

Evaluation of the Education Sector of
Austria's Development Cooperation
and Cooperation with South-East Europe
GZ 2337-00-2005/1-PP/2005

Annex 4:

Portfolio Analysis of Educational Projects

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in cooperation with KEK-CDC Consultants

Vienna/ Zürich, 17 November 2006



Commissioned by the Austrian Development Agency



Evaluation of Austria's Educational Sector Policy

Portfolio Analysis of Educational Projects

1. INTRODUCTION.....	4
2. ANALYSIS OF THE PORTFOLIO OF EDUCATIONAL PROJECTS.....	4
2.1. PRINCIPLE.....	4
2.2. DATABASE.....	4
2.3. DIMENSIONS OF THE ANALYSIS	5
3. RESULTS.....	6
3.1. OVERVIEW ON THE PORTFOLIO OF EDUCATIONAL PROJECTS.....	6
3.2. PROJECTS AS PER OBJECTIVES AND STRATEGIES OF THE SECTOR POLICY EDUCATION.....	7
3.3. PROJECTS AS PER THE OBJECTIVES OF THE GUIDELINES FOR SEE	9
3.4. PROJECTS CLASSIFIED AS PER THE DAC CODES.....	10
3.5. PROJECTS CLASSIFIED BY THEIR FINANCIAL VOLUME	11
3.6. PORTFOLIO ANALYSIS	12
4. CONCLUSIONS.....	15

1. Introduction

The evaluation of the sector policy education of the Austrian Development Cooperation shall contribute to policy reform in order to achieve a coherent education sector policy. Within the framework of this evaluation four country studies have been conducted, two in African countries (Ethiopia and Uganda) and two in the West Balkans (Serbia and Montenegro / Bosnia and Herzegovina), and the scholarship programs implemented in Austria have been analysed specifically.

These case studies give an insight into selected projects, country programs and scholarship programs, they elaborate on assets, achievements and lessons learnt. However, in order to be in a position to draw conclusions and identify lessons to be learnt at the level of the sector policy education itself, the individual projects have also to be seen within the framework of the overall portfolio of educational projects. For this purpose a portfolio analysis has been conducted.

2. Analysis of the portfolio of educational projects

2.1. Principle

The analysis provides a structured overview on the complete portfolio of educational projects on various dimensions, and it includes a portfolio analysis in the traditional sense of the term, on the two dimensions of **individual outreach** (reaching out to the target group) and of the **impact on educational system sustainability**.

The assessment of projects regarding these two dimensions was made by the evaluator on base of the information given in the project fiches as depicted below. The use of the project fiche has the advantage of providing a comparable standard data source across all projects, but has its limitations because the project fiches give only scarce information about the aims, objectives and expected results of the projects. A more detailed description of how the allocation of individual projects was made is given in 3.6. b).

2.2. Database

The structured overview is based on the database of all educational projects implemented by ADA since 1995. The scope of the sample is based on the official project fiches provided by ADA as depicted in the graph, i.e. on the so-called Kurzinformation / Deckblatt zum Vertrag for each approved development project. The scope of the sample has been limited to those projects classified as educational projects (DAC Codes 11110 to 11420). Thus, the information, including the financial information, is based on commitments, not on spending.

The sample is based on those project fiches which were provided by ADA to the evaluators on their request to provide a complete set of the fiches for all educational projects since 1995. The evaluators base their analysis on the assumption of completeness of the provided data. This assumption might not be fully accurate, individual projects might have been missed out, the classification of projects might sometimes be disputed. Despite such imponderability, the assumption is still justified for working purposes, because the major projects are included, and the sample sufficiently big and comprehensive to identify trends. However, the key purpose of this analysis is rather the identification of trends than the presentation of accurate statistical data and calculations.

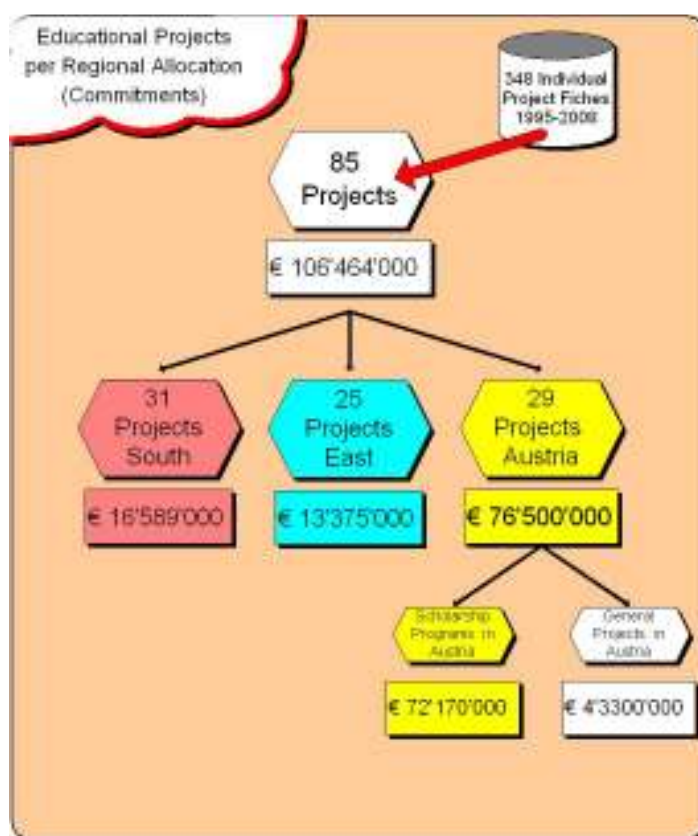
make any comment on individual projects within their specific context as regards their justification, their performance and their relevance. That means that individual projects might perform perfectly well, despite they might have been classified as “*pets*” in the portfolio analysis. Also the opposite is possible, in that projects might be classified as “*stars*”, despite a specific evaluation might diagnose poor performance. Thus, the portfolio analysis takes a macro perspective at the level of the sector policy education, and it is clearly not an evaluation of individual projects, their justification, performance and results.

3. Results

3.1. Overview on the portfolio of educational projects

a) Findings

The database comprises a total of 348 individual fiches of approved projects from 1995-2008. The information is based on commitments, not on accurate spending. Because each phase of one and the same project has a separate fiche, and because in the case of more comprehensive programs individual components might formally have been approved as separate projects under a separate fiche, the 348 fiches represent altogether 85 projects as depicted in the graph. The projects represent a committed cumulative value of € 106'464'000. Geographically the lion's share of the budget allocation (72%), but only 34% of the number of projects, is spent on programs implemented in Austria, in particular scholarship programs. 31 projects with a cumulative value of € 16'589'000 are implemented in partner countries in the South, whereas 25 projects or € 13'375'000 are allocated to SEE. General projects implemented in Austria and not attributed geographically comprise e.g. contributions to OEFSE or the financing of the present evaluation of the sector policy education.



b) Observations

The most remarkable observation on this overview is the high share of funds spent for scholarship programs in Austria and third countries (e.g. in the IIEP in Paris). This means that since 1995 68% of the total budget allocation for educational projects has been earmarked for training implemented in Austrian universities and institutions. As only candidates from developing countries are eligible

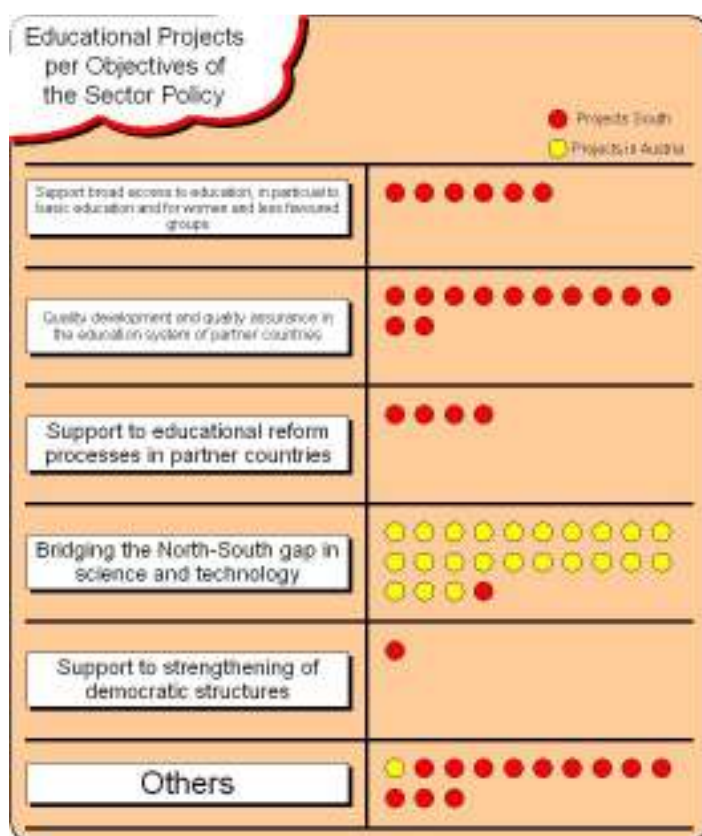
for the scholarship programs in Austria, 81% of the total allocation for educational projects in the South are spent on scholarship programs.

3.2. Projects as per objectives and strategies of the sector policy education

a) Objectives - Findings 1

The sector policy education defines five objectives and seven strategies or working approaches for educational cooperation in the South. The five objectives include:

1. Support to a broad access to education, in particular to basic education, and in particular for women and other less favoured groups of the society.
2. Support to quality development and assurance in the education systems in partner countries.
3. Support to reform and development processes in educational sub-systems.
4. Bridging the North-South gap in science and technology and reduction of the respective dependency of developing countries.
5. Support to the development and strengthening of democratic structures in the partner countries.



The attribution of projects to the individual objectives has been done by the evaluator on the basis of his own judgement and interpretation; it does not reflect an official category of ADA. Some projects might pursue more than one objective, thus the number of dots not necessarily equals the number of projects as per the overview.

b) Objectives - Observations 1

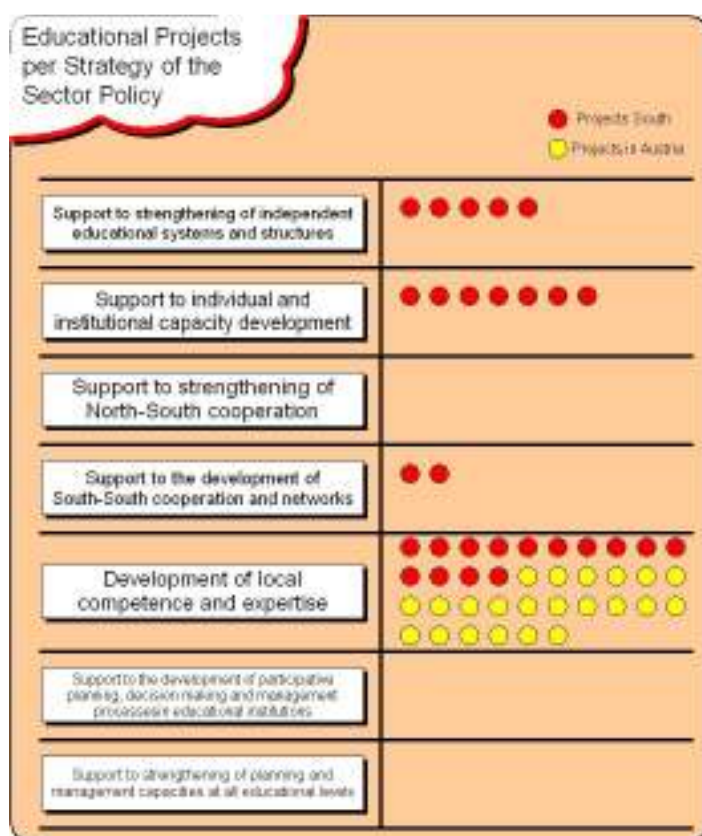
The first three of the above objectives target the support to and the development of educational (sub-)systems. Objective 1 directly relates to MDG 2 and 3, and without substantial reforms of the educational systems as per objective 3, it is impossible for partner countries to achieve objective 1. As the introduction to the sector policy education suggests education to be a strategic pillar of the Austrian Development cooperation, one would expect the lion's share of the project portfolio to cluster around the first three objectives. However, in reality, projects supporting educational reform processes can rarely be found, with a few exceptions in Burkina Faso (vocational education and training), Cap Verde (basic education) and the participation in and the support to ADEA, the Association for the Development of Education in Africa. The attribution of projects to the first two objectives (support to broad access to education and quality improvement) has generously been done, in that also pure hardware and infrastructure projects, like e.g. the construction of a girl's hostel, or the equipment of workshops and laboratories has been mentioned under this objective.

Also the attribution of scholarship programs to the objective “*bridging the North-South gap in science and technology*” is a generous interpretation. The overview suggests that the objectives of the sector policy have little relevance for the programming of the portfolio of educational projects.

c) Strategies - Findings 2

The sector policy education defines seven strategies to reach the objectives as quoted above. The seven strategies include:

1. Establishment and development of independent educational systems and delivery structures in developing countries.
2. Strengthening of personnel and institutional capacities (quality management and organisational development)
3. Support to strengthening North-South cooperation.
4. Support to the development of South-South cooperation and the establishment of respective networks.
5. Development of local competence and expertise.
6. Support to the development of participative planning and decision making processes and structures in educational institutions.
7. Support to strengthening planning and management capacities at all educational levels.



As for the objectives, the attribution of projects to the individual strategies has been done by the evaluator on the basis of his own judgement and interpretation; it does not reflect an official category of ADA. Some projects might apply more than one strategy. The classification remains to a certain extent arbitrary, and it might be disputed in individual cases: Scholarship programs are attributed to the development of local expertise, whereas somebody might argue that this belongs to strengthening of North-South cooperation, or even to capacity development. However, capacity development has a wider connotation than just training individuals; as per the OECD definition it includes an individual, an organisational and even an institutional dimension.

d) Strategies - Observations 2

With education being a strategic pillar of the Austrian development cooperation, one could expect a high concentration of projects under the two main strategies of supporting and strengthening educational systems, and of institutional capacity development in educational organisations and institutions. However, the project portfolio doesn't confirm this expectation. The big share of scholarship programs without direct links to institutional capacity development leads to a focus on the development of local competence and expertise at the individual level.

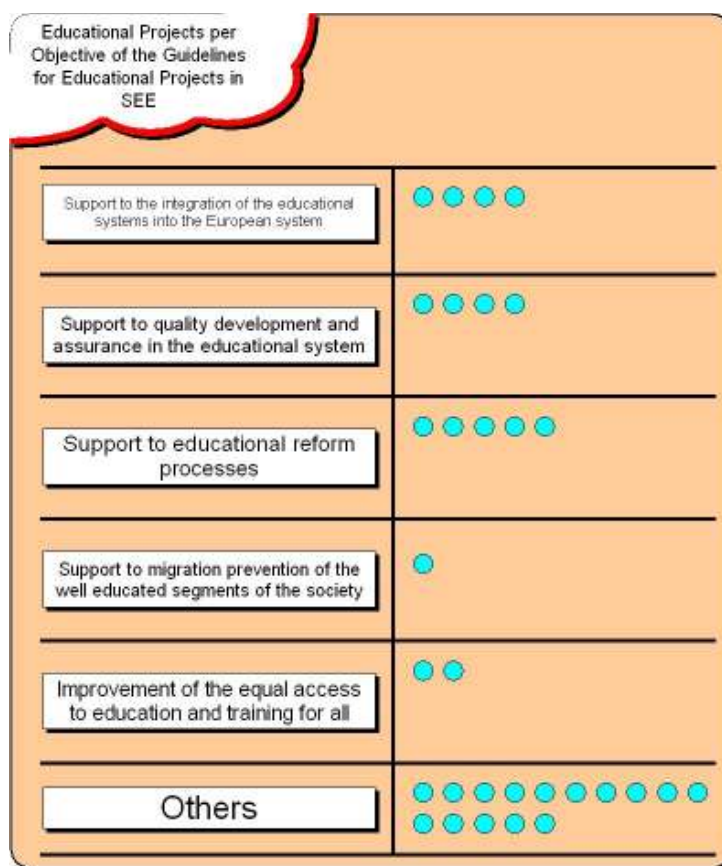
Note: Capacity development in other than educational institutions and sectors, e.g. in water and sanitation, cannot be classified here, as this is not a strategy to reach the defined objectives in educational systems.

3.3. Projects as per the objectives of the guidelines for SEE

a) Findings

The objectives for educational cooperation in SEE differ substantially from those of the sector policy education for the cooperation in the South. The guidelines clearly refer to educational (sub-)systems and to European processes. The guidelines formulate five objectives for the Austrian cooperation as follows:

1. Support to the integration of the educational systems in SEE into European processes.
2. Support to quality development and assurance in education.
3. Strengthening of and support to educational reform processes.
4. Support to migration prevention of the well educated segments of the society.
5. Improvement of the equal access to education and training for all.



b) Observations

The most striking result of the attribution of the individual projects to the five objectives is the big number of projects not directly related to the objectives. This includes projects like computer training courses, the renovation of school buildings, the support to SOS children villages, etc. However, this observation primarily refers to contributions to and co-financing of NGO projects. On the other hand several bigger projects both in vocational education and training and in higher education support educational reform processes. As compared to the project portfolio in the South, a substantial share of the ADA's own project portfolio comprises substantial projects contributing to educational reform processes.

3.4. Projects classified as per the DAC Codes

a) Findings

The DAC Code system suggests a standardised classification system of development projects for international comparison. As opposed to the above clustering of projects as per objectives and strategies, which was done by the evaluators themselves on the basis of their own judgement and interpretation, the classification of projects per the DAC Codes as depicted in the graph reflects the official classification done by the ADA itself. The vast majority of educational projects of the Austrian development cooperation is clustered under the two headings as depicted in the graph.

b) Observations

As the various scholarship programs are classified under higher education, the large number of projects classified under the DAC Code 11420 doesn't come as a surprise.

On the other hand the big number of projects classified under 11110 deserves a closer look: The majority of the projects classified under this

category is less related to education sector policy and administration, to support to education ministries, to education management systems and the like, but rather to the fact that not clearly targeted **unspecific education activities** are also classified under this code number. A majority of contributions to NGO projects is classified under this code.

As per the objectives of the sector policy, one could expect a bigger share of the project portfolio to be under education facilities and teacher training, under primary education and basic life skills.

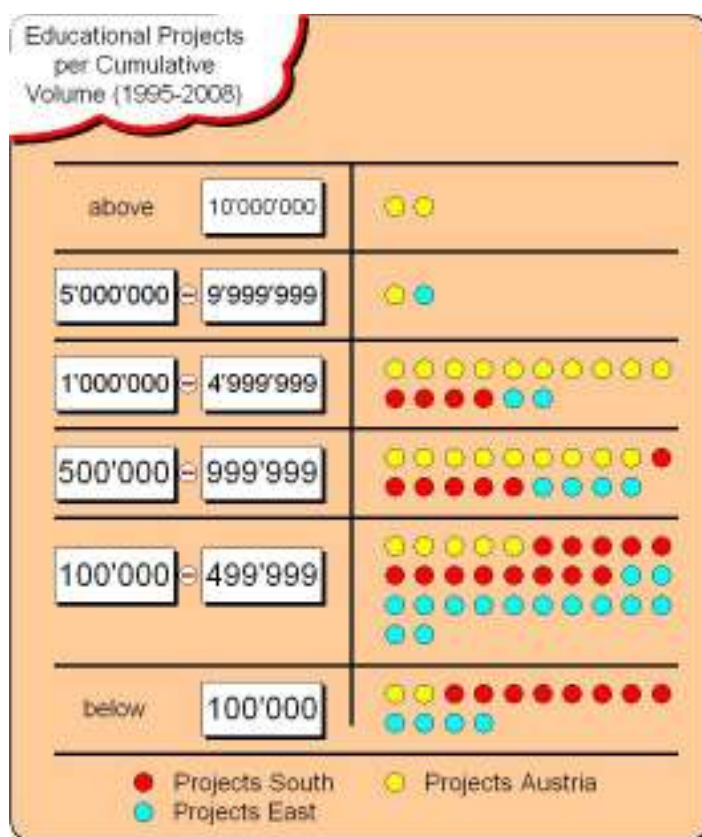


3.5. Projects classified by their financial volume

a) Findings

The graph depicts the classification of projects according to their cumulative financial volume, not as per the value of individual contracts or fiches. Out of a total of 85 projects only 4 exceed a cumulative value of € 5'000'000, whereas 66 or 77% represent a cumulative value of less than € 500'000.

With a cumulative budget allocation of € 22'290'000 since 1995 the North-South Scholarship program represents by far the biggest project of the Austrian cooperation in education. The support to Higher Education in Bosnia and Herzegovina, including the support to the Sarajewo University, is – apart from scholarship programs – the only project with a substantial cumulative volume exceeding € 5'000'000.



b) Observations

The big concentration of small (below € 500'000) and very small (below € 100'000) projects is the most striking result of this analysis. With 46 out of 85 projects more than half of the portfolio of educational projects concern small and very small projects. Comparing this observation with the others above, this doesn't come as a surprise: Support to educational reform processes, to institutional capacity development, and to making educational systems more accessible, would urge for bigger projects and programs, whereas the pool of local competence and expertise can also be enlarged through smaller projects.

3.6. Portfolio analysis

a) *Concept*

The portfolio analysis is more than just a classification of projects on different dimensions; it is an analytical instrument as basis for strategic and/or entrepreneurial decision making. The concept was originally introduced by the Boston Consulting Group as far back as in the 70ies for commercial applications. As per the original concept, the product portfolio of a company was analysed on the two dimensions growth potential and market share.

Since its introduction the concept has been adapted for different purposes, among others for the classification of products and services of non-profit organisations and in development cooperation. The classification of products in a four-field table along two dimensions, and their allocation to four types of products (“pets”, “question marks”, “cash cows” and “stars”) remains the common core of the different applications. Though the term “cash cow” might not appear to be fully appropriate in development cooperation, we will retain it for the present analysis.

b) *Dimensions for analysis*

The portfolio analysis of educational projects is suggested to be done on the two dimensions **individual outreach** and **impact on the educational system** with the respective sustainability. These two dimensions are directly related to the sector policy education, in that educational cooperation shall contribute to the strengthening of educational (sub-)systems offering a broad access to education and training with special emphasis on women and special needs groups.

On the dimension of the individual outreach those projects and activities score high, which reach out to new target groups be it in qualitative or quantitative terms, which have a direct positive effect on participants and beneficiaries, and which make a difference for them. In qualitative terms this dimension refers to projects and activities reaching out to specific target groups (e.g. handicapped persons, women, special needs groups, illiterate adults, early school leavers, etc.), in quantitative terms to projects which enhance the delivery capacities. The quantitative aspect also refers to *value for money*: With similar investments local scholarship programs can benefit a considerably bigger number of beneficiaries than international scholarships.

On the dimension of the systems impact and sustainability those projects and programs score high, which are likely to absorb the project support and inputs into their regular system, and which are likely to repeat newly introduced processes and activities and/or utilise facilities, equipment and resources for quality improvement of their regular programs.

For a more profound analysis it would of course be possible to define detailed criteria and indicators for scoring each project accurately on each dimension in order to get a comprehensive and detailed overview on the complete portfolio. However, for the purpose of the present analysis the projects have only been rated *high* and *low* on the two dimensions. This leads of course to a rough, yet sufficiently precise overview and analysis of the complete portfolio of educational projects, and it allows drawing conclusions.

c) *Four categories for classification*

The analysis results in a classification of projects under four categories as per the traditional portfolio analysis and as described hereafter:

In commercial applications **CASH COWS** are those products which sell almost for themselves without big investments and marketing, which have a considerable market share but without big growth potential. In development cooperation, *cash cows* are those projects which are in high demand by

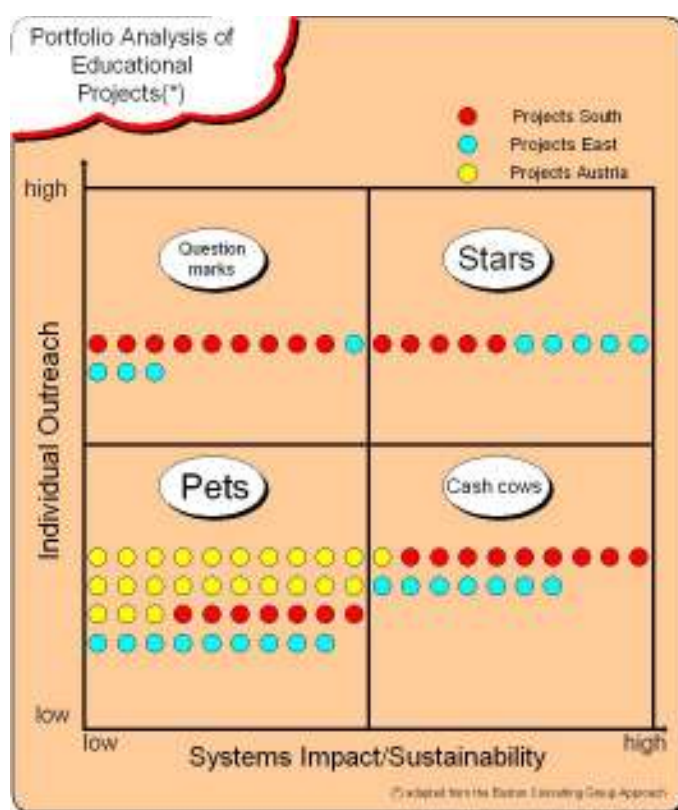
partner organisations and countries, which hardly can be financed out of their own resources, which are comparatively easy to implement, on which it is easy to spend substantial money with a low degree of complexity, which improve the quality of existing organisations, services and products without reaching out to new target groups and/or developing new products or enhancing the delivery capacities.

In education and training the quality of delivery depends on factors like teaching staff, facilities, learning resources and curricula. Thus, well trained and competent teachers and instructors, appropriately equipped classrooms, workshops and laboratories, relevant teaching material and learning resources, and market oriented curricula determine the quality of the learning outcome. Thus, projects and programs contributing to the improvement of those factors improve the quality of the learning outcome, they are likely to be absorbed by the respective (sub-)systems, but primarily within the given quantitative framework. Accordingly, such projects like the renovation of an economic middle school, the renovation of a primary school, the training of pre-school teachers, the equipment of training workshops in vocational schools, general teachers training, have been classified as *cash cows*.

In development cooperation **QUESTION MARKS** refer to those products which reach out directly to the target group, which make a difference at the level of individual participants and beneficiaries, but which don't have a substantial impact on the education system, which have little sustainability beyond the project duration. In that respect, the implementation of question marks might be justified in a specific context, under social and/or short-term objectives, as contribution to achieving other objectives, etc.. However each question mark requires a specific justification which is usually valid for a limited duration of time only.

In the portfolio of educational projects such projects like local scholarship funds, craftsmen training, specific training for returning refugees, distance learning programs for remote areas, special programs in conflict-affected areas, etc, have resulted to be classified as *question marks*.

For the understanding of the category of the so-called **PETS** it is crucial to realise that the category itself doesn't say anything about the quality and the implementation of individual projects. The projects themselves might be well designed, well planned, well administered and well implemented, they even might have a positive impact at the level of individual participants and beneficiaries, but they neither make a substantial difference within the respective educational (sub-)systems, nor have they a substantial impact on the target group in quantitative terms. **Pets** (sometimes also called "dogs") are those products or services of an organisation which are nice-to-have, but which – in commercial applications – don't bring a big return to the company, or which – in development



cooperation – neither make a big impact on in the respective educational (sub-)systems of partner countries, nor reach out to a substantial number of beneficiaries within the target group.

Thus, in the Austrian portfolio of educational projects such projects like the support to an SOS children's village, the support to computer training courses, the rehabilitation of an individual kindergarten, the renovation of a gymnasium, the support to an educational theatre, but also the scholarship programs implemented in Austria are classified as *pets*. (Note: As opposed to the scholarship programs in Austria, the training in educational planning and management at the IIEP in Paris has not been classified as *pet*, but as *cash cow*).

In commercial applications **STARS** are those products which have both a considerable market share and a substantial growth potential, in the development context those projects and programs, which both reach out to the target group, which make educational systems accessible to the majority and simultaneously include minorities and special needs groups, which make a difference at the individual level of participants and beneficiaries, and which at the same time have a sustainable impact on the educational (sub-) system.

In education and training the development of new training products for a new clientele and their integration into the regular programs of training providers, the establishment of new or the expansion of existing delivery capacities, the development and introduction of new financing mechanisms and instruments, or the support to complete educational reform processes might be referred to as *stars*. Within the Austrian project and program portfolio projects like the support to Higher Education in Bosnia and Herzegovina and to the Sarajewo University, the strengthening of the vocational education and training sub-sector in Burkina Faso, the support to basic education in Cap Verde, but also the support to and the participation in the ADEA-Association for the Development of Education in Africa, have been classified as *stars*.

d) Observations

Though the attribution of projects might be disputed in individual cases, this would not change the overall picture and result of the analysis in principle: With 39 out of 85 projects classified as *pets*, and with only 10 (or 11%) recognised as *stars*, the present overall portfolio of educational projects of the Austrian development cooperation is not well balanced. In commercial applications the rigid philosophy says that *pets* are not necessary at all for a company. In development cooperation this might be different. In particular through contributions to NGO projects, a bilateral agency like ADA might choose to spend a certain allocation of its budget to co-financing *pets* and *question marks*. As regards its own programs, and provided education is confirmed as a strategic pillar of the overall Austrian development cooperation, ADA should strive towards a substantial share of *stars* in its portfolio of educational projects.

However, as over time all *stars* have the tendency to develop into either *cash cows* or *question marks*, and as without additional investments and innovations, both *cash cows* and *question marks* sooner or later will end up as *pets*, many of the present *pets* (including some scholarship programs in Austria!) might historically have started as *stars* in their respective time and context.

4. Conclusions

The educational project portfolio of the Austrian development cooperation does not really translate the sector policy education into action.

The other way round, the sector policy education also has little relevance for programming the project and program portfolio, and the publication of the new sector policy education in 2000 didn't have any visible or observable influence on the composition of the overall project portfolio.

The portfolio of educational projects is primarily composed of scholarship programs in Austria, and of co-financing of mostly small to very small NGO projects, whereas projects and programs supporting reform processes of educational (sub-)systems and/or capacity development in educational institutions are rare exceptions.

If a sector policy education has by definition no relevance for the programming of more than 70% of the allocated funds, its justification is questionable.

Generally speaking, the analysis of the portfolio of educational projects doesn't support the claim of *education being a strategic pillar of the Austrian development cooperation*.

As the sector policy education and the educational project portfolio are not sufficiently aligned with each other, it will have to be envisaged to ...

- ... either adapt the sector policy to the reality, i.e. to align it with the existing project portfolio, in particular as regards the scholarship programs, or
- ... to review the project portfolio and to develop a strategy on how to operationalise and implement the sector policy, or
- ... to re-engineer the education sector policy, strategy and approach, and to re-shape, reduce or phase out the scholarship programs, or
- ... to abandon the claim of education being a strategic pillar of Austrian development cooperation, or
- ... to implement scholarship programs in Austria under other than development objectives.

Zurich, November 17, 2006 / MJ