**Preconditions/ Assumptions**

GoPNG meets its commitment to increase resources for Education towards UBE/P4D, including for the recruitment of additional teachers and subsidies for school fees.

Improved quality and availability of classrooms and non-classroom facilities increases enrolment and retention.
<table>
<thead>
<tr>
<th>Inputs</th>
<th>Outputs</th>
<th>Australian Aid Outcome</th>
<th>Shared Development Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents and communities support their children and schools. LLG, Districts and Provinces play their role in contributing to and maintaining school facilities including water and sanitation.</td>
<td>Teachers college facilities</td>
<td>3.1 Increase in numbers of qualified of teachers</td>
<td>Quality Improved performance by students</td>
</tr>
<tr>
<td>Teachers colleges’ infrastructure</td>
<td>Other support to pre and in-service training (TBA)</td>
<td>3.2 Increased access to education materials by students and teachers.</td>
<td>Additional teachers with defined levels of qualifications (Pupil: Teacher Ratio)</td>
</tr>
<tr>
<td>Construction of teacher’s housing &amp; facilities (SPF)</td>
<td>Education materials needed to fulfil curriculum requirements.</td>
<td>3.3 Improved teaching staff environment for teachers</td>
<td></td>
</tr>
<tr>
<td>Provision of educational materials (SPF)</td>
<td>Staff housing</td>
<td>3.4 Improved reporting on standards for learning outcomes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in standards visits by Standards Officers</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Curriculum standards monitoring tool</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preconditions/ Assumptions</td>
<td>GoPNG meets its commitment to increase resources for Education towards UBE/P4D, including for infrastructure improvements, teacher training, and other educational responsibilities. Improvements in teaching staff housing will increase commitment and improve teaching outcomes. Parents and communities will support their children and schools. LLGs and Districts will have the capacity to play a more active role in the provision of infrastructure. Provincial and District Education Officers have the capacity, willingness and ability to coordinate with and support the PMTs and DMTs.</td>
<td>Targeted inputs – infrastructure, grants, special education and awareness materials, advise and care targeted at girls, pupils affected by disability and HIV/AIDS</td>
<td>Relevant Modalities DFS; CDF</td>
</tr>
<tr>
<td></td>
<td>Target interventions to increase educational outcomes for girls, pupils affected by HIV/AIDS and pupils with disability are identified.</td>
<td>5.1 Increased access and retention of female students towards the target of gender equality.</td>
<td>Equity The % of primary and elementary school pupils who are female increased towards the target of gender equality</td>
</tr>
<tr>
<td></td>
<td>A study and report on demands for and required interventions for girls, children with special education needs, and those affected by HIV/AIDS available and in use by DoE, provincial and district education offices, and other education providers</td>
<td>5.2 Greater awareness of special needs and interventions targeted to improve education outcomes for children requiring special education needs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Products and services targeted to students with special needs (to be determined after needs analysis)</td>
<td>5.3 Increased support for access and retention of students with special education needs by 2015 Special needs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5.4 Increased participation of students affected by HIV/AIDS (including orphans)</td>
<td></td>
</tr>
<tr>
<td>Preconditions/ Assumptions</td>
<td>GoPNG is committed to and commits resources to improve the learning outcomes of girls, and pupils with disability and those affected by HIV/AIDS.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Inputs | Outputs | Australian Aid Outcome | Shared Development Outcomes
--- | --- | --- | ---
Parents and the community are aware of and support the education of girls, and pupils with disability and those affected by HIV/AIDS. Provincial, districts and LLG have targeted program of support to girls, and pupils with disability and those affected by HIV/AIDS.

**Education management and capacity development**

CDF

- Reviewed of the capacity of the national education system.
- Annual reporting on performance against baseline on priority demands
- Financial management, audit and procurement, budget systems in place.
- Useful education planning/ plans, education management information system, ICT.
- Monitoring, supervision and reporting/ performance management system in use.
- Gender, HIV/AIDS and disabilities programs, teaching and learning resources.
- TA under the management of and reporting to NDoE, PDOE as appropriate.
- Pooled technical assistance based on needs.
- School communities facilitated to support their schools

4.5 GoPNG and DPs have a clear understanding of the capacity of the education system in PNG and are responding to critical challenges and priorities in education by end of 2011.

4.6 Improved capacity of NDoE, PDoE, LLGs and schools in education management, including financial management, audit, procurement of goods and services, budgeting, planning and M&E and reporting.

Increased enrolment and retentions of girls and boys, and quality in and equity of education outcomes.

**Management**

Improved management capacity at all levels of the education system (public expenditure; TA expenditure)

**Preconditions/ Assumptions**

GoPNG is committed to and commits resources to improve the management of the educational system at all levels.

DoE leadership and commitment to strengthened management capacity.

Technical assistance is able to build the capacity of Government at all administrative levels.
4 Strategy Implementation

4.1 Areas of Support

108. Table 8 above summarise challenges and constraints identified by the UBE towards reaching the EFA targets and MDG 2. From Theory of Change, six areas of support – subsidies, infrastructure, educational materials, teacher training, monitoring, supervision and reporting to improve standards, and education management systems improvements; have been identified and are summarised below. If these interventions are delivered efficiently, and the pre-conditions met, then Australia will achieve its aid outcomes and contribute to the shared development outcomes.

I. **Teacher Education** - funding will be provided to both pre-service and in-service teacher training programs. This will be both for colleges and the cluster system for the in-service training throughout the country.

II. **Educational Materials** - textbooks will be provided to elementary and primary schools. In addition, materials may be provided to secondary and teacher colleges. The support will include supplementary materials in life skills and HIV/AIDS. This will improve learning achievement for pupils.

III. **Infrastructure** – provided through the provision of classrooms, teacher houses and other structures in line with the UBE Plan. Other infrastructure support may include facilities for teacher colleges.

IV. **Standards and school learning improvement programs** - capacity development activities and financial support will be provided at the school level in support of the SLIPs. This may involve training for school managers and community leaders. Support will also be provided to standards officers and in measuring learning achievement.

V. **Education Grants** - provided for the School Operations Grant and the use of the funding will be limited to: a) maintenance and upkeep of school infrastructure; b) school basic supplies; c) educational materials; and, d) boarding school rations (if applicable). Subsidies are designed to reduce the significant financial burden on PNG families and communities and better enable them to send children to school.

VI. **Education Management Systems** – financial and technical assistance will be provided to improve the management capacity at the national and provincial administration for education in the following sub-areas (but not be limited to): Public Financial Management, Procurement and Audit; Policy and Planning; Education Management Information Systems and IT; and Equity (gender, HIV/AIDS, inclusive education)

109. This delivery strategy emphasises interventions that increase equity, especially for girls, and children affected by HIV/AIDS and disability. Off-setting the direct cost of education to the parents will further promote equitable education. It recognises the role of increased demand for interventions by supporting parents / guardians, and school communities.

110. The delivery strategy is flexible enough to allow scaling-up to accommodate funding to the secondary sub-sector.

4.2 Implementation Principles

111. The following core principles underpin the design and implementation of Australia’s support:

I. **Partnership approach**: ensure leadership and ownership of GoPNG is respected and strengthened in delivering education services. The approach will aim to bring about the effective use of all resources available within a common policy and resource framework. Australia’s contribution will be treated as one element of the overall resource envelope available. It will complement and strategically align with GoPNG resource allocations made through development, recurrent and/or supplementary national, provincial and local level budgets.

II. **Jointly shared development outcomes and specific aid outcomes**: Australian aid will directly support reform in the education sector by committing to common outcomes, and strengthening collection, analysis and use of performance information within the education sector, by improving and using GoPNG reporting systems. A jointly approved performance assessment framework will be the basis for monitoring impact and will include open, transparent sharing of information on interventions.
III. **Government systems**: this delivery strategy creates opportunities for increased use of GoPNG systems and procedures. Implementation will be consistent with GoPNG roles and responsibilities and occur through local systems, support to improved prioritisation, operational coordination and pace of service delivery. Allocation of Australian assistance will be integrated into the GoPNG annual planning and budget cycle at national, provincial, local and school levels.

IV. **Promote equity and gender equality**: incorporating strategies that address disparity between boys’ and girls’ enrolment and retention in schools, the inequitable participation of women and men in school management, differing impact of policies affecting male and female teachers and their families, and changing management practices and culture within education administration. Particular attention will be given to supporting children with disabilities and those affected by HIV/AIDS. In addition, the screening and safeguarding of child rights and protection will be proactively pursued.

V. **Sustainability**: supporting local level sustainability through increased community ownership and responsibility for schools and infrastructure, as well as moving within the absorptive capacity of GoPNG and other partners for organisational and policy reform. Australia will work towards jointly enhancing capacity development in public service reform and strengthening systems in basic education service delivery.

4.3 **Mix of Modalities**

4.3.1 **Rational for Modalities**

112. Based on the analysis of the current status of the sector program, and to optimise development effectiveness over the short and longer term, Australian support will use a mix of three separate modalities:

i) **Direct Financial Support (DFS)** will deliver school grants and other initiatives, including support to provincial administrations through a financing agreement between the two governments. Other development partners may join in the financing agreement.

ii) The **Specialised Services Provision (SSP)** will deliver school Infrastructure and educational materials.

iii) The **Capacity Development Facility (CDF)** will provide targeted technical assistance administered by a contractor.

113. The modalities are consistent with the lessons learned and best practice from previous AusAID interventions. They incorporate the potential to increasingly use partner systems for the planning, management, monitoring and reporting of donor funds.

114. Lessons from past Australian support to education, indicates that direct provision of services through project support has a poor track record in managing sustainability risks, demonstrated for example through lack of national funding for some key recurrent costs (e.g teaching / learning materials). This is in line with broader international experience. Australian support will therefore optimise use of national systems, including when using parallel funding mechanisms.

115. The selection of the three modalities offers a strong basis to provide financial and technical support to GoPNG. The use solely of stand-alone projects has not supported building sustainability nor has it addressed the demand-side interventions. Furthermore, the use of technical assistance based on the counterpart model that is donor or even contractor-driven has largely failed to develop capacity. Finally, while GoPNG has had limited success in developing its own PFM and other systems, there is still considerable risk attached to providing budget support through the Treasury.

116. The three modalities will provide a balanced method to provide Australian assistance that will mitigate fiduciary risk and at the same time develop the institutional capacity of the government agencies to provide education in PNG. The use solely of stand-alone projects has not supported building sustainability nor has it addressed the demand-side interventions. Furthermore, the use of technical assistance based on the counterpart model that is donor or even contractor-driven has largely failed to develop capacity. Finally, while GoPNG has had limited success in developing its own PFM and other systems, there is still considerable risk attached to providing budget support through the Treasury.

117. While government PFM systems are being assessed and reforms rolled out may enable enhanced use of these systems to channel direct financial support, service delivery support will need to continue; for example
enabling expanded provision of school facilities and teaching/learning materials, particularly for under-served areas. This will be particularly important as GoPNG phases out school fees and stimulates demand for schooling by reducing cost barriers.

118. Opportunities to use national systems for funding strategic priorities set out in the UBE plan have been assessed. Direct financial support will be disbursed directly to schools through DoE financial management and reporting systems. This will support the objective of increasing access to and quality of basic education; reducing the cost barrier to education while supporting the improved management of schools and provision of learning materials. School grant funding has been assessed as one of the strongest areas of public financial management and by using this national system AusAID support will contribute to a critical development objective while strengthening the use of the system through TA and dialogue, focusing on system strengthening objectives.

