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Public Private Partnership in Ethiopian Higher Education: an Analysis of the Support the Private Sector Needs to Fulfill its Potential Contribution to the Expansion of Higher Education

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Abstract

This paper is based on a report from the Higher Education Strategy Centre (HESC) to the Ministry of Education in Ethiopia produced by the Public Private Task Force: 'Interim Report: Options for Support of the Private Higher Education Sector in Ethiopia'. The Task Force was set up by the Minister in 2005. It is also based on a follow up study by Dr. Ing. Kassahun Admassu and Haileleul Zeleke 'Policy Options on Public-Private Partnership (PPP) for the Ethiopian Higher Education Institutions'. Both reports were submitted to and discussed by the Higher Education Strategy Centre (HESC), the Ministry of Education and the Association of Private Higher Education Institutions.

The paper analyses the benefits of public private partnership, the process of research underpinning the two reports, looks at their main recommendations and considers what may be done to encourage more action.

The paper suggests two mechanisms should be established to ensure private public partnership supports the implementation of the key recommendations from the two reports:

- 1. An Ethiopian Council for Public Private Partnership (ECP) to work out detailed and concrete specifications for consideration of Government, including:*
 - The definition of a 'quality Private Higher Education Institution (HEI)'*
 - Ways that the two sectors (Public and Private Higher Education) should cooperate together and the ground rules for sharing facilities and resources*
 - Specific and detailed means for allocating government sponsored students between public and private higher education and ground rules for their financing*
 - Specific suggestions for improving labor force planning with respect to higher education provision*

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2. *A small working group, the Fiscal and Other Benefits Working Group, set up by the Ministry of Education to develop detailed specifications for financial and other benefits for consideration of Government, including:*
 - *The financial support for Private Higher Education and the conditions under which it may be allocated*
 - *Fiscal arrangement and concessions and related qualifying conditions*
 - *Conditions under which private HEIs may be included in Government-supported twinning arrangements*
 - *Conditions under which private HEIs might receive donor funds negotiated by Government.*
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Background

Higher education enrolment in Ethiopia expanded rapidly from 1996/7 to 2004/5: the total student numbers increased from 42,132 to 172,111. The number of public sector universities funded by the Ministry of Education grew from two to nine and is now expanding again by the addition of twelve new universities. At the same time, the established universities have each doubled in size and are expected to grow by a similar amount in the planning period to 2010/11.

During the Derg, Private Higher Education was banned. Since then the private HE sector has developed rapidly. The World Bank (2006) reports that in recent years, a number of private colleges have evolved to meet the demand for university level education. There were virtually none ten years ago and now there are more than 200 private colleges engaged in both diploma and degree programs, with enrolment capacities ranging from a few hundred up to thousands, although HERQA reported in 2006 that only 19 of these were accredited for higher education degrees and a further 28 were at the pre-accreditation stage (cited in Teshome Yizengaw, 2007). Nevertheless, private sector students enrolled in degree level education have quadrupled between 1991 and 2004 and now account for about 9.3% of the total (Teshome Yizengaw, 2007).

In order to meet the Ministry of Education's sector plan (Federal Democratic Republic of Ethiopia, 2005), Private Higher Education must continue to expand rapidly from its present base. The annual intake capacity of private institutions is expected to be at least 45-50,000 by the end of the planning period; however, there is anecdotal evidence from a consultative meeting of the Association of Private Colleges and Universities that recruitment to private higher education is not growing, but actually declining as public sector HEIs have expanded.

The Ethiopian government was, and probably still is, keen to support the private sector meet its expansion targets. It needs the private sector to help it meet its own targets and the demand in the country for higher education. To that end, the Minister of Education requested the then Director of HESC and the author of this paper to lead a task force to make policy recommendations as to how to public private partnership could be strengthened to this end. This paper reports the outcomes of this task force (the Interim Report) and a follow-up research study commissioned to complete it. It also reflects on the lack of progress in private public partnership and suggests reasons for this and ways forward.

The International Context

Some other developing countries with thriving Private Higher Education sectors include the Philippines (where 80% of higher education is private), Korea (75%), Indonesia (70%), Brazil (65%), Jordan (40%), and Chile (35%). These are supported in various ways: direct government funding to the private sector; tax and other concessions to students for their study needs or to the HEIs themselves; student bursaries; or part payment of student fees. Most students study in private HEIs in Japan, South Korea and Taiwan, (Altbach and Levy 2005) and some of these private universities rank towards the top of the academic system (Altbach, 2003).

In some countries the distinction between Public and Private Higher Education is blurred: in the UK, public sector HEIs charge students up-front fees and in Australia, high school graduates who reach the matriculation standard but are not offered a subsidized place within a public HEI, may pay full-cost fees in order to secure a place at that institution. In many countries, the private sector is eligible for donor funding. In others, private colleges can access government funds for staff training and post-graduate education, or ‘soft loans’ for equipment purchase and/or building construction.

In some Asian countries, support includes long term loans for capital and estates improvement; assistance in payment of salaries; staff secondments; subsidies for the development of research facilities; opportunities for private HEI staff to compete for post graduate bursaries; tax exemptions on expenditure or donations to the HEI; and participation in cultural linkages projects (see for example, Johnstone: 2004).

In most developed countries, in awarding contracts for any service including training, public sector organizations must consider which organization provides ‘best value’, whether or not it is in the public sector (see for example World Bank Procurement Processes).

In Ethiopia, Private Higher Education is hampered by questions of land tenure. In most countries that have a well developed higher education system, most land is not owned by the state and may be freely purchased by private organizations, so this is not such an important issue. Where a local authority or other public body does own land, very often it will sell or rent it on a long lease at a reduced rate. Planning rules in many countries take account of the social value of education and so it may be easier to get planning permission to build an educational establishment than for other purposes.

The Benefits of Public Private Partnership

If Private Higher Education is strengthened through public private partnership, students, the country, government and public and private HEIs will accrue a variety of benefits.

There are strong incentives for students to choose Public Higher Education rather than private: in terms of tuition fee, food and lodging and the facilities and quality of education provided by some public universities. On the other hand there are benefits to students of a strong Private Higher Education system. The best private HEIs have good standards, facilities and instructors and more students (especially female students) can study close to their home. Private HEIs can employ staff on a casual basis, and only renew the contracts of those that prove to do a good job. It is likely that private HEIs can be more flexible in their curriculum, respond to employer and other needs more quickly. Many are more focused, developing expertise and mastery in a limited range of subjects and deep relationships with employers in particular sectors, rather than trying to be comprehensive universities. They may therefore find it easier to ensure high quality pedagogy and relevant curricula.

There are some aspects of higher education offered by private sector HEIs that are valuable to the country over and above adding to the numbers of educated professionals, particularly the education of women. Proportionately more women are educated in the private sector (Teshome Yizengaw, 2007). The 'value added' to society of higher education for women may be greater than for men (see for example, Morley et al: 2005 and Hertz: 2004).

From the point of view of the country, a thriving Private Higher Education system is likely to raise standards. Private higher education institutions give students choice: choice brings many into the higher education sector who would not otherwise study at that level. If the education in a college is substandard, students will be less likely to sign up for courses.

The operation of market forces, therefore, makes it likely that the better private HEIs will survive in the longer term and poor quality institutions will go out of business. In the public sector, students in Ethiopia are sent to a particular HEI (they cannot exercise consumer choice). Of course, for the market to operate well, students must have good information about quality and employment outcomes. This is where assessments by the Higher Education Relevance and Quality Agency (HERQA) adds real value to the system and will be an essential driver for quality enhancement. Another advantage of a healthy private sector is that it is less bound by tradition and bureaucracy and tends to have a leaner and more efficient administration: it can show the system as a whole new ways of doing things (examples include St. Mary's University College as the first in the country to undertake a full quality audit and Microlink Information Technology College's on-line administrative systems). In addition, the private sector may be more flexible, able to adjust their systems to make them more efficient in areas such as procurement that act as a break to public sector institutional development.

The government has an interest in a healthy private sector since it provides the professionals the country needs at no or very little cost to the state. It also helps to meet government targets for progression from secondary school and the higher education of disadvantaged groups. They will accept students with lower school leaving scores than the public sector institutions, thereby allowing opportunities too many who otherwise would be denied them. As secondary education has expanded the demand for higher education increases. The private sector helps to ensure that not too much of this demand is frustrated. In addition, the Government wishes to raise the GER (general enrolment rate) in higher education from 1.5% towards the 3% that is average for Sub Saharan Africa (Teshome Yizengaw, 2007). Private HEIs can help to achieve this ambition.

The government is likely to find that it is in its interest to support Private Higher Education financially and in other ways to prevent fees in private sector institutions from rising too steeply and to support quality. If such help is not forthcoming, students will be discouraged

from attending private sector institutions and apply in greater numbers to public sector education. If this happens to any great extent, the state will end up educating students free of charge whose families can well afford to pay for their education. This is a drain on the state coffers.

Once a quality higher education is offered in private colleges and certified as such by HERQA, Government will need to support its continuation by employing its graduates without discrimination. If it does not, again, it will find that the tax payer is funding education that could be financed by students from relatively wealthy families themselves. This would create an indirect subsidy to the richer section of the community by the poor: something that a developing country such as Ethiopia should avoid.

The private higher education sector should also benefit from public private partnership. Most quality private higher education is to some extent idealistic. There is a strong ethos within many institutions of care for students and the desire to serve the interests of the country. Public private partnership should help these missions to be realized. At a more pragmatic level, such partnerships should reduce the barriers to achievement and expansion, for instance through fiscal and land tenure reform.

On the other hand, the private sector must be clear that there will be costs as well: government support is bound to result in some loss of autonomy and sharing of resources with public HEIs. It will take management time and result in some inconveniences as well as benefits.

If the sector goes into such partnerships cynically, looking just for what they can get out of them, the benefits outlined above will not be realized and the partnerships will end in disillusion and frustration on all sides.

Methodologies for the Two Studies

By 2003, the Government has accepted the desirability of a strong, healthy and influential private higher education system. This was signaled in various ways: through the provisions of the 2003 Proclamation (Federal Democratic Republic of Ethiopia, 2003); the place given to the expansion of private higher education in ESDP3 (Federal Democratic Republic of Ethiopia, 2005); the places on the Boards of HESC and HERQA reserved for nominees from the private higher education sector; and finally by the setting up of the private public task force in 2005 to come up with concrete proposals as to how the sector might be supported in its expansion which is reported in this paper.

The Interim Report was conducted through a review of literature and what was intended to be an intensive period of study and reflection by a representative group. Unfortunately, due to a variety of reasons (such as the imminence of elections and the Public Sector Association of Universities failing to nominate representatives), the group was not established for some time. When it was finally established, attendance was very poor. In the end, the report was largely completed by the Chair, based on a review of previous reports in the country (for instance Ashcroft 2004), international literature about practice elsewhere in the world and intensive work with a small focus group, which met weekly with full attendance, consisting of the following members:

Prof Kate Ashcroft (Chair): Acting Director of HESC

Kebbese Tika: President Kunuz College

At Solomon Shiferaw: President Adama University/Vice Director Designate HESC

Dr Kebebe Yadetie: President Zega Business College

Professor Eshetu Wanceko: President Alpha University College

Dr Daniel Kitaw: President NECAT TVET College

Because it was recognized that this methodology could identify only the broad parameters for possible action, and because the Chair of the group was about to finish her term of office within Ethiopia, it was agreed that the results should be considered an interim report and a further research project should be undertaken to build on these foundations and firm up recommendations. A tender was put to the public and private universities and two researchers were identified to do this work: Dr. Ing. Kassahun Admassu and Haileleul Zeleke.

These researchers produced a study and recommendations based on the following methodology:

- A questionnaire distributed to the executive management of all 9 higher education institutions, public universities, and board members of private HEIs, three education state ministers, leaders of 41 Private Higher Education Institutions, 36 experts from Addis Ababa Education, Oromia Education, MoE and Capacity Building Bureaus, and an expert in capacity building. A revised form of the questionnaire focusing on donor support was sent to: The World Bank, NUFFIC, UNDP, UNESCO, VESO and
- some selected business people. (It should be noted that not all of these were returned – see below.)
- Focus Group discussions with the owners of private HEIs and key donor organizations.
- In-depth interview with board members from some private HEIs and members of Addis Ababa Education Bureau, NGOs, employers and graduates.

This means that, between them, the two studies had the benefit of an in depth look at the Ethiopian and international contexts, the views of a range of stakeholders and in depth consideration of the issues by a highly expert panel.

The Interim Report

The Ethiopian Government is interested in supporting the expansion of private higher education, not as an end in itself, but primarily because an expansion of good quality higher education will support the development of the country. In addition, higher education brings benefits to students that can significantly improve their life chances and that of their families. The options outlined below were included in the Interim Report as possible means to support an expansion of quality and relevant Private Higher Education.

Recommendations for student intakes within the higher education system

The Interim Report suggested that, if the private sector is to make its full contribution to the training of Ethiopia's labour force, systems will need to be set up for the overall planning of student numbers. If substantial practical and financial support is to be given to private higher education by Government, there should be a mechanism to plan for the resulting contribution by the sector and this plan should be integrated with that for the public sector HEIs, focusing for example on different areas of expertise nationally and locally.

In Ethiopia, at the present time, there are insufficient data for labour force planning. Nevertheless, the report recommended that the Ministry of Education should obtain such data as are available about projected labour force needs. It should develop a broad picture of the pattern of student numbers across the whole sector and create draft intake targets for particular HEIs that it considers desirable. Once a year, the Ministry of Education should hold a planning meeting with the Presidents of all the public sector HEIs. At this meeting these data should be discussed, HEIs should present evidence of demand for new programs that they wish to develop or expand. Heads of private HEIs should be invited to meet the Vice Minister to discuss their plans on a case by case basis and the information gained

should inform the targets for intakes to the public sector. The outcomes of the meetings should include refined intake targets for the coming academic year for public sector HEIs.

There are some indications that this recommendation is beginning to influence Ministry policy, albeit indirectly. The HESC is due to undertake some labour market analysis in order to inform intakes into higher education. However, there seems little involvement of the private HEIs in national intake analysis. Ideally, a deeper analysis of labour force needs will start to influence which courses both private and public HEIs develop and expand at the expense of others.

Recommendations for cooperation between public and private sectors at the local level

The interim report recommended that the Government should enforce its target intakes in various subject(s)/programme(s) for each public sector higher education institution through the funding formula. Since the funding formula has not yet been introduced, this recommendation has not been implemented

The report suggested that there are advantages if the local public sector HEI does not expand intakes in subjects and programs that are offered in the good quality private HEI, since the private sector can produce the graduates that system needs for no cost to the state (or little substantive cost). It therefore recommended that where there is a good quality private HEI in an area offering particular courses, the Government should negotiate a rate of expansion in those subjects with the private HEI to meet local demand. In return for the achievement of this rate of expansion, the government should not fund expansion of the intake of a local public sector HEI in these courses. It also recommended that, where a public sector HEI is found by the HERQA to be offering poor quality provision in two consecutive quality assessment visits in particular subject(s) or programme(s), and where there is a good quality private HEI able to expand its provision in those areas, the

Government should terminate funding through the funding formula to that public sector HEI for further intakes into those courses.

HERQA's quality audits are at an early stage so it cannot be expected that these recommendations have yet had much effect.

Sometimes students wish to study a combination of subjects (engineering and business for example) that are of use to the country's economy and which cannot be offered in a private institution because it lacks the facilities to teach one of the subjects. There are advantages to the country in HEIs offering a wider range of joint degrees (i.e. those with two or three subjects). Research for the 13 new HEI project undertaken by the HESC (Ashcroft 2005b) indicates that employers in particular would welcome graduates with such combinations of subjects. The report therefore recommended that, in areas where there are a public sector HEI and one or more a good quality private HEI, a joint committee should be set up set up to investigate and facilitate cooperation and sharing of curriculum, staffing and other resources.

The government and local authorities have a vested interest in securing the best and most suitable training for their staff (for example, those working in public sector HEIs, ministry's, national authorities and services and regional bureau). The report therefore recommends that, when looking for trainers for their workforce, public bodies should be required to undertake a 'best value assessment' that takes into account quality and relevance as well as price to assess whether a local good quality private HEI or a public sector HEI should be offered the contract for that training. 'Best value' should be determined by standard procedures developed by procurement specialists. It also recommended that staff within good quality private HEIs should have access to training and other support provided by donors for strengthening the higher education sector. Around 20% of such funds should be set aside for this purpose. The mechanism for distributing the benefit should be negotiated as each project is set up. In addition, a

maximum of 10% of available scholarships should be made available to staff in the private sector. These scholarships should be publicly advertised. Each candidate for such scholarships should be asked to make a case based on how the award of the scholarship to that candidate would benefit the country.

Recommendations for private HEI access to donor support

The report found that other donor funded projects allocated on a competitive bases, such as the World Bank Development Innovation Project (DIF), could increase quality and it recommended that 20% of such funds should be set aside for good quality private HEIs. Such HEIs should be expected to compete for access to the fund on the same basis as public HEIs.

Good quality private HEI should have access to workshops and evaluations organized in connection with such funds and to be represented on the review panels and other bodies regulating such funds and that up to 10% of such funds might be allocated to be shared amongst good quality private HEI, provided either:

- a)* Such an allocation is supported by an action plan showing how the funds allocated will enable the HEI to attain government objectives (for instance in terms of expansion, new undergraduate or postgraduate subject areas or relevant research).or
- b)* Such an allocation requires ‘repayment’ in the form of tuition waiver scholarships for female or disabled students who could otherwise not afford to attend a private institution. When the sum total of the scholarships (calculated on the basis of the value of the fees waived) reaches the amount of the grant awarded, the ‘debt’ will be considered to have been repaid.

Recommendations for Government incentives for the expansion of private higher education

Private sector PHEIs must pay import tax and VAT on a variety of goods purchased for educational purposes. This makes the education more expensive than it would otherwise be and discourages investment in educational equipment and materials the report therefore recommended that good quality private PHEIs should be issued with a certificate to enable them to reclaim VAT and import duty on particular items to be used for the support of educational purposes (teaching and administration). Ministry of Education staff should facilitate the import of such goods. Customs officials should be provided with documents that ensure that particular categories of imported goods ordered by named good quality private HEI are processed quickly and easily.

Private sector HEIs have to invest in capital and plant to provide good quality facilities for their students but they have no security of tenure in their property or the land on which it rests. This discourages investment. The report recommended that the government should provide security of tenure to good quality private HEIs for property or land which is or will be used exclusively for educational purposes. This benefit may take the form of a grant of freehold over the land or property or 'leasehold' for the land over a period of 25, 50 or 100 years. This benefit should be restricted to good quality private HEIs that have maintained that quality for at least five years and have at least 10 shareholders, none of whom owns more than 40% of shares.

It also recommended that the Government bank should offer discounted (soft) loans of 2% to any good quality private HEI for the purchase of equipment, buildings or capital for educational purposes, provided that the HEI has maintained that quality for at least five years and which has at least 10 shareholders, of whom none owns more than 40% of shares.

If the private sector is to fulfill its role of providing graduates with the necessary skills and qualities for the workforce, students and instructors will need access to good ICT connectivity. The report recommended that the needs of the private sector should be built into the national higher education connectivity plan and the HESC should include the private higher education sector within its reports into the higher education ICT strategy.

Access incentives

Ethiopia needs greater access to higher education for a variety of disadvantaged students for social and political reasons. These cannot always be accommodated by a local public sector HEI. Private HEIs are in a good position to meet local access needs for higher education. They tend to be smaller and more specialised and so can afford to set up in towns that could not support a comprehensive public university. Many have also developed extensive distance learning programmes that could be expanded.

The report therefore recommended that, where there is a good quality private HEI in an area where there is no public sector HEI, the Government should pay 100% of the fees of a set number of women students, poor students and those with disability to study within the good quality private HEI and 100 birr per month towards their living costs. The Government should determine the criteria for the selection of such students and the HEI should advertise the scheme in their area, set up a fair and transparent selection scheme and should administer the scheme. Where the HEI has received donor funds for direct institutional support (see above), they should not receive the fees directly from Government, but rather set them against the repayment of their 'debt' in relation to the grant.

The Follow-Up Report

The follow up report echoed many of the recommendations from the interim report, but added considerable detail and additional specific suggestions. They are briefly summarized below:

Aggressive promotion and implementation of public private partnership options for Ethiopian higher education institutions

Like the Interim Report, this study suggested that there should be more cooperation between the public and private HEIs. It suggested some of the following options: joint employment of academic staff (9th is already possible, but underutilized); sharing resources; joint research; joint publications; sharing curriculum; joint curriculum development; preparing joint conferences; staff exchange and shadowing; joint quality assurance undertakings; and team building. It went further to suggest a mechanism for this: an Ethiopian Council for Public Private Partnership (ECPPE). This suggestion is taken up and expanded upon in the conclusion to this paper (see below)

Provision of government incentives

Like the Interim Report, this study recommended that governmental incentives should be provided including VAT and import tax exemption; provision of land; provision of low interest bank loan by the government where none of the shareholders owns more than 40%; access to national higher education connectivity plan (ICT); allocating students to private HEIs on costs sharing basis; taking part in national research works; and publicizing the roles of good private HEIs.

Create access to donor support

Like the Interim Report, this study suggested that private HEIs should be able to access donor support in relation to access to staff training (local); scholarships; DIF (Development

Innovative Fund); IDG (Institutional Development Grant); UNDP Support; NUFFIC support; research support; staff exchange support; and capacity building support.

Improve options for overall management

In order to improve student access to higher education, the report recommended that the Ministry of Education should support distance and extension programs offered by quality private HEIs by allocating students to private HEIs on the basis excellence or merit. It further recommended that students, especially female students, should be sponsored to study in private HEIs and that students from public and private universities should share the resources of both types of institution with the government allocating a certain amount of budget to support such sharing.

Create international/national twinning (linkage)

The report recommended that private HEIs should be included in twinning arrangements. This would enable them to conduct programmes on behalf of a foreign higher institution, design and conduct exams for a foreign higher institution, twinning programs and credit and program transferability.

Conditions for Government Support

No government will give the private sector a blank cheque to support its expansion. There must always be conditions and some 'pay back' in terms of quality and contribution to public priorities. In Ethiopia, it must be recognised that there is considerable variation in the quality of education offