

DISCUSSION PAPER

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Donor coordination in education and training systems in the Western Balkan countries and Turkey

Questions for discussion

1. What can donor coordination in education and training achieve?
 - a. What models of donor coordination exist at the national level?
 - b. From country experience what lessons have been learnt so far?
2. What could be the value of a regional approach to donor coordination?
 - a. What are the main features of regional approaches?
 - b. How would a regional approach be developed?
3. To improve donor coordination what efforts need to be taken by
 - a. countries?
 - b. development partners?
4. How can donor coordination
 - a. link sector reform to broader reform processes in the countries?
 - b. support capacity development strategies at all levels from the classroom to central administration, including civil society and the private sector?

1. Challenges for education and training systems in the IPA region

Since the Paris Declaration on Aid Effectiveness in 2005, increased attention has been given to improving donor coordination, according to the Declaration's principles of ownership, alignment, harmonisation, managing for results and mutual accountability. In contexts where multiple development partners are active, donor coordination appears essential for improving the effectiveness of aid, aligned with national and regional strategies.

Albania, Bosnia and Herzegovina, Croatia, Kosovo (as defined in UNSCR 1244), the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey have all been undergoing major transition processes, supported by numerous donors and within the framework of the Instrument for Pre-Accession Assistance (IPA).

Each country has undertaken initiatives to adapt their education and training systems and their links to employment, social inclusion and competitiveness. Most of the countries have further developed and established relevant agencies to enhance and oversee education-related activities, they have advanced in their efforts to create a decentralized and flexible education system, focusing also on restructure of financing for education, and introducing quality assurance mechanisms. Although many efforts are made to improve the quality of education, statistics show that in some of the IPA countries education and research are not always high priorities in the regional and domestic political agendas.

The Western Balkan countries have made significant efforts in reforming their compulsory education systems. Due to historical similarities, most Balkan countries face common challenges. Enrolment in

secondary and higher education remains relatively low and inequity in education continues between different income levels and between men and women. Drop-out levels are high in most of the countries. Poverty also translates into poor education outcomes. In theory, education is free for all, but the financial burden to pay for school books, food and transport rests mainly on families. Even though public financing has increased in the last decade, financing for the education sector is still limited. Teachers' salaries have increased but remain low compared to professionals in some other public services in some of the countries and there are not enough opportunities for professional development. There is a need for significant investment for the improvement of school infrastructure and teaching materials..

Continuing challenges include improved access to education, a widening of choices and the modernisation of delivery. Post-secondary vocational training and higher vocational education remain areas that require ongoing reform. Adult learning provision needs to be revitalised, adjusted to the needs of both employed and unemployed people and considerably expanded. Support to entrepreneurship is essential as a possible remedy to the lack of jobs and to help boost the economy. Active employment policies also need to be devised and implemented to accompany labour market reform, to help both young people and adults make up for their skills deficits and to reduce unemployment.

Although some of the countries in the region are far from being skill-intensive economies, there are already signs that the demand for skills is increasing and the nature of the skills demanded is changing towards more general skills that allow workers (and firms) to 'survive' and quickly adapt to economic changes. But the supply of skills is not fully responding to these changes: the education and training systems are not fully providing adequate learning opportunities, school curricula and teaching for producing the skills that are needed.

Lifelong learning and social inclusion are expected to be important areas for human capital development in the near future in the Western Balkan countries and Turkey. Themes which are high on the agenda and will continue to be in the coming years include measures to tackle (youth) unemployment, adult education in the context of lifelong learning, the marginalization of vulnerable groups, growing inequalities, diversification of skill needs, intercultural dialogue, civic education and entrepreneurship at all levels of education. ***In this policy context, ensuring the efficiency of investments/funds is a necessity for enhancing the quality of education and training.***

Inter-ministerial policymaking in partnership with all stakeholders and above all with employers is particularly critical in addressing issues such as transition from school to work which require attention not from a single ministry, but a coordinated approach from a number of ministries, public and private institutions, social partners, civil society.

This paper considers the state of national strategies for education and training, and the current situation regarding donor coordination in each country and the potential for enhanced regional coordination. Further details of national strategies and donor coordination in each country in the region are presented in Appendix One.

2. Stocktaking of national strategies - do they exist? What are the characteristics of 'good' strategies?

The situation regarding national education and training strategies varies between the countries. Turkey, for example, has a Human Resources Development Operational Plan (2007 to 2009) which covers both education and employment related issues. A notable example of an integrated strategic approach is the Government of Albania's National Strategy for Development and Integration (2007-2013) which provides a defined basis for donor coordination. Furthermore, Albania's Education, Excellence and Equity Programme (EEEP) takes a Sector Wide Approach (SWAp) led by the Ministry of Education and Science, draws the major donors together around specified objectives. Kosovo is an example where, following a donor-funded study and assessment of the education sector, the government recognises the need for a comprehensive sector strategy within a lifelong learning framework. In Montenegro the HRD strategy demonstrates strong inter-linkages between employment and human resource development, which should contribute to policy efficiency. Croatia has an Education Sector Development Plan and a Development Strategy of the Vocational Education System. Other countries, such as Serbia, do not yet have an education development strategy or a human capital development strategy in place but recognise the need for one.

3. State of affairs in donor coordination and some of the challenges

In addressing the above challenges, the countries are supported by external assistance (international, supra-national and bilateral donors). In some of the countries, much of the support to education has been donor-driven, provided directly by donors, or by international and local consultancy paid for by donors. As a result, in some cases, government and political ownership of policies, even good ones, is sometimes limited. In some of the countries, donor spending in education takes place “off budget”. Some assistance is not even reported to government, but is channelled to institutions and NGOs.

In some countries the Development Partners (DPs) are working together and are being very proactive in donor coordination: the leading ones being EC, World Bank and other IFIs, followed by a number of EU Member States. In some countries DPs are supporting the establishment of the donor coordination structures in the Ministry of Education. There is an increased effort by some DPs to align their support with education country strategies and to enhance the partner countries’ institutional capacity in taking the leadership of the donor coordination. The countries that are most dependent on donor assistance may face the greatest challenges in donor coordination.

In some countries of the region development partners are discussing and collaborating to establish a sector wide approach (SWAp) in education. This means supporting a single government-led sector policy and expenditure programme, by adopting common approaches across a sector, and progressing towards relying on government procedures to disburse and account for all funds. The context, content and scope of the sector-wide approach varies greatly from one country to the other. Sometimes, it is an “all-education” sector strategy and sometimes it is a VET strategy; indeed the relationship between VET and general education varies from place to place and this adds complexity to donor coordination. An integrated approach to human resources development in a lifelong learning perspective implies cooperation across ministries of education, ministries of labour and ministries of economy. There are direct implications for the coordination of donor support.

The Education Excellence and Equity Programme (EEEP) in Albania is co-financed by major donors – World Bank, Council of Europe, and the European Investment Bank. There are other countries in the region where the most active development partners in the education have confirmed their willingness to provide budgetary support, enabling and allowing governments to choose their own expenditure priorities for education and training.

The World Bank, in negotiation with the Government of Kosovo and its development partners, is finalizing the provision of budget support through the Kosovo Sustainable Employment Development Policy Program, which supports reforms and programmes in the social sectors which are fiscally sustainable not just in the short run, but also in the medium to long run, and which are conducive to building human capital, generating employment and growth. It is financed partly through an IBRD trust fund and partly through a multi donor trust fund to which 10 donors have pledged thus far. The donors include the UK, Finland, Switzerland, the European Commission, the Czech Republic, Italy, Sweden, Estonia, Norway, and Denmark, with others having expressed interest. The total money pledged is estimated to be 60 million Euros. Several of the donors among this group are also providing technical assistance to the Government of Kosovo in fulfilling some of the tasks that have a direct bearing on this programme.

Insights can be drawn from modalities and experiences of donor coordination in education and training beyond IPA countries. In Kyrgyzstan, donors are working with the government to develop a joint strategy for education, towards a SWAp. In Mozambique, for example, there is a mutual accountability mechanism which involves an annual assessment of development cooperation against mutually defined performance indicators, carried out by sector working groups. The Government are also leading the development of a Code of Conduct to include all donors, so as to better align and improve aid effectiveness.

Section 4: Regional approaches to enhance national capacities in education and training

Regional approaches might be an effective response in this region as they can provide opportunities to pool and expand strategic knowledge on sector policy formulation. Such approaches enable capacity development through learning from peers who have addressed the same challenges and

contribute to successful lobbying in accessing financial resources. Regional approaches encourage the attention of the policy makers to education and training and increase the awareness that IPA funds can be used to bring together national/regional/EU and other international experience.

Regional Cooperation Council-Building Human Capital and Cross-Cutting Issues Unit

Donor coordination in the region of Western Balkans and Turkey can be beneficial in order to:

- Increase long-term competitiveness of the region through better education, innovation and R&D, including related necessary reforms, increased administrative capacities and improved infrastructure;
- Better use of scarce human, institutional and financial resources in the region;
- Complying with the high-prioritization of human capital development in defined national priorities for regional cooperation;
- More effective regional response in order to increase investment in Education, R&D and Innovation, in accordance with the four priority areas of the Lisbon Strategy;
- Having in mind that ongoing global economic and financial crises imposed the need for urgent and coordinated action at the regional level, countries of the region agreed upon the action plan, which includes:
 - Quality Assurance
 - Life Long Learning
 - Evidence Based Policy Making
 - Joint Degree Programs
 - Regional Research Strategy

5. Conclusions

This brief discussion paper introduced some of the principle challenges for education and training in the Western Balkan countries and Turkey. It has reviewed national strategies for human resource development and some current and potential donor coordination arrangements. Such are the socio-economic development challenges facing the region, ensuring the efficiency of national and external investments/funds for improving the quality of education and training is more important than ever.

Given the complexity of the socio-economic transformations currently underway and the many stakeholders and development partners active in education and training, the need for strategic planning and donor coordination is clear. The need to recognise and respect the diversity of the country situations is evident, whilst the paper identifies potential benefits from regional approaches.

Significant efforts are now underway among donors to harmonize their interventions. The moves from project support to sector-wide approaches have enhanced the collaboration of the development partners with key stakeholders. The demand for SWAps has been a result of the advantages they provide and the features they offer. First, by supporting the government's development vision for the sector, they strengthen country ownership and leadership. They provide development cooperation within a single agreed-upon sector strategy and expenditure programme, reducing duplication of efforts and increasing resource allocation efficiency and development effectiveness. SWAps also improve donor coordination and harmonization of procedures, significantly reducing the partner country transaction costs.

There are implications for both countries and development partners. There is a need to develop capacity within line ministries, especially for strengthening strategic planning, budgeting, human resource management and, importantly, monitoring and evaluation of results.

There is an urgent need to put in place structures which bring national authorities, development partners and other stakeholders together on a more regular and systematic basis. In addition, other information tools should be developed or better utilised - such as comprehensive rolling databases on donor investment, newsletters, and the line ministry websites. Ideally these tools should reflect the organisational realities of education and training systems, and their linkages. Yet the coordination of vocational education and training can involve several line ministries, providers and social partners,

thus spanning more than one sector and requiring integrated information systems and joint planning. Where this is the case a SWAp can appear too narrow, for the country itself and for the coordination of development assistance.

The Instrument for Pre-Accession Assistance (IPA) promotes the development of country strategies for education and training, which constitute a defined framework for donor coordination at the national level. It also offers a regional platform for peer learning and regional donor coordination. The IPA HRD Component resembles, but even goes beyond, a sector-wide approach. A broad focus on Human Resources Development implies an inter-sectoral approach, through attention to education and training, employment and social inclusion. Crucially, IPA can help to develop national and regional capacities to manage European and donor funds more effectively in the future.

APPENDIX ONE

National Strategies and Donor Coordination in each Country

Albania

The Government of Albania has adopted the National Strategy for Development and Integration (NSDI) 2007-2013 which represents an integrated approach for the socioeconomic development of the country and prospects for integration into the EU and NATO. It is a key Government document that sets the basis for improved and comprehensive donor coordination. A strategy addressing the challenges in pre-university education for the period 2007–2013 has been adopted and reform is ongoing. The higher education strategy addressing the challenges in this sub-sector has been approved in 2008. This strategy is accompanied by the Higher Education Master Plan.

The Education Excellence and Equity Programme (EEEP) is an example of donor coordination where the leadership role is exercised by the Ministry of Education and Science. This programme supports the implementation of the first phase of the Government of Albania's sub-sector strategies - strategy for pre-university education, including implementation of Higher Education Reform and brings together the major donors – World Bank, Council of Europe Bank and European Investment Bank. The intervention is based upon a philosophy of sector-wide approach (SWAp) and is structured as follows: i) strengthening education leadership/management/governance, ii) improving teaching and learning conditions; iii) improvement and rationalization of the education infrastructure; and iv) setting the stage for higher education reform.

Bosnia and Herzegovina

The strategies for further development of education in Bosnia and Herzegovina (BiH) are: 1) BiH Vocational Education and Training Strategy 2007-2013 (adopted in 2007); 2) The Strategic Direction for BiH Education 2008-2015 (adopted in 2008) and c) the Strategic Direction for Pre-school education of BiH. The BiH Vocational Education and Training Strategy 2007-2013 was adopted in 2007 and it provided numerous recommendations for further development of TVET sub-sector. In addition, BiH institutions have already agreed to prepare an adult learning strategy and have in this respect submitted the proposal for IPA 2009.

The Donor Coordination Forum (DCF) was established in 2005. It is a semi-formal information-sharing and coordination platform for twenty of the major donors in BiH, including the European Commission, the World Bank, the Netherlands, Germany, and the United States. In the period 2007-2008 the United Nations Development Programme (UNDP) served as the Secretariat of this body and carried out a yearly Donor Mapping Exercise on behalf of the participating donors. As of January 2009, the DCF Secretariat is housed within the BiH Ministry of Finance and Treasury/Sector for Coordination of International Economic Aid. The SCIA is responsible for the Forum's quarterly meetings, carries out the Donor Mapping Exercise and provides technical support to the Forum's members. The DCF donors active in the education sector are Austria/ADA, France, Germany/GTZ, Italy/IC, Norway, Spain/AECID, Sweden/SIDA, USA/USAID, EC, UNICEF, and the World Bank. Non-DCF members, the Council of Europe (CoE) and the Organization for Security and Cooperation in Europe (OSCE), also have a big influence in the sector.

Croatia

Under the Strategic Development Framework for 2006-2013, the IPA Operational Programme for Human Resources Development 2007-2009 sets the strategic priorities for (1) employment, (2) education, training and skills development, (3) social inclusion, and (4) capacity and good governance in these three fields. The Government has approved and is implementing the Education Sector Development Plan 2005-2010 and Development Strategy of the Vocational Education System in the Republic of Croatia 2008–2013. These strategies have as priorities the quality and efficiency of education, professional development of education personnel, management of education, and education for social cohesion and economic development.

There are no specific mechanisms of donor coordination in education in Croatia. While the overall donor coordination by Croatian authorities is spread between several Ministries, the EC jointly with the World Bank still play an active and important role through their regular coordination meetings. The EU assistance is coordinated by the Central State Office for Development Strategy and Co-

ordination of EU Funds (CODEF). The operating structure for the Operational Programme for Human Resources Development is headed by the Ministry of Economy, Labour and Entrepreneurship, which is responsible for Component 4 of the IPA Programme for HRD. Selected priority axes and measures of the IPA HRD Programme are then the responsibility of the Ministry of Science, Education and Sports. A challenge to overcome will be the coordination between the numerous IPA interventions in education and their links to the national strategies.

Former Yugoslav Republic of Macedonia

Since the change of government in June 2008 the Ministry of Education and Science has not published a new strategic plan for education. This makes it difficult for development partners and donors to education and training to position their activities strategically. Prior to the change of government there was a 'National Strategy for Reform in Education 2006 to 2015'. At present there is limited capacity for strategic planning in the Ministry of Education and Science.

Effective donor coordination by the Former Yugoslav Republic of Macedonia has been lacking, although there has been support by UNDP for aid coordination and the work of the Committee of Ministers for Coordination of Foreign Assistance. The Secretariat for European Affairs coordinates EU and other foreign assistance.

Senior officials change frequently, hampering the potential for a continuous or consistent approach to donor coordination. In 2008 the Ministry of Education and Science organised two sessions for donors to share information on current assistance to education. There is an appreciation of the need for donor coordination, but not a sustained approach. There is an EU/International department in the MoES and the MoES is often represented on project steering committees but country ownership of projects is generally limited and this is a key challenge. There is reasonable self-coordination among the major donors to education, who meet to share relevant information and with the basic aim of avoiding duplication.

Kosovo

The government's education plans are outlined in two strategic documents (pre-university education 2007-2017 and higher education 2005-2015). With the support of development partners, the government is working on the elaboration of an implementation framework and operationalisation of the findings of the in-depth study and assessment "Kosovo Road Map for Improved Education Sector Performance and Aid Effectiveness", (carried out with support of SIDA). This in-depth study and assessment underpins the need to develop a single education strategy based upon a Life-Long Learning framework, a sector-wide approach (SWAp), which will support a comprehensive sector strategy and the necessary capacity building of the ministry to plan, implement, monitor and evaluate the development of the education sector. Aligning development partner activities behind a single strategic plan would be imperative for supporting the education system.

A large number of donors are providing support to the education sector in Kosovo. The EU and the World Bank has been the most important donor supporting Kosovo's education system since 1999. World Bank and EC (through CARDS, IPA 2007-2008 and lately 2009) are supporting the improvement of quality and efficiency of the provision of pre-university education in a lifelong learning and employability perspective, in line with the agreed-upon sector-wide approach (SWAp). The complementarity of current EC projects with WB projects is followed by other key development partners active in education and training. They include the American, Austrian, British, Danish, Finnish, German, Norwegian, Swedish, Swiss Governments, the Organization for Security and Co-operation in Europe (OSCE), UNICEF and others.

Montenegro

The national Lifelong Learning Strategy follows EU lifelong learning principles on contributing to the skills of existing workers. Employers consider strategy as a public service strategy. National Employment and HRD Strategy is well developed and coherent with EU employment strategy. The HRD strategy involved intensive dialogue with all parts of society and a good sense of ownership all round. Also important is that employment and HRD have been addressed as inter-dependent phenomena which should promote better policy efficiency. A life-long entrepreneurial learning strategy captures key principles from the human capital chapter of the European Small Business Act while the SME strategy and the R&D strategy additionally reinforce the importance of entrepreneurship education.

Key investors into Montenegro human capital development are the European Union which has focused primarily on vocational education and training, with further support for qualifications development and active employment measures next in line for investment. The country is also an active partner in the TEMPUS programme. World Bank is presently supporting the education authorities in development of quality of teaching and learning in schools and in the efficient use of budgetary resources. With the support of the World Bank and other donors, the Government has established relevant agencies to enhance and oversee education-related activities. Along with the Ministry of Education and Science (MoES) and the agencies, the donors evaluate progress and perform sound strategic planning within the framework of biannual Steering Committee meetings. German support concentrates on employment promotion and private sector development (€6m, 2005-2011) with specific support for vocational training in select sectors (€3m, 2006-2011). Other support includes: Austrian - focus on non-formal entrepreneurship education in secondary schools; The Netherlands - focus on local economic development which includes active employment measures.

Serbia

Serbia does not have a comprehensive education development strategy or a human capital development strategy. The Ministry of Education acknowledges the need to prepare such strategies and the work will start soon. It appears that the future priorities for the development of education will be focused around the three pillars of equity, quality and competitiveness within the European framework, and efficiency of the education system. The choice of these priorities is based on MoE analysis and new educational policy findings, as well as a number of strategies adopted by the Government of Serbia in the last five years. The VET and Adult Education strategies drafted under the assistance of the CARDS programme in 2006 have been widely piloted at the school level, but so far they have not been endorsed by the Government of Serbia.

Overall, the Ministry of Finance in cooperation with the Serbian Deputy Prime Minister's Office coordinate the IPA programming as well as other international assistance on the side of the Serbian government. On the donors' side coordination meetings have been organised by UNDP and the World Bank. In the sector of education, donor coordination mechanisms are not in place yet. The Ministry of Education plans to introduce this function by means of creating an international projects unit. Foreseen challenges in the near future will be to mainstream the accumulated outcomes of recent donor interventions, to coordinate linkages among the coming IPA projects in education and to ensure that they support a comprehensive education development strategy after it is adopted. Another challenge will be the preparation phase for the IPA Component 4.

Turkey

The key strategic document Human Resources Development Operational Plan 2007-2009 tackling women's and youth employment, the issue of undeclared work and institutional capacity of public employment services, has been elaborated. It has been prepared in compliance with Turkey's 9th National Development Plan (NDP), Medium Term Programme (2007-2009) adopted in 2006 and the Strategic Coherence Framework (SCF). Other key documents such as National Strategy for Human Resources Development and the National Action Plan for Employment elaborated within the EU-supported Active Labour Market Programmes Project implemented by ISKUR (the Turkish Employment Organisation) have not been officially adopted but served as a basis for the development of HRD OP 2007-2009.

Throughout the last several years, the Government of Turkey has adopted a more open process for planning and implementing education policy. Increasingly, the government is listening to and working with Non Governmental Organizations and other stakeholders to facilitate broader participation in education policy formulation and more successful implementation of government programmes. Moreover, it has been encouraging closer collaboration with international organizations that work in the sector, including the World Bank, the European Union, UNICEF, and the European Investment Bank, among others.