119. As part of the transition to increase alignment and support for the sector program and national systems, a mechanism will be put in place to adjust the balance of funds across the three modalities, based on agreed triggers and annual monitoring systems. Prior actions will be agreed under a Joint Financing Agreement, monitored through the annual review process, which will determine whether increased funding can be channelled through direct support. While moving to increasing use of GoPNG systems is a priority for this period of transition, it is not alignment itself that will deliver results, but alignment behind effective strategies under the UBE Plan. Policy dialogue will therefore play an important role and must focus on the planning, monitoring and review of such strategies, along with any triggers for support that enhance a focus on policy actions and institutional reforms that will accelerate progress towards development outcomes.

120. AusAID recognises the need to work within the framework of the decentralised sector management. AusAID will seek to ensure that risk is managed by:

a) raising the resourcing needs for provincial education functions in dialogue with DoE around annual planning of unallocated direct financial support;

b) seeking to ensure DoE establishes as much transparency as possible around the amount and purpose of any resources that are channelled through parallel financing, and promoting incorporation of that information into provincial planning and budgeting processes; and

c) liaising with program managers in the sub-national and economic and public sector governance areas to ensure a common approach to intergovernmental issues that affect the education sector.

121. The three modalities provide entry points to the policy and operational dialogue. As an example, increasing the school grant scheme and concurrently reducing student fees (Modality 1) can increase access and retention to quality basic education. This will be reflected in an increased demand for school places, requiring more effective school management, improved quality and support measures, as well as increased teacher capacity.

122. Improving access to basic education will also have a direct effect on the number of classrooms required, as well as other school-based facilities and the number of textbooks (Modality 2). This will also create a demand for expansion of the teacher education facilities to produce more and better qualified teachers.

123. The expansion of the education system and the need for improved service delivery at all administrative levels of the country will put new demands on the institutional capacity of the implementing agencies (Modality 3). Government systems and procedures will need to be strengthened in key areas like financial management, audit, procurement, planning and information systems. Capacity development activities will need to form part of the strategy to provide equitable education to a greater number of children.

124. The support provided and modalities used will benefit the various administrative levels of the national education system. The Direct Financial Support will be provided to schools (government and church) in the form of school subsidies. Funding will also be provided to provinces to support their provincial education plans and the national department will receive direct funding for its priorities in accordance with the annual operational and financial plan. Finally, church education agencies may be provided direct support for their management functions and monitoring of standards their schools.

125. The provision of technical assistance and capacity development activities will be largely demand-driven and provided at the national and provincial levels. Infrastructure support will be provided to schools in the form of classrooms and other school infrastructure. In addition, infrastructure could be provided to teacher colleges.
Educational materials will also be provided to schools and colleges in line with the priorities defined at the national and provincial levels.

126. Australia and PNG have jointly committed to work towards putting aid through partner systems through the PNG Commitment to Aid Effectiveness, the Cairns Compact and the Partnerships for Development. In order to do this, the two governments need to jointly develop approaches and modalities that capitalise on the potential for working through partner systems to contribute to their strengthening, while accommodating Australian concerns about fiduciary risk. The vision is that strengthened government public financial management and accountability systems will result from government-led initiatives that are supported by development partners. Dialogue – based on analysis of system strengths and weaknesses, ongoing monitoring of system improvement, and exploitation of reform opportunities – will play the key role in this engagement.

127. AusAID and GoPNG are committed to engaging on specific topics and the appropriate aid modalities to achieve systemic improvements. This is in line with AusAID’s policy briefs on the use of government systems. The findings from the various assessments and studies clearly show that the fiduciary risk associated with selective use of PFM systems is greatly outweighed by the development benefits. The case in point is the provision of school subsidies using the national systems for direct facility funding. This facility offers the best opportunity to integrate aid into partner systems immediately. Delivery of funds straight to facilities offers development benefits that are high and that are likely to outweigh the fiduciary risks.

128. Low fiduciary risk with direct facility funding is derived from four key areas: i) reduced leakage opportunities and easy auditing; ii) low risk of large scale misuse of funds due to the small size of the subsidy provided to each school; iii) functional local level accountabilities between communities and facilities; and iv) local level pressures to make spending of every Kina count. Additional safeguards can be secured through agreements with government that are captured in any financing agreement.

129. Australia also has good examples of the use of imprest accounts that mirror the PFM systems in the education sector. This is particularly true at the national level where imprest accounts have been successfully used in the provision of funding for key education areas such as teacher education, standards and capacity development activities to strengthen the management of education.

130. While there are strong arguments to move aggressively to the use of government systems, with the requisite safeguards, there are still areas where the fiduciary risk is too great at present. This is due to low capacity in key areas such as large scale procurement and the administration of human resources. In terms of Australian support to education, the following areas of support would demand greater control mechanisms and the use of external service providers or contractors: school infrastructure, educational materials and provision of technical assistance personnel.

4.3.2 Detailed Modality Description

Aid Modality 1: Direct Financial Support (DFS): providing funds that are disbursed direct to basic education providers through the DoE financial management and reporting systems and imprest accounts.

131. The modality will focus on Australian financial support at the national, provincial and school levels. Australia will provide funding to the DoE for School Grants. Provinces will have direct role in assisting with the monitoring of school grants in line with their core functions. In addition, direct funding will be provided to the DoE through an imprest account mechanism to provide key services in teacher education, standards and education management.

132. Australia may provide direct funding to Provincial Governments or Church Education Agencies in order to increase the capacity of the basic education system to improve the management and monitoring functions. Direct financial support to the provinces could be allocated through the equalisation system or through supplementing function grants. In each case a separate assessment will be required of financial management and procurement capacities, with agreements based on the national JFA considered.

133. In 2011, a Joint Financing Agreement will be entered into that enables grant funds to be allocated, and managed through, DoE systems. The JFA will be modelled on the Joint Nordic Plus Practical Guide to Joint Financing Arrangements and will provide a framework for coordinating donor support and cooperation with GoPNG. The JFA will meet Australian fiduciary requirements, applied to all funding managed by the relevant agency. Safeguard measures will include TA to support and strengthen critical areas of financial management, procurement and audit, which will include specific ‘sign-off’ responsibilities. The JFA will take into account the outcomes of the
Financial Management and Procurement assessments and international best practice on using government systems. The JFA will also deal with issues concerning more credible, predictable and transparent budget allocations and more effective follow up on ex-poste review findings.

134. The potential to introduce and progressively expand this modality is dependent on Australia being satisfied that related GoPNG and other systems are capable of efficiently and effectively managing Australian funds in a transparent, effective manner. This will require an agreement between both Governments that sets out the financing arrangements within an agreed set of fiduciary safeguards. This will ensure that those funds integrated into relevant PNG Government systems are accountable and secure, with appropriate and vigilant risk management procedures. TA to support the development and operation of these GoPNG financial systems will be made available.

Aid Modality 2: Specialised Services Provision (SSP): providing support to design, contracting and construction of facilities (school infrastructure, teacher colleges) as well as procurement and distribution of teaching and learning resources to schools and other institutions.

135. An SSP procurement specialist will support delivery of Australian assistance to the education sector where the GoPNG lacks capacity to manage or deliver new infrastructure or the supply and distribution of educational materials. The contractor will manage building classrooms, teacher housing, and the procurement and distribution of textbooks. The support will include providing basic services to the new classrooms and housing (i.e. water and sanitation) with construction methods (kits; community based construction; local builders) to suit local skills and expertise. The SSP will build on the lessons learned from BEDP.

136. Environmental considerations will be incorporated into planning, design, construction and maintenance of facilities, to ensure that the impact on the local environment is minimised. This will be especially important in relation to building construction, the provision of toilets and other basic services; and the disposal of materials and equipment that have potential to harm the environment (including printers, computers, batteries and other consumables).

137. The annual operational and financial plans of the DoE and the provinces and may include infrastructure and educational material support to schools, church education agencies and other providers. The SSP will work under the joint supervision of AusAID and GoPNG and subcontract the procurement and delivery of goods and services. Care will be taken to address the physical and educational needs of male and female students with disabilities, including in the design of classrooms and improving access to basic services.

138. School facilities, textbooks and other materials will link into GoPNG and Church systems for identifying demand and targeting priority locations, as well as subsequent maintenance and asset management. The SSP will be required to support and strengthen GoPNG government and Church delivery systems as part of its services.

139. The SSP will coordinate the initial phase for the planning, contracting, construction and renovation of schools, library facilities, teacher training institutions and administrative facilities. In addition, the CDF will manage the supply and delivery of textbooks, library and educational materials direct to schools. The CDF will be required to ensure that the overarching GoPNG policies are operationalised and priorities followed, and that there is a planned program of transferring funding, activities and responsibilities to the relevant DoE staff and systems.

140. The SSP will be designed flexibly and to allow for the provision of infrastructure and procurement services to other education sub-sectors if required, including secondary schools, higher education and TVET.

Aid Modality 3: Capacity Development Facility (CDF): providing TA and other capacity building support, as prioritised by DoE and provincial administrations at the national and provincial levels.

141. CDF will focus on the provision of technical assistance, including long- and short-term personnel and other capacity development activities, to the national and provincial levels of the education system. With the expansion of basic and secondary education, improvements are needed to systems and the staff involved in the planning, management and delivery of PNG’s basic education. This will require the provision of TA in priority areas, including for capacity development through provision of training, exchange visits and conferences. The TA will primarily report to senior education managers in relation to consultant tasking and performance.

142. The TA includes specialist technical expertise and non-technical support and may be recruited locally or internationally. Long and short-term TA will be procured within established Technical Assistance Protocols under the Joint Commitment of Principles. The CDF facility will recruit, mobilise, and provide the logistical support for technical personnel, who may be deployed at national or sub-national levels. It will also support TA personnel with any
required briefings, training or technical / IT equipment. The TA personnel will report directly to GoPNG line managers.

143. The provision of TA will fall into one of two categories. The first is "Designated" TA, already identified by DoE and Australia as being critical to support the strengthening of Government systems and to promote agreed principles. The second category of "Pooled" TA will be available to meet needs and priorities identified by GoPNG. This second category provides flexibility in the provision of TA and promotes Government leadership in identifying its capacity building needs. The ToRs for the TA will be developed primarily by GoPNG.

144. In addition to long-term personnel, greater use will be made of less expensive, more sustainable modalities (e.g. research, volunteers, exchanges visits and conferences and institutional cooperation). Training will also be used as an instrument in capacity development and this will be linked to specific system or process improvements.

145. The core functions of the TA will be to:
   o Increase capacity of the DoE staff, policies, procedures and systems to: set clear TA and other service performance targets; collect performance data and use this information and data to drive DoE educational management, focusing on achievement of MDG 2 over the short, medium and long term;
   o Improve the quality of DoE budget, planning and systems, including alignment of financial resources allocated to basic education under recurrent, development and supplementary budgets. This includes coordination of national level budget processes and how best to achieve outcomes at the sub-national level;
   o Increase the effectiveness of the proposed DoE management of donor funded TA, advisory positions and in-line placements. A particular focus is required on longer term DoE workforce planning, as well as addressing the limited technical / management capacity at sub-national level;
   o Increase the capacity of PNG churches and other education agencies, so that they better engage with DoE (including at Provincial level) on priority areas, such as critical HR, teacher, payroll and budget and institutional capacity.

146. As with the CDF, this CDF will be designed to offer technical assistance services to the other education sub-sectors supported by AusAID. In the long-term this model could be adapted to include the funding of other development partners to provide better coordinated technical assistance to GoPNG.

**Linking the modalities**

147. The three Modalities are structured in response to the priorities defined in the UBE plan, including development outcomes and the aid outcomes. The split of functions between Modalities 2 and 3 represents a logical division of infrastructure (in support of new buildings and facilities; learning materials and skill upgrading teachers) and for capacity building of staff and systems. While the majority of TA will be directed through Modality 3, it is clear that TA personnel could be required for Modality 2 (i.e. strengthening procurement practice or systems). The contract duration for the CDF will be 3 years, with a potential 2 year extension, providing a consistency and support over a 5-year period. The CDF will be subject to an annual performance assessment which will include facility and specific TA performance in capacity building.

148. Using GoPNG systems presents opportunities to understand and address weaknesses and build on strengths. It is essential that the specific weaknesses are understood by both GoPNG and AusAID. Financing arrangements will be operationalised through an instrument, a legal agreement specifying how funds flow, the legal obligations of involved parties, and binding arrangements for managing the fiduciary risk. Annual assessments of GoPNG financial management capacity and procurement practices will assist in identifying success (or otherwise) of the funding mechanism. TA and other direct assistance can be provided to the DoE in support of the development and management of its systems.

149. Policy and operational dialogue and direct engagement between AusAID and GoPNG will provide the mechanism to ensure that the modalities are coherent and deliver the Australian financial and technical assistance in an effective and efficient way. Figure 4 illustrates the dialogue points that will support implementation of modalities.
4.4 Implementation Schedule

4.4.1 Implementation Arrangements

150. Clearly documented implementation arrangements will still be required for each of the modalities selected. At the activity level, design will focus largely on implementation arrangements – governance and management, disbursement, monitoring, reporting and partner performance requirements, risk management and procurement methods.

151. The detailed implementation arrangements will include a modality-specific ‘design’ which will sets out: a) management and governance roles and responsibilities; b) reporting requirements; c) contractual obligations; d) specific risks and risk management strategies. For modalities 2 and 3, a modality scope of service and basis of payments will also be developed. This will serve as the basis for contracting.

152. Within the JFA and modalities 2 and 3, there will be specific reference made to how the three modalities will link together, the entry points within the DoE and other partner systems, and how the potential for cooperation and communication between the modalities can be maximised.

4.4.2 Sequencing and Scaling of Financial Support

153. There are clear risks associated with channelling funds through GoPNG accounts, so it is anticipated that alternative mechanisms (i.e. contractors) will be used in the initial stages on Modality 2 and 3 until binding financial agreements are in place and the risks have been addressed. A significant part of the Australian funding for aid modalities 2 and 3 (Capacity Development Facility and Specialised Services Provision) will initially be managed through two facilities, with a lesser proportion channelled through the Government or other partner systems. Over the next 5 years it is anticipated the proportion of Australian funds channelled through Modality 1, and managed by, GoPNG and other partner systems will increase. The provision of capacity building support from TA will assist both GoPNG and other partners to prepare for taking greater responsibility in disbursement and reporting of Australian funds.

154. The overall forward expenditure levels for each major set of activities, as well as the proportion of funds to be allocated through partner systems, will be jointly agreed as part of annual review processes. Figure 5 below indicates target percentage funds by proposed modalities over 5 years based on the data provided for the 2010.

**Figure 5. AusAID Indicative Funding by Modality (%) in 2010 and 2015**

155. The increase in direct financial support would be jointly agreed by the two governments and would be based on a demonstrated capacity of GoPNG to take on the responsibility and to meet agreed indicators of performance, achievement of financial disbursement targets and quality of financial / activity reporting.
Dialogue between AusAID and GoPNG on the agreed financial performance indicators or “triggers” would enable the establishment of revised financial targets that can be managed through Partner systems. These targets and “triggers” will be outlined in the JFA and used to review the proportion of funds applied through Partner systems to be achieved at the middle and at the end of the 5-year program timeframe.

4.5 Resource Envelope

The resource envelope for the support is defined in the education schedule for the P4D. As mentioned earlier, the UBE Plan is fully costed but there is recognition that there are not adequate resources from GoPNG or the development partners to meet the gap. It has been agreed that a separate costings framework will be carried out in line with Development Strategic Plan 2010 – 2030 including a medium-term financial framework. The DoE will also be finalising a three year Medium-term Expenditure Framework in 2010. Australian funding will be aligned with these frameworks.

Indicative funding allocations have been agreed between the GoPNG and GoA in the Education Schedule, but these will depend on available resources and GoPNG commitment to education. It is envisaged that the level of funding will increase significantly over the next five years from 55 million in 2010-11 to 100 million by 2014-15. Table 10 provides indicative support (total and by modality) over five years.

Table 10. Indicative Australian Support to Basic Education by modality from 2010 – 2015

<table>
<thead>
<tr>
<th>Funding Modalities</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
<th>2014-15</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Financial Support</td>
<td>23,980</td>
<td>30,520</td>
<td>37,060</td>
<td>43,600</td>
<td>43,600</td>
<td>178,760</td>
</tr>
<tr>
<td>Specialised Services Provision</td>
<td>22,770</td>
<td>28,980</td>
<td>35,190</td>
<td>41,400</td>
<td>41,400</td>
<td>169,740</td>
</tr>
<tr>
<td>Capacity Development Facility</td>
<td>8,250</td>
<td>10,500</td>
<td>12,750</td>
<td>15,000</td>
<td>15,000</td>
<td>61,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55,000</strong></td>
<td><strong>70,000</strong></td>
<td><strong>85,000</strong></td>
<td><strong>100,000</strong></td>
<td><strong>100,000</strong></td>
<td><strong>410,000</strong></td>
</tr>
</tbody>
</table>

Annual operational and financial plans for the education sector, in line with the NEP and UBE Plan, are prepared by the DoE and include financial and technical assistance from Australia and other development partners. This forms the basis of the DoE’s budget submissions to Treasury and DNPM and Australian support to the education sector. The annual operational plan covers recurrent and development funding to the national education system. Figure 6. The annual operational plan covers recurrent and development funding to the national education system. Figure 6 below shows percentage allocation of Australian funds in 2010.

Allocations to the various areas could change as the funding levels increase in the subsequent years. The allocations will be negotiated annually based on successful implementation of the UBE plan and the priorities of the national education system. Additionally, the selection of aid modalities could affect the allocations.
4.6 Policy and Operational Dialogue

161. This transition towards a SWAp entails a fundamental change in the way AusAID relates to and engages with the DoE and other major partners. Australian support will focus on implementation of the NEB and UBE Plan towards agreed results captured in the joint Performance Assessment Framework (PAF). As such policy dialogue will take place at both strategic and more operational/technical levels; on the one hand focused on key policy actions and resource allocation decisions, while monitoring and supporting as appropriate the implementation of agreed strategies and plans. In recent years, AusAID staff at Post has been actively involved in the various ESIP forums for such joint work, and has started to strengthen its own staffing capacity for this engagement. This will be critical as developing trust and credibility in this dialogue will take time and optimal continuity of personnel.

162. Established forums, such as the ESIP Steering Committee and Technical Working Groups, will continue to play a central role in this process of dialogue involving a range of key stakeholders, led by GoPNG. Such forums may evolve over the coming years, but the SWAp is premised on such forums providing a common entry point. Indeed, it is anticipated that such forums will be strengthened to have a clear mandate for more focused analysis and review of policy and plans, monitoring progress and results, and making recommendations to management. No joint sector performance review has taken place, but it is anticipated a process and forum will be established in 2010 to be held on an annual basis. AusAID will focus efforts, with other partners, to strengthen such forums and use these increasingly for dialogue and management of joint/bilateral support programs.

163. AusAID will use joint dialogue forums, coordinating and harmonising with other development partners, to focus on progress towards the strategic aid outcomes set out above. The selection of the aid modalities will provide opportunities for strong dialogue and forward planning, with AusAID-funded resources (financial and human) aligned with agreed priorities and P4D targets. Through direct engagement on educational policy, forward planning and on joint resource allocation, AusAID will be in a position to advocate reform and change in support of UBE. Policy and planning dialogue will address the increasing use of GoPNG agency systems for the management, disbursement and monitoring of part of Australia’s aid funding. This includes whether GoPNG systems are working (and why they are not working), and reaching agreement about what needs to be done to improve them, including how aid can be better focused to support system improvement.

164. Policy dialogue will take place at different levels for strategic and operational objectives in the context of the institutional framework currently being reviewed by one of the Technical Working Groups. This will include important dialogue at the macro level, beyond the sector forums, which will relate to broader resource allocation / budget planning as well as governance reforms that will impact on service delivery, for example around decentralisation. At the sector level, the institutional framework will determine appropriate forums and participation for policy / strategy level dialogue as well as more operational / program level, including the role of international and national technical
assistance in this process. Figure 7 sets out the main levels at which the dialogue will take place and the focus of such engagement.

**Figure 7. Policy Dialogue between GoA and GoPNG reflected in the P4D and support for basic education**

The Partnership for Development
The Education schedule describes significant measurable progress towards the achievement of UBE targets by 2015, using:
- Mutually agreed targets
- Funding levels as defined
- Performance Framework

**Australia’s contribution to PNG Basic Education.**
Modality 1: Financial Support
Modality 2: Service Provision
Modality 3: Technical Assistance

**GoPNG Budget Allocation to Basic Education**
Through the Recurrent Budget
Through the Development Budget
Addressing the 5 DoE priorities as are defined in the UBE Plan, via improved:
- Access
- Efficiency
- Quality
- Equity
- Management

**Australian Contribution to PNG Basic Education**
Meeting AusAID’s Aid Objectives in the sector
Identifying and confirming indicators of Achievement and Impact in the PNG basic education sector

**Levels of AusAID / GoPNG / Partner Dialogue**

Increased levels of policy and planning dialogue and of professional exchange, at several hierarchical levels, are an essential element of the P4D, providing opportunities for free exchanges of ideas between senior officials. Increased dialogue also enables AusAID to provide specialist development expertise to their GoPNG colleagues and other partners, in ways that can add value to planning and implementation of basic education.

**Figure 8. Levels of Potential Dialogue in relation to P4D, Education Schedule and the Program**

<table>
<thead>
<tr>
<th>Level of Dialogue</th>
<th>Example</th>
<th>Potential areas of Engagement / Outcomes</th>
</tr>
</thead>
</table>
| High Level Intergovernmental | Joint Ministerial forums and visits | - Agreements on the P4D and the levels of GoPNG and Australian support / resources to the sector  
- Review of % shift in financial indicators for the education sector.  
- Review of progress and effectiveness in relation to achieving the MDGs and other agreed indicators  
- Agreement on the P4D Schedules and timing. |
| High Level AusAID - GoPNG | Minister Counsellor / AusAID Director and GoPNG Ministry Counterpart | - Discussions on broad basic education sector priorities and the implementation of P4D education schedules.  
- Allocation of AusAID resources across the agreed development sectors, including the volume and target of aid flows.  
- Inputs into long term strategies and where AusAID can add value and support to GoPNG and other partners.  
- Lead the High Level donor harmonisation process. |
| Senior AusAID – DOE | Program Director / First Secretary | - Supporting the development of PNG education systems and staff, including providing inputs into joint forward planning, the P4D resource allocation in basic education and the targets of support.  
- Support for developing HRD strategies and systems, including joint selection and monitoring of TA. |
4.7 Coherence with other AusAID programs in PNG

165. AusAID recognises the need to strengthen the coherence across and within its sector programs and especially between the service delivery sectors. In 2009 AusAID combined all the relevant education support under one sector. This has brought higher education, research, TVET, scholarships and basic education together. This will lead to stronger coordination across the program and promote administrative efficiencies.

166. There are various internal forums for discussion involving representatives from various AusAID sector programs which allow better exchange of information. The Education Team has taken an additional step in this area by recruiting the current HIV/AIDS Adviser to the DoE through the AusAID HIV/AIDS Program. A similar approach is being considered with regards to the Gender Adviser to the DoE and the AusAID Gender Program.

167. AusAID is also eager to increase the coherence of its assistance at sub-national levels. This is particularly relevant to education support as education responsibilities are highly decentralised. While the SNS Program does not specifically aim its assistance at the provincial education divisions, its support to the provincial administrations inevitably has an impact on those divisions. There is a need to ensure that any education support provided by AusAID to sub-national levels is coherent and supportive of the SNS strategy.

168. Recently, AusAID has commenced to analyse the inter-linkages between the SNS and sector work in the provinces, including considering to what extent sector programs should provide direct assistance to sub-national levels. An Interim Guidance Note on AusAID support for Decentralised Service Delivery was prepared in October 2009 providing initial guidance on the issues of dialogue and engagement, capacity development, public financial management and performance management at sub-national levels. While this work is ongoing and AusAID is yet to decide how to provide support at sub-national levels in the areas of service delivery, the Guidance Note has laid firm foundations for increased cooperation between the service delivery sectors and the SNS program.

169. The Education Program has taken this on board and is liaising closely with the SNS program, ensuring better information sharing and working towards common approaches within education. The idea is to provide service delivery assistance which reflects decentralised governance and focuses on systems strengthening and use. This includes ensuring that the assistance provided through the education program and through the SNS Program is complementary. For example, if the SNS Program is providing technical assistance on public financial management to a particular provincial administration, this will be taken into account by the education program, so as not to duplicate this assistance. There is also a need to ensure better coordination with the work of GoPNG bodies such as DPLGA, PLLSMA and PCMCs, which are responsible for coherence between the various levels of service delivery, including monitoring at sub-national levels.

170. Other AusAID funded programs complement the GoPNG education program by providing support for civil society and community engagement, improved public administration, as well as funding for initiatives in PNG Higher Education and through the Australian scholarships scheme. The AusAID scholarships program will increasingly focus on attracting a larger proportion of candidates from provincial PNG, as well as the better targeting of PNG’s Human Resources Development priorities.

4.8 Transition to a Sector Approach

171. The adoption of a sector wide approach (SWAp) to education has been an on-going process and progress has been made. DoE has taken a clear lead in this process and sees it as critical to ensuring improved sector management, especially the coordination and results focus of education funding. The SWAp has been set out as the Education Sector Improvement Programme (ESIP) and an ESIP Steering Committee (SC) was established as the key forum to guide the process and develop the sector program. The Steering Committee is chaired by the Education Secretary and has wide participation from other central government agencies, non-state actors such as the churches, development partners, and key officials from the DoE at both the national and provincial levels.

172. The approach involves moving towards a future position where all significant public funding in the education sector will support a single policy and expenditure program, under PNG government leadership, adopting common
approaches across the education sector, and progressing towards relying on PNG government procedures to disburse and account for all funds. Within this new joint planning and operational environment, the DoE will assume greater responsibility in identifying, integrating and reviewing the external donor support that is provided to PNGs education program. In 2009 Technical Working Groups (TWGs) were established by DoE to put key components of a sector program in place. The TWGs include broad participation from other stakeholders from central government agencies, church agencies and development partners. The key outcomes and results to date are as follows:

- **Annual Operational and Financial Plan / Medium-Term Expenditure Framework**: with an outcome of an Operational and Financial Plan encompassing all sub-sectors of the national education system and all administrative levels (national, provincial, district, LLG and institution) in line with a medium-term expenditure framework. All donor financial allocations have been included in GoPNG National Recurrent and Development Budget 2010, and reflected in DoE Annual Operational and Financial Plans (AOFP).

- **Performance Assessment Framework**: outcome of a mutually agreed PAF with core indicators and targets (annual and final) that incorporate all levels and an EMIS to support M&E of AOFP. This includes a training plan to strengthen capacity in education-specific areas. A draft Performance Assessment Framework has been developed in line with NEP and UBE Plan targets, to measure progress against agreed outcomes.

- **Institutional Framework**: outcome of a signed Joint Commitment of Principles (JCP) between GoPNG, Development Partners, Church Education Agencies, other Education Agencies and CSOs working in the national education system. The JCP includes joint coordination structures and mechanisms, specific aid effectiveness targets for the education sector, a Performance Assessment Framework and protocols for provision of education TA, supported by procedural documentation including a management and coordination manual, TOR for joint structures, linkages with internal DoE management committees and annual review processes. A draft Joint Commitment of Principles will be finalised in 2010 to define the broad principles by which parties will work together to support the GoPNG’s education priorities.

- **Financial Management and Procurement Systems Framework**: the anticipated outcomes are GoPNG financial management and procurement systems that allow development partner funding to be disbursed and acquitted for areas defined in the AOFP. A signed Joint Financing Arrangement between GoPNG and donors, defining aid modalities (e.g. project, pooled or budget support), accounting procedures, disbursement and acquittal mechanisms to ensure transparent funding to the national education system. A plan of action for improving financial management systems is being finalised and a comprehensive procurement assessment will be carried out in early 2010.

173. The transition to a SWAp is largely completed with the institutional framework expected to come into force in mid 2010. More importantly, all development partners funding is on-budget in 2010 and reflected in the DoE annual operational and financial plan. Finally, Australia and other development partners have endorsed the UBE Plan which has allowed all funding to be aligned within a single expenditure program. AusAID’s approach is therefore to see the next phase of support over coming years as a period over which time policy dialogue and selected support will focus on key reforms and institutional strengthening, alongside strategies that ensure increased and sustained service delivery over the short to medium term.

### 4.9 Management and Coordination Arrangements

#### 4.9.1 Governance of the Program

174. Australia and PNG will jointly be responsible for the governance of the support to the national education system. This will be supported by joint planning, budgeting and monitoring arrangements. Strategic policy and resource decisions related to the Australian assistance for endorsement by the GoPNG will be made jointly by Australia and the DoE.

175. Annual P4D dialogue and negotiations will be conducted between Ministers and leaders from both governments on the progress of the various initiatives. These discussions are based on joint agreements, the agreed financial contributions and that target outcomes, as are detailed in the Schedule for Education. These discussions will also take into account the impact and the tangible results arising from the Australian support to PNG basic education, providing a basis for strategic decision making and resource allocation. Strategic directions will arise from the high-level discussions and be provided (through the respective country representatives) to senior managers within AusAID and the GoPNG / DoE.
4.9.2 GoPNG budget, planning and review processes

176. Australia will follow the regular budget, planning and review cycle of GoPNG in the provision of its support. The figure below illustrates the relationship between Australian support and the GoPNG budget cycle. Key points in this cycle are:

- May: Department of Treasury (DoT) issues the GoPNG budget circular advising line agencies and provincial governments of its anticipated maximum funding to the sector. Australia will also provide an indication of funding available for the following year;
- June: The DoE holds its Senior Education Officers Conference including the Joint Annual Review.
- June to August: GoPNG develops an annual operational plan and budget for the sector with the support of development partners;
- September: Agencies and provincial governments make their recurrent budget submission to Treasury and their development budget submission to DNPM and DoT;
- November: The National budget is approved by Parliament and the Education annual operational plan and budget is finalised and endorsed by the GoPNG, Australia and other development partners.

Figure 9. GoPNG Planning and Budgeting Cycle

177. Central to this cycle is the production of the DoE Annual Operational and Financial Plan. The plan will form the basis for Australian financial and technical assistance on an annual basis. This will ensure that all support is on-budget and reflected in the GoPNG Annual Recurrent and Development Budgets. The annual plan, will be assessed by Australia and the other donors, and will include sufficient detail to verify that the support is in line with the P4D and the agreed annual targets.

4.9.3 GoPNG responsibilities

178. The overall responsibility for the Australian support to the education sector will rest with the Department of National Planning and Monitoring. The implementation of the support will be through the National Department of
Education and the respective Provincial Administrations. The Minister for Education and the Secretary of Education will participate in any high-level discussions and meetings over the Australian assistance.

179. The Department of Education and Provincial Administrations regular management and administrative systems will be used in the planning, implementation and reporting of the Australian support. At the national level this will include the Top Management Team of DoE, which is the policy making and decision-making body for all activities within the national education system. There are various committees and management teams within the management structures of the national education system and these bodies will have responsibilities over various aspects of the Australian support as appropriate.

180. In addition, there are regular meetings, reviews and forums that constitute part of the management and administrative structures of the education system. It is expected that the below mentioned meetings will be open to development partners and other stakeholders. They are as follows:

- **Quarterly Budget Reviews** – DoE carries out quarterly budget reviews of the recurrent and development budget. The review includes reporting and monitoring the progress of the annual operation and financial plan.
- **Regional Consultative Forums** – regional forums are conducted quarterly and led by the respective provincial education offices in the respective regions. Reports are given on education activities that have taken place in the provinces and participants are.
- **Joint Annual Reviews / Senior Education Officer’s Conference** - Joint Annual Reviews (JAR) will be conducted on an annual basis to review the performance of the basic education sector, including progress against the core indicators from the Performance Assessment Framework. In addition, the JAR will discuss and recommend new strategies and priorities for implementation during the following year. The JAR will be held in conjunction with the annul Senior Education Officer’s Conference which brings together stakeholders from all administrative levels of the education system, including church education agency representatives and other stakeholders.

181. The TWG on the Institutional Framework has concluded a draft Joint Commitment of Principles in 2009 which will be circulated for comments in the first half of 2010. The document will also include annexes on possible joint structures. The functions of the ESIP Steering Committee will be reviewed and is likely to continue in a new format. In addition, other joint committees will be discussed. Participation in all these committees will be open to GoPNG central agencies, church agencies, civil society representatives and development partners. In addition, the TWG will look at establishing joint committees at the provincial level that would encompass integration with the provincial administration and other sectors.

**4.9.4 Responsibilities of AusAID Post**

182. The overall responsibility of Australian support at post will rest with the High Commissioner, Minister Counsellor and Chief of Operations of AusAID. They will lead the high-level policy dialogue and engagement at the highest levels of GoPNG. At the strategic level, the Minister Counsellor of AusAID will take the lead in proposing and advising the AusAID Executive on the overall AusAID funding and sector allocation to PNG. This will be informed by the P4D forums and various high-level discussions with the Department of National Planning and Monitoring as well as the Australian Government priorities. On the agenda at this level the topics would include the following:

- Positioning of the aid program and contributions from GoA;
- PNG whole-of-government systems issues;
- Performance of sectors and/or particular agencies;
- Policy initiatives from both governments.

183. On the operational level, the education team at post will have the responsibility for policy and operational dialogue. AusAID has re-aligned its management, staffing and communication towards a whole-of-program approach to the education sector in PNG. AusAID Post staff involved in the development, management and monitoring of programs across the education sub-sections are now located in the same building and placed under a Program Director (with oversight for the whole education program including basic and secondary education, higher education and training, scholarships and TVET).
184. The basic education team will consist of the Program Director for Education, a 1st Secretary, a 2nd Secretary, a Senior Program Officer and Program Officer, as included in the AusAID business plan model for PNG Post. AusAID has strengthened its sector specialisation by recruiting a Senior Education Advisor with specific expertise in use of government systems and sector-wide approaches and an O-based staff member with education sector expertise in the existing post of Senior Program Officer. This will make for more professional and effective operational and policy dialogue between AusAID and its PNG partners in the education sector. The AusAID SNS officers co-located in the provincial administrations of five provinces can also provide additional support and understanding of education issues from a sub-national perspective.

185. The team will support the program directly through engaging in policy and operational dialogue at the national and sub-national levels, and will be responsible for overseeing and participating in the implementation of the modalities, as well as various contract, financial and administrative responsibilities. At this level the discussions will centre on the following:

- Engaging in education recurrent and development budgeting and planning processes to influence PFD Education Schedule inputs from GoPNG and development partners.
- Fostering sector wide approaches that encourage wide PNG stakeholder participation.
- Supporting capacity development of education sector mechanisms and leadership, and their ability to improve service delivery;
- Redirecting significant resources, funding and TA;
- Implementing new PFM approaches with Treasury and DoF support.
- Securing other Australian sector support to clear cross-cutting PFM and procurement issues.
- Brokering intra GoPNG engagement and building sector advocacy and positioning skills, especially with GoPNG coordinating agencies
- Engaging with provinces, to build genuine space for provincial involvement in the formulation of national policies and implementation of programs;
- Resourcing strengthening of the administrative systems, coordination of planning and implementation of key policies at the national and provincial levels.

186. The operational and policy dialogue will take place through many of the fora described above in section 4.6. In addition, the development partners hold fortnightly meetings with the Education Secretary in an informal environment to discuss strategies and education policy. Australia is represented in this meeting by the Program Director. Additionally, the 2nd Secretary and Senior Program Officer hold quarterly meetings with the section wings in the Department (led by the First Assistant Secretaries) to discuss implementation of the Australian support in the relevant areas. AusAID also holds fortnightly meetings with designated persons from the DoE and the managing contractors to improve the flow of information deliberate over the administration and implementation of the Australian support. Finally, AusAID SNS officers co-located in the provincial administrations of five provinces have frequent interactions with the education divisions in the provinces and will be increasingly relied upon to provide regular feedback on the education issues, challenges and developments in the education sector.

4.10 Risks and Risk Management

187. There are current and emerging risks for Australia in how it will contribute in support of the PNG basic education sector. There are particular risks in progressively moving towards providing more direct financing to GoPNG and increasingly using GoPNG systems, while weaknesses in those systems persist. However, these need to be balanced against the development risks presented by not using the country systems. Responsibilities for management of these significant risks will be shared between Australia and the GoPNG, through ongoing dialogue and cooperation as well as via specific measures and operational practices. The risks have been quarantined through the clear targeting of where Australian financial and technical support to basic education will be provided and through the subsequent establishment of joint governance structures.

188. The joint analysis of agreed performance and financial information provided from DoE and GoPNG performance monitoring and reporting systems will reduce risk, through a process that requires both parties to be clear on what specific funding and support is being provided within the P4D framework, including an ongoing
assessment of aid effectiveness. As implementation of the support program to basic education proceeds, there will be a need to monitor existing and emerging risks and to put in place strategies and methods to reduce or eliminate the risks. This will especially be the case when progressively engaging with Provincial and local level stakeholders and at the school level.

189. A summary of the major risks, including how these can be addressed, are detailed in Annex 1.

4.11 Performance Framework

190. AusAID education programs in PNG have traditionally been managed through program-specific monitoring and evaluation frameworks. These frameworks generally provided specific and detailed information on the outputs tied to Australian financial assistance and were rarely linked to PNG monitoring systems. The quality of AusAID’s PNG program depends on performance management being informed by (i) practical monitoring and (ii) periodic evaluations. Performance assessment has three data collection, analysis and reporting needs: mutual needs of both partners, unique needs of PNG and unique needs of Australia. The PFD contains a set of indicators for the education schedule designed to support mutual accountability. However, with education support being provided at different levels of government and through different modalities, it will be necessary to monitor the effectiveness of the AusAID contribution overall.

191. DoE has developed an education management information system that is comprehensive and regularly collects data (mainly through the annual school census) to monitor performance of the education system, disaggregated according to gender and province. In addition, PNG has a formal performance monitoring system of service delivery at provincial and local levels through the DPLGA, PLLSMA, PCMCs and specific reporting requirements such as s.119 reports from provinces to the Treasury. Although this is hardly operational now, the institutions and systems that support the core functions of this architecture are being strengthened to a point where alignment is possible17.

192. The monitoring and evaluation of the education support will be aligned with the PNG systems and information generated. This will include the data from the schools census, budget and expenditure reports from Treasury and the Department of National Planning and Monitoring, quarterly reports from DoE budget reviews and reports from the quarterly regional consultative forums. Every effort will be made to minimise the collection of separate data and where this is necessary, the information will be made available to GoPNG for inclusion in its own reports. The education team and the SNS co-located officers will contribute informally to the monitoring of education sector performance through regular interaction with the Department of Education and the provincial administrations.

4.11.1 DoE performance assessment framework

193. The DoE performance assessment framework will form the basis for monitoring the shared development outcomes of the P4D. A total of 14 indicators have been selected cutting across the 5 defined areas of the NEP and UBE plan, namely access, retention, quality, equity and education management. Targets are currently being finalised for the period of 2010 – 2019 and will include intermediate targets on an annual basis. Progress on the performance of the sector will form the basis of the joint annual reviews.

194. In addition, the AusAID will work to support the development of performance assessment frameworks at the provincial levels that incorporate data from the education system. More importantly, AusAID will take a whole-of-government approach to using the provincial administration indicators that cut across the various sectors (health and transport) in which Australia is providing support. This would include PFM and procurement support provided through SNS. This could include performance monitoring of the MPAs.

4.11.2 AusAID performance reporting requirements

195. Australia’s aid outcomes outline the specific measurable support that will be provided through the Australian financial and technical assistance. While the support should be seen as contributing to the overall development outcomes, separate reporting will be required to track progress of the Australian assistance. The specific objectives will reflect the assistance given under the three modalities. Annex 1, delivery strategy Monitoring and Evaluation Framework will be improved during the first and second year of delivery strategy implementation, including a baseline study. Specific M&E Frameworks will be developed for each of the modalities in the implementation arrangements.

17 Interim Note on AusAID support for Decentralised Service Delivery, November 2009
In addition to the M&E framework for the aid outcomes, AusAID will also require separate PFM and Procurement Assessments carried out on an annual basis. The annual assessments will track specific progress against the action plans being developed under the TWG on financial management and procurement systems. These assessments will be carried out jointly with DoE and the other development partners.

A monitoring and evaluation framework will be developed for each modality and will be structured around gathering tangible data and information on the GoPNG priorities as included in the UBE Plan, as well as against the financial and other commitments of both governments through the P4D. The M&E information gathered will reflect the Australian support to the specific objectives outlined in the revised Education Schedule, providing performance information and data on the outcomes and results of the AusAID funded activities.

AusAID post will provide information to the GoA using the corporate reporting formats. These will include the Quality at Implementation Reports, Sector Performance Reports and Annual Program Performance Reports. In addition separate reports will be produced as required under the P4D (ministerial forums) and the Cairns Compact.
ANNEX 1

Risk Management Matrix
<table>
<thead>
<tr>
<th>RISK</th>
<th>IMPACT</th>
<th>LIKELIHOOD</th>
<th>SEVERITY</th>
<th>RISK ASSESSMENT</th>
<th>RESPONSE</th>
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</thead>
</table>
| **High staff turnover in AusAID and DoE leads to ineffective policy dialogue** | The support to basic education represents a major change to the way AusAID engage the sector, and there are frequent rotations of staff through the AusAID PNG desk and Post. The constant turnover leads to AusAID staff with insufficient background skills or understanding to maintain detailed policy dialogue on basic education at the critical P4D and sector program negotiation points. | High | High | High | • AusAID staff to take a different, higher profile and a more engaged role than in the past by having specialist staff in PNG.  
• Well documented ongoing dialogue and negotiation.  
• Proposed M&E Framework includes indicators that can serve as a checklist reflecting the policy dialogue that took place preparatory to this support and may be used by incoming AusAID staff as a reminder.  
• Annual Joint Review, Mid Term Review and Independent Assessment Report at year 5 provide an agenda for ongoing policy and planning dialogue.  
• Senior AusAID staff provides support and assistance in policy dialogue and (together with local AusAID staff) a level of continuity. |
| **Child Protection** | In the course of AusAID’s support, personnel may come into contact with children or minors. This may result in inappropriate behaviour or actions and lead to children being exploited or abused. | Low | High | High | • All contractors and NGOs funded by AusAID be bound by clear, strict policies in relation to managing and reducing risks of child abuse by persons engaged in delivering the aid program. This includes zero-tolerance of any issues relating to child abuse and child pornography.  
• Ensure awareness of relevant AusAID policies on Child Protection Policy which provides framework for reducing risks of child abuse by persons delivering aid activities. This policy document specifies the minimum standards with which all contractors must comply in their operations and in their dealings with Partners, subcontractors, associates or consultants they may engage. |
| **DOE planning is not defined or developed enough to direct the aid modalities** | Delivery Strategy based on Australian support to basic education sector to be increasingly aligned with the DOE and other stakeholder forward plans. If forward development plans are unrealistic or inadequate, is potential for AusAID funds to be poorly applied or even misused. | Medium | Medium | Medium | • Through monitoring, AusAID can scale assistance up or down to key priorities or demand. Provides flexibility to respond to progress made and increasing capacity, or alternatively to the lack of systems and constraints.  
• The TASP and the SPF will each prepare a Risk Management Plan for their responsibilities. |
| **Poor coordination between the central and provincial DOE and Church education agencies** | There is a limited capacity of DOE at provincial / school level to manage financial and technical support, including a limited capacity to capture and report back on the relevant development and financial data. In addition to DOE provincial and local agencies, as well as the individual schools, are not familiar with their responsibilities or the new instruments needed to measure indicators. | Medium | Medium | Medium | • Use of pilot activities and support to the efforts of the DOE’s important elements for improving communication, management, financial accountabilities and reporting.  
• Previous experience in providing grants, infrastructure and learning materials at the school level used by contractors to support efficiencies and local capacity building.  
• Support efforts by DOE and the relevant Church groups to improve management and reporting at the Provincial district and school levels. |

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<thead>
<tr>
<th>RISK</th>
<th>IMPACT</th>
<th>LIKELIHOOD</th>
<th>SEVERITY</th>
<th>RISK ASSESSMENT</th>
<th>RESPONSE</th>
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</thead>
<tbody>
<tr>
<td><strong>Limited planning and management capacity at sub-national level</strong></td>
<td>Once education sector plans and emphasis moves from Port Moresby and head office to the regional PNG offices, including sub-national levels of government, Churches and the community, the management will become more complex and sub-national partners do not have the training, skills or authority to support and drive the sector support.</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>- Increase focus by AusAID on capacity building at sub-national including in planning and resource allocation, and implementation of the sector’s Public Expenditure Framework (PEF). - Build capacity of central agencies, sub-national level, NGOs and communities. Increased dialogue with partners about local and non-state capacities as part of efforts to improve service delivery. Support strengthening of performance monitoring on local level impact.</td>
</tr>
<tr>
<td><strong>Continuing lack of Gender equity in UBE</strong></td>
<td>Although NDOE has a gender policy, it is limited to gender equity in schooling, with implementation continuing to be weak. Underlying gender issues significantly constrain girls’ ongoing participation in schools and gender equal management and policy response, so gender inequality, in school enrolment and in educational management, is perpetuated.</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
<td>- Policy dialogue and indicators based on Gender Equity in Education Strategic Plan. - Specialist in Gender included to support measurable progress in implementing priority gender-related initiatives - Support participation of women at school / community level to provide a voice for women’s and girls’ at local level - Clear outcome and indicators on girls education outcomes.</td>
</tr>
<tr>
<td><strong>Lack of attention to HIV and AIDS in UBE planning and delivery</strong></td>
<td>There is inadequate attention to providing information on the impact of HIV and AIDS at the school and community, district, provincial and national levels of education. HIV and AIDS is growing at a substantial rate and has a significant impact upon the education workforce, and upon the capacity of parents to support children’s education at local level, as well as inhibiting their ability to participate in school management (e.g. BOMs).</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>- Support and clear outcomes and indicators on students affected by HIV/AIDS. - Policy dialogue will focus on progress in mainstreaming and implementation of HIV and AIDS responses. HIV/AIDS specialist to develop and implement workplace policies at national and sub-national levels, and facilitating awareness of HIV and AIDS amongst teachers, students and parents. - Capacity building personnel to integrate principles of HIV and AIDS mainstreaming. Annual Joint Review to include overall assessment of progress in implementation of the response. The M&amp;E Framework include measures relating to HIV and AIDS. The results used in Annual Joint Review.</td>
</tr>
<tr>
<td><strong>Lack of attention to children with disabilities in UBE</strong></td>
<td>DoE’s approach to disabilities is limited, and progress in this area is restricted by lack of policy and strategic planning to cater for children and young people with disabilities at all levels of the PNG education system. Hence children with a disability might be disadvantaged by interventions.</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>- Policy dialogue includes focus on progress in developing inclusive approaches to children with disabilities. Specialist in Disabilities to support disability inclusive practices. The personnel management and professional development to include awareness of disability inclusive policy and practice. - Support and clear outcomes and indicators for students affected by a disability. Annual Joint Review includes assessment of response to disability inclusiveness.</td>
</tr>
<tr>
<td><strong>Poor relationship between GoPNG / DOE and Church providers</strong></td>
<td>Competition between Government and faith-based providers for allocation of funds. Could result in competition between state and Church schools, especially in remote areas or where there is heavy</td>
<td>Medium</td>
<td>Low</td>
<td>Low</td>
<td>- The fact that church system delivers 50% of basic education is factored into planning. AusAID resource allocation levels, provision of capacity building and overall balance and level of financial support. Church based schools need to arrange and then provide the same levels of financial and data as</td>
</tr>
<tr>
<td>RISK</td>
<td>IMPACT</td>
<td>LIKELIHOOD</td>
<td>SEVERITY</td>
<td>RISK ASSESSMENT</td>
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<td>Direct Financial Support Modality Risk</td>
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<tr>
<td>Fiduciary and Other Financial Risks</td>
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<tr>
<td>DoE or Church agency financial management and reporting systems are not developed to a point that can transparently manage the P4D financial flows and reporting. In extreme cases, weak systems and poor reporting leads to the potential for AusAID funds to be corrupted or subject to fraud.</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>DOE, in relation to the disbursement, use and impact monitoring of AusAID funds.</td>
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<tr>
<td>Capacity Development Facility Modality Risk</td>
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<tr>
<td>Ineffectiveness of capacity building</td>
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<tr>
<td>TA personnel adopt capacity building approaches that are not aligned with the needs and requirements of DoE / Churches / Sub national administrations, are gender blind, lacking in HIV/AIDS mainstreaming expertise and not applied in ways that strengthen local staff.</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
<td>A Financial Management Assessment and Assessment of National Procurement Systems to detail elements which can reduce fiduciary risk and result in increases in use of partner systems; and set clear indicators and monitoring arrangements to track progress, as well as clear triggers for adjusting aid implementation arrangements.</td>
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<tr>
<td>Poor DOE performance management of capacity building inputs</td>
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<tr>
<td>The responsibility for managing TA transfers from a Contractor to the DOE, which does not provide strong guidelines or performance measures / procedures for managing contracted TA, leading to reduced impact and dissatisfaction.</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Financial Management Assessment and Procurement Assessment as part of Annual Joint Review, part of M&amp;E Framework. Review will identify capacity building required to mitigate risk, with specific performance benchmarks and monitoring arrangements. Financial and procurement assessments act as triggers on scaling up or down support funding channelled through GoPNG or other providers.</td>
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<tr>
<td>Specialised Services Provision Modality Risk</td>
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<tr>
<td>Disputes over Land ownership</td>
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<tr>
<td>There are significant problems associated with customary land ownership, including how this relates to the local development of new school buildings. The land ownership could preclude or severely delay construction of new building where they are needed to</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
<td>Support DOE and PDoE to develop and implement guidelines for the acquisition and management of capacity building inputs.</td>
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<tr>
<td>RISK</td>
<td>IMPACT</td>
<td>LIKELIHOOD</td>
<td>SEVERITY</td>
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</table>
| Poor maintenance of buildings provided through AusAID funding       | The DOE does not provide funds or resources to ensure the maintenance and upkeep of the existing and the new school facilities and buildings funded by AusAID. This leads to gradual breakdown and decay of buildings, reduced opportunities for students to attend and deterioration of basic education learning facilities. |            | High      | High            | • Support conditional on assured maintenance.  
• As part of the Annual Joint Review, resources allocated to maintenance and upkeep of new and existing buildings will be addressed.  
• As part of support to DOE and Church agency forward planning, maintenance will be factored in, including how local support and resources can be applied to maintain local school buildings and facilities and how best to handle any local environment concerns or impact. |
| Lack of teachers and teacher support                                | The DOE does not provide classroom teachers or other support resources to staff and manage the increased basic education school capacity                                                    |            |           |                | • Support to build capacity of DOE and Church agencies to better develop plans and resource allocations to reflect the required balance between demand for physical infrastructure and the number of qualified teachers.  
• Includes support for teacher professional development and support for educational managers, through TA and training programs. |
ANNEX 2
Performance Assessment Framework & Monitoring and Evaluation Framework
## Proposed PAF Indicators

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<td>1</td>
<td>Net Admission Rate</td>
<td>11.5%</td>
<td>68.0%</td>
<td>84.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
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<tr>
<td>2</td>
<td>Gross Admission Rate</td>
<td>79.8%</td>
<td>98.5%</td>
<td>106.5%</td>
<td>106.0%</td>
<td>108.0%</td>
<td>110.0%</td>
<td>108.0%</td>
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<td>Net Enrolment Ratio</td>
<td>3.a Basic (Prep - Gr.8)</td>
<td>52.9%</td>
<td>60.9%</td>
<td>63.6%</td>
<td>66.3%</td>
<td>69.0%</td>
<td>71.6%</td>
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<tr>
<td>3</td>
<td>Net Enrolment Ratio</td>
<td>3.b Secondary (Prep - Gr. 12)</td>
<td>7.6%</td>
<td>7.2%</td>
<td>7.0%</td>
<td>6.8%</td>
<td>6.6%</td>
<td>6.5%</td>
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<tr>
<td>4</td>
<td>Gross Enrolment Ratio</td>
<td>4.a Basic (Prep - Gr.8)</td>
<td>71.3%</td>
<td>75.1%</td>
<td>77.6%</td>
<td>79.3%</td>
<td>80.7%</td>
<td>82.2%</td>
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<td>Gross Enrolment Ratio</td>
<td>4.b Secondary (Prep - Gr. 12)</td>
<td>56.0%</td>
<td>58.7%</td>
<td>60.7%</td>
<td>62.0%</td>
<td>63.1%</td>
<td>64.3%</td>
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<td>RETENTION</td>
<td>5 Completion Rate</td>
<td>5.a Basic (Prep - Gr.8)</td>
<td>45.3%</td>
<td>48.4%</td>
<td>47.6%</td>
<td>48.5%</td>
<td>46.5%</td>
<td>48.1%</td>
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<tr>
<td>RETENTION</td>
<td>5 Completion Rate</td>
<td>5.b Secondary (Prep - Gr. 12)</td>
<td>8.3%</td>
<td>7.5%</td>
<td>7.3%</td>
<td>7.1%</td>
<td>6.9%</td>
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<td>6 Pupil:Class Ratio</td>
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<td>31.3</td>
<td>30.7</td>
<td>31.2</td>
<td>31.4</td>
<td>31.6</td>
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<td>7 Qualified Teachers</td>
<td>7.a Elementary</td>
<td>68.7%</td>
<td>76.5%</td>
<td>79.1%</td>
<td>81.7%</td>
<td>84.4%</td>
<td>87.0%</td>
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<tr>
<td>QUALITY</td>
<td>7 Qualified Teachers</td>
<td>7.b Primary</td>
<td>68.7%</td>
<td>76.5%</td>
<td>79.1%</td>
<td>81.7%</td>
<td>84.4%</td>
<td>87.0%</td>
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<tr>
<td>QUALITY</td>
<td>7 Qualified Teachers</td>
<td>7.c Secondary</td>
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<td>8.a Elementary</td>
<td>NA</td>
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<td>2 to 1</td>
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<td>8 Pupil : Textbook Ratio</td>
<td>8.c Secondary</td>
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<tr>
<td>QUALITY</td>
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<td>9.a CSMT (Grade 7)</td>
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<td>9.b Examination results (Gr. 12)</td>
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<td>10.a Elementary</td>
<td>32.9</td>
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<td>33.1</td>
<td>32.5</td>
<td>33.0</td>
<td>33.2</td>
<td>33.4</td>
<td>33.5</td>
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<td>QUALITY</td>
<td>10 Pupil : Teacher Ratio</td>
<td>10.c Secondary</td>
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<td>Secondary (Prep - Gr. 12)</td>
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<table>
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<tr>
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<tr>
<td>13</td>
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<table>
<thead>
<tr>
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<th>Public expend. on education</th>
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<tr>
<td>14</td>
<td>10.8%</td>
<td>11.1%</td>
<td>11.7%</td>
<td>13.2%</td>
<td>14.2%</td>
<td>16.5%</td>
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<tr>
<td>15</td>
<td>TA expenditure</td>
<td>25.1%</td>
<td>17.2%</td>
<td>15.0%</td>
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Note: *The Gaps in the PAF will be completed by DoE before start of the program.*
<table>
<thead>
<tr>
<th>Monitoring and Evaluation Framework</th>
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</thead>
<tbody>
<tr>
<td><strong>GoPNG UBE Plan Results</strong></td>
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<tr>
<td><strong>UBE Plan Intervention targets / indicators</strong></td>
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<tr>
<td>1. Improved access</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2. Enhanced retention</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>3. Improved education quality</td>
</tr>
<tr>
<td>GoPNG UBE Plan Results</td>
</tr>
<tr>
<td>------------------------</td>
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<tr>
<td>GoPNG UBE Plan Results</td>
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<td>------------------------</td>
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<tr>
<td>4. Education management enhanced</td>
</tr>
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<tr>
<td>GoPNG UBE Plan Results</td>
</tr>
<tr>
<td>------------------------</td>
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<tr>
<td>5. Enhanced Equity (NB Numbering as per UBE plan)</td>
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<td></td>
</tr>
<tr>
<td>GoPNG UBE Plan Results</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>HIV/AIDS?</td>
</tr>
</tbody>
</table>

**Assumption/ precondition monitoring**

<p>| Public expenditure on education as % of total government expenditure increase from 11.5% to 18% | GoPNG meets its commitment to increase resources for Education towards UBE/P4D, including for infrastructure improvements, teacher training, and other educational responsibilities. | Influence &amp; dialogue - GoPNG to increased expenditure towards stated target | Annual increase in funding towards 18% of total GoPNG expenditure; Number and success or failure of dialogue with GoPNG on increasing funding towards UBE targets | How well is PNG tracking towards UBE targets? How much advice has Australia provided? To what extent was the advice accepted or ignored? What are the results of the advice? | GoPNG UBE/ MDGs reporting; Documentation of dialogue with GoPNG; individual advisers and AusAID staff annual performance assessments reports; Annual Sector Performance Report | AusAID; Advisers; GoPNG/DoE | Annual, MTR, ICR |
| Production of annual Action Plans and budgets in line with education plans (national, provincial &amp; district) | GoPNG is committed to and commits resources to improve the management of the educational system at all levels. | Influence action planning, budgeting, procurement and expenditure monitoring at national and provincial levels | Quality and implementation of action plans and budgets; Acceptance and implementation (or rejection) of Australian advise on PFM at the | How much advice has Australia provided? To what extent was the advice accepted or ignored? What is the results of the advice? | GoPNG reports; Documentation of advise to GoPNG; individual advisers and AusAID staff annual | AusAID; Advisers; DoE; provincial administrators | Annual, MTR, ICR |</p>
<table>
<thead>
<tr>
<th>Province</th>
<th>Program</th>
<th>Methodology</th>
<th>Performance</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Parity Index</td>
<td>GoPNG is committed to and commits resources to improve the learning outcomes of girls, and pupils with special education needs and those affected by HIV/AIDS.</td>
<td>Needs assessment and policy development, Influence &amp; dialogue &amp; funding to leverage - GoPNG to target support for girls, special needs students, and HIV/AIDS affected children.</td>
<td>Increase in resources; Annual proportional increase of girls to boys students towards 1:1 ratio; Needs identified; Policy papers; take-up of Australian advise; GoPNG co-financing Australian funding.</td>
<td>DoE MIS; Policy papers; specialised surveys and research; annual GoPNG/DoE budget allocations; Provincial budget allocations; school inspection reports. DoE, PDoE, AusAID, National Aids Council (NAC), UNICEF. Annual, MTR, ICR.</td>
</tr>
<tr>
<td>Provinces, districts and LLG</td>
<td>Provincial districts and LLG have targeted program of support to girls, and pupils with disability and those affected by HIV/AIDS.</td>
<td>Support needs assessment; support provincial level awareness and coordination with other gender and HIV/AIDS programs.</td>
<td>Increase in targeted financial and resources allocation targeted for girls and students with special education needs and those affected by HIV/AIDS.</td>
<td>To what extent has the resources been targeted for girls, and students with special education needs and those affected by HIV/AIDS? DoE MIS; Provincial budget and expenditure reports; Gender and HIV/AIDS aids reports. DoE; Provincial administration; PDoE; AusAID; other DP. Annual, MTR, ICR.</td>
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Department of Education

Preparation Phase Plan
towards a
Sector Approach

Introduction
The DoE and the Development Partners (DPs) have recognized that there is need to develop a Preparation Phase Plan to ensure a fully functional sector approach will be in place by the 2010. The plan will be broken down into two phases, the first for 7 months from June – December, 2009 and the second phase for 12 months from January – December 2010. The second phase would further strengthen the frameworks and the processes. This document refers to the first phase: June - December 2009.

Four main areas have been identified as prerequisites for successful implementation of sector wide technical and financial support from the DPs to the national education system in the country. They are:

a) **Annual Operational and Financial Plan** based on a medium-term expenditure framework and in line with the National Education Plan;

b) **Performance Assessment Framework** with agreed objectives, indicators and targets for the national education system;

c) **Institutional Framework** to guide the provision of technical and financial support and operationalised in a Joint Commitment of Principles;

d) **Financial Management and Procurement System Framework** with an 18 month action plan for activities to strengthen the systems and operationalised in a Joint Financing Arrangement defining aid modalities, accounting procedures, disbursement and acquittal mechanisms.

The areas will be broken down into specific activities with agreed outputs. The results and activities specified in this plan will be detailed for the first 7 month phase. The plan for the second phase (Jan – Dec 2010) will be completed by November for the activities to be carried over or continued.

Core Principles
The work carried out in the preparation plan will be based on the following principles:

a) **DoE Leadership and Ownership** – the preparation plan will be led by DoE and all efforts will be made to strengthen the management processes in the methodology used to carry out the work;

b) **Awareness Among Stakeholders** – the implementation of the preparation plan will include activities to ensure greater awareness of the sector approach among all stakeholders, including education officials at all levels, central government agencies, development partners, church agencies and other non-state actors;

c) **Capacity Building** – all of the areas and specific activities will be designed and carried out to ensure that the capacity of all the participants is enhanced.

Expected Outputs
An agreed approach to the education sector program based approach, which is supported by DoE, central GoPNG Ministries, Development Partners and other stakeholders, and ready for implementation in 2010.
An Institutional Framework and appropriate systems to implement and monitor the education sector program based support, including a capacity building plan.

The outputs would be defined through the following documentation: a) Joint Commitment of Principles; b) Joint Financing Arrangement; c) Education Sector MTEF (2010-2012); d) Annual Operational and Financial Plan for 2010; e) Performance Assessment Framework; and, f) Education Management Information System.

**Methodology**

The work will be carried out primarily through four Technical Working Groups (TWG) comprising members from DoE, GoPNG Central Agencies, Development Partners and Church Agencies and other Non-state actors.

The TWGs will be chaired by DoE staff with the DPs as deputy-chairs and each group will have specific terms of references including activities and outputs in a specific timeframe. The work can be carried out through meetings, workshops and field trips. Background documentation will be provided including relevant government publications, national and international studies and examples of similar documents from other countries to incorporate best practices and lessons learned.

There will be regular meetings with all TWGs to monitor the progress of the work, ensure coherence and provide capacity building opportunities. The work will be coordinated with ongoing activities and processes being carried out in DoE. These will include internal and external reviews, appraisals, planning and budgeting exercises, etc.

**Awareness / Capacity Building**

The specific terms of reference for each TWG will include an element of capacity building and awareness activities. This can include literature reviews, dissemination meetings and workshops, facilitated sessions on relevant topics, study visits and or trips and participation in training events and conferences. Expertise can be drawn from the members of the TWGs and from external persons.

**Technical and Financial Support**

In addition to Port Moresby-based staff from development agencies, Development Partners will call on their professional specialists from headquarters and/or regional offices to offer expertise. In addition, national and international consultants can be used to support the work under the direction of the TWGs.

A preliminary budget has been done to indicate the additional funding needed to implement the preparation plan. The DoE and the DPs will identify sources of funding among the agencies with emphasis on flexibility of accessing the funds in the required timeframe. In addition to the DPs existing financial support to the DoE, other sources of funding may be sought. These could include UN agencies support for Aid Effectiveness, EU Institutional Capacity Building Project, etc.

1. **Annual Operational and Financial Plan / Medium-Term Expenditure Framework**

**Expected Result**

A comprehensive operational and financial plan encompassing all sub-sectors of the national education system (elementary, basic, secondary, teacher education, TVET, etc.) and all administrative levels (national, provincial, district, LLG and institution) in line with a medium-term expenditure framework to be developed and approved.

**Current situation**

The National Education Plan is sufficient as a policy framework. A medium-term expenditure framework to guide the funding needs does not yet exist. The current annual operational and financial plan is based on priorities derived from the NEP. The plan is not comprehensive and does not include all the minor outcomes from the NEP and the provincial or district plans.

**Tasks**

The TWG will support the DoE in the following tasks:

- a) Analysis of the existing operational and financial plans;
- b) Design of a mutually agreed sector support plan and format;
c) Realignment of DP existing technical and financial support to the revised format;
d) Production of the 2010 Annual Operational and Financial Plan;
e) Development of a 3 year MTEF for the Department of Education in line with the GoPNG budget framework and national priorities;

Related ongoing or planned work, studies, reviews, etc.

The work of the TWG will incorporate ongoing activities already being carried out by the DoE, as well as upcoming events. They will include:

a) 2010 government planning and budgeting for education;
b) Completion of the UBE Plan and the FTI Appraisal;
c) National Education Plan Review
d) Regional Consultative Meetings

2. Performance Assessment Framework

Expected Result

A mutually agreed Performance Assessment Framework with core indicators and targets (annual and final) that incorporates all educational levels in the national education system including a fully functioning EMIS to support the monitoring and evaluation of the AOFP. A training plan to strengthen capacity of all stakeholders in education-specific areas.

Current situation

The Department of Education does not have one comprehensive framework to monitor and evaluate progress on achievement of its objectives. Donor funded projects have separate M&E frameworks. Reporting requirements are not well coordinated and thus transaction costs are high. DoE is currently working on a performance assessment framework as part of the UBE Plan. The proposed PAF is limited to basic education. The Education Management Information System (EMIS) is not fully functional and a validation exercise was carried out in 2008 recommending implementation of a new software package and substantial technical assistance.

Tasks

The TWG will support the DoE in the following tasks:

a) Analysis of the current M&E frameworks and the draft PAF from the UBE Plan, including government and donor reporting requirements and agreements;
b) Preparation of comprehensive sector-wide PAF, with mutually agreed targets, intermediate targets and reporting mechanisms;
c) Review of the census validation report and development of detailed action plan (1-2 years) based on the recommendations from the same;
d) Monitoring of the EMIS Action Plan.

In addition, this TWG will have responsibility for developing an 18 month plan to include broad participation of DoE and partner staff in training, conferences, workshops, etc.

e) Identifying capacity building opportunities in education-related areas (educational planning, curriculum, school infrastructure, teacher education, assessment, etc.) and drafting a training plan.

Related ongoing or planned work, studies, reviews, etc.

The work of the TWG will incorporate ongoing activities already being carried out by the DoE, as well as upcoming events. They will include:

a) WB Teacher Policy Initiative
3. **Institutional Framework**

**Expected Result(s)**

A signed Joint Commitment of Principles (JCP) between the GoPNG and the partners supporting and working in the national education system at all administrative levels. The JCP would include joint coordination structures and specific aid effectiveness targets for the education sector in line with the PNG Commitment on Aid Effectiveness. A management and coordination manual including terms of references for all joint structures and linkages with internal DoE management committees and annual review processes.

**Current situation**

Substantial preparatory work has been carried out on the institutional framework. The framework is to include all partners (DPs, Church agencies and Non-state actors) supporting work in the national education system. There does not appear to be sufficient awareness among the stakeholders of the institutional framework and there is confusion about the specific functions (advisory vs. decision-making) of proposed joint committees and review structures in alignment with the DoE internal management structures. Finally, the role of the central government agencies at the national level and provincial and district administrations at the sub-national level is not clearly understood and needs to be clarified.

**Tasks**

The TWG will support the DoE in the following tasks:

- a) Finalisation of the JCP and identification of processes and procedures for the JCP to be approved at the GoPNG central agency level and DP headquarters;
- b) Analysis and review of the current functions of the ESIP Steering Committee and Secretariat;
- c) Analysis of sub-national management structures and responsibilities and possible need to establish coordination structures at the provincial and district levels;
- d) Review and analysis of the existing donor coordination mechanisms and development of ToR for Development Partner Coordinating Committee to strengthen its integration with DoE;
- e) Development of draft terms of references for the joint coordination functions and annual review processes and mechanisms, including alignment of existing management committees with DoE;
- f) Development of the management and coordination manual.

**Related ongoing or planned work, studies, reviews, etc.**

The work of the TWG will incorporate ongoing activities already being carried out by the DoE, as well as upcoming events. They will include:

- a) Independent Education Sector Review: currently recruiting consultant to carry out the review. Have not resolved the timing and ‘forum’ under which this will be presented.
- b) NEP Review
- c) Learning from the experience of other countries with education SWAPs.
- d) Regional Consultative Meetings

4. **Financial Management and Procurement Systems Framework**

**Expected Result**

Adequate GoPNG financial management and procurement systems to allow development partner funding to be disbursed and acquitted for the areas defined in the Annual Operational and Financial Plans. A signed *Joint Financing Arrangement* between GoPNG and the DPs defining aid modalities (e.g., project, pooled or budget
support), accounting procedures, disbursement and acquittal mechanisms to ensure transparent funding to the national education system in line with the PNG Commitment on Aid Effectiveness and complementing the JCP.

Current situation
Under the PNG Commitment on Aid Effectiveness, the donor agencies have committed to increasing their use of government systems in the distribution of their aid. The main concerns have centred on the financial management and procurement systems. The DoE is currently participating in two assessments funded by the World Bank on the same. In addition, the DPs have started very preliminary discussions on proposing to GoPNG that a Joint Financing Arrangement be jointly signed.

Tasks
The TWG will support the DoE in the following tasks:

a) Development of the FMA / PA Action Plans and monitor the implementation of the same plans;
b) Develop ToRs for agreed technical assistance and studies to be carried out;
c) Clarify DPs’ requirements and intentions in moving towards a JFA;
d) Draft a JFA for consideration by GoPNG and DPs in line with approved recommendations and progress from the FMA / PA.

Related ongoing or planned work, studies, reviews, etc.
The work of the TWG will incorporate ongoing activities already being carried out by the DoE, as well as upcoming events. They will include:

a) Financial Management and Procurement Systems Assessments
b) Public Expenditure Tracking Survey
c) Regional Consultative Meetings

REPORT ON THE DoE TECHNICAL WORKING GROUPS

To: Education Secretary, TWGs’ Chairpersons and Deputy Chairpersons
Date: 12 November, 2009
From (compilation): Fred Brooker

This report was presented to the Education Secretary and the Chairpersons of the four technical working groups on Thursday, 12 November. The meeting made revisions on the draft report and subsequently approved this version and endorsed the recommendations for further action. This report will be presented to the ESIP Steering Committee Meeting of Friday, 4 December, 2009 for information.

General
The four Technical Working Groups established under the Preparation Phase Plan have been functioning since June, 2009. All TWGs have worked and completed a substantial amount of the tasks designated in their work plans for 2009 although some work has been delayed. Participation from the Department of Education and the Development Partners has been adequate but there has been limited participation from other stakeholders, particularly central government agencies.
The following is a general overview of the achievements, challenges and recommendations for the TWGs.

**Achievements**

- A significant amount of work has been carried out with clear achievements and tasks completed by all TWGs.
- The leadership of the TWGs by senior level personnel has been very good and the level of participation by other DoE staff and DP members has been good, both from the viewpoint of attendance and contributions.
- Some of the work has been well coordinated with outputs from existing committees and core functions within the Department. This has reduced, to a certain extent, the duplication of work and ensured that the TWGs are supporting the core functions of the DoE.
- The TWGs have developed a better understanding between all stakeholders on the work to be carried out and a better appreciation of the challenges that DoE is facing;

**Challenges**

- The specific work plans and budgets for each TWG were not completed by any of the groups. This led, in some cases, to a certain lack of clarity and ownership around the purpose of the TWGs including the overall results and tasks to be completed. This was compounded by the fact that it took longer than expected for the groups to form (particularly from central government agencies) and this led the groups to want to begin the work immediately.
- The work has been hindered at times by a lack of coordination and time constraints among the Chairpersons (DoE) and their deputies (DPs). Meetings were not held as regularly as expected. This has also been influenced by below average performance of the ESIP Secretariat and the Executive Officers assigned to the TWGs.
- While some of the work has been coordinated with the core functions of the DoE, there has nevertheless been an additional burden on all participants in terms of time on task.
- There has been poor participation from central agencies and church education agencies. In addition, the provinces have not been sufficiently engaged in the work of the TWGs. There is a possibility that participants from outside agencies expected ‘incentives’ and this impacted on their participation.

**Recommendations**

- A detailed work plan with a flowchart, timeline and budget for 2010 should be developed by the TWGs. The work plans must be aligned with the annual key events taking place within the education system. This should include government budgeting processes, regional consultations, SEOC, internal DoE management and working committees (e.g. quarterly budget reviews), etc. Draft work plans will be completed by mid December and the final work plans will be done in the last week of February in a workshop (outside of Port Moresby) with all participants. Consideration must be given to prioritizing the tasks, with specific indicators and ensure that its in line with an overall implementation framework for DoE and UBE.
- The ‘management’ of the TWGs should be reviewed to ensure that the work is not being delayed due to the absence of one or both chairpersons. Alternate persons could be named in the case of prolonged absence or extreme time constraints of the chairs. The work of the executive officers should also be reviewed.
• Every effort should be made to align the tasks of the TWGs to core work and functions of the DoE to reduce the transaction costs faced by DoE officials.

• In 2010 the Regional Consultation Meetings could include a permanent agenda item on the work of the TWGs. This should be done for purposes of genuine consultation and not limited to only information sharing. Communication technology (teleconferences, etc) should be used to increase the participation of those from outside of Port Moresby.

• Other methods of communication, dissemination of information should be taken into consideration by the individual TWGs. This could include newsletters, etc.

Annual Operational and Financial Plan / Medium-Term Expenditure Framework

The following section is taken directly from the individual work plan

Expected Result

A comprehensive operational and financial plan encompassing all sub-sectors of the national education system (elementary, basic, secondary, teacher education, TVET, etc.) and all administrative levels (national, provincial, district, LLG and institution) in line with a medium-term expenditure framework to be developed and approved.

Tasks

The TWG will support the DoE in the following tasks:

- Analysis of the existing operational and financial plans;
- Design of a mutually agreed sector support plan and format;
- Realignment of DP existing technical and financial support to the revised format;
- Production of the 2010 Annual Operational and Financial Plan;
- Development of a 3 year MTEF for the Department of Education in line with the GoPNG budget framework and national priorities

Status

Tasks a), b), c) and d) have been completed for the national level but do not include a breakdown according to sub-sector. It was not possible design a format to include the lower administrative levels due to the complexities of various plans at different levels and around the funding and autonomy of the same levels.

The bulk of the work has been centered on the budget and has not included the ‘operational’ part of the document. Preliminary work is being carried out within the DoE on the MTEF but this has not been shared more broadly within the full TWG.

Recommendations

a. A detailed work plan including a flowchart, timeframe and budget should be prepared for 2010 for all outstanding tasks. The TWG should review, revise and if necessary propose new tasks to be undertaken.

b. The 2010 AOFP should be updated to reflect the operational part of the document in line with the budgeted line items. The AOFP could also be adapted to include the breakdown by funding and activities to all sub-sectors (elementary, primary, etc.).
c. The development of the 2011 plan must incorporate the specific activities defined in the UBE Plan for that year. This could be easily achieved through a format including the sub-sectors, i.e. elementary, primary and teacher education sections would incorporate the UBE Plan.

d. A new task should be included to encompass the reporting formats for the AOFP. This would be in line with the formats used in the quarterly budget reviews. Personnel from PPR Division would need to be included in the TWG to facilitate the work on reporting.

e. In order to improve the inclusion of the provincial plans, the TWG should engage directly with Department of Provincial and Local Government Affairs (DPLGA) and Provincial and Lower Local Services Management Authority (PLLSMA).

5. Performance Assessment Framework

The following section is taken directly from the TWG work plan 2009

\textit{Expected Result}

A mutually agreed Performance Assessment Framework with core indicators and targets (annual and final) that incorporates all educational levels in the national education system including a fully functioning EMIS to support the monitoring and evaluation of the AOFP. A training plan to strengthen capacity of all stakeholders in education-specific areas.

\textit{Tasks}

The TWG will support the DoE in the following tasks:

a) Analysis of the current M&E frameworks and the draft PAF from the UBE Plan, including government and donor reporting requirements and agreements;

b) Preparation of comprehensive sector-wide PAF, with mutually agreed targets, intermediate targets and reporting mechanisms;

c) Review of the census validation report and development of detailed action plan (1-2 years) based on the recommendations from the same;

d) Monitoring of the EMIS Action Plan.

In addition, this TWG will have responsibility for developing an 18 month plan to include broad participation of DoE and partner staff in training, conferences, workshops, etc.

e) Identifying capacity building opportunities in education-related areas (educational planning, curriculum, school infrastructure, teacher education, assessment, etc.) and drafting a training plan.

\textit{Status}

Task a) has been completed. Task b) has been partially completed with the indicators completed for the PAF. Work is still ongoing for the intermediate targets and the reporting mechanisms. Task c) has been partially completed. The validation report has been reviewed and it was agreed that the present EMIS database and subsequent software can be improved to meet the needs of the Department. An action plan to improve the EMIS is in the early stages of development. Task d) will only be started after the completion of the action plan and this activity is envisaged for 2010. Task e) has not been started.

\textit{Recommendations}
a. A detailed work plan including a flowchart, timeframe and budget should be prepared for 2010 for all outstanding tasks. The TWG should review, revise and if necessary propose new tasks to be undertaken.

b. The TWG should ensure that the PAF includes indicators for the other sub-sectors (secondary, etc.). The reporting mechanism should be developed in collaboration with TWG 1.

c. The EMIS Action Plan should be developed and monitored.

d. A capacity needs analysis should be carried out at the national and provincial levels in line with the DoE overall capacity development needs. Based on the analysis, a capacity development plan should be prepared including a mechanism for monitoring the plan.
6. Institutional Framework

*The following section is taken directly from the TWG work plan 2009*

**Expected Result(s)**

A signed Joint Commitment of Principles (JCP) between the GoPNG and the partners supporting and working in the national education system at all administrative levels. The JCP would include joint coordination structures and specific aid effectiveness targets for the education sector in line with the PNG Commitment on Aid Effectiveness. A management and coordination manual including terms of references for all joint structures and linkages with internal DoE management committees and annual review processes.

**Tasks**

The TWG will support the DoE in the following tasks:

a) Finalisation of the JCP and identification of processes and procedures for the JCP to be approved at the GoPNG central agency level and DP headquarters;

b) Analysis and review of the current functions of the ESIP Steering Committee and Secretariat;

c) Analysis of sub-national management structures and responsibilities and possible need to establish coordination structures at the provincial and district levels;

d) Review and analysis of the existing donor coordination mechanisms and development of ToR for Development Partner Coordinating Committee to strengthen its integration with DoE;

e) Development of draft terms of references for the joint coordination functions and annual review processes and mechanisms, including alignment of existing management committees with DoE;

f) Development of the management and coordination manual.

**Status**

Task a) has been partially completed. Currently the TWG is working on the annexes for the JCP. Task b) has been delayed as it was necessary to first develop the joint mechanism. Tasks c), e) and f) have not started. Preliminary work has been done on task d) by the DPs but has not been presented to the TWG.

**Recommendations**

a. A detailed work plan including a flowchart, timeframe and budget should be prepared for 2010 for all outstanding tasks. The TWG should review, revise and if necessary propose new tasks to be undertaken.

b. The TWG should re-sequence the tasks to be carried out to in line with the requirements in the JCP. The joint mechanism in the UBE Plan should form the basis for the ToRs to be developed.

c. In order to develop joint mechanisms at the provincial levels, the TWG should engage directly with Department of Provincial and Local Government Affairs (DPLGA) and Provincial and Lower Local Services Management Authority (PLLSMA).

The following section is taken directly from the TWG work plan 2009

Expected Result

Adequate GoPNG financial management and procurement systems to allow development partner funding to be disbursed and acquitted for the areas defined in the Annual Operational and Financial Plans. A signed Joint Financing Arrangement between GoPNG and the DPs defining aid modalities (eg. project, pooled or budget support), accounting procedures, disbursement and acquittal mechanisms to ensure transparent funding to the national education system in line with the PNG Commitment on Aid Effectiveness and complementing the JCP.

Tasks

The TWG will support the DoE in the following tasks:

a) Development of the FMA / PA Action Plans and monitor the implementation of the same plans;
b) Develop ToRs for agreed technical assistance and studies to be carried out;
c) Clarify DPs’ requirements and intentions in moving towards a JFA;
d) Draft a JFA for consideration by GoPNG and DPs in line with approved recommendations and progress from the FMA / PA.

Status

Task a) has been partially completed. The FM assessment has been agreed and the draft plan has been developed. The Procurement Assessment will be carried out in early 2010. Task b) has been partially carried out. Some studies are being carried out. No work has begun on the JFA. The DPs are still discussing possible funding mechanisms and fiduciary risk strategies in using GoPNG public financial management systems.

Recommendations

a. A detailed work plan including a flowchart, timeframe and budget should be prepared for 2010 for all outstanding tasks. The TWG should review, revise and if necessary propose new tasks to be undertaken.
b. The DPs should progress the work of the financing agreements in line with the GoPNG financial management systems.
c. In order to improve the use of the PFM at the provincial levels, the TWG should engage directly with all relevant government central agencies, including the Department of National Planning and Monitoring, Treasury, Department of Finance, Department of Provincial and Local Government Affairs (DPLGA) and Provincial and Lower Local Services Management Authority (PLLMSA).
ANNEX 4

PNG Australia Partnership for Development: Education Schedule
Annex 5

Papua New Guinea
Universal Basic Education Plan
(2010-2019)

National Executive Council: December, 2009