

**REPORT ON THE REVIEW OF NZAID ENGAGEMENTS
IN HUMAN RESOURCE DEVELOPMENT IN THE
GREATER MEKONG SUBREGION OF SOUTHEAST ASIA**

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List of Acronyms

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
CLMV	Cambodia, Lao PDR, Myanmar and Viet Nam
DTEC	Thailand Department of Technical and Economic Cooperation
DTP	Diplomacy Training Programme, University of New South Wales
EIT	Eastern Institute of Technology
ELI	English Language Institute, Victoria University of Wellington
ELTO	English Language Training for Officials Programme
GMS	Greater Mekong Subregion
GMSARN	Greater Mekong Subregion Academic and Research Network
GMSECP	Greater Mekong Subregion Economic Cooperation Programme
GMSTEC	Greater Mekong Subregion Tertiary Education Consortium Trust
HEEP	Higher Education Exchange Programme (Asia:NZ Foundation)
HRD	Human Resource Development
IAI	Initiative for ASEAN Integration
MFAT	Ministry of Foreign Affairs and Trade
MI	Mekong Institute Foundation
NMIT	Nelson-Marlborough Institute of Technology
NZAID	New Zealand Agency for International Development
NZDS	New Zealand Development Scholarships
NZIS	New Zealand Immigration Service
ODA	Official Development Assistance
PPP (PPP-DM)	Phnom Penh Plan for Development Management
SME	Small- and Medium-sized Enterprises
STTA	Short Term Training Awards
TICA	Thailand International Development Cooperation Agency
UNIAP	United Nations Inter-agency Project on Human Trafficking
VAP	Vientiane Action Programme “Narrowing the Development Gap”
VSA	Volunteer Service Abroad
VUW	Victoria University of Wellington

All dollar costs in this report are in New Zealand dollars unless otherwise stated.

Exchange Rates used: NZ\$1 = US75 cents
NZ\$1 = 23.75 Thai Baht

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1. Executive Summary

Background

The focus for this review is the Greater Mekong Subregion (GMS), that portion of Southeast Asia which comprises the six countries of Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam and Yunnan Province of China. With as many as 70 million people living within the river's basin and over 300 million in the subregion, the GMS is recognised as an area with immense economic potential, rich natural resources, diverse linguistic and cultural heritages and natural environments.

Poverty in the GMS has been in decline since 1992, but recent poverty assessments of some GMS countries indicate that there remain vast numbers of poor and near-poor people, income inequality has increased in most GMS countries, and access to vital social services remains severely limited and unequal. The Governments of Cambodia, Lao PDR and Viet Nam have specific development strategies to address their particular needs.

New Zealand has been supporting human resource development (HRD) in Southeast Asia since the creation of the Colombo Plan in 1950. Over time and in response to the changing needs of the region, this engagement has broadened to include capacity development through the provision of professional development courses for government officials, English language training and scholarship assistance to postgraduate students.

The objective of this review was to assess NZAID's human resource development programme in the GMS in terms of its relevance, effectiveness and efficiency. Current NZAID-supported programmes in the GMS include the Mekong Institute Foundation (MI) and the Phnom Penh Plan for Development Management (PPP), both of which offer training courses for managers focused on capacity development. Government officials from the GMS (currently 64 per year) participate annually in the New Zealand-based English Language Training for Officials (ELTO) programme. Postgraduate students from the GMS are studying in New Zealand under the New Zealand Development Scholarships (NZDS) scheme. A number of other programmes sponsored by other donor agencies have also been supported.

Methodology

The HRD in GMS review was conducted in two phases. Phase I included a review and analysis of existing literature, stakeholder identification, and consultation with a group of New Zealand-based experts experienced in HRD activities in the GMS.

Phase II involved gathering data and reporting. The key data gathering component was a visit to the GMS by two of the consultants in July-August 2007. Interviews were carried out with stakeholders in Bangkok, Phnom Penh, Vientiane and Ha Noi, and at MI in Khon Kaen. Oral and written questionnaires were used to gather data from ELTO alumni. Data were also gathered from stakeholders and course participants in New Zealand by means of interviews and oral questionnaires. Data collected were triangulated as far as possible.

Programmes

A summary of the purpose, current status, alignment, harmonisation, effectiveness and efficiency of the MI, ELTO, NZDS and PPP programmes follows.

Mekong Institute (MI)

MI was set up in Khon Kaen, Thailand, in 1996 as a bilateral development project, as a means of promoting human resource development in the six countries of the GMS. The main means of achieving this objective has been the delivery of skills-based courses to middle and senior officials in public and private sector organisations. It was relaunched as a new Regional Training Organisation in 2003 following an End of Project review.

MI is at a critical stage of its development. It is simultaneously facing devolution of authority as it becomes an independent international organisation accountable to its Council, and an evolution in its strategy and structure as it faces an increasingly competitive environment with multiple competitors and sponsors. In order to be able to design and deliver human resource development programmes to different partners, it has to build its own human resource capacity and internal systems.

MI's current core programmes were designed to be aligned to the strategies of GMS countries. Prioritising of programmes is primarily based on national poverty alleviation plans and on requests from individual countries; it has recently increased the number of courses it runs with a poverty elimination theme. As part of its response to the challenges it faces, it now intends to develop core products around four thematic areas designed to reflect both government and regional strategies in the GMS.

MI's financial support comes mainly from New Zealand, through NZAID, and Thailand, through TICA. Other donors support MI through sponsored courses. The courses offered by other donors in 2007 were in harmony with both MI's and NZAID's priorities in the GMS.

There were ambivalent responses regarding the effectiveness of MI's courses. Representatives of two countries said they received positive feedback from their trainees about the programmes offered at MI, but others interviewed felt that some MI courses were not practical as trainees were not always able to put into practice what they had learned when they returned home. Ratings of courses by participants were generally very good. MI is planning to conduct a tracer study to trace the impact of MI learning courses, and this should provide a more objective view of the effectiveness of MI in upskilling individual officials.

The relative cost per head of delivery of courses at MI appears on the high side. TICA has indicated that other tertiary providers such as universities in Thailand are able to deliver its courses more cheaply than MI.

English Language Training for Officials Programme (ELTO)

The ELTO programme assists the Governments of Cambodia, Lao PDR, Myanmar and Viet Nam, and Timor Leste, Indonesia and Mongolia, to develop the capacity of officials through the provision of English language training. The broad goal of ELTO is that officials of participating countries develop the English language skills they require to do their jobs effectively, particularly when representing their countries' views in ways that require the use of spoken or written English.

The ELTO programme is highly regarded by stakeholders, current participants and alumni. ELTO is perceived to add value through the benefits it brings in enhanced English language skills for government officials. Holding the programme in New Zealand also has significant benefits in enabling participants to gain new knowledge and skills in their specialist areas. The current Phase II of ELTO will finish at the end of 2007 and there are no arrangements at present to offer the ELTO programme in 2008.

The provision of English language training continues to be a human resource development priority of partner governments in the GMS. The current ELTO programme meets this priority. ELTO's

alignment with partner government strategies was further strengthened by the move in Phase II to theme-based courses.

ELTO is a niche programme; no other donors currently target English language training for officials in this way. In doing so it complements other English language training programmes offered in the region by other donors. By improving their English language skills, it also offers participants the possibility of their eventually becoming eligible for advanced level study offered by both New Zealand and other donors and thus of further enhancing, in the medium term, the human development capacity of partner countries.

ELTO Phase II is perceived to be a very effective programme. The end-of-course evaluations completed by participants consistently reflect a high level of satisfaction with the course and its outcomes for them. Feedback from 2007 participants interviewed in New Zealand was very positive, as was feedback from ELTO alumni in Viet Nam and Cambodia in response to a written questionnaire, and from most stakeholders interviewed during the field visit to the GMS, and from stakeholders in New Zealand.

The ELTO programme is managed very efficiently, with an average annual increase in costs during Phase II less than the rate of inflation for the period. The average per participant cost in the most recent financial year was \$5846/person/month. While cost savings could be made by offering part of the ELTO programme in-country, the quantitative value of such savings in the name of efficiency needs to be set against the qualitative benefits of the current Phase II ELTO structure.

New Zealand Development Scholarships (NZDS)

The NZDS scheme's aim is that, by providing people with knowledge and skills to contribute to the sustainable development of key sectors in their home country, it will reduce poverty, promote good governance, and contribute to the human resources of targeted countries.

Students from the GMS have been studying in New Zealand on NZDS scholarships since 2006. There are two types of award. The NZDS-Public scholarships scheme is a bilateral scheme available to candidates from three only of the GMS countries – Cambodia, Lao PDR and Viet Nam. NZDS-Open scholarships are available to candidates from a number of regions world-wide; among the GMS countries, candidates from Cambodia, Lao PDR, Myanmar, Viet Nam and China are eligible to apply for NZDS-Open scholarships.

NZAID offers NZDS scholarships to candidates of the GMS in a range of priority sectors dependent on the strategic needs of the individual countries. The majority of the students currently in New Zealand are studying in the public sector and in sciences, particularly sciences related to agriculture and the environment. Smaller numbers are studying in the areas of education, business and social sciences.

The NZDS scheme is a fairly new and a small player in the scholarships area; other countries are able to offer many more scholarships than New Zealand. It is suggested that New Zealand should target its scholarships to niche areas such as agriculture, veterinary science, sustainable development and eco-tourism, where it has particular expertise. There will be better harmonisation of NZAID's scholarships with those of other donors if NZAID focuses on such complementary niche areas rather than competing in the same fields with other donors.

It is not yet possible to comment in any detail on the effectiveness and efficiency of the current NZDS scheme in contributing to NZAID's core goal of poverty elimination in the GMS, since the first students from the region commenced their studies under the scheme in New Zealand universities only in 2006. A change to a blended mode of teaching and learning involving a twinning arrangement between a New Zealand university and a university in a GMS country could offer greater efficiency of delivery in terms of the total cost per student for a course of study.

Short Term Training Awards (which are not part of the NZDS scheme) enable individuals from developing countries to undertake short-term vocational, skills-based training in New Zealand to meet the high priority human resource needs of their country. It is recommended that individuals from all GMS countries be eligible to receive Short Term Training Awards (at present only citizens of Viet Nam among the GMS countries are eligible).

Phnom Penh Plan for Development Management (PPP)

PPP was launched in 2002 as a capacity-building initiative of the GMS countries. Its goal is to improve the efficiency and effectiveness of development management in GMS countries, and thereby to enhance economic growth and social development.

The focus is on a critical mass of middle- to senior-level officials to improve the quality of development decision-making in the GMS. PPP considers that this core of GMS change agents can contribute to the institutional reforms that will stimulate economic growth and social development in the GMS.

The context for its formation was the perceived need to provide development management opportunities to support the heavy investments in physical and social infrastructure that have taken place over recent years in the GMS. The 30 learning programmes provided by PPP in 2006 and 2007 combined were all, in accordance with its focus, concerned with policy and management issues related to the strategies of partner governments.

PPP financial support comes from ADB, NZAID, China and France, all of whom are also donors through other programmes in the GMS. PPP has formed and works with a network of capacity-building partners for its programmes; in 2006, its capacity-building network comprised ten institutions.

Comments made and ratings given by participants on 2007 courses were generally positive, suggesting that the courses are effective in meeting their objectives from the viewpoint of the participants.

PPP funding in 2006 totalled \$4,073,000. During the year it offered 16 training courses, each of one to two weeks' duration, to 297 participants. The cost/person of the actual courses was not included in the information supplied to the review team by PPP.

Alignment to the sectoral and targeted geographic focus of NZAID's Asia and Country Strategies

NZAID's focus in Southeast Asia is on sustainable rural livelihoods, complemented by initiatives in other sectors, such as health, as appropriate. The basis of its sectoral focus is on sustainable rural livelihoods, complemented by regional and thematic programmes such as assistance for trade and private sector development, and human resource development. In each of Cambodia, Lao PDR and Viet Nam, aid is concentrated on two main geographic areas.

The alignment of the four main programmes reviewed in this report with NZAID's sectoral and targeted geographic focus is through the complementary regional and thematic programmes.

Overall

The MI and PPP programmes both provide courses aimed at improving development management skills. ELTO focuses on the HRD need for English language training, while NZDS is designed to provide students with advanced knowledge and skills in key sectors in their home country. All four programmes can therefore be considered to be aligned with the strategies of partner governments.

There are considerable synergies between NZAID's programmes and those offered by other donors; the challenge is to avoid duplication of effort and resources by identifying niche areas where New Zealand has particular expertise and targeting them. ELTO does this. NZDS has the potential to do so but at present essentially targets the same catchment of potential students as other donors, rather than complementing them. It will be more difficult to ensure this for MI and PPP, firstly because they are institutions supported by a number of other donors besides NZAID, and secondly because the less focused nature of their interventions makes it more difficult to avoid duplication with courses offered by other donors.

Overall the four programmes are well aligned to the strategies of partner governments and to the complementary aspects of NZAID's sectoral focus in the GMS; and generally harmonised with the programmes of other donors. This is not surprising; they were designed to be so.

While the effectiveness of individual programmes in achieving their own goals could be assessed, the effectiveness of the programmes in contributing to the overall goal of the elimination of poverty in the GMS could not be ascertained objectively by the consultants. There is ongoing debate internationally concerning not just the effectiveness of Official Development Assistance (ODA) but also of the studies designed to assess its effectiveness. Any attempt to establish causative links between the reduction in the incidence of poverty in the GMS and NZAID's programmes in the subregion would need to be done through a detailed analysis over the long term.

PPP and MI are similar in nature; the other two programmes are very different. PP and MI offer learning programmes, sponsor research and support dialogues across the GMS in different ways. ELTO is devoted exclusively to running courses for government officials. NZDS supports individual courses of study at postgraduate level in a range of tertiary institutions. It was not therefore possible, within the scope of this review, to make direct comparisons between the programmes regarding their relative efficiency. Inferences regarding comparative efficiency could only be made in broad terms; a detailed and uniform costing base would be needed to allow more direct comparisons to be made. Even when such comparisons are made, the purely monetary costs of a given programme must be set against the benefits to the participants, the partner country and New Zealand, to be derived from the programme, and against their contribution to the strategies of partner governments and to NZAID's own strategic goal in the region.

Integration

The four programmes are integrated with one another and with bilateral programmes in that they are all aligned with partner government strategies in the GMS and with NZAID's own goals in the region. There are, however, few direct links between the programmes; because of their different nature and structure (apart from MI and PPP), they operate essentially independently. It is suggested that wherever appropriate the effort should be made to integrate activities so as to achieve the best possible synergies between programmes, using as a basis regional and thematic programmes such as assistance for trade and private sector development, and human resource development that are part of NZAID's sectoral focus in the region.

Besides the four main programmes NZAID also supports a number of other initiatives in the GMS. In setting itself multiple objectives in multiple programmes with the limited resources it has, NZAID runs the risk of spreading itself too thinly over a range of programmes and consequently of producing little impact in most of them. Setting goals that are unrealistic in terms of available resources can lead to disappointment and result in impacts that are not readily measurable. There is a need to be realistic about having attainable objectives by clearly determining priorities and targeting interventions according to those priorities. More measurable impacts will be produced by supporting fewer programmes in depth.

Consideration needs to be given to whether it is appropriate to continue NZAID's current level of funding of both MI and PPP and if so, how to ensure that their courses are complementary. Both

MI and PPP offer programmes for managers in public and private sector organisations. There is considerable overlap in their two target catchments, but there appears to be little or no contact between MI and PPP on the courses each will offer during a given year. It is recommended that NZAID change its involvement with either MI or PPP. If support for both is continued, NZAID could, as a major funder for both, have a coordinating role in arranging joint meetings of representatives from each to ensure complementarity rather than duplication of programmes and activities. In this way the funding available for each organisation will be used as efficiently as possible.

Other findings

Course outcomes

The outcome of courses is important when measuring their effectiveness. The key determiner is: how will the course alumni put the knowledge gained towards the achievement of NZAID's core goal and objectives in the GMS? NZAID needs to ensure that all the courses and programmes it supports have explicit outcomes which can be applied upon completion of the course. One of the problems with short-term courses of the type run by MI and PPP is that they do not produce a tangible outcome for the participant in the form of, say, a degree (NZDS) or a measurable improvement in English language ability (ELTO). Longer MI and PPP courses could produce more tangible outcomes, whether in the form of a diploma or a practical, applied skill.

Gender equality and women's empowerment

There is evidence that, while progress has been made in addressing gender equality and women's empowerment issues, there is still some way to go. A consistent ratio of 61% men to 39% women is found in the attendees at MI courses, ELTO participants and NZDS students, while the PPP course alumni ratio is 67% men to 33% women. This is despite the fact that NZAID has a policy of encouraging applications from women in the ELTO and NZDS programmes, and that nearly all ELTO participants and NZDS students interviewed thought that women were either advantaged or had equal chances in the selection process. It can be assumed from this that the causes of the gender discrepancy occur before the selection process itself for the four programmes, in the comparative opportunities for women and men to gain access to higher education in the GMS countries overall.

Top-down and bottom-up approaches to the elimination of poverty

NZAID's programme of activities in the GMS mainly present a top-down approach towards its core goal in the GMS, with the emphasis in all four of MI, ELTO, NZDS and PPP on capacity building in the public sector. Two other significant NZAID supported activities in the GMS, VSA and MRC, can be regarded as being more closely aligned to a bottom-up approach to the goal of eliminating poverty. It is recommended that, when reviewing its activities in the GMS, NZAID consider the respective benefits of top-down and bottom-up approaches to the elimination of poverty in the GMS, and the weight given to each in current NZAID programmes in the region.

Alignment and harmonisation with potential development partners

NZAID's modus operandi is based on the five key principles of the Paris Declaration of 2005: ownership, alignment, harmonisation, managing for results, and mutual accountability. When deciding on partners for future multilateral or bilateral development activities in the GMS, NZAID should take into account whether the partners' mission, values and ethos are based on the same key principles and so in harmony with its own.

Conclusion

Overall, the consultants found that the four programmes considered individually are well aligned to the strategies of partner governments, are generally harmonised with the programmes of other donors and are well aligned to NZAID's own sectoral and geographic focus in the GMS.

The programmes are effective in meeting their own goals and, in doing so, responding to expressed human resource development needs of the partner countries.

Inferences regarding the comparative efficiency of programmes could only be made in broad terms; a more detailed and uniform costing base than it was possible to develop within the scope of this project would be needed to allow more direct comparisons to be made. The purely monetary costs of a programme must be set against the benefits to the participants, the partner country and New Zealand to be derived from the programme, and against its contribution to the strategies and human resource development requirements of partner governments, and to NZAID's own strategic goal of the elimination of poverty in the region.

1.1 Recommendations

General recommendations

1. That NZAID consider three broad options for the future of its programme of activities in the GMS. Which option is pursued depends on NZAID's policies and strategies and the priorities it sets for its future engagements in the GMS.
 - A Continue supporting the same suite of programmes as at present, with some minor changes to improve their efficiency and/or effectiveness.
 - B Reduce the number of programmes it supports by changing its involvement with one of MI and PPP (because of the considerable overlap of aims and potential attendees of the two programmes), and with non-core activities to which it makes a limited contribution,. The focus would be on fewer programmes and sectors and a deeper engagement with them so as to make more measurable impacts.
 - C Make a more radical change by focusing on the "how to do" skill-based capacity building for people in the GMS, i.e. put more emphasis on vocational training and less on the training of officials. The emphasis would be on "how to do" and less on "how to think", i.e. less on the conceptual aspects of learning and more on the practical aspects. This would require a total rethinking of NZAID's investment and engagement with all the entities and programmes it has now in place.

Any of the three options could be viably implemented in the future. The consultants recommend Option B; the concentration on fewer programmes would allow a greater focus on delivering them effectively and efficiently. They also recommend that ways of progressively increasing skill-based capacity building, as per Option C, be investigated.

2. That NZAID endeavour to develop a more integrated approach across its programmes in the GMS.
3. That NZAID change its involvement with either MI or PPP because of the overlap of aims and potential attendees of the two programmes.
4. That NZAID reconsider its investment in activities such as the Diplomatic Training Programme and IAI programmes.

5. That NZAID reconsider the respective benefits of top-down and bottom-up approaches to the elimination of poverty in the GMS, and the weight given to each in current NZAID programmes in the region.

Programme specific recommendations

Note: The programme-specific options below assume the continuation of each programme. If decisions are taken which directly affect the future of any of the programmes, the recommendations would be affected accordingly.

MI

1. That MI be given guaranteed funding over a medium term of two to three years.
2. That NZAID continue to support MI in its endeavours to work through the current critical stage of its development and in its efforts to position itself as a centre of excellence in the GMS.
3. That NZAID assist MI to strengthen its internal capacity through the addressing of current governance, management and staffing issues, including the provision of governance training for members of the Council.
4. That NZAID assist MI in the development and implementation of a suitable monitoring and evaluation process of its activities as it works to implement the MI Strategic Plan 2005-2010.
5. That NZAID assist MI to find new long-term development partners whose mission, values and ethos are in harmony with its own.
6. That NZAID prepare an exit strategy that can be put in place if it is not satisfied with progress at MI by 2010.

ELTO

1. That the ELTO programme be recommenced as soon as possible
2. That the ELTO programme continue to be fully delivered in New Zealand, and that the Phase II structure using three New Zealand-based educational institutions to deliver the programme be continued.
3. That priority be given to themes such as agriculture, sustainable development and eco-tourism that are directly related to NZAID's central focus of eliminating poverty in the GMS.
4. That the ratio of participants from each of the seven countries be reviewed in consultation with partner countries.

NZDS

1. That NZAID undertake a review of the structure of the NZDS scheme in the GMS, including a feasibility study into the concept of a blended mode of learning and teaching through twinning arrangements between New Zealand universities and universities in the partner countries.
2. That niche areas where scholarships can particularly add value in terms of NZAID's goals in the GMS be identified and targeted by NZAID.
3. That a robust recruitment and selection process for potential NZDS recipients be put in place, with particular emphasis on identifying and further assisting candidates who do not currently quite meet all the academic and English language requirements for a postgraduate scholarship but who could do so with further training.
4. That the NZDS scheme be flexible in allowing adjustments to the ratio of NZDS-Public to NZDS-Open scholarships according to need and demand.

5. That individuals from all GMS countries be eligible to receive Short Term Training Awards.

PPP

1. That NZAID facilitate the establishing of closer links between MI and PPP to ensure complementarity of course programmes each year.
2. That NZAID encourage PPP to set up a full partnership arrangement with a New Zealand tertiary institution.
3. That NZAID review its engagement with PPP to determine to what extent its involvement with this training provider enhances NZAID's goal of poverty elimination in GMS countries.

Other Programmes

1. That NZAID continue to strengthen its relationships with VSA in order to enhance its community level partnerships in the GMS.
2. That consideration be given to strengthening NZAID's links with MRC.

Cross-programme issues

1. That a pilot ELT bridging programme be trialled by NZAID to investigate the feasibility of bridging English language courses in-country to enable otherwise qualified people, particularly from marginalised and disadvantaged groups, to reach the IELTS standards required to become eligible for the NZDS and ELTO programmes.
2. That discussions be held between NZAID and NZIS on measures to improve the visa issuing process to both ELTO participants and NZDS students.

2. Background

The Greater Mekong Subregion

The focus for this review is the Greater Mekong Subregion (GMS), that portion of Southeast Asia which comprises the six countries of Cambodia, Lao PDR, Myanmar, Thailand, Viet Nam and Yunnan Province of China. With as many as 70 million people living within the Mekong River basin and over 300 million in the subregion, the GMS is recognised as an area with immense economic potential, rich natural resources, diverse linguistic and cultural heritages and natural environments.

The ADB's Regional Cooperation Strategy and Programme identifies four strategic pillars designed to help achieve the GMS vision of a prosperous, integrated and harmonious subregion. They are:

- strengthening connectivity and facilitating cross-border movement and tourism;
- integrating national markets to promote economic efficiency and private sector development;
- addressing health and other social, economic and capacity-building issues associated with subregional linkages;
- managing the environment and shared natural resources to help ensure their sustainable development and conservation.

A recent ADB report¹ records that poverty in the GMS has been in decline since 1992, with the reductions most pronounced in Thailand and Viet Nam. Recent poverty assessments of some GMS countries indicate, however, that there remain vast numbers of poor and near-poor people, income inequality has increased in most GMS countries, and access to vital social services remains severely limited and unequal. The following table, adapted from data published by ADB², shows some recent income poverty and distribution indicators for the GMS countries.

Country	Per capita GDP (\$US) 2005	Poverty incidence based on national Poverty Line (%)	
		1992/1993	Latest (year in brackets)
Cambodia	393	39.0	34.7 (2004)
Yunnan Province, PRC	842*	23.8	7.9 (2001)
Lao PDR	491	46.0	32.7 (2002-3)
Myanmar	176 (in 2002)	-	26.6 (2001)
Thailand	2,727	23.2	9.8 (2002)
Viet Nam	622	58.1	19.5 (2004)

* includes Guangxi Zhuang Autonomous Region as well as Yunnan Province

The poverty incidence data in the table indicate that the greatest progress in the reduction of the incidence of poverty in the region since 1992 has been made in Viet Nam, while least progress has been made in Cambodia. Both progress made and absolute incidence in each country need to be taken into account when determining future priorities for programmes contributing to the elimination of poverty in the GMS.

The per capita GDP figures in the table give an indication of the extent to which the GMS countries are at different stages of socioeconomic development and this similarly needs to be taken into account when considering NZAID's HRD programmes in the region.

¹ Greater Mekong Subregion – Beyond Borders, ADB, 2006

² op.cit., p.3

Partner Government Development Priorities

Most of NZAID's poverty elimination strategies in the GMS are linked to the four countries referred to collectively as CLMV – Cambodia, Lao PDR, Myanmar and Viet Nam. Three of these countries have specific development strategies to address their particular needs.

Cambodia's development priorities are summarised in NZAID's Cambodia Country Strategy 2005-2010 booklet. The priorities are based on a "Rectangular Strategy" which includes four key priorities for growth: enhancement of the agriculture sector; improvement of physical infrastructure; private sector development and employment generation; and capacity building and human resource development. The core of the strategy is good governance, focused on four areas of reform: fighting corruption, legal and judicial reform, public administration reform, and reform of the armed forces and demobilisation.

Lao PDR's development priorities are summarised in NZAID's Lao PDR Country Strategy 2005-2010 booklet. The priorities are based on the National Growth and Poverty Eradication Strategy, 2004. The three pillars of the strategy are to foster economic growth with equity; develop and modernise its social and economic structure; and enhance human resource development. Poverty alleviation is focused on four key sectors – agriculture, health, education and transport – as well as on a number of cross-cutting issues of gender, good governance, drug control and environment.

Viet Nam's development priorities are summarised in NZAID's draft Viet Nam Country Strategy (published March 2007). The priorities are outlined in Viet Nam's Five-Year Socio-Economic Development Plan 2006-2010. The general goals, in summary, are to: boost the economic growth rate; significantly improve people's material, cultural and spiritual life; boost the industrialisation and modernisation process; stabilise politics, order and social security; firmly protect its independence, sovereignty and territory and national security; continue strengthening and expanding foreign relations and improve its status in the region and the world.

HRD in the GMS

NZAID defines HRD as: "A broad term encompassing education and training for all ages, and can include education programmes, short-term training and long-term scholarships."¹

Most GMS economies are in transition from central planning to a market-oriented economy.² One of the major HRD requirements resulting from this is the need for management courses at various levels that will give participants new perspectives and enable them to formulate strategies and design appropriate organisation structures to encourage this transition. A number of studies have been made into the priority HRD needs of the GMS and while the details differ, there is general agreement on the core requirements. As an example, PPP identifies five key areas for HRD: Public Sector Reform; Project Feasibility and Design; Education Management; Strategic Human Resource Management; and Senior Official Management Development.

New Zealand has been supporting HRD in Southeast Asia since the creation of the Colombo Plan in 1950. Over time and in response to the changing needs of the region, this engagement has broadened to include capacity development through the provision of professional development courses for government officials, English language training, and scholarship assistance to post graduate students.

Current NZAID-supported programmes in the GMS include the Mekong Institute Foundation (MI) and the Phnom Penh Plan for Development Management (PPP), both of which offer training

¹ NZAID website November 2007 – Glossary

² MI briefing paper for NZAID HRD Review, July 2007, p.3

courses for managers focused on capacity development. Government officials from the GMS (currently 64 per year) participate annually in the New Zealand-based English Language Training for Officials (ELTO) programme. Since 2005, postgraduate students from the GMS have been eligible to apply under bilateral schemes for New Zealand Development Scholarships (NZDS), and the first students commenced their studies in New Zealand universities in 2006 (prior to the introduction of NZDS, applicants from the GMS were eligible for postgraduate study under the former non-bilateral Postgraduate Scholarships scheme but few took up the opportunity). A number of other programmes sponsored by other donor agencies have also been supported.

2.1 Purpose of Review

The purpose of this review is to inform the development of an integrated approach and guide the focus of NZAID's human resource development programme in the GMS. The review includes an assessment of where NZAID is positioned in the delivery of HRD assistance in the GMS and recommendations on how NZAID's GMS human resource development programme should be positioned for the next five years and beyond. A copy of the Terms of Reference for the review is included in Appendix I.

2.2 Objectives

The Terms of Reference specify that the review will assess the programme in terms of its relevance, effectiveness and efficiency.

Relevance

- (i) Provide a profile of NZAID's current engagements in Human Resource Development in the Greater Mekong Subregion, including an analysis of stakeholder views of the programme.
- (ii) Assess the extent to which HRD programme activities are aligned to the poverty reduction and HRD strategies of partner Governments; harmonised with the strategies and activities of other donors and other agencies; integrated with one another and with bilateral programmes; and aligned to the sectoral and targeted geographic focus of NZAID's Asia and Country Strategies.
- (iii) Identify the HRD priorities of the GMS, on the basis of existing strategies, research findings and consultations with key stakeholders, and highlight where NZAID's programme could be responsive to these priorities.

Effectiveness

- (iv) Assess the extent to which HRD programmes are contributing to NZAID's mission of eliminating poverty in the GMS.

Efficiency

- (v) Assess whether the programme has been implemented through the best use of available resources.

2.3 Scope and Timing

The scope of the review was to specifically consider four key NZAID-funded activities in the GMS: MI, ELTO, NZDS and PPP.

Additional activities to be considered by the review included:

- ASEAN's "Initiative for ASEAN Integration" (IAI) and Vientiane Action Programme "Narrowing the Development Gap" (VAP); and ADB's "GMS Economic Cooperation Programme"
- Asia:New Zealand Foundation's Higher Education Exchange Programme (HEEP)
- Diplomacy Training Programme (DTP), University of New South Wales
- Volunteer Service Abroad (VSA)

The review took place between June and November 2007.

2.4 Terminology

In this report the term:

- *alignment* refers to supporting the strategies of partner governments in the GMS.
- *harmonisation* refers to working with other donors in the GMS.
- *integration* refers to the bringing together of the separate elements of NZAID's activities in the GMS to create a whole unit.
- *effectiveness* refers to "doing the right things" so that goals are achieved.
- *efficiency* refers to "doing things right" so that programmes are implemented in the most cost-effective manner possible and no mistakes are made.

3. Methodology

3.1 Key Questions

NZAID provided five key questions to focus the review:

1. What is the profile of NZAID's engagements in HRD in the GMS?
2. To what extent and how are programme activities aligned, harmonised and integrated?
3. What are the current and likely future HRD priorities of partner Governments in the GMS and how could NZAID be more responsive to these priorities?
4. To what extent and how is the HRD in GMS programme effective?
5. How can NZAID ensure the relevance, effectiveness and efficiency of the future programme?

3.2 Approach

The HRD in GMS review was conducted in two phases.

Phase I of the review involved:

- a review and analysis of existing literature, including findings of reviews previously conducted and/or contracted by NZAID. An indicative list of documents consulted is included in Appendix V.
- stakeholder identification, in consultation with NZAID Managers at Posts.
- identification of and consultation with a group of New Zealand-based "experts" experienced in HRD activities in the GMS.
- development and clarification of the intervention / programme logic.

Phase II involved:

- interviews with identified key stakeholders, including regional organisations and institutions, representatives from in-country partner Government departments, training providers (both New Zealand-based and in-country), MI, ELTO and NZDS participants and alumni, and NZAID staff based in the region (NZAID Managers, Development Programme Coordinators, Development Programme Assistants and other Embassy staff involved with HRD matters in the GMS). A list of persons consulted is included in Appendix IV.
- draft reports to NZAID on review findings.
- final report to NZAID incorporating relevant feedback and suggestions from the draft reports.

3.3 Data gathering methods and sources

A description of the methodology used is contained in the Methodology Description and Rationale in Appendix II.

Methods used to gather data included a review of NZAID-supplied and GMS-sourced literature, online searches for relevant information, an Experts Workshop in Wellington, interviews with stakeholders in New Zealand, interviews with stakeholders in the GMS, interviews with ELTO participants in New Zealand, interviews with NZDS students in New Zealand, questionnaires linked to the interviews in the GMS, and a questionnaire for ELTO alumni in the GMS.

New Zealand stakeholders used as sources of data included NZAID, New Zealand Posts in the GMS, Asia:New Zealand Foundation, VUW, ELI, EIT, NMIT, VSA, GMSTEC and the Ministry of Education.

GMS stakeholders used as sources of data included government department officials, education institutions, training coordinators, language training institutions, multilateral organisations, other donors, MI, PPP, IAI and service providers.

Online sources of data included the NZAID, ADB, UNDP, ASEAN, OECD and World Bank websites and individual GMS country websites.

Data collected were triangulated as far as possible. Data on MI were collected from MI itself, from partner country officials, and from other sources, including officials from other donor organisations, representatives of other countries, an Experts Group in New Zealand, NZAID and other New Zealand government officials, and literature reviews and online searches. Data on ELTO were collected from current and past participants, from programme administrators and tutors, and from other sources including the Experts Group, NZAID and other New Zealand government officials, literature reviews, a Cambodia, Lao PDR and Viet Nam friendship organisation, and homestay hosts. It was not possible to triangulate data to the same extent for NZDS because of the comparative newness of the current programme in the GMS; information came mainly from interviews with current students and from NZAID. PPP data came largely from PPP itself, through written information, emails and its website, and from NZAID.

3.4 Field Visits

A field visit to Thailand (including MI), Cambodia, Lao PDR and Viet Nam was undertaken by two of the consultants, Douglas Day and Farib Sos, in July-August 2007. Two NZAID staff, Samantha Hung and Nguyen Thi Lam Giang, joined the field team in Viet Nam. The remaining two GMS countries, Myanmar and Yunnan Province, and the PPP Secretariat based at the ADB in Manila were not visited.

The relevant literature was reviewed before the field visit. Information sheets regarding the review were prepared in Cambodian, Lao and Vietnamese and sent to officials in the relevant countries prior to the visits. Questionnaires and reporting sheets were pre-prepared and used to gather and record information during interviews; a copy of these is included in Appendix VI. The schedule of visits made during the field trip is included in Appendix III. At the end of each day the consultants met for a debriefing and analysed all the information gathered during the day; this was then written up in draft form on a computer during the evening.

The third consultant, Peter Morrow, visited Victoria University of Wellington, Massey University Palmerston North, the Eastern Institute of Technology and the Nelson-Marlborough Institute of Technology to interview ELTO and NZDS students, and staff involved in the ELTO programme. Questionnaires for the student interviews were pre-prepared and used to gather and record information during interviews; a copy of these is included in Appendix VI. All interviews with students were recorded on a confidential basis.

The consultants wish to acknowledge and thank all those who assisted with the field visits, and in particular the contributions of the NZAID managers and staff at the New Zealand Posts in Bangkok and Ha Noi in preparing field logistics and participating in country review teams to varying degrees, and the staff of the education institutions who assisted with interviews in New Zealand.

Limitations of the Review

1. In accordance with the Terms of Reference, the field visit in July-August 2007 included only Thailand, Cambodia, Lao PDR and Viet Nam. Only the capital cities in each country plus MI in Khon Kaen were visited. Visits were not made to Myanmar and Yunnan Province; the only direct information gained regarding these GMS partners during the field trip was from interviews with one or two representatives from each at the MI Stakeholder Consultation and Council Meeting

on 18 and 19 July. Nor was the PPP Secretariat in Manila visited; no representatives of PPP were interviewed during the field trip and all communication with them was by telephone, post and via the internet. The time limitations imposed by the need to visit four countries in 19 days (with only 12 days, including travelling time, in Cambodia, Lao PDR and Viet Nam combined) imposed considerable constraints on the number and range of people who could be interviewed and the amount of data that could be collected. In some cases appointments that had been organised were not kept and it was not possible in the time available to arrange alternative times. It was not possible to arrange a focus group meeting, as hoped, with ELTO alumni; written questionnaires were used instead.

2. On reflection, the consultants found that the sheer complexity of the review made it difficult to address all the issues fully within the constraints of the time and resources available. The Terms of Reference, which encompassed four of NZAID's main programme activities in the GMS as well as a number of other activities, included 145 specific questions, as well as 'catch all' questions. In acknowledging that the Terms of Reference were set and accepted before the review began, the consultants suggest that future reviews should be more focused in scope or, if a wide ranging review is required, careful consideration be given to its resourcing.

4. Programme Activities Reviewed

4.1 *Mekong Institute Foundation (MI)*

4.1.1 Nature of the intervention

The Mekong Institute (MI) was set up in Khon Kaen, Thailand, in 1996 as a bilateral development project with assistance provided by MFAT and the Thailand Department of Technical and Economic Assistance (DTEC). Direct support was also provided by Khon Kaen University. New Zealand has continued to be the chief financial donor to MI every year since its inception.

MI was established as a means of promoting human resource development in the six countries of the GMS. MI aimed to position itself to capacity build HRD requirements to assist the transition of the GMS countries to a market-driven economy. The main means of achieving this objective has been the delivery of skills-based courses to middle and senior officials in public and private sector organisations.

NZAID undertook an End of Project Review of MI in 2002. A summary of the key issues identified is in Appendix VII. The MI Council agreed in November 2002 on the following measures:

- 1 MI must quickly secure its Foundation status.
- 2 The MI's charter must be endorsed by all GMS governments.
- 3 MI must broaden its donors support base.
- 4 MI must continue to review and update its programmes and courses to reflect the GMS Training Needs Assessment.
- 5 MI must strengthen its marketing efforts.

As a result of the review, the launching of MI as a new Regional Training Organisation in June 2003 followed the signing of the Institute's new charter by all six GMS member countries. The new charter established MI as a non-profit, autonomous organisation, international in status and non-political in management, staffing and operating, and working in close collaboration with other GMS institutions. (Note: The international status of MI has yet to be legally conferred as the legislation is required to go through the MI Council and then the Parliament of Thailand before it becomes law.)

Despite the steps taken as a result of the 2002 review, there are still issues to be resolved for the future of MI, including its financial sustainability.

4.1.2 Differential effects of the intervention

Course alumni

Between 1997 and June 2007, MI provided training courses for 2162 people from Cambodia, Lao PDR, Myanmar, Viet Nam, Thailand, Yunnan Province and other countries. The following table shows the origin, disaggregated by sex, of the MI alumni during this period. 61% of the trainees were male and 39% female. The imbalance between men and women is particularly marked for Cambodia and Lao PDR.

MI Alumni 1997 - June 2007

	Male	Female	Total
Cambodia	265	84	349
Lao PDR	291	104	395
Myanmar	179	162	341
Thailand	143	157	300
Vietnam	206	140	346
Yunnan (China)	172	139	311
Other	66	54	120
Total	1322	840	2162

The nomination of participants, including scholarship recipients, for most MI sponsored courses is done by the MI Coordinating Agent in each country. They receive applications and screen and nominate candidates for courses. They are located in government ministries as follows:

Cambodia: Council for Administrative Reform

Lao PDR: Ministry of Foreign Affairs

Myanmar: Ministry of National Planning and Economic Development

Thailand: Ministry of Foreign Affairs

Viet Nam: Ministry of Planning and Investment

Yunnan Province: Yunnan Research and Coordination Office for Lancang Mekong Subregional Cooperation.

For some special courses, MI selects participants directly, either through advertising and screening applicants, or by direct invitation.

Training Courses

74 courses were offered at MI between 1997 and June 2007. A list of the courses is in Appendix VII. An analysis of the courses shows a preponderance of courses in the general areas of economics and public sector management and policy – almost two-thirds of the courses come within these two categories, with more than 20 courses in each category. Other courses (less than ten in each case) were held in the areas of tourism, health, rural development, the elimination of poverty, human rights and education.

Noticeable trends over the ten years include:

- a sharp reduction in the number of economics-themed courses in the past four years.
- a sharp increase in the number of public sector management and policy-themed courses in the past three years.
- eight courses on the theme of the elimination of poverty since the 2002 review, after no courses of this type prior to 2002.

These trends are consistent with the shift in emphasis in development priorities in the GMS over the past ten years. At the time MI was set up, there was an emphasis on economic reform in the region. While this remains a significant priority, there is also emphasis on other priorities including policy reform, trans-border issues such as transport, movement of goods, movement of labour, and health issues.

Current Products and Services

MI currently offers a suite of eight Learning Programmes: Management of Development Projects in the GMS; Education Decentralisation in the Context of Public Sector Reform; Tourism for Regional Development; Leadership in Public Service Reform; Leadership in Competitive Enterprise; Poverty Reduction and Income Generation; SME Development and Export Consortia; and Regional Trade,

Transportation and Trade Facilitation. It also offers three Special Focus Learning Forums: SME Development and Agriculture Business Cooperation in the GMS; Social Impacts of GMS Economic Corridors; and Trans-border Migration.

It now intends to develop core products around four thematic areas: Transnational/Regional Development Project Management; Economic and Public Sector Reform and Good Governance; Trade and Investment Facilitation; and Effective Regional Cooperation (SME Development, Agriculture Business, Human Migration).

These thematic areas are consistent with the development priorities of Cambodia, Lao PDR and Viet Nam as summarised on page 14. Once the new core products have been developed, NZAID will no doubt wish to review them against its own overall strategy in the region, including its priority goal of poverty elimination in the GMS and cross-cutting themes including promoting human rights, promoting gender equality and women's empowerment, addressing vulnerability, protecting the environment and assessing the impact of HIV/AIDS.

Credibility and reputation

Both Lao PDR and Myanmar representatives were very positive about MI. They said they received positive feedback from their trainees about the programmes offered at MI. Against this, other representatives interviewed by the consultants during the field visit felt that some MI courses were not practical as trainees were not always able to put into practice what they had learned when they returned home. The redevelopment by MI of its core products is therefore timely in ensuring that all courses meet the practical needs of attendees.

Feedback received during the field visit indicated that MI's academic reputation in the region has not been high over recent years. This was confirmed by MI in a briefing paper provided to the consultants, in which it was noted that "MI still has a credibility problem in the wider community in being recognised as a 'centre of excellence in HRD in the GMS' and GMS-based research."¹ The paper also noted that several stakeholders had "expressed the view that MI should be an intellectual leader in the GMS, engaged in research as well as training to develop academic rigour"².

Although it was intended that MI would position itself as a centre of excellence with specialised knowledge and expertise of the GMS, it has still to produce and publish credible papers on substantial issues. Research has been cited as a means of raising MI's profile, but to date MI has still to establish and publish a research publication. While it is to be commended that MI started to introduce a research culture early this year and funded six pieces of research work conducted by representatives from each of the six GMS countries, the standard of papers presented has barely met the requirements for publication in research journals. The consultant who reviewed the papers considered that they were essentially descriptive and superficial.

MI itself, as an institution, has still to achieve many useful linkages with credible academic institutions and tertiary providers both within and outside the GMS. It has yet to receive regular academic visits from staff of such institutions, either to carry out research or assist with the delivery of the learning programmes organised by MI, and the consultants were not able to find evidence of other tangible linkages, such as staff exchanges, conjoint programmes or agreements on academic cooperation, which would add value to MI's academic reputation.

¹ MI briefing paper on NZAID HRD Review, July 2007, p.6

² op.cit., p.6

4.1.3 Costs and programme results

Sources of Finance

NZAID has been the main funding agency of MI since it was established. Contributions from the Thai Government through TICA have increased considerably in recent years. Other national and international partner agencies have also sporadically funded specific activities at MI.

Of the \$1,220,751 received from all sources by MI in calendar year 2006, \$655,019 (54%) came from NZAID and \$338,976 (28%) from TICA. The remaining \$226,756 (18%) came from four other donors – UNIAP (\$40,149), ADB (\$24,167), RF (\$100,221), YNPG (\$62,219) – for specific courses.

Appendix VII includes

- a breakdown of MI's sources of finance by donor from 1995 to 2006
- the proportion of MI's funding sources by donor between 1995 and 2006.

Course costs

The cost per head of delivery of courses at MI appears on the high side. For example, MI's proposed budget to NZAID 2006-2007 includes provision for 90 scholarships in the four-week long Professional Development Series courses at a cost of approximately NZ\$5,400 each. As a comparison, the cost/person/month for ELTO courses in the 2006-2007 financial year was \$5846. A TICA official advised the consultants that when offering TICA courses, MI doubles the TICA charge for the course and adds an administrative charge. This means MI is not competitive as a venue for TICA courses because the cost to TICA of a course offered at MI is considerably higher than that for courses contracted by TICA to other educational providers in Thailand.

Broadening Donor and Partner Support

The MI Strategic Plan 2005-2010 aims to transform the status of MI from a development assistance project into a financially self-sustaining GMS-governed institution that excels in capacity development for regional cooperation. There are, however, still unresolved issues regarding contributions from member countries. It was implicitly hoped that the internationalisation of MI would lead to greater engagement by and contributions from member countries; this, however, has yet to be achieved to the hoped-for level. The chart in Appendix VII which shows MI's sources of finance for the years 1995 to 2006 categorised by donor highlights the extent to which NZAID and TICA have been the two major donors to MI. MI has, however, recently been more successful in soliciting the support of various donors and development partners for its programme and services. A list of partners from whom MI has received support in 2007 is in Appendix VII.

MI also works with different regional and national partners in implementing its regional HRD programmes. A list of these partners is in Appendix VII.

Some of those interviewed at MI see PPP as a threat to MI's existence; MI's goals are similar to those of PPP and both have a regional focus. The consultants suggest that, rather than seeing PPP as a threat, MI should see it as a challenge and an opportunity to innovate and do things better than other providers, in line with the philosophy it espouses of open markets and free enterprise. PPP offered one of its courses at MI in 2007; MI should look both at strengthening its relationship with PPP and at offering courses that are complementary to those of PPP, rather than competing with it.

This section is concluded with the remarks of two eminent and respected people interviewed in July.

One person said that MI has had a lot of teething problems. It has excellent assets and a name; people know of the Institute. It has tremendous potential as a training and network centre but it has no academic leadership and has been a leaderless organisation for a while. It is still going through a period of flux and still searching for its real identity. The main issue is the status of the Institute. By default, Thai academics have dominated MI. Although there is a genuine desire by Thailand to internationalise MI, this may take time.

The other person, who has had a long association with MI, felt that the failure to internationalise MI from the beginning has led to the leadership issues, lack of qualified staff and limited resources it is now confronting. He said that it did not produce much and it is very surprising that it has survived so long. In saying that, he felt that the ship is now sailing again and it should sail better. MI should soon be legally internationalised, has a new Director and is in the right environment to become viable and successful.

4.1.4 Other issues

Governance

The MI Charter was signed by the GMS countries in 2003, and MI was given status under Thai law to operate as a regional institution at the MI Council meeting in July 2007. There remain areas of uncertainty about the benefits to be derived from the change of status to a regional institution, and about the governance of MI following the change.

According to the Charter it is the role of the Steering Committee of the Council not only to recruit and employ the Director of MI but also the Academic Director and Administrative Director. This is contrary to good governance practice and will make it difficult to delineate clearly accountability and responsibility in the respective roles of the Council and the Director.

The Charter also requires that a full set of papers relevant to the meeting be posted to Council members at least three weeks before the full Council meeting. The consultants noted that the Steering Committee held its meeting in July 2007 immediately before the Council meeting. This arrangement did not give Council members enough time to read and deliberate on the Steering Committee's findings and recommendations before the Council meeting, and there is the risk that the Council could be seen as essentially rubber stamping the Steering Committee's recommendations. This is an administrative issue that can readily be addressed by MI.

Representatives on the Council, including those on the Steering Committee, are nominated by the member countries. Even if they have the commitment and are prepared to work actively towards MI's goals, Council members may not always have the relevant and appropriate governance skills to make a positive contribution. There is a need for an induction process and governance training for members of the Council to ensure their understanding of their roles and responsibilities. This will allow a clear understanding of the distinction between governance and management and provide them with the operational and critical skills required by Council members.

Management

The Council was not able to find a permanent qualified director to lead MI for over two years; consequently, there were five Acting Directors before the current director took up a permanent position in February 2007. This has meant that a number of strategic initiatives have not been implemented. The turnover of Directors has delayed MI's planned transformation into a more viable and sustainable entity.

Feedback received during the field visit to MI suggested that the current Director has great vision and is the right person to lead MI at this time. If NZAID decides to continue its support of MI in the

medium term, it is recommended that it resource and support the current Director by giving him certainty regarding the grant from NZAID to MI for another two to three years. This will enable him to work towards building the capacity of MI and get greater collaboration from other countries, donors and educational providers in the GMS.

Internal capacity of MI

It is commendable that the staffing at MI is now more regional. However, staff were left with little guidance and supervision while there was a series of Acting Directors. The current internal staffing conflicts, including the recent resignation of the Academic Director and the impending resignation of other programme staff, will further impede the progress of MI if not quickly resolved.

The move to build MI's capacity to reflect its new regional focus is welcomed by many on the staff as reflecting MI's new international status, but some staff also feel threatened and alienated by it. This will require careful management. Staffing changes should be incremental in nature to avoid losing highly qualified and valuable staff and, with them, much of MI's institutional memory. In the short to medium term MI should try to retain committed and qualified staff as much as it can.

As a result of governance, management and staffing issues, the internal capacity of MI is of great concern. There has been a perceived lack of open and participatory consultation; some staff felt that their input and contributions were discarded without being given careful consideration, and that their efforts had been undervalued or deliberately ignored. Temporary consultants were employed in the past at the Director's discretion and this process was perceived as not being transparent. The review by an NZAID-supported consultant that is currently under way will be important in addressing these issues. In addition it is suggested that a Handbook be prepared that sets out clearly the rules and protocols relating to different aspects of MI's operations, including financial reporting requirements, staff and consultant recruitment and selection, succession planning, remuneration, grievances and appeal procedures, and computer policy. Institutional capacity building needs to be complemented by individual staff capacity building. The focus must be on capacity building, not capacity lending.

Evaluation and monitoring

Independent evaluation and monitoring will be required to ensure that the MI Strategic Plan 2005-2010 is implemented according to the agreed time frame and allocated resources, and that ongoing issues are resolved. As MI is still in a critical transition state, it will be important for major donors such as NZAID to assist as appropriate with the establishment of viable and sustainable monitoring and evaluation systems.

4.1.5 Implications of the findings

The Mekong Institute is at a critical stage of its development. In the briefing paper prepared for the consultants, MI said that in order to be able to design and deliver human resource development programmes to different partners, it has to build its human resource capacity and internal systems first. The paper continued:

“The change management process facing the Mekong Institute now is difficult and costly. The task before MI is significant. It is simultaneously facing devolution of authority as it becomes an independent international organisation accountable to its Council, and an evolution in its strategy and structure as it faces an increasingly competitive environment with multiple competitors and sponsors.

Repositioning the organisation successfully will be difficult, especially for a small management team without great depth of experience of operating in this environment.

Additional support will be necessary to help the management through the process of change. This includes technical assistance from different successful development partners like ADB-PP, EDII, UNIDO and UNESCO.”¹

Risks

The risks for the future of MI are significant. MI will require close monitoring and support if it is to have a bright future. A hands-off approach at this critical transition stage is not a viable proposition for NZAID's continued assistance and involvement. Given the constant and rapid changes in the political, social and economic landscape of the region, the problems identified in this report – the frequent changes of Council members, Executive Directors and key staff; the uncertainty inherent with its new international status; governance and management problems; and the need to ensure that programmes and courses suitably reflect NZAID's and partner countries' HRD priorities – combined with its credibility and internal capacity issues, all contribute to the risks for the future of MI. NZAID will need to be proactive in facilitating the resolution of the problems facing the institution.

Financial support

Additional resources will be required to help support the current Director so that MI can become a sustainable and viable institution. There will be a need for considerable support in the medium term, including guaranteed funding for two to three years; without it, it is improbable that MI has adequate capability and capacity to further enhance its profile in the region. It is recommended that NZAID prepare an exit strategy that can be put in place if it is not satisfied with progress after this time, as continuing financial support beyond this period would run the risk of promoting a culture of permanent dependency.

A TICA official noted that a concerted effort will be required to persuade other donors to purchase courses from MI. It is difficult to see Cambodia, Lao PDR and Myanmar being able to make any financial contributions to MI in the foreseeable future. However, there may be ways they can contribute in kind and, together with Viet Nam, they may collectively be able to persuade donors to look to MI to help fulfil their HRD needs. For this to happen, MI will need to be seen as the credible provider in the region.

Internal capacity

There is a need to improve the internal capacity of MI by resolving governance, management and staffing issues. A key to this is a programme of governance training for MI Council members.

Training courses

The balance of courses offered and delivered at MI is currently under review, and will be redeveloped around four thematic areas. It is suggested that, once the core products based on these thematic areas have been developed, NZAID review them against its own overall strategy in the region.

Academic credibility

MI needs to consider initiatives to enhance its academic credibility as part of a drive to broaden donor support. This includes developing and strengthening linkages with academic institutions both within and outside the GMS.

¹ MI briefing paper on NZAID HRD Review, July 2007, p.6

The following suggestion for the enhancement of the academic credibility of MI was made to the consultants during their field visit.

To enhance its credibility and reputation MI could, as an example, organise a conference with a specific theme to reflect its position as a centre of excellence in the GMS, calling for papers to be submitted and presented by academics from around the region and the world. The papers could then be published in a journal belonging to MI. Also, MI could engage eminent persons from countries in the region to give keynote addresses on current "hot topics" and themes, to draw others interested individuals and agencies to MI. In addition, academic input from other tertiary providers in the region and from New Zealand through sabbaticals, secondment etc would be worth investigating. This would help provide intellectual stimulation for staff and help bring about changes to current negative perceptions of MI. Capacity building of this type could also lead to degree linkages with other learning providers in the region and in New Zealand and Australia, and thus enhance MI's academic credentials.

If such initiatives are implemented, MI's profile and credibility will be enhanced and collaborative links develop with other agencies and donors – links which are essential for its continued existence. Donors increasingly wish to concentrate their aid in depth in fewer areas rather than spreading resources thinly over a wide range, in order to achieve tangible impacts.

MI's programmes and courses need to be continually updated to meet the changing priorities and demands of the region; courses and programmes must be demand driven. In addition, to develop MI as a centre of excellence, improvements need to be made in the presentation of its courses. The introduction of learning programmes online and greater use of ICT resources such as video teaching and video conferencing should be investigated and implemented.

TICA review

It is noted here that Dr Surachai of Thammasat University was contracted by TICA to review and evaluate MI and to report by the end of August. The English version of the Executive Summary of his report was not available at the time of the writing of this report.

Recommendations for MI

1. That MI be given guaranteed funding over a medium term of two to three years.
2. That NZAID continue to support MI in its endeavours to work through the current critical stage of its development and in its efforts to position itself as a centre of excellence in the GMS.
3. That NZAID assist MI to strengthen its internal capacity through the addressing of current governance, management and staffing issues, including the provision of governance training for members of the Council.
4. That NZAID assist MI in the development and implementation of a suitable monitoring and evaluation process of its activities as it works to implement the MI Strategic Plan 2005-2010.
5. That NZAID assist MI to find new long-term development partners whose mission, values and ethos are in harmony with its own.
6. That NZAID prepare an exit strategy that can be put in place if it is not satisfied with progress at MI by 2010.

4.2 English Language Training for Officials Programme (ELTO)

4.2.1 Nature of the intervention

Background

The ELTO programme assists the Governments of Cambodia, Lao PDR, Myanmar and Viet Nam, and Timor Leste, Indonesia and Mongolia, to develop the capacity of officials through the provision

of English language training. The broad goal of ELTO is that officials of participating countries develop the English language skills they require to do their jobs effectively, particularly when representing their countries' views in ways that require the use of spoken or written English.

The ELTO programme commenced with four participants in 1991, with numbers increasing each year. Following a review in 2002, Phase II of ELTO commenced in 2004, with two intakes of 32 participants each year, selected from central and local government departments in the seven countries. Phase II was originally scheduled to run for three years, until the end of 2006, but was then extended for a year until the end of 2007. There are no arrangements at present to offer the ELTO programme in 2008.

The Phase II ELTO programme is delivered by three tertiary institutions in New Zealand, and is in two parts. Part 1 is an eight-week general English module at a provincial language school, with half the participants at the EIT in Napier and half at the NMIT in Nelson. Part 2 of the programme is a 12-week English for Special Purposes module at the ELI in Wellington.

The first intake each year starts in late January and the second intake starts in early July. 32 awards are available for each intake, allocated as follows: Vietnam 11 awards; Cambodia 8 awards; Lao PDR 7 awards; Myanmar 3 awards; Indonesia, Mongolia and Timor Leste 1 award each. When a particular country is unable to take up all its allocated awards, their allocation may be transferred to another country to ensure where possible that all 32 places are taken.

Each course has a specific theme, for example, agriculture, sustainable development, governance, international trade and economic policy, foreign policy. Participants are nominated by their government departments and institutions actively involved in work associated with these thematic areas. Themes are selected each year by NZAID in consultation with New Zealand Posts and partner governments.

4.2.2 Differential effects of the intervention

Effectiveness of the ELTO Programme

ELTO Phase II is perceived to be working very well. The end-of-course evaluations completed by participants consistently reflect a high level of satisfaction with the course and its outcomes for them. Feedback from the Intake 27 and Intake 28 participants interviewed in New Zealand was very positive, as was feedback from ELTO alumni in Viet Nam and Cambodia in response to a written questionnaire, and from most stakeholders interviewed during the field visit to the GMS, and from stakeholders in New Zealand.

A December 2006 report by Macalister and Renandya reinforces the positive feedback collected in 2007:

“The consistent message is that the ELTO programme is an effective programme. This was the conclusion of the 2002 review [by O’Sullivan and Huong], and monitoring of Phase II of the programme (post-review) suggests this has not changed. Anecdotal evidence from stakeholders in the region also suggests a high level of satisfaction with the programme’s effectiveness.”¹

This 2006 evidence from stakeholders in the region was confirmed by feedback received during the 2007 field trip that ELTO is a great programme that allows alumni to participate internationally with greater confidence. Interviewees said it could be refined but there did not need to be any drastic change in direction and focus.

¹ *Feasibility / Design Study for an Enhanced English Language Training Programme for ELTO / EIC Alumni*, Macalister and Renandya, 2006

One question to which participants respond in the evaluation questionnaire at the end of each course is: “This course has helped me to prepare for my future English needs”. The following table, updated from Macalister and Renandya’s report¹ shows that the percentage of those who either strongly agree or agree with this statement is consistently very high.

	Intake 21	Intake 22	Intake 23	Intake 24	Intake 25	Intake 26
%	97	100	100	90	100	100

Venue for ELTO courses

All participants interviewed or surveyed seemed genuinely to consider that it was much better to hold the course in New Zealand rather than in their own country or elsewhere in the region. It could be considered that there was an element of self-interest in this in some cases, because of the chance to spend five months experiencing a new environment and different cultures, but for some, especially women with families, there was a considerable element of self-sacrifice in committing themselves to leaving home for 20 weeks. All commented on the significance of being immersed in an English language environment, and found the home stay accommodation particularly valuable in this respect.

Apart from this obvious benefit, other factors were mentioned.

- If they were living at home while doing the course, all their usual family responsibilities would still be there. This could affect both course attendance and progress.
- They would be ‘on call’ to help solve problems at work, even if they were officially on leave. This could similarly affect both course attendance and progress.
- They were able to meet and work with people from other GMS countries. This not only helped to break down stereotypical views of people from other countries but also provided them with a network of contacts throughout the GMS and in the wider region covered by the ELTO programme. They would be able to use these contacts when they returned to their workplaces – and since communication between them had to be in English here they would feel more comfortable talking to them in English later.
- Having the course in New Zealand means they are much more aware of New Zealand, its social values and political system, and the aid it provides for the GMS region. Prior to receiving information about the course they often knew little or nothing about New Zealand. If the course was funded by New Zealand but held elsewhere, the actual benefits to New Zealand would be negligible in this respect.
- There are significant benefits in meeting New Zealanders working in the same field as them. This aspect is discussed in Section 4.2.3.

The only support from current ELTO participants, alumni or stakeholders in the GMS to possibly holding part or all of the ELTO programme other than in New Zealand came from three of the 22 written questionnaires completed by ELTO alumni in July/August 2007. Three respondents mentioned that the course could be possibly be held in Singapore (in two cases adding that it was an English-speaking environment) and one also said the general language component of the course could be held in-country. All three said New Zealand was the preferred venue, however.

Although there is consistent support for holding the ELTO courses in New Zealand, there are other options. These are discussed in Section 4.2.5.

¹ *ibid*, p.7

Profile of ELTO participants

The following table shows the profile of ELTO Intakes 21 to 28 participants, disaggregated by sex.

Intake	Male	Female	Total
Intake 21	21	11	32
Intake 22	19	13	32
Intake 23	23	9	32
Intake 24	20	11	31
Intake 25	16	16	32
Intake 26	17	15	32
Intake 27	22	10	32
Intake 28	18	14	32
Totals	156	99	255

61% of the participants were male and 39% female (exactly the same proportions as for the MI alumni). There has been an increase (from 36% to 43%) in the proportion of female participants in the 2006-2007 intakes as compared to the 2004-2005 intakes, but differences from intake to intake will have been influenced at least partly by the different themes for different intakes.

The following table show the origin, disaggregated by sex, of ELTO intakes 21 to 28.

Country	Male	Female	Total
Cambodia	51	21	72
Indonesia	9	1	10
Lao PDR	39	20	59
Mongolia	3	5	8
Myanmar	7	6	13
Timor Leste	3	1	4
Viet Nam	44	45	89
Totals	156	99	255

In response to a question as to whether it was easier or harder for men or for women to be selected for ELTO, none of the participants interviewed from Intakes 27 and 28 thought it was easier for men. Most students, both male and female, said that it was easier for women – that women were at an advantage in the actual selection process. In saying this, however, they recognised NZAID's preference for a 50:50 male to female ratio in nominations. Others felt that neither group was advantaged. A few developed their response and pointed out that it was generally harder for women to gain the qualifications necessary to become eligible for the ELTO programme.

Staff in one of the regional institutes commented on the sexist attitudes held by some participants when they arrive, and the programme they developed to deal with them.

Feedback from the New Zealand institutions involved with ELTO was that the presence of participants from outside the GMS was beneficial. They (and particularly the participants from Mongolia) helped ease the tensions that could arise, because of historical rivalries, among participants from the GMS.

Nomination and Selection of ELTO Participants

Nominating authorities for ELTO, located in the respective capital cities, are:

Cambodia: Ministry of Foreign Affairs and International Cooperation

Indonesia: State Secretariat

Lao PDR: Ministry of Foreign Affairs and International Cooperation
Mongolia: Ministry of Foreign Affairs
Myanmar: Ministry of Foreign Affairs
Timor Leste: Capacity Development Coordinator Unit
Vietnam: Ministry of Planning and Investment

Participants in each intake are nominated by their government departments and institutions actively involved in work associated with the course's thematic area.

All the participants interviewed had received information about ELTO through their Ministries, who had received information from the nominating authority. Many participants had already heard of the ELTO programme from work colleagues who had been on the programme. In some cases they made the decision independently to apply for the course; in others they were encouraged by their managers to do so. All reported that they were fully supported by their managers when applying and none had any problems in obtaining permission to attend the course.

The actual selection process varied. In some cases, anyone who wished to could apply and their applications were sent to the nominating authority. In other cases, the ministry selected potential candidates and asked them to apply. Where there were multiple applications from a ministry, the ministry generally decided which applications to forward to the nominating authority. Actual selections were made by the nominating authorities in their country.

Specific country requests

During the field trip to the GMS in 2007, some specific requests were made by government officials from individual countries to the consultants. These included the following:

Myanmar: There was a request to increase the intake of Myanmar participants in the ELTO programme. There would be a need for flexibility as regards eligibility, timing of recruitment and selection of participants.

Lao PDR: The demand for the ELTO course from line ministries is very high. There was a request for NZAID to include the Ministry of Intelligence and Security in the ELTO programme because of trans-boundary issues within the GMS. The minimum IELTS score requirement of 4.0 is rather high for Lao PDR; Lao public servants frequently do not have the time or the resources to attend courses offered by private English providers. It was suggested that the ELTO programme could be made a little longer than the current 20 weeks to enable greater participation from Lao.

It is not recommended that the current minimum standard of 4.0 on the Academic IELTS should be reduced; New Zealand providers of ELTO courses consider that participants with less than the current required minimum standard would struggle to cope with the course. The requests from Myanmar and Lao PDR could be better met by the provision of bridging English language courses which would enable potential participants to reach the minimum IELTS standard required for ELTO.

4.2.3 Costs and programme results

Costs

The following table shows the costs of the ELTO programme by country and totals for the financial years 2003/2004 to 2006/2007.

Country	2003/04	2004/05	2005/06	2006/07	TOTAL
Cambodia	241,223	606,857	425,870	506,625	1,780,575
Indonesia	47,783	73,129	54,575	110,587	286,074
Laos	201,489	525,914	383,204	422,800	1,533,407
Mongolia	0	28,697	54,027	89,049	171,773
Myanmar	5,910	108,699	200,063	64,940	379,612
Timor Leste	23,304	37,718	28,469	27,296	116,787
Viet Nam	261,833	692,116	599,775	649,710	2,203,434
TOTAL	781,542	2,073,130	1,745,983	1,871,007	6,471,662

The average cost per participant for the seven intakes covered by these figures is \$29,020; the average per participant cost in the most recent financial year was \$29,234 (equivalent to \$5846/student/month).

Content and delivery of ELTO

The content and delivery of the ELTO course both in the provincial centres and in Wellington is clearly of high quality. Some suggestions for improvements were offered, but in general course content and delivery was not an issue for the students. Participants commented on the very different teaching and learning styles in New Zealand and found the contrast with what they had been used to was valuable.

The thematic approach used in Phase II of ELTO has been successful. It has enabled more cohesive cross-country groups to be selected. This is particularly useful for participants who are required, on their return home, to communicate in English with government personnel in other countries in the region; they are more likely to be able to talk to someone they already know. It has also enabled courses to be tailored to specific language needs and work interests. This latter is true both in Part 2 of the course in Wellington, where meetings with officials in New Zealand government departments can be organised according to the intake's focus, and particularly in Part 1 in Nelson and Napier, where practical industry-specific visits are arranged.

Courses with agricultural and sustainable development themes seem to have been particularly valuable in this respect and it is recommended that emphasis be placed on rural-based themes for future ELTO intakes. Two anecdotal accounts highlight the benefits for participants in courses of exposure to New Zealand experiences. It was reported to one of the consultants that one participant, since his return home, has introduced a fish quota system modelled directly on New Zealand's system, where there had previously been no quotas in place. Another former participant said that, since his return, he had been instrumental not only in reorganising his country's treasury system using a New Zealand model, aiming to create a corruption- and bribery-free organisation, but was also involved in reviewing water management practices in his country, drawing on the special study he did of water management in the Tasman District. Activities such as these are directly applicable to partner government development priorities. The ability of a course participant to do this will depend on the degree of influence they have in their ministry, but the value of such benefits cannot be overestimated.

4.2.4 Other issues

Reliability of submitted IELTS scores

IELTS ranks students on a nine-point scale in each of listening, speaking, reading and writing English. The key objective, and performance measure of the ELTO programme's effectiveness, is that officials improve their IELTS rating by 0.5 - 1 band from a starting point of between 4.0 and

5.5. The means of verification of this objective is comparison of officials' pre- and post-training IELTS scores.

In some cases, applicants had already sat IELTS for other purposes and sent in documentation showing that their marks fell within the required range of 4.0 - 5.5. In other cases, potential applicants were sent by their ministry to sit IELTS and the ministry selected the most appropriate official or officials to nominate for the programme. The latter process is likely to be less open to manipulation or abuse than simply accepting results submitted by the applicant.

Despite the clear IELTS requirements, and advice on the application form that they will be strictly adhered to, there are cases of anomalies between the ELTO scores provided by applicants on their application form and their actual ability in the four English language skills shown when they arrive in New Zealand. These anomalies are noted in the Victoria Link reports to NZAID at the end of each ELTO intake. For example, after a full analysis of the results, the Intake 26 report says that "While isolated instances of students going down [when their end-of-course ELTO scores are compared to their submitted scores] may be due to fluctuations in student performance, systematic ones usually reflect a problem with the reliability of the testing procedure, in this case the comparability between different versions of the test administered in different places."¹

This is a cautiously worded observation; it is clear that there are issues, deliberate or otherwise, with the administration of IELTS tests in-country. The most extreme example reported was of a course participant whose standard of English was clearly below the standard indicated by her IELTS results. When asked about her IELTS test, she replied that she didn't actually sit the test. She just talked to someone on the phone and then received a set of IELTS results. While complete reliability of IELTS scores can never be guaranteed, this and other anomalous pre-arrival IELTS scores suggest a need to ask nominating authorities to be particularly vigilant in this area.

Student visas

The obtaining of student visas in a timely manner was an issue for both the ELTO and NZDS programmes, and is accordingly discussed separately in Chapter 4.6.2.

Extending the ELTO programme target groups

A criticism made of the ELTO programme at the Experts Workshop was its focus on what may be considered to already be a select group, i.e. government officials. The question was raised in the Terms Of Reference for this report as to whether the ELTO programme should be extended to tertiary educators, but the consultants do not recommend this as it could reinforce the perception of ELTO as an 'elitist' programme.

4.2.5 Implications of the findings

It should be no mystery why the ELTO programme is so highly regarded. Simply put, it is a very successful programme with the benefits it brings in English language learning, in skills and knowledge acquisition in specialist subject areas, and in the positive impressions it creates of New Zealand.

Studying in New Zealand

There are several benefits to studying in New Zealand rather than in the Subregion or elsewhere. Students are immersed in an English language environment with all the language learning benefits that brings. They can devote themselves full-time to their studies without the pressures of work and

¹ ELTO Intake 26 Report to NZAID, Victoria Link Ltd, 2007, Section B p.6

family responsibilities. They can learn about New Zealand's ways of tackling issues directly related to their own work and fields of expertise. They can gain an understanding of New Zealand's social values and political system. They can form networks with other students from the GMS which they will be able to use in their work on their return home. These benefits accrue both to individual participants and, ultimately, to their country. There is also a benefit to New Zealand itself, through the creation of a steadily growing pool of people of increasing seniority in the GMS with positive experiences of New Zealand.

A disadvantage compared to studying in-country for some students, particularly women with family responsibilities, is that it takes them away from home for an extended time.

Future options for ELTO

The hiatus that will occur in the ELTO programme from December 2007, regardless of its future structure, is unfortunate for the continuity of the programme. The provision of English language training continues to be a human resource development priority of partner governments in the GMS. Macalister and Renandya in their 2006 report note that in the comprehensive training needs analysis undertaken for the Mekong Institute in 2003, English language skills were identified as a priority need by both governments and NGOs¹. The current ELTO programme meets this priority for governments. It is effective in enhancing the English language skills of participants, as is shown in the end-of-intake reports to NZAID. It is efficiently managed by the Management Services Contractor (MSC). It offers benefits both to participants and partner governments and to New Zealand beyond the acquisition of enhanced English language skills.

The future of an English Language Training for Officials programme does, however, need to be considered in the wider context of NZAID's support for future English language training in the GMS. A number of options exist, including continuing to run the ELTO programme entirely in New Zealand (current option); running an ELTO programme partly in the GMS or elsewhere in the region and partly in New Zealand (split option); running an ELTO programme entirely in the GMS or elsewhere in the region; or discontinuing altogether a programme aimed exclusively at government officials.

Options for the delivery of ELTO were comprehensively analysed by O'Sullivan and Huong in their report prepared for NZAID in 2002². It was not possible for the consultants, in the time and with the resources available to them, to carry out an equivalent detailed analysis of the options, and to do so would have been largely reinventing the wheel. While there have been changes since 2002 in costs and in the provision of English language training opportunities in the region, the consultants consider that the analysis by O'Sullivan and Huong remains valid.

A summary of the options for the delivery of ELTO follows.

Fully New Zealand based programme (current option)

The advantages of offering the ELTO programme in New Zealand have already been noted. The average per participant cost in the 2006-2007 financial year was \$29,234. The courses last for five months; the average monthly cost per participant was therefore \$5,846. While the MSC reviews the administration of the programme at the end of each intake with a view to improving the efficiency of the programme, it is unlikely that significant cost savings can be made using the current ELTO structure.

¹ Macalister and Renandya, op.cit., p.11

² Review of the ELTO programme, O'Sullivan and Huong, 2002

Partly regionally based and partly New Zealand based ELTO programme (split option)

This option would involve holding Part 1 of ELTO regionally and Part 2 in New Zealand. Options for the regionally based component include a non-GMS centre such as Singapore, MI, and in-country. O'Sullivan and Huong concluded that holding the ELTO course entirely in New Zealand was "significantly more expensive than ELT courses in the region ... but on or below par with other intensive courses elsewhere, for example at MI or AIT in Thailand or RELC in Singapore"¹. They also concluded that "If half of the ELTO programme were conducted in-country, the potential savings are in the vicinity of ... over 30% of the total cost"².

Based on O'Sullivan and Huong's analysis, the most cost-effective option for a split course is for the first part of the course to be in-country rather than in a regional centre such as MI or in another country such as Singapore. Macalister and Renandya concluded in their 2006 report that, while the quality of English language training in Cambodia, Lao PDR and Viet Nam is variable, there is at least one quality provider in each country.³

Consistency of delivery would be a potential problem if multiple providers were used to deliver part of ELTO. In addition, if the in-country option (in Cambodia, Lao PDR and Viet Nam) for part of the training was adopted, consideration would need to be given to what provision could be made for participants from other countries – Indonesia, Mongolia, Myanmar and Timor Leste – who currently attend ELTO courses. One option would be to cease making them eligible for ELTO programme; this would be particularly problematic in the case of Myanmar, as a partner government in the GMS and one which has requested an increase in ELTO places. Another option would be to send them to one or more of the training centres used in Cambodia, Lao PDR and Viet Nam; there are increased cost implications in doing this which would reduce the overall cost savings of the split option, and it would obviate any learning advantages there may be in having monolingual training groups. A third option would be to send the participants from these countries (currently six places in total are allocated to them in each ELTO intake) to a language institute in New Zealand; again there would be increased cost implications and a consequent reduction in overall cost savings if this was done.

Fully regionally based programme

This option was not considered by O'Sullivan and Huong, and is not recommended by the consultants. While it would result in increased cost savings, the benefits to participants and subsequently to their governments, and to New Zealand, associated with running the course in New Zealand, would be lost.

Discontinuing ELTO

As already noted, the provision of English language training continues to be a human resource development priority of partner governments in the GMS. It would be difficult to justify discontinuing completely a programme that is regarded by its many stakeholders as a successful programme which achieves its desired impact. This is not to say that it should not be reviewed in light of changing conditions in the countries of the GMS and changing NZAID priorities, but the consultants concur with O'Sullivan and Huong when they conclude that "Cancellation of the programme would almost certainly impact negatively on goal achievement and on relationships with partner countries"⁴.

¹ O'Sullivan and Huong, op.cit., p.29

² O'Sullivan and Huong, op.cit., p.30

³ Macalister and Renandya, op.cit., pp.12-19

⁴ O'Sullivan and Huong, op.cit., p.30

Recommended option

It is recommended that, because of the multiple benefits that accrue from holding ELTO courses in New Zealand as against the financial benefits that would result from holding part of the course in the GMS, ELTO continue to be a fully New Zealand based programme.

ELTO programme themes and participants

The thematic approach used in Phase II of ELTO has been successful. Consideration needs to be given to prioritising themes such as agriculture, sustainable development and eco-tourism that are directly related to NZAID's central focus of eliminating poverty in developing countries.

There may be scope for NZAID to be more proactive in most countries in encouraging the selection of participants from provincial and rural areas. (The Post in Ha Noi noted in its feedback on the draft report that "there has been considerable (we would argue excessive) spread across provinces" (in Viet Nam) in the eight Phase II intakes.)

Measures that could be considered include ensuring that the courses are suitably publicised to officials outside capital cities, and funding in-country bridging English language courses to bring otherwise eligible candidates up to the minimum IELTS level required for the course. Making officials from NGOs eligible for the programme could also be considered for some of the partner countries.

There was a request from both Lao PDR and Myanmar for an increase in the number of participants from their countries. Consideration needs to be given to the proportion of participants from each country in light of present stages of economic, social and political development and needs, as compared to four years ago when the current country allocations were set.

Administration

Two aspects of the administration of the programme are of concern. Firstly, there is a need for a coordinated approach from NZAID and the NZIS to streamline the visa issuing process (this was an issue for both ELTO and NZDS, and is accordingly discussed separately in Chapter 4.6.2). Secondly, NZAID needs to discuss with nominating authorities ways of ensuring as far as possible the reliability of the IELTS testing carried out in-country and the validity of the scores provided by applicants.

Recommendations for ELTO

1. That the ELTO programme be recommenced as soon as possible
2. That the ELTO programme continue to be fully delivered in New Zealand, and that the Phase II structure using three New Zealand-based educational institutions to deliver the programme be continued.
3. That priority be given to themes such as agriculture, sustainable development and eco-tourism that are directly related to NZAID's central focus of eliminating poverty in the GMS.
4. That the ratio of participants from each of the seven countries be reviewed in consultation with partner countries.

4.3 New Zealand Development Scholarships Scheme (NZDS)

4.3.1 Nature of the intervention

The NZDS Scheme

As part of its education strategy, NZAID provides scholarships to citizens of eligible countries in a number of regions internationally, including the GMS, to undertake tertiary study at postgraduate level in New Zealand. The NZDS scheme is not unique to the GMS, unlike the other three programmes being principally considered in this review – MI, PPP and ELTO (although ELTO does include a small number of participants from three countries – Indonesia, Mongolia and Timor Leste – outside the GMS).

There are two types of award: NZDS-Public scholarships and NZDS-Open scholarships.

NZDS-Public scholarships

The NZDS-Public scholarships scheme is a bilateral scheme available to candidates from three GMS countries – Cambodia, Lao PDR and Viet Nam. The selection criteria are determined in consultation with partner governments. Short-listed applicants, who are mostly public sector employees, are endorsed for a NZDS-Public scholarship by the partner government. Private sector and community sector employees may apply for the NZDS-Public in some countries depending on the country-specific selection criteria. Country-specific criteria also determine the level of study and the fields of study under which candidates can apply to study in New Zealand.

NZDS-Open scholarships

The NZDS-Open scholarships scheme is available to candidates from a wider range of countries, including selected developing countries in Africa, Asia, Latin America and the Pacific. Among the GMS countries, applications can be made from Cambodia, Lao PDR, Myanmar, Viet Nam and China. Under the NZDS-Open scheme, candidates independently apply for a scholarship. NZDS-Open scholarships are mostly available for private sector or community sector employees, including non-governmental organisations. In some countries or regions, public sector employees can also apply for a NZDS-Open scholarship depending on the country or region-specific selection criteria. Country or region-specific criteria also determine the level of study and the fields of study under which candidates can apply to study in New Zealand.

Purpose of the NZDS scheme

The specific purpose of the NZDS scheme in the GMS, as summarised in the Information Sheets of January 2007 (for the intake commencing 2008) for Cambodia, Lao PDR and Vietnam, is virtually identical for the three countries:

The New Zealand Development Scholarships (NZDS) scheme offers the opportunity for people from developing countries, including citizens of Cambodia / Lao PDR / Vietnam, to undertake development-related studies at tertiary education institutions in New Zealand.

By providing people with knowledge and skills to contribute to the sustainable development of key sectors in their home country, the NZDS scheme aims to reduce poverty, promote good governance, and contribute to the human resources of targeted countries. NZAID capacity building complements the work done in-country by multilateral agencies and non-governmental

organisation (NGO) projects.¹ Preference will be given to applicants from disadvantaged communities.

To assist in achieving these goals, NZAID students are required to return to their home country on completion of their study to contribute to the development of their home country through positions in government, civil society or private sector organisations.

4.3.2 Differential effects of the intervention

Profile of Students from the GMS Currently in New Zealand on Development Scholarships

The following tables provides profiles, disaggregated by sex, of the students from Cambodia, Lao PDR and Viet Nam studying in New Zealand in July 2007 under the NZDS scheme.

NZDS-Public

Country	Male	Female	Total
Cambodia	6	1	7
Lao PDR	6	1	7
Viet Nam	5	2	7
Totals	17	4	21

NZDS-Open

Country	Male	Female	Total
Cambodia	4	2	6
Lao PDR	0	2	2
Viet Nam	2	7	9
Totals	6	11	17

NZDS-Public and NZDS-Open combined

Country	Male	Female	Total
Cambodia	10	3	13
Lao PDR	6	3	9
Viet Nam	7	9	16
Totals	23	15	38

61% of the students are male and 39% female (exactly the same proportions as for both MI course attendees and ELTO participants). There are more female than male NZDS-Open scholarship holders. 60% of the female scholarship holders are from Viet Nam.

Nominations for NZDS-Public Scholarships

The nominating and processing authorities for government officials for NZDS-Public scholarships are:

Cambodia: IDP Cambodia in Phnom Penh; IDP is also the Management Contractor.

Lao PDR: Ministry of Education; Vientiane College manages the application process.

Vietnam: The Ministries of Agriculture and Rural Development, Natural Resources and Environment, and Education and Training may nominate candidates; applications are coordinated through the Ministry of Planning and Development.

¹ Note: In the Viet Nam Information Sheet, this sentence reads: "NZAID capacity building addresses government priorities and complements the work done in-country by multilateral agencies and non-governmental organisation (NGO) projects."

Applications for NZDS-Open Scholarships

Cambodia: IDP Cambodia in Phnom Penh

Lao PDR: Vientiane College

Vietnam: Applicants apply directly to a New Zealand education institution.

Programme Delivery in New Zealand

Nine educational institutions in New Zealand are eligible to enrol NZDS students. The 38 NZDS students from the GMS in New Zealand in July 2007 were concentrated at Massey University (13) and Victoria University of Wellington (11). There were also three students at the Auckland University of Technology and at Lincoln University, two at each of Unitec, the University of Waikato and the University of Canterbury, and one each at the University of Auckland and the University of Otago.

4.3.3 Costs and programme results

The following table shows the costs of the NZDS scheme in the GMS for the financial year 2006/07.

Cambodia	\$381,380
Lao PDR	\$380,133
Myanmar	\$84,158
Viet Nam	\$360,911
Total	\$1,206,582

Making a difference

Because of the newness of the current scholarships scheme, comment on the outcomes of the scheme is necessarily limited to feedback from current NZDS students on their plans and expectations when they return home at the conclusion of their studies. The abiding impression from the interviews with these students was the strong commitment they have to 'making a difference' in their own country when they return home, and the belief that they can do so. The belief that they can contribute to reducing poverty in their country was particularly confidently stated by the veterinary science and resource science students, who said they would be able to work at grassroots level in helping to improve living standards, e.g. by helping improve animal husbandry, in helping mitigate the effects of avian flu, and encouraging sustainable ecotourism. The desire to make a difference was particularly strongly expressed by the students from Cambodia.

Courses of study

Most students considered that the course of study they were undertaking was well suited to their needs, and that they were gaining valuable knowledge and skills that they would be able to use when they returned home. This was particularly true for the students taking masters or doctorate science courses.

Publicising the availability of Scholarships

Open Scholarship recipients interviewed had become aware of the availability of NZDS scholarships through newspaper advertising. Public Scholarship students may also have heard about them through their ministry. Students commented that the scholarships were not as well known as those from other countries – not surprising, since NZDS Scholarships are new by

comparison. Ongoing efforts will be needed to publicise the NZDS scholarships to potential candidates.

Enabling applicants

The NZDS information sheets for Cambodia, Lao PDR and Viet Nam for the 2008 intake of students specify that "Female applicants, and applicants from minority and other disadvantaged groups, are strongly encouraged to apply as the New Zealand Government attempts to ensure equity among scholarship holders. Candidates from provincial areas are also encouraged to apply." It is recommended that NZAID become proactive in endeavouring to locate and support such applicants.

Feedback received during the field trip confirmed that there is a need to encourage applications from provincial areas – most applicants currently come from the capital cities – and that there is a need for more support and assistance for applicants from these areas. It was noted that they may often lack adequate English language skills to take up a scholarship.

A proactive approach by NZAID is needed to encourage female applicants, applicants from minority and other disadvantaged groups, and applicants from provincial areas. For example, the lack of English language courses of a suitable standard in provincial areas may be a barrier to otherwise qualified and suitable candidates applying for a scholarship. While there is provision in all three countries for up to 40 weeks of pre-departure English language training in-country where required, this will not be sufficient in all cases and only applies if the student has already been awarded a scholarship. A suggested approach is to identify graduates in provincial areas who are working in priority sectors, particularly in areas such as agriculture, forestry, fisheries, water resource management, environmental and natural resources, rural development, bio-security; and sustainable tourism and eco-tourism, who already have some English language skills, and fund them for English language training courses in their country. The two geographic areas that are the focus of NZAID's activities in each country could be targeted as the source of potential recipients of such assistance. Similar initiatives could be put in place for female applicants and applicants from minority and other disadvantaged groups.

This may at first sight appear to be a daunting undertaking, but given the small number of scholarships available in total for the GMS, it would actually involve only a very small number of individuals in any one year.

If additional funding is not available for the necessary additional training, it could be funded from within existing budgets by reducing the number of full scholarships offered. Because the students would be studying in-country, the cost per person would be less than the cost of a full scholarship in New Zealand; the actual costs would vary from country to country and would need to be investigated on a country by country basis if this approach to enabling more applicants to become eligible for scholarships was adopted. Over the medium term such an initiative could considerably increase the pool of potential female applicants, applicants from minority and other disadvantaged groups, and applicants from provincial areas.

4.3.4 Other issues

Gender equality and women's empowerment

61% of the students from the GMS currently in New Zealand under the NZDS scheme are male and 39% female.

These figures confirm the need for NZAID to continue to be proactive in prioritising the selection of women graduates for scholarships, particularly in the NZDS-Public scheme. This involves not just

encouraging them to apply but also considering ways to assist women to gain the necessary university qualifications and English language competence to become eligible for scholarships, and what special support could be provided where necessary while they hold a scholarship.

As with ELTO, most students, both male and female, said that it was easier for women to be selected for a scholarship – that women were at an advantage in the selection process. This was not said critically; they recognised NZAID's commitment to giving preference to female applicants. Others felt that it was the same for both groups; only one (a male) felt that men were at an advantage. A few students saw beyond the matter of the selection process itself and said that it was generally harder for women to gain the qualifications necessary to become eligible for a scholarship. One man also commented that, because the scholarship award requires a commitment to be away from home for a long period of time, this made it particularly difficult for older women students to take up a scholarship, because they are more likely to have family responsibilities than younger women.

Student visas

The obtaining of student visas in a timely manner was an issue for both the NZDS and ELTO programmes, and is accordingly discussed separately in Chapter 4.6.2.

Short Term Training Awards (STTAs)

NZAID's Short Term Training Awards, which are administered by the scholarships unit, enable individuals from developing countries to undertake short-term training in New Zealand to meet the high priority human resource needs of their country. STTAs are available for vocational, skills-based training and can be from one week to one year in duration.

Viet Nam is the only GMS country whose citizens are currently eligible for STTAs. Making individuals from the other CLMV countries eligible for STTAs would increase the pool of potential recipients of NZAID awards as it would include non-graduates and those with more limited English language skills than required for NZDS scholarships. STTAs would enable individuals in communities disadvantaged by the NZDS criteria, including people in provincial areas and ethnic minorities, to further their knowledge and skills and apply them at the local level.

If additional funding is not available for such STTAs, it could be funded from within existing budgets by reducing the number of full scholarships offered and using the funds saved to support a number of students from rural areas on STTAs.

4.3.5 Implications of the findings

Feedback from the majority of students interviewed suggests that the NZDS scheme has the potential to make a real contribution towards NZAID's core objectives in the GMS.

Recruitment and selection of candidates

Other countries such as Australia, Canada, Japan and France are able to offer many more scholarships than New Zealand. Also, since the NZDS scheme has only recently begun operating in most of the GMS, New Zealand will not always be on the radar of potential candidates. A number of the NZDS students interviewed said they had previously applied for a scholarship from one or more other countries.

New Zealand needs to find niche areas for its scholarship awards and target them. It could for example focus in particular on potential candidates, e.g. ethnic minorities, students in provincial

and rural areas, who may be disadvantaged in some way. This will be consistent with NZAID's poverty reduction strategy and its focus on sustainable rural livelihoods.

A first step would be to put a more robust recruitment process in place. Students interviewed said that other countries' scholarships are advertised more widely, both in the media and in the universities.

Structure of scholarship awards

The NZDS scheme in the GMS is modelled closely on the scheme as it operates in other regions such as the Pacific. Consideration needs to be given to changes to the scheme to reflect the nature of the GMS and the tertiary education infrastructures that already exist there. The current structure is comparatively rigid: students are required to study full-time at a New Zealand university for a number of years, with the possibility, depending on the nature of the degree, of doing field work in their own country. This must disadvantage people, and women in particular, who feel unable to leave home for a number of years, even allowing for the special provisions (apparently unique to New Zealand scholarships) for students on programmes of study of 18 months or more to be joined by their spouse/partner and dependant children.

A suggested alternative that could be investigated is to look at a partnership arrangement which would enable scholarship students to do the majority of their studies in-country. As an example, NZAID could undertake a feasibility study with a New Zealand university which has expertise in distance education, into setting up a partnership arrangement with a university or universities in the GMS. Students would come to the New Zealand university for a few weeks at the beginning of their course and then return to their home country to do the bulk of their study there. Access to library resources and academic support would be through the local university. Academics from the New Zealand university would visit the country for one or two weeks to deliver specialist subject material, if necessary in the evening if it suits the student better. Use would be made of multi-media distance learning education tools, including online learning and video conferencing. The student would return to New Zealand as necessary in their final year to complete their course. This is merely the outline of a possible structure for a flexible, blended mode of teaching and learning; as noted, a feasibility study would need to be undertaken to investigate it in detail.

Such a distance learning programme could be considered in conjunction with the targeting of the types of degree to be supported from year to year. 31 scholarships are offered each year in Cambodia, Lao PDR and Viet Nam combined. Economies of scale could be made if the programme is looked on regionally, and themes for each year determined in association with the partner countries and Posts. For example, in one year the scholarships for the GMS countries could target regional development studies and agriculture, the next year the target could be rural development studies and eco-tourism, and so on. A partner university could be chosen in each country and regional gatherings held of all students studying within a topic area, for example at MI, with visiting academics in attendance to deliver lectures. Such an approach would enable NZAID to target closely the drivers of poverty in the region. From a New Zealand perspective, it also reflects different areas of specialisation in New Zealand universities: animal husbandry / veterinary science at Massey University, tourism at Victoria University etc. Different themes for different intakes would complement centres of excellence at different universities and thus all universities could be involved at different times if they wish.

Provision could of course still be made for other students to study full-time in New Zealand where that is most appropriate, as at present.

These are intended as suggestions only of ways to make scholarships more accessible to more students and to target regional themes; no doubt there are other options as well. A full feasibility study, which was beyond the scope of this review, into the implications of such changes to the current scholarships structure would need to be undertaken before their implementation.

Target areas

In targeting areas for the offering of degrees, NZAID should concentrate on those areas where it can offer particular expertise compared to other countries. While the expertise of New Zealand universities in public sector studies is not in question, many other countries can offer similar postgraduate degree courses. It is suggested that NZDS scholarships should be targeted particularly to areas such as agriculture, forestry, silviculture, aquaculture, veterinary science,

sustainable resource management, eco-tourism, which can contribute directly to poverty reduction and where New Zealand has international credibility. Such scholarships could be in public policy areas related to the topics as well as in, for example, science areas. If necessary, the number of NZDS-Public (currently 18 regionally) and NZDS-Open (currently 13 regionally) could be adjusted to provide a cost-neutral means of providing more scholarships in these areas.

Recommendations for NZDS

1. That NZAID undertake a review of the structure of the NZDS scheme in the GMS, including a feasibility study into the concept of a blended mode of learning and teaching through twinning arrangements between New Zealand universities and universities in the partner countries.
2. That niche areas where scholarships can particularly add value in terms of NZAID's goals in the GMS be identified and targeted by NZAID.
3. That a robust recruitment and selection process for potential NZDS recipients be put in place, with particular emphasis on identifying and further assisting candidates who do not currently quite meet all the academic and English language requirements for a postgraduate scholarship but who could do so with further training.
4. That the NZDS scheme be flexible in allowing adjustments to the ratio of NZDS-Public to NZDS-Open scholarships according to need and demand.
5. That individuals from all GMS countries be eligible to receive Short Term Training Awards.

4.4 Phnom Penh Plan for Development Management (PPP)

4.4.1 Nature of the intervention

The Phnom Penh Plan for Development Management (PPP) was launched at the first GMS Summit in Phnom Penh in 2002. It is a capacity-building initiative of the GMS countries funded by ADB through its Technical Assistance Fund. France, New Zealand (through NZAID) and the People's Republic of China also provide financial assistance.

The context for the formation of PPP was the perceived need to provide development management opportunities to support the heavy investments in physical and social infrastructure that have taken place over recent years in the GMS.

PPP advises that its components and activities are premised on capacity building being a long-term process that requires strong commitment and ownership by the GMS countries. Key activities include learning programmes, intellectual capital development, advocacy and knowledge-sharing activities, institutional networking and establishing a core of GMS leaders.

The focus is on a critical mass of middle- to senior-level officials to improve the quality of development decision-making in the GMS. PPP considers that this core of GMS change agents can contribute to the institutional reforms that will stimulate economic growth and social development in the GMS.

PPP's objectives are to:

- strengthen technical competence and the managerial capacity of GMS officials
- improve management efficiency and effectiveness of national programmes and projects
- promote GMS cooperative spirit
- provide lifelong learning opportunities for alumni

- reinforce partnerships and strengthen cooperation among the GMS countries
- develop institutional capacities
- promote GMS-anchored research that will assist capacity-building interventions and will also support policy development
- promote knowledge-sharing activities and access to development information.

Following the introduction of Phase I of PPP in 2003, Phase II was implemented in 2005 and Phase III in 2007. Phase IV is scheduled for implementation in 2009.

4.4.2 Differential effects of the intervention

As per the Terms of Reference for the review, no PPP officials or alumni were interviewed as part of this review. Feedback on the effects of PPP's interventions was therefore limited to comments from officials interviewed during the field visit and information provided by the PPP Secretariat.

PPP Partner Institutions

PPP has formed a network of capacity-building partners for its programmes. These partner institutions contribute to PPP in a variety of ways, e.g. provision of facilities, academic support, joint programme offerings and knowledge sharing. In 2006, PPP capacity-building network comprised ten institutions, located in Cambodia, Viet Nam, Lao PDR, Thailand, Singapore, China, USA and France (3). PPP also has access to partners in New Zealand and India.

The Mekong Institute is one of the partners; PPP say they see MI as a partner rather than as a competitor. A PPP course was held at MI in each of 2006 and 2007. A course is also being held at VUW's Ho Chi Minh campus this year.

Training Courses

16 learning programmes were provided by PPP in 2006 in eight different countries. 297 middle- and senior-level officials from the GMS countries participated in the courses. The courses covered six topics: public-private partnership in infrastructure development; public policy; public management; education management; tourism; and labour markets. 14 learning programmes were scheduled for 2007.

In addition, in 2006 PPP inaugurated its Distinguished Speaker Series and a GMS Development Dialogue.

Course Alumni

By the end of 2006, PPP had 888 alumni trained in development management; a further 300 were scheduled to be trained in 2007. The GMS alumni were from Cambodia (18%), China (16%), Lao PDR (17%), Myanmar (18%), Thailand (17%) and Viet Nam (14%). 67% of the alumni were men and 33% women.

Both PPP and MI target their courses at middle- and senior-level officials¹, and both also offer courses for junior-level officials. There is therefore a considerable overlap in the target catchments of the two organisations.

A senior official (a 1998 ELTO participant) interviewed in Lao PDR during the 2007 field trip by the consultants said that he attended a week-long PPP course at the Ecole Nationale d'Administration in Paris. Participating in the course with Director level representatives from various ministries in the

¹ Sources: PPP Information Sheet 2007; MI Information Sheet 2007

GMS enabled him to gain a very rare and rich experience about his work and that of others. He found the programme was well presented with credible lecturers/professors and administrators participating and engaging with trainees. Similar positive feedback from participants in other courses is seen in sample evaluation comments provided by PPP.

PPP places considerable emphasis on the importance of its alumni, whom it also refers to as “GMS champions”. PPP nurtures a cooperative spirit among the alumni for them to have a shared vision for the GMS. To support them an alumni portal in the PPP website, alumni networking activities, and lifelong learning programmes are being developed.

4.4.3 Costs and programme results

In calendar year 2006 PPP funding totalled \$4,073,000. This funding came from the following sources:

- France \$1,923,000 (47%)
- New Zealand \$850,000 (21%)
- China \$500,000 (12%)
- ADB \$800,000 (20%)

The 16 training courses offered in 2006 were each of one to two weeks' duration (compared to MI's four-week-long courses). The cost/person of the actual courses was not included in the information supplied to the review team by PPP.

PPP's budget in 2006 was more than three times greater than MI's budget. New Zealand (through NZAID) makes the second largest contribution to PPP's funds.

Core Principles

In deciding on its programmes and course attendees, PPP adheres to the following principles:

- Niche-based learning – concentrates on priority learning needs to enhance managerial and leadership competence
- Value creation – seeking out those activities that will create value for the GMS
- Excellence – strong commitment to provide top-quality development management programmes to GMS officials
- Commitment – targeting a select group of GMS managers and leaders who will be given opportunities to develop and take the GMS forward in a sustainable way
- Development management skills – through investment in capacity building to promote development management and to build GMS expertise.

Niche-based learning

It is significant that the first principle refers to niche-based learning. Of the other three programmes reviewed in this report, ELTO similarly works in a niche market, whereas NZDS and MI encompass a broader range of HRD needs. It is recommended that NZAID target its NZDS funding more closely to niche areas in which New Zealand can offer particular expertise and which can contribute directly to NZAID's priority areas in the GMS. Similarly, NZAID will want to ensure the close alignment of MI's future courses to its goals of poverty reduction and sustainable development in the GMS.

4.4.4 Other issues

PPP and MI

During their field trip to the GMS in 2007, the consultants found mixed reactions to PPP. PPP was seen by some as the rising star in the offering of development management opportunities in the GMS, and a threat to MI.

An official of a prominent international agency in Thailand indicated that ADB in Manila does not see MI as a credible institution.

A representative of the same agency in Lao PDR said that PPP does not see itself in competition with MI but that they should rather be in a synergistic and complementary relationship. PPP is a more specialised organisation whereas MI has a more general, sector-wide approach. The official considered that the relationship between the two is as yet not well developed.

On the other hand a TICA official interviewed saw PPP as being in direct competition with MI – that the two institutions offer similar courses to similar participants – and questioned NZAID support of PPP. This ‘competitive’ view is not held officially by either PPP or MI, but nevertheless the perception is there. MI needs to take active steps to emphasise the complementarity of the two organisations for delivering HRD in the GMS.

PPP’s ability to partner itself in the few years since its inception with a number of prominent educational institutions worldwide and to publish a research journal containing numerous relevant regional research papers has put PPP in a positive light among many of those interviewed. MI has not yet managed to do either of these things though it has been in existence for much longer than PPP.

To a degree the problem with MI compared to PPP is one of perception. MI has been able to deliver courses to over 2100 participants, there was positive feedback on the courses from Lao PDR and Myanmar and generally positive feedback from participants. Despite this MI does not have as high a profile as PPP in the region. One reason may be that that PPP is a ‘sexier’ training provider – it is intended for higher levels of leadership and offers courses at a variety of locations worldwide. Raising MI’s profile in the region so that it is not seen at best as a poor relation to PPP is a challenge for MI’s Council, management, stakeholders and staff.

4.4.5 Implications of the findings

PPP partners

PPP has formed a network of ten capacity-building partners for its programmes. Although New Zealand is the second largest funding contributor to PPP, none of these ten partner institutions is from New Zealand. It is surprising that, unlike the case for the two other major donors, no PPP courses are delivered in New Zealand (although PPP is offering a course this year at VUW’s campus in Ho Chi Minh City and three New Zealand university staff have delivered lectures at PPP courses).

The Mekong Institute is one of the partners, and one PPP course was presented at MI in each of 2006 and 2007.

PPP focus and NZAID goals and objectives

NZAID’s overall strategic goal in, for example, Cambodia, is:

“to pursue NZAID’s mission of eliminating poverty in Cambodia through a focus on sustainable rural livelihoods.

This goal is to be achieved through the following two inter-linked objectives:

- Reduce poverty and promote livelihoods through building skills, and promoting income-generation and sustainable resource management.
- Empower those in poverty to understand and exercise their fundamental human rights through our partners.”

Similar, though not identical, goals and objectives are set for Lao PDR and Viet Nam.

The 16 learning programmes provided by PPP in 2006 all, in accordance with its focus, concentrated exclusively on policy and management issues. Capacity building and increased self-reliance are among the goals of countries in the GMS, and courses such as those offered by PPP contribute to those goals by providing officials with management and decision-making skills. The assumption is that there is a flow-on effect from courses such as those provided by PPP towards NZAID’s goals and objectives in the GMS. It is important to note, however, that the effectiveness of Official Development Assistance (ODA) to developing countries continues to be fiercely debated. Minoiu and Reddy in a recent paper¹ summarise the current state of the debate. One of the key issues in the debate is whether the quality of the policy environment affects the effectiveness of aid. Minoiu and Reddy cite conflicting research findings on this issue and, among other conclusions, say of their own recent research that “we did not find evidence that aid is more growth effective in ‘better’ policy environments”.² The ambivalence of the current research conclusions in this respect suggests that the effectiveness of programmes such as those offered by PPP in contributing to NZAID’s overall strategic goal in the GMS will need to be kept under review.

PPP and MI

NZAID’s contribution in 2006 to PPP was \$850,000; its contribution to MI in the same year was \$655,019.

PPP has a higher profile among officials than MI. Varying views were expressed on the relationship between the two institutions. Some saw them as complementary; others saw them as competing.

If NZAID is to continue its support for both institutions, closer links need to be established between PPP and MI, to minimise duplication of HRD activities and maximise NZAID’s investment in the two organisations.

Recommendations for PPP

1. That NZAID facilitate the establishing of closer links between MI and PPP to ensure complementarity of course programmes each year.
2. That NZAID encourage PPP to set up a full partnership arrangement with a New Zealand tertiary institution.
3. That NZAID review its engagement with PPP to determine to what extent its involvement with this training provider enhances NZAID’s goal of poverty elimination in GMS countries.

¹ Camelia Minoiu and Sanjay G. Reddy: Aid Does Matter After All: Revisiting the Relationship between Aid and Growth. *Challenge: The Magazine of Economic Affairs*, 50(2), 2007

² *ibid*, p.15

4.5 Other Programme Activities

4.5.1 Programmes

In addition to MI, ELTO, NZDS and PPP, NZAID supports several other HRD activities in the GMS. They include the following:

ASEAN sponsored programmes

The Initiative for Asian Integration (IAI) was set up in 2000 to assist with the smooth integration of Cambodia, Lao PDR, Myanmar and Viet Nam into ASEAN. NZAID has agreed to strengthen its cooperation with IAI in HRD. IAI has set up training centres in Phnom Penh, Vientiane and Ha Noi.

A review of the IAI Work Plan was recently undertaken by the former Secretary-General of ASEAN, Mr. Rodolfo Severino. Among the shortcomings he identified were weak inter-agency coordination, reporting mechanisms, implementation and follow-through actions.¹ This confirms the consultants' finding that the programmes IAI offers tend to be on a piece-meal basis, set up in response to requests from donor countries and lacking coordination.

The Vientiane Action Programme (VAP) was set up in 2004 as an instrument to unify and cross-link the strategies and goals of the three pillars of the ASEAN Community – the ASEAN Economic Community, the ASEAN Security Community and the ASEAN Socio-Cultural Community

The GMS Economic Cooperation Programme,

This programme, which is supported by ADB, is designed to help strengthen economic linkages within the GMS.

The Asia:New Zealand Foundation's Higher Education Exchange Programme (HEEP)

This programme supported academic exchanges between Asian and New Zealand universities. NZAID's support for the programme consisted of grants totalling \$83,000 annually for one-year academic placements. The programme was costly to manage and was discontinued by the Asia:New Zealand Foundation at the end of 2006. It was not very well aligned with NZAID's poverty alleviation mission.

The University of New South Wales's Diplomacy Training Programme (DTP)

This programme focuses on the development of knowledge, skills and effectiveness of human rights advocates in Asia and the Pacific. The programme supports human rights capacity building through the delivery of regional courses on indigenous persons, migrant workers, trade and business and human rights. NZAID provides \$80,000 annually to support this initiative.

Volunteer Service Abroad (VSA)

The VSA Asia programme aims to contribute to the wellbeing of people and communities in Asia through partnerships with partner organisations (government agencies and NGOs) and other development partners in selected priority areas. NZAID provides all in-country costs for VSA volunteers in Cambodia, Lao PDR and Viet Nam. The total funding for 2006/7 was \$457,000. This included support for 12 volunteers in Cambodia, eight in Lao PDR and six in Viet Nam.

¹ Source: <http://www.aseansec.org/18201.htm>

VSA's work in the GMS targets at grassroots level NZAID's core goal of poverty elimination in the region. It focuses on small, manageable programmes in specific areas of each country, and largely works directly with communities that live in a state of poverty. This complements the four cornerstone programmes that are the main focus of this review, whose programmes are accessible mainly (though by no means entirely) to government officials in capital cities. Both types of programme can be said contribute to capacity building in the GMS, VSA at the micro level and the other programmes at a more macro level.

The Mekong River Commission (MRC)

The Mekong River is the artery that binds the GMS countries together. Actions on the river by one of the countries can have serious environmental and livelihood consequences for other countries, e.g. the building of a dam on the Upper Mekong by China or Lao PDR could adversely affect countries lying downstream of the dam. At a recent meeting of the MRC, for example, tensions were reported to have mounted between member countries over six proposed hydro-electric dams in a number of countries on the lower Mekong.¹

The MRC administers programmes for the joint management of shared water resources and the development of the economic potential of the river. The goals of the MRC include promoting and supporting coordinated, sustainable and pro-poor development; enhancing effective regional cooperation; and strengthening basin-wide environmental monitoring and impact assessment. These goals are closely aligned to NZAID's own objectives in the GMS. NZAID supports a specific MRC programme: Gender Mainstreaming in Water and Related Sources Development in the Lower Mekong Basin Project.

4.5.2 Implications

Collectively, the above programmes can be seen as providing links between New Zealand and the countries of the GMS at a range of levels. The ASEAN and ADB strategies are of significant political importance to New Zealand, given the country's long-term commitment to aligning itself closely with the Southeast Asian region; DTP focuses on NZAID's cross-cutting theme of promoting human rights; VSA works at the grassroots level of development; and MRC is an institution with a whole-of-GMS focus and with a commitment to goals similar to NZAID's own goals in the region. Of these programmes, the two whose goals are most directly aligned to NZAID's priority goal of poverty elimination through sustainable rural livelihoods and its cross-cutting themes, in particular promoting gender equality and women's empowerment, addressing vulnerability and protecting the environment, are VSA and MRC.

NZAID already has very close links with VSA and it is recommended that NZAID continue to strengthen these relationships.

It is recommended that consideration be given to strengthening NZAID's involvement with MRC. NZAID's current involvement with the MRC is essentially limited to the gender mainstreaming project. Given that MRC's goals are closely aligned with NZAID's own objectives in the GMS, consideration should be given to becoming involved in supporting other MRC programmes.

¹ Source: http://www.bangkokpost.com/breaking_news/breakingnews.php?id=123623

Recommendations

3. That NZAID continue to strengthen its relationships with VSA in order to enhance its community level partnerships in the GMS.
4. That consideration be given to strengthening NZAID's links with MRC.

4.6 Cross-programme issues

Two issues in particular were directly relevant to more than one programme and so are discussed separately in this section.

4.6.1 English language training

As noted on page 34, the provision of English language training (ELT) continues to be a human resource development priority of partner governments in the GMS. Macalister and Renandya in their 2006 report said: "With regard to the language needs of alumni, the impression of trainers is that alumni fall into three main groups: those who require ELTO for professional purposes, those who go on to further study and require English for academic purposes, and those who have no real need for English."¹ While they were speaking specifically of ELTO alumni, the three broad categories can be applied to officials in general.

At present there are three main sources of English language training for students in the GMS: in-country, elsewhere in the region (such as in Singapore), or in English-speaking countries outside the region (such as in New Zealand or Australia). ELTO currently takes place in New Zealand and pre-course English language training for NZDS students, where required, is offered either in-country or in New Zealand. Neither MI nor PPP currently offer English language training courses.

English language requirements

In terms of NZAID's programmes in the GMS, there are two key points where a specified level of English language competence is required. ELTO requires an IELTS rating of between 4.0 and 5.5. NZDS generally requires an average IELTS standard of 6.5 (the actual requirement varies in different universities).

Most NZDS students interviewed had reached the 6.5 average IELTS standard before coming to New Zealand. Four of the 11 students interviewed were doing an English language course at their New Zealand university prior to starting their post-graduate studies. One student was particularly critical of the course he had been enrolled in, saying it was completely unsuited to his needs. If it is decided for practical reasons to bring NZDS students who are very close to the required IELTS standard to New Zealand for a short English language course prior to their starting their post-graduate studies, care needs to be taken to ensure that the course is suitable for their needs.

The commitment and effort made by both NZDS students and ELTO participants to learn English was impressive. In some cases they had been able to learn English as part of their school and/or university studies, but generally not to a high standard. Most had learned English privately. Students in Cambodia, Lao PDR and Viet Nam who do not have access to private English language schools, however, or who are unable to pay for lessons, must continue to be at a real disadvantage for postgraduate education abroad.

There may be potential NZDS recipients, including individuals in disadvantaged groups, who have a first degree but who lack the minimum 6.5 IELTS score needed for admission to most

¹ Macalister and Renandya op.cit., p.11

postgraduate courses at New Zealand universities, and lack the means to get the necessary English language training. Provision for in-country English language training already exists in certain circumstances, but candidates need to have already applied for and been otherwise approved for a scholarship before becoming eligible for it.

Bridging English language courses

It is suggested that bridging English language courses could be supported by NZAID to bring otherwise eligible candidates up to the minimum IELTS level required to apply for a scholarship.

There are three options for such courses: in-country, in-region (at MI or in another country) or in New Zealand.

O'Sullivan and Huong in their 2002 report provide a detailed analysis of the comparative costs of English language training in-country, at MI and in New Zealand.¹ While actual costs will have changed since then, the differences between the three possible venues for training will still be essentially valid. They found that the in-country option is very much cheaper than the other two options. For example, when they compared the cost of ELTO with other intensive training courses in the region, they found that the cost/person/month for ELTO was \$5,276, while the cost/person/month for in-country ELT courses was between \$1,415 and \$1,707. MI did not (and does not) offer intensive English language training courses, but indicatively the cost/person/month of economics courses at MI that year was between \$5,427 and \$6,077.

In their 2006 report Macalister and Renandya discuss the availability of English language training in Phnom Penh, Vientiane and Ha Noi.² They conclude: "In each of the capital cities a range of ELT providers exist, but there are limited opportunities for government officials to study English. The principal provider for officials in all three cities appears to be Singapore, through the IAI centres. There are, however, other quality providers who are able to deliver suitable courses if funding was available."

It is therefore recommended that, if NZAID decides to support bridging English language courses for potential NZDS recipients from disadvantaged groups, the courses be held in-country. It is noted, however, that ELTO participants interviewed said that there can be difficulties in studying in-country while living at home because of other commitments and responsibilities, e.g. pressure from their workplace, whether they are officially on leave or not, and family responsibilities, especially for women.

Another group who could benefit from such courses is ELTO alumni. While it is obviously not the main purpose of ELTO to assist participants to eventually become eligible for NZDS scholarships, there are, and no doubt will continue to be, ELTO alumni who wish to gain post-graduate qualifications, and whose employers support their doing so.

A third group who could benefit from English language training support is potential ELTO participants who were not able to reach the minimum 4.0 IELTS score.

In all cases care would need to be taken to ensure that there would be benefits to the potential students and to their country from their being the recipients of NZDS scholarships or being ELTO participants, and that they would otherwise lack the means to obtain the necessary pre-award English language training.

It is suggested that a small-scale pilot scheme should be initially tested for one to two years before NZAID fully commits itself to such courses.

¹ O'Sullivan and Huong *op.cit.*, pp.26-30

² Macalister and Renandya *op.cit.*, pp.12-20

Potential for English language training at MI

MI does not currently offer English language training courses. Technically it has the physical capacity to do so. MI advises¹ that it has a language laboratory equipped with 25 individual study sets and over 600 CDs of English courses. The institute could reactivate the facilities but would need English specialists to handle the programme.

The question is therefore whether holding ELTO or other English language courses at MI would be an efficient use of resources. As noted above, O'Sullivan and Huong found that the cost/person/month for in-country ELT courses was a third to a quarter the cost/person/month of courses at MI.

MI's proposed budget to NZAID 2006-2007 includes provision for 90 scholarships for four week courses at a cost of approximately \$5,400 each. The cost/person/month for ELTO in the 2006/2007 financial year was \$5846. There would therefore be little financial benefit in offering ELTO courses at MI rather than in New Zealand, and the other benefits already discussed of having the courses in New Zealand would be lost.

An advantage of offering bridging English language courses at MI would be that it would be possible to bring together groups of students of roughly the same English language level and tailor intensive language courses specifically for them. On the other hand, it would equally be possible to tailor such courses in-country if there were sufficient students in each country. Alternatively, students from the GMS (and, if appropriate, from other countries in the region) could be brought to, say, Phnom Penh, Vientiane or Ha Noi for a tailored course. This option has not been costed; the consultants consider, based on other costings, that it would be less expensive than holding an equivalent course at MI, but if costs were roughly comparable it would make MI a viable option for English language courses for students from across the region.

4.6.2 Student visas

The aspect of both the ELTO and NZDS programmes that drew the most criticism is an administrative one – the issuing of visas by the New Zealand Immigration Service.

The comments for ELTO came from a New Zealand stakeholder rather than from course participants. None of the Intakes 27 and 28 participants interviewed reported any particular problem in obtaining visas for study in New Zealand: "I sent away my passport and it came back with the visa in time for my departure."

Victoria Link, the Management Services Contractor for the ELTO programme, reports that behind the scenes it is quite a different story. They are very critical of the time it takes for the visas to be approved. Although applications are processed and participants selected by NZAID within the specified time frame, there are then long delays in obtaining visas. The delays make it difficult to complete travel arrangements, in particular, for the arrival of an intake. Air tickets are booked well in advance to obtain the best available prices, and tickets therefore have to be paid for some time before the travel dates, but visas have to be issued before flight requests can be confirmed and payments made. The travel agent used often cannot meet the scheduled payment date because visas have not been issued, and has to request several date extensions. On occasion, airlines say they will cancel the booking if payment is not made, and re-booking once the visa has arrived is considerably more expensive.

¹ MI briefing paper op.cit., p.14

In a similar vein, NZDS students interviewed said that the biggest problem prior to their arrival in New Zealand was the obtaining of visas, especially for the students from Cambodia and Lao PDR. Although their applications had been processed and approved within the appropriate time frame, they without exception had long waits to get a visa to study in New Zealand. There were some real horror stories: one student, having had to resign her job in an NGO, was left in limbo for some weeks and finally told on 15 February that her visa had been approved and she would have to leave for New Zealand three days later. Another finally received her passport with a New Zealand visa at 5 pm the day before she was due to leave – and she still had to get an Australian visa because her flight was via Sydney. The NZDS students did not know why it had taken so long for their visas to be processed, but found it very frustrating and unsettling.

The reasons for the delay are not clear, and presumably are not related just to these two NZAID programmes, but they are both frustrating and give an unfavourable initial impression of New Zealand. A longer lead-in time between the confirmation of applicants and their date of departure has been suggested as a way of helping resolve the problem, but ELTO administrators advise that past attempts to do this have been counterproductive, with a number of candidates being confirmed and then having to withdraw for various unanticipated reasons. This in turn led to a new set of problems in obtaining replacement participants at short notice.

It would certainly be helpful, and improve New Zealand's image among all those concerned, if a way could be found for the government departments concerned to work together on a "NZ Inc" approach to streamline the visa issuing process for NZAID supported students.

Recommendations

1. That a pilot ELT bridging programme be trialled by NZAID to investigate the feasibility of bridging English language courses in-country to enable otherwise qualified people, particularly from marginalised and disadvantaged groups, to reach the IELTS standards required to become eligible for the NZDS and ELTO programmes.
2. That discussions be held between NZAID and NZIS on measures to improve the visa issuing process to both ELTO participants and NZDS students.

5 General findings and conclusions

Nga Hoe Tuputupu-mai-tawhiti

Nga Hoe Tuputupu-mai-tawhiti – the paddles that bring growth from afar – is the Maori name for NZAID. NZAID's programmes are paddles designed to bring growth to the GMS. The challenge is to decide which paddles will contribute most effectively and efficiently to the goal of bringing growth to the GMS, and how to get the paddles moving in harmony.

Chapter 4 reviewed individually the four main programme activities sponsored either wholly or partly by NZAID in the GMS, summarised other aid programmes in the GMS to which NZAID contributes and considered two cross-programme issues. This chapter considers NZAID's programmes in the GMS as a whole in terms of the five key objectives of the review as set out in the Terms of Reference, and summarises other findings.

5.1 Alignment, harmonisation, integration, effectiveness, efficiency

Alignment of programme activities to the strategies of partner governments

MI

MI's current core programmes (Economic and Public Sector Reform, Leadership Courses, Project Management Courses and Rural Development) were designed to be aligned to the strategies of GMS countries. Prioritising of programmes is primarily based on national poverty alleviation plans and on requests from individual countries. MI has recently increased the number of courses it runs with a poverty elimination theme. It now intends to develop core products around four thematic areas designed to reflect both government and regional strategies in the GMS.

ELTO

The provision of English language training continues to be a human resource development priority of partner governments in the GMS. The current ELTO programme meets this priority. The broad goal of ELTO is to assist officials of participating countries (including three non-GMS countries) to develop the English language skills they require to do their jobs effectively, particularly when representing their countries' views in ways that require the use of spoken or written English. ELTO's alignment with partner government strategies was further strengthened by the move in Phase II to theme-based courses.

NZDS

NZAID offers NZDS scholarships to eligible candidates in the GMS in a range of priority sectors dependent on the strategic needs of the individual countries. The NZDS scheme's aim is that, by providing people with knowledge and skills to contribute to the sustainable development of key sectors in their home country, it will reduce poverty, promote good governance, and contribute to the human resources of targeted countries. The majority of the students currently in New Zealand are studying in the public sector, particularly public management and public policy, and in sciences, particularly sciences related to agriculture and the environment. Smaller numbers are studying in the areas of education, business and social sciences. It is evident that, even at this early stage of the NZDS scheme in the GMS, real efforts are being made to select passionate candidates who will work in priority sectors when they return home.

PPP

PPP's goal is to improve the efficiency and effectiveness of development management in GMS countries, and thereby to enhance economic growth and social development. The plan aims to impart knowledge and skills to middle- and senior-level GMS civil servants for improved design and management of development programmes at national and subregional levels. The 16 learning programmes provided by PPP in 2006 were all, in accordance with its focus, concerned with policy and management issues. The 14 programmes scheduled for 2007 were similarly targeted and included eight courses for junior- and middle-level officials.

Overall

The MI and PPP programmes provide courses aimed at improving development management skills. ELTO focuses on the HRD need for English language training, while NZDS is designed to provide students with advanced knowledge and skills in key sectors in their home country. All four programmes can therefore be considered to be aligned with the strategies of partner governments.

Harmonisation of programmes with other donors

MI

MI's financial support comes mainly from New Zealand, through NZAID, and Thailand, through TICA. NZAID works with a number of other donors through its support of MI. UNIAP, ADB, APN-CAPaBLE, SDC, the Yunnan Government, the Yunnan National Power Grid and the Regional Operation Centre of KKU also supported courses at MI in 2007. The courses offered by other donors were consistent both with MI's priorities and with NZAID's priorities in the GMS.

ELTO

ELTO is a niche programme; no other donors currently target English language training for officials in this way. In doing so it complements other English language training programmes offered in the region by other donors such as IAI and the British Council. By improving their English language skills, it also offers participants the possibility of their eventually becoming eligible for advanced level study offered by both New Zealand and other donors and thus of further enhancing, in the medium term, the human development capacity of partner countries.

NZDS

The NZDS scheme is a fairly new and small player in the scholarships area; other countries are able to offer many more scholarships than New Zealand. As an example, of the 391 students sent abroad for further study by Cambodia in 2006, eight came to New Zealand. It is therefore suggested that New Zealand should target its scholarships to niche areas such as agriculture, veterinary science, sustainable development and eco-tourism, where it has particular expertise. There will be better harmonisation of NZAID's scholarships with those of other donors if NZAID focuses on such complementary niche areas rather than competing in the same fields with other donors. NZAID could also be proactive in focusing on potential candidates who are marginalised or disadvantaged in some way – women, ethnic minorities, students in provincial and rural areas – and who may not find it easy to qualify for assistance from other donors.

PPP

PPP's financial support comes from ADB, NZAID, China and France, all of whom are also donors through other programmes in the GMS. PPP has formed and works with a network of capacity-

building partners for its programmes; in 2006, its capacity-building network comprised ten institutions. These partner institutions contribute to PPP in a variety of ways, including joint programme offerings and knowledge sharing. PPP also has access to partners in other countries, including India and New Zealand. MI is one of the partners; PPP sees MI as a partner rather than as a competitor.

Overall

Both MI and PPP are supported by a number of other donors besides NZAID. ELTO, in targeting English language training for officials, complements other English language training programmes offered by other donors in the region. NZDS is a small player in a field where there are many other donors.

There are therefore considerable synergies between NZAID's programmes and those offered by other donors; the challenge is to avoid duplication of effort and resources by identifying niche areas where New Zealand has particular expertise and targeting them. ELTO does this. NZDS has the potential to do so but at present essentially targets the same catchment of potential students as other donors, rather than complementing them. It will be more difficult to ensure this for MI and PPP, firstly because they are institutions supported by a number of other donors besides NZAID, and secondly because the less focused nature of the interventions makes it more difficult to avoid duplication with courses offered by other donors.

Integration of NZAID's programmes with one another and with bilateral programmes

To reprise Nga Hoe Tuputupu-mai-tawhiti, it is important not only that everyone is paddling in the same direction but that they are paddling in unison, otherwise much of the effort and energy may be wasted. It is recommended that NZAID give careful consideration to ways in which its main activities in the GMS are integrated. At present the links between NZAID and the various activities it supports in the GMS can be illustrated broadly by Figure 1 below:

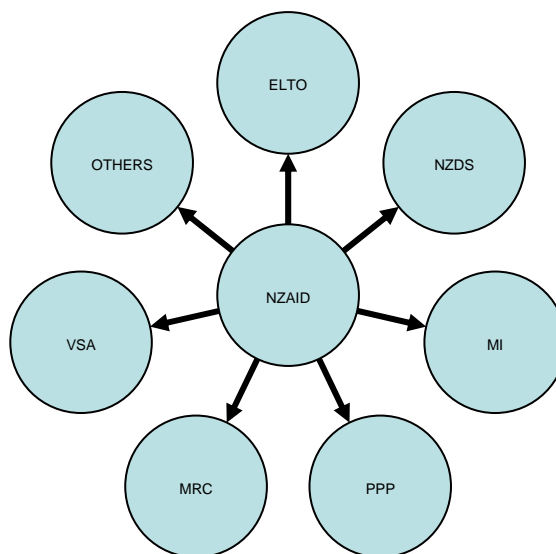


Figure 1

NZAID, as the donor agency, sits in the centre and provides funding for various programmes. It also has an involvement to varying degrees in how the funding is spent. There are few direct links between the programmes themselves; they operate essentially independently. Figure 2 below

illustrates an integrated structure, where each programme links as appropriate with other agencies as well as with NZAID.

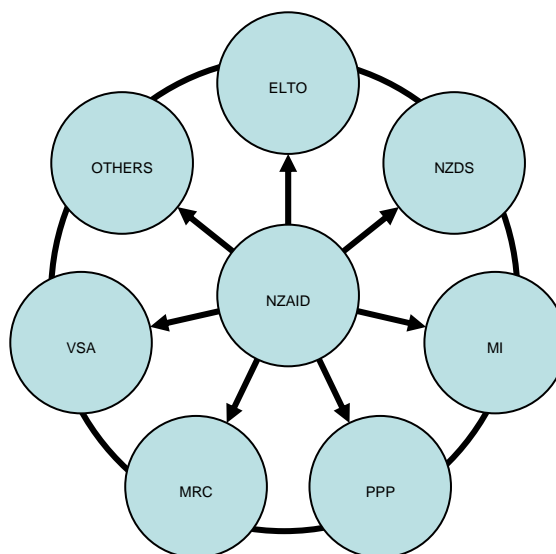


Figure 2

And of course there is also a need for integration at the centre, within the donor agency, including both personnel in Head Office and personnel in the Posts, so that once decisions have been made about a programme everyone involved accepts and implements those decisions.

Both MI and PPP offer programmes for managers in public and private sector organisations. There is considerable overlap in their two target catchments, but there appears to be little or no contact between MI and PPP on the courses each will offer during a given year. NZAID, as a major funder for both organisations, could have a coordinating role in arranging joint meetings of representatives from each to ensure complementarity rather than duplication of programmes and activities. In this way the funding available for each organisation will be used as efficiently as possible.

The following scenario illustrates an approach to integration between various agencies and programmes to deal with a newly-arisen problem in a GMS country that makes the most efficient and effective use possible of available NZAID programmes. The scenario is based on the potential outbreak of pig disease in Viet Nam. The disease could easily spread to neighbouring countries if it is not promptly and effectively contained. The outbreak therefore has the potential to seriously harm people at grassroots level by driving some farmers back into poverty and has the potential to directly affect the livelihood of many more already poor people if it is not controlled. A coordinated NZAID programme, working in conjunction with partner governments, could include the following steps:

- An immediate response from NZAID supported disaster relief organisations such as the Red Cross.
- For a short to medium term intervention, the sending of VSA personnel to assist on the ground.
- Also for a short to medium term intervention, the use of STTAs to bring officials working at grassroots level in the affected area to New Zealand to learn practical skills to deal with the problem, and to undertake an English language course to acquire the language capacity to access and apply up-to-date information from New Zealand and elsewhere about, for example, agricultural quarantine protocols and procedures.
- As a medium term intervention, the provision of courses at MI and PPP for officials in relevant ministries across the GMS to deal with the potential impact of the disease at a regional level.
- As a longer term intervention, the provision of NZDS scholarships for postgraduate study in areas directly related to the outbreak, and the provision of ELTO places for officials in the region, to enhance their ability to find out about control measures.

A collective NZ Inc approach of this type would encourage the best use of the limited resources available to NZAID while allowing the provision of assistance where and when it is most needed.

While this is a theoretical situation involving most of NZAID's intervention programmes in the GMS, it is recommended that wherever appropriate efforts should be made to integrate activities so as to achieve the best possible synergies between programmes, using as a basis regional and thematic programmes such as assistance for trade and private sector development, and human resource development that are part of NZAID's sectoral focus in the region.

Alignment to the sectoral and targeted geographic focus of NZAID's Asia and Country Strategies

NZAID's focus in Southeast Asia, as set out in its 2004 Asia Strategy booklet, is on sustainable rural livelihoods, complemented by initiatives in other sectors, such as health, as appropriate. Its sectoral focus in the GMS, as set out in its respective country strategies, differs from country to country according to their stage of development, but the basis of them is that NZAID will have a focus on sustainable rural livelihoods, concentrating its bilateral assistance on activities designed to help achieve this goal. This is to be complemented by regional and thematic programmes such as assistance for trade and private sector development, and human resource development. In each of Cambodia, Lao PDR and Viet Nam, aid is concentrated on two main geographic areas.

The alignment of the four main programmes reviewed in this report with NZAID's sectoral and targeted geographic focus is through the latter, complementary, areas.

There must inevitably be a certain tension between the targeted geographic and sectoral focus of bilateral programmes on the one hand, and regional and thematic programmes such as those reviewed in this report, on the other, i.e. between a bilateral 'grassroots' sectoral and geographic focus and the regional HRD focus of programmes such as MI, ELTO, NZDS and PPP.

This 'tension' was experienced by an official from another donor organisation who told the consultants during the field trip that it initially set up a particular programme bilaterally. When it tried to extend the programme regionally, it proved very difficult because of the historical rivalries among countries in the region. The official considered that it was easier to go from a regional to a bilateral environment rather than vice versa. It is therefore suggested that when future activities in the GMS are being considered by NZAID, the first step should be at the regional level, where region-wide priorities can be discussed and determined by all involved, including partner countries, NZAID and Posts. Once these have been decided, decisions on their implementation in individual countries can be determined bilaterally. An example of this is Phase II of ELTO, where the thematic themes for each year were decided regionally and then each country was responsible for choosing its participants according to its needs.

Overall

It is of course not surprising that the four programmes are well aligned to the strategies of partner governments and to aspects of NZAID's own sectoral and geographic focus in the GMS, and generally harmonised with the programmes of other donors. They were designed to be so.

Effectiveness of NZAID's HRD programmes in contributing to its mission of eliminating poverty in the GMS

The effectiveness of Official Development Assistance (ODA) to developing countries has been fiercely debated. Minoiu and Reddy in a recent paper¹ summarise the current state of the debate. They quote the IMF chief economist Raguram Rajan, who said recently that "the debate about aid effectiveness is one where little is settled". Minoiu and Reddy dispute the findings of recent influential studies among development economists which claim that aid to developing countries is

¹ Camelia Minoiu and Sanjay G. Reddy: Aid Does Matter After All: Revisiting the Relationship between Aid and Growth. *Challenge: The Magazine of Economic Affairs*, 50(2), 2007

not nearly as beneficial to recipient nations as had been expected. In doing so they identify two distinct kinds of aid: developmental aid and geopolitical aid.

The authors say that when they focus only on the first kind of aid (and most NZAID aid in the GMS could be classified as developmental aid), they find strong correlations between the level of such aid and average economic growth; but the aid has a statistically and economically discernible impact on average growth only over the *long term*. Aid assistance to developing countries translates into development outcomes with a lag, sometimes involving several decades.

Their division into developmental aid and geopolitical aid and their analysis of the former offers renewed hope, after other more pessimistic research outcomes, that “aid ‘matters’ for growth and indeed it can matter a great deal”¹.

Their paper, and the analysis of the effectiveness of aid in it, is persuasive, and confirms empirically the impression gained by the consultants in the course of this review that it would be very difficult to measure the effectiveness of the HRD programmes that are the main focus of this review in contributing to NZAID’s mission of eliminating poverty in the GMS. There is, for example, clear evidence of a reduction in poverty in the poverty incidence figures given on page 13 of this report, but establishing causative links between this reduction and NZAID’s programmes in the GMS would be very difficult and would need to be done through a detailed analysis over the long term.

The consultants did not feel, therefore, that they could comment on the effectiveness of the programmes under review in contributing to the overall goal of the elimination of poverty in the GMS. It is, however, possible to make some comment on the relative effectiveness of individual programmes in achieving their specific goals, based on material from written reports, and on feedback received during the course of the review.

MI

There were ambivalent responses regarding the effectiveness of MI’s courses. Both Lao PDR and Myanmar representatives at the Council meeting in July 2007 were very positive about MI. They said they received positive feedback from their trainees about the programmes offered at MI. Against this, others interviewed by the consultants during the field visit felt that some MI courses were not practical as trainees were not always able to put into practice what they had learned when they returned home. Ratings of courses by participants, as supplied by MI in their Evaluation Highlights, were generally very good. MI advised the consultants that a formal tracer study was to be conducted from September to December 2007 to trace the impact of MI learning courses, and this should provide a more objective view of the effectiveness of MI in upskilling individual officials.

ELTO

ELTO Phase II is perceived to be working very well. The end-of-course evaluations completed by participants consistently reflect a high level of satisfaction with the course and its outcomes for them. Feedback from the Intake 27 and Intake 28 participants interviewed in New Zealand was very positive, as was feedback from ELTO alumni in Viet Nam and Cambodia in response to a written questionnaire, and from most stakeholders interviewed during the field visit to the GMS, and from stakeholders in New Zealand.

NZDS

It is not yet possible to comment on the effectiveness of the current NZDS scholarships scheme in the region since the first students commenced their studies in New Zealand universities only in

¹ *ibid*, p.15

2006. All that can be said at this time is that the abiding impression from the interviews with current NZDS students from the GMS was their strong commitment to 'making a difference' in their own country when they return home, and the belief that they can do so. Although the NZDS scheme is too new in the GMS to enable any analysis to be undertaken on its effectiveness, possibilities exist for improving effectiveness, both regionally and within individual countries.

PPP

PPP provided participants' course evaluations for four 2007 PPP courses. The overall programme objectives ratings out of 5 for the courses were between 4.07 and 4.54. Comments made by participants on the courses were generally positive.

Overall

There is ongoing debate internationally concerning not just the effectiveness of ODA but also of the studies designed to assess its effectiveness. Because any attempt to establish causative links between the reduction in the incidence of poverty in the GMS and NZAID's programmes in the subregion would need to be done through a detailed analysis over the long term, the consultants felt unable to comment on the effectiveness of the programmes under review in contributing to the overall goal of the elimination of poverty in the GMS.

The effectiveness of individual programmes in achieving their own goals could, however, be reviewed. There were ambivalent responses regarding the practical value of MI's courses to its alumni. The consistent message regarding ELTO for a number of years is that it is an effective programme in enabling officials to develop their English language skills. The NZDS scheme is too new in the GMS to enable any analysis to be undertaken on its effectiveness but there appear to be opportunities to improve its effectiveness, both regionally and within individual countries. Selected course evaluations provided by the PPP indicate a high level of satisfaction with the courses.

Efficiency of NZAID's programmes in contributing to its mission through the best use of available resources

MI

The relative cost per head of delivery of courses at MI appears on the high side. Two analyses carried out in 2002 found that the cost/person/month for courses at MI were higher than the cost/person/month for the ELTO course in New Zealand at that time. MI's proposed budget to NZAID for 2006-2007 included provision for 90 scholarships for participants in the four-week long Professional Development Series courses at a cost of approximately NZ\$5,400 each. A TICA representative advised the consultants that TICA is able to contract other tertiary providers in Thailand to deliver its courses more cheaply than MI is able to deliver them.

ELTO

The average cost per participant for the seven Phase II ELTO intakes to 30 June 2007 was \$29,020; the average per participant cost in the most recent financial year was \$29,234 (equivalent to \$5846/person/month). The consistency of the figures (with an average annual increase less than the rate of inflation for the period) suggests that ELTO is being managed efficiently, and confirms the impression gained during field visits to the institutions currently delivering ELTO courses. While cost savings could be made by offering part of the ELTO programme in-country, the quantitative value of such savings in the name of efficiency needs to be set against the qualitative benefits of the current Phase II ELTO structure.

NZDS

Financial data were obtained for NZDS students from the CLMV countries. The consultants felt unable, however, to estimate with any degree of accuracy the monthly per student costs of the NZDS schemes for those countries, because of the differing starting dates for different students, different course durations and different course types from year to year. A change to a blended mode of teaching and learning involving a twinning arrangement between a New Zealand university and a university in a GMS country could offer greater efficiency of delivery in terms of the total cost per student for a course of study. It is suggested that any review into the resource use efficiency of the NZDS scheme could more usefully be carried out across the full range of NZDS partner countries.

PPP

In 2006, 297 participants attended a total of 16 courses each lasting one or two weeks. PPP's total 2006 budget was \$4,073,000, but this figure includes the various other activities offered by PPP as well. Information provided by PPP did not allow the consultants to isolate course costs from the total PPP budget.

Overall

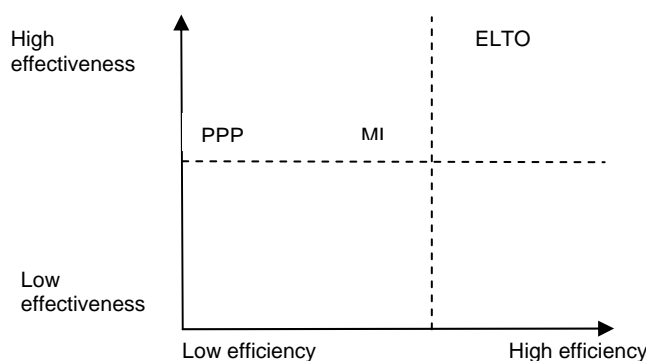
The four activities are different in nature. MI offers learning programmes, provides an arena for policy dialogues, sponsors research and provides information about the GMS. ELTO is devoted exclusively to running courses for government officials. NZDS supports individual courses of study at postgraduate level in a range of tertiary institutions. PPP offers learning programmes, sponsors research and initiates and supports dialogues in a range of ways across the GMS. It is not therefore possible, within the scope of this review, to make direct comparisons between the programmes regarding their relative efficiency. Even when such comparisons are made, the purely monetary costs of a given programme must be set against the benefits to the participants, the partner country and New Zealand, to be derived from the programme, and against their contribution to the strategies of partner governments and to NZAID's own strategic goal in the region.

Analysing the efficiency and effectiveness of courses

Effectiveness is "doing the right things" so that goals are achieved. For NZAID, this means that its programme objectives have been fulfilled, meeting the requirements of all relevant stakeholders and contributing to its poverty elimination mission. Efficiency is "doing things right" so that programmes are implemented in the most cost-effective manner possible and no mistakes are made. The key to successful outcomes is to be both effective and efficient. If both cannot be achieved, the next preferred option is being effective but less efficient, i.e. objectives have been met but without maximum cost-efficiency. Being efficient but not effective is not desirable because objectives have not been met.

Taking into account the limitations inherent in the nature of the data available to them, the consultants have placed three of the four main programmes being reviewed into the graph shown below. (They felt unable to do this for NZDS because of the newness of the programme in the region and the fact that the GMS component is only a small part of the total NZDS scheme.) In doing this they considered the effectiveness of each programme against its own 'internal' goals rather than against one another. A more detailed costing analysis than the consultants were able to undertake within the scope of this review would be needed to enable direct comparisons to be made between programmes

Effectiveness and Efficiency of Programmes



5.2 Other general findings

HRD priorities in the GMS

The GMS is a large and complex area, embracing as it does 300 million people in six countries at various stages of development. It is evident that a “one size fits all” approach to setting priorities is not appropriate, and predictably the consultants found during their field trip to the region that HRD priorities expressed to them varied depending not only on the country but on whom they met from each country. Some common themes emerged from interviews and discussions during the field visit, however:

- labour, including mobility of the labour force
- health, including border health issues
- education, particularly higher and vocational education
- trans-boundary issues, including human and drug trafficking, immigration, trade agreements, the outbreak and transmission of diseases such as avian flu, AIDS/HIV, environmental degradation due to growth-oriented strategies instead of sustainable ones.

The list is daunting, not just for NZAID but for other, larger agencies as well. UNDP, for example, indicated that HRD requirements in Lao PDR are so huge that it is difficult to know where to start. One person interviewed suggested that, in setting HRD priorities, ‘more’ is not always a solution and a ‘sufficient economy’ approach and a community development focus may be the way ahead. There is a need within the GMS to balance globalisation against localisation and external against internal influences.

Responsiveness to likely future HRD priorities in the GMS

NZAID’s response to development needs in the GMS is necessarily small in comparison to the total amount of ODA provided in the region – less than 1% according to NZAID’s Asia Strategy booklet. It is important therefore that NZAID’s contributions are targeted in such a way as to be as effective as possible. Two principles should guide this targeting – realism and flexibility.

Realism: Besides the four main programmes NZAID also supports a number of other initiatives in the GMS. In setting itself multiple objectives in multiple programmes with the limited resources it has, NZAID runs the risk of spreading itself too thinly over a range of programmes and consequently of producing little impact in most of them. To use the popular analogy, it runs the risk of having a Mini budget but wanting to buy a Rolls Royce. Setting goals that are unrealistic in terms of available resources can lead to disappointment and result in impacts that are not readily measurable. There is a need to be realistic about having attainable objectives by clearly

determining priorities and targeting interventions according to those priorities. More measurable impacts will be produced by supporting fewer programmes in depth.

Flexibility: Flexibility is crucial because poverty is not static but dynamic. People can get out of and back into poverty very quickly, and the poorer they are the smaller the tipping point needed to move from one state to the other. For example, improving agricultural production through better use of resources will lead to a higher income and thus enhance the standard of living of the poor. However, tragedy such as poor health in the family, with resultant medical costs, or the outbreak of an animal disease such as avian flu, can strike quickly and send a family back into poverty. This suggests that poverty requires distinctive interventions tailored to reflect the local culture and requirements and to remove the causes or drivers of poverty in an area, and so help get rid of potential causes that can result in people reverting to a state of poverty.

Flexibility includes integrated cooperation among NZAID's programmes, being proactive in finding, encouraging and assisting potential students to become eligible for NZAID training programmes and being able to respond quickly to emerging HRD and humanitarian needs. For example, the consultants noted a recent (October 1 2007) statement from ADB on the effectiveness of its poverty reduction programme in Cambodia¹. ADB said that its five-year strategy to help reduce poverty in Cambodia remains relevant but needs improvements to enhance its effectiveness. It notes that persistent high levels of rural poverty have implications for the programme's strategic thrust. ADB's assistance for the remainder of the plan period will increasingly have an agricultural and rural focus, including rural development projects, fostering rural infrastructure, enhancing access to credit, and decentralised registration of businesses in rural areas. While this concerns a review of a poverty reduction strategy in a specific country, it illustrates the importance of reviewing individual programmes to determine as far as possible their effectiveness in achieving their goals, and modifying them if necessary.

Course outcomes

The outcome of courses is important when measuring their effectiveness. The key determiner is: how will the course alumni put the knowledge gained towards the achievement of NZAID's core goal and objectives in the GMS? One of the problems with short-term courses of the type run by MI and PPP is that they do not produce a tangible outcome for the participant in the form of, say, a degree (NZDS) or a measurable improvement in English language ability (ELTO). Longer MI and PPP courses could produce more tangible outcomes, whether in the form of a diploma or a practical, applied skill.

NZAID needs to ensure that all the courses and programmes it supports have explicit outcomes which can be applied upon completion of the course. This requires a clear identification of the objective of the course, the selection of relevant participants and organisations, and seeking an assurance from employers and appropriate authorities that after completion of the course the participants are required to and are able to put the knowledge and skills acquired into practice. A follow-up from the training providers would verify whether participants are actually given the opportunities to put their learning into practice. This type of practical outcome can most easily be ensured by skills-based training, but it can also be applied to other types of courses.

The six C's

To reflect the mission of NZAID and the needs of stakeholders in the GMS, programmes should be built around a formula involving six C's – communication, commonality, connectivity, community, capabilities, competencies – as shown in Figure 3.

¹ www.forbes.com/markets/feeds/afx/2007/10/01/afx4171894.html

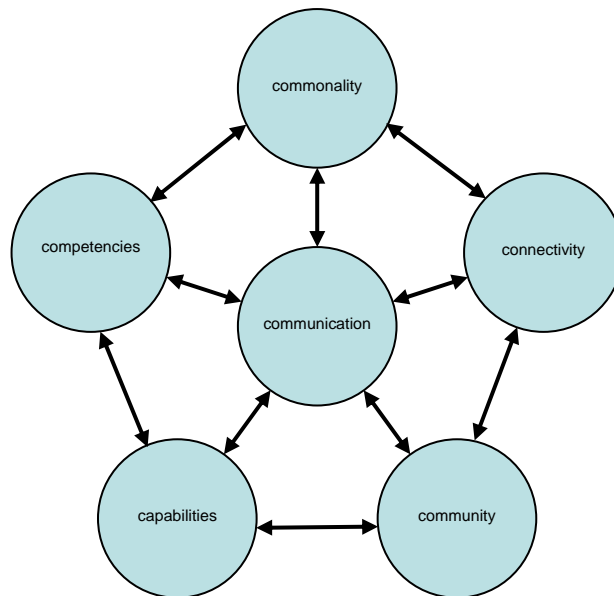


Figure 3

The key is *communication* and English language, as the lingua franca of the GMS, is critical. *Commonality* means looking at common issues that will be able to bind individuals, group and countries together and therefore provide *connectivity*. To reflect the priorities of partner countries and NZAID's goal of the elimination of poverty, the common issues need to enhance the livelihood of and benefit the *community* at grassroots level. And resolution of the issues needs to be within the scope of the *capabilities* of New Zealand and match New Zealand's particular *competencies*. All the latter five C's are interconnected and all depend ultimately on communication.

Programmes focused on these six C's will not only harmonise with the poverty reduction mission of NZAID but also enable those in the region to acquire the knowledge and skills identified by them as being required in order to make changes that will enhance the livelihood of their communities.

Modes of learning delivery

An investigation should be undertaken into ways of using modern means of communication for providing practical assistance to people in provincial and rural areas. Electronic communications infrastructures are less well developed in these areas than in the main cities, but that does not mean to say they are non-existent. Even smaller towns may have some sort of internet or cell phone connection and it is likely that such connections will increase over the years. NZAID should investigate whether there are already possibilities for taking advantage of electronic communications in the geographic regions in which it concentrates its aid efforts, and if not, whether it can support the provision of such communications. It could also consider how best to deliver education and information over through such a system, for example by providing real-time information and assistance for dealing with the outbreak of a disease.

Eligibility for programmes

The majority of the awards to individuals in the four main activities reviewed in this report go to officials in the public sector. The ELTO programme is exclusively for officials in government ministries, there is a comparative preponderance of public sector area courses in the studies being undertaken by NZDS students, and both MI and PPP target officials, many of whom will be from government ministries. While there is some involvement of officials from NGOs in the programmes as a whole, consideration needs to be given to whether the aid provided by NZAID for human

resource development could be further extended beyond the government sector. This could include proactive measures to find and assist potential course participants from marginalised and disadvantaged groups, and greater flexibility in the types of scholarships and awards available, including awards to allow students to complete a first degree in special cases and STTAs. Consideration also needs to be given to whether NZAID's funding of both MI and PPP, with their similar catchments of officials, should continue and if so, how to ensure that their courses are complementary.

Top-down and bottom-up approaches to the elimination of poverty

The core goal of NZAID's GMS strategy is the elimination of poverty. The suite of activities in the GMS that are the focus of this report could be seen as presenting a top-down approach to the goal, with the emphasis in all four programmes on capacity building in the public sector. MI and PPP focus on courses for management personnel. ELTO is for government officials only. NZDS scholarships are available only to those who are already graduates and therefore likely to already occupy positions of some responsibility.

Two other significant NZAID supported activities in the GMS, VSA and MRC, can be regarded as being more closely aligned to a bottom-up approach to the goal of eliminating poverty.

It is recommended that, when reviewing its activities in the GMS, NZAID consider the respective benefits of top-down and bottom-up approaches to the elimination of poverty in the GMS, and the weight given to each in current NZAID programmes in the region.

Cross-cutting themes

NZAID's cross-cutting themes in its programme of activities in the GMS include promoting human rights, promoting gender equality and women's empowerment, addressing vulnerability, protecting the environment and assessing the impact of HIV/AIDS. All of these themes are present in the objectives of each of the four cornerstone programmes that are the focus of this report. It was beyond the scope of this review to carry out the research necessary to investigate the effectiveness of the programmes in contributing to capacity development in most of these areas. It is however possible to comment briefly, from the information collected, on the area of gender equality and women's empowerment.

There is evidence that, while progress has been made in addressing gender equality and women's empowerment issues, there is still some way to go. A consistent ratio of 61% men to 39% women is found in the attendees at MI courses, ELTO participants and NZDS students, while the PPP course alumni ratio is 67% men to 33% women. This is despite the fact that NZAID has a policy of encouraging applications from women in the ELTO and NZDS programmes, and that nearly all ELTO participants and NZDS students interviewed thought that women were either advantaged or had equal chances in the selection process. It can be assumed from this that the causes of the gender discrepancy occur before the selection process itself for the four programmes, in the comparative opportunities for women and men to gain access to higher education in the GMS countries overall.

Funding, delivery mechanisms and lifespan of programmes

The most recent funding allocations available at the time of writing of this report for the four main programmes over a 12-month period are:

ELTO July 2006 – June 2007 financial year	\$1,871,007
NZDS July 2006 – June 2007 financial year	\$1,206,582
MI 2006 calendar year	\$ 655,019
<u>PPP 2006 calendar year</u>	<u>\$ 850,000</u>
TOTAL	\$4,498,450

Other activities supported significantly by NZAID in the GMS include MRC, to support the mainstreaming of gender perspectives in all MRC development efforts in the lower Mekong basin, and VSA.

The ELTO programme and NZDS scheme are delivered in New Zealand by tertiary institutions contracted or approved by NZAID. MI courses are delivered at the MI centre in Khon Kaen, Thailand. PPP courses are delivered at a number of tertiary institutions around the world, though not in New Zealand.

NZAID is the main donor to MI; funding is currently provided on a year-by-year basis. The other principal donor is Thailand's TICA; other donors offer support, through funding courses, on a sporadic basis. Other GMS countries do not contribute directly to the funding of MI.

ELTO is a fully NZAID funded programme. Phase II of ELTO is due to finish at the end of 2007.

The NZDS scheme for five countries in the GMS is part of a wider ongoing NZAID sponsored programme of scholarships. Unlike the bilateral arrangements with other countries (apart from Samoa), the bilateral arrangements with the GMS countries offer NZDS-Public scholarships, limited in general to public service officials, as well as NZDS-Open scholarships.

NZAID is the second largest of the four donors to PPP. Funding is provided on a year-by-year basis.

Alignment and harmonisation with potential development partners

The Paris Declaration of 2005 is based on five key principles: ownership, alignment, harmonisation, managing for results, and mutual accountability. When deciding on partners for future multilateral or bilateral development activities in the GMS, NZAID should take into account whether the partners' mission, values and ethos are based on the same key principles and so in harmony with its own. NZAID's modus operandi is to focus on a limited number of carefully chosen sectors and engage in depth within them in order to have positive, measurable impacts, and new development partners – whether donor countries or agencies, or recipient agencies – will need to have the same focus. Clear criteria will be needed and a risk assessment undertaken before NZAID decides to work closely with a new development partner

5.3 Conclusion

Overall, the consultants found that the four programmes considered individually are well aligned to the strategies of partner governments, are generally harmonised with the programmes of other donors and are well aligned to NZAID's own sectoral and geographic focus in the GMS.

The consultants took note of the recent statement by the chief economist of the IMF that "the debate about aid effectiveness is one where little is settled". They considered that it was not possible to assess objectively the effectiveness of the four programmes, either individually or as a whole, in contributing to NZAID's core goal of poverty elimination in the GMS, because of the impossibility of teasing out the strands of the four programmes from the many other strands that may have contributed to the reduction in the incidence of poverty in the region since 1992. The

programmes were, however, considered to be effective in meeting their own goals and, in doing so, responding to expressed human resource development needs of the partner countries.

The different nature and range of activities of the four programmes meant that it was not possible, within the scope of this review, to make direct comparisons between the programmes regarding their relative efficiency. Inferences regarding comparative efficiency could only be made in broad terms; a detailed and uniform costing base would be needed to allow more direct comparisons to be made. Even when such comparisons are made, the purely monetary costs of a given programme must be set against the benefits to the participants, the partner country and New Zealand to be derived from the programme, and against its contribution to the strategies and human resource development requirements of partner governments, and to NZAID's own strategic goal of the elimination of poverty in the region.

General recommendations

1. That NZAID consider three broad options for the future of its programme of activities in the GMS. Which option is pursued depends on NZAID's policies and strategies and the priorities it sets for its future engagements in the GMS.
 - A Continue supporting the same suite of programmes as at present, with some minor changes to improve their efficiency and/or effectiveness.
 - B Reduce the number of programmes it supports by changing its involvement with one of MI and PPP (because of the overlap of aims and potential attendees of the two programmes), and with non-core activities to which it makes a limited contribution., The focus would be on fewer programmes and sectors and a deeper engagement with them so as to make more measurable impacts.
 - C Make a more radical change by focusing on the "how to do" skill-based capacity building for people in the GMS, i.e. put more emphasis on vocational training and less on the training of officials. The emphasis would be on "how to do" and less on "how to think", i.e. less on the conceptual aspects of learning and more on the practical aspects. This would require a total rethinking of NZAID's investment and engagement with all the entities and programmes it has now in place.

Any of the three options could be viably implemented in the future. The consultants recommend Option B; the concentration on fewer programmes would allow a greater focus on delivering them effectively and efficiently. They also recommend that ways of progressively increasing skill-based capacity building, as per Option C, be investigated.

2. That NZAID endeavour to develop a more integrated approach among its programmes in the GMS.
3. That NZAID change its involvement with either MI or PPP because of the overlap of aims and potential attendees of the two programmes.
4. That NZAID reconsider its investment in activities such as the Diplomatic Training Programme and IAI programmes.
5. That NZAID reconsider the respective benefits of top-down and bottom-up approaches to the elimination of poverty in the GMS, and the weight given to each in current NZAID programmes in the region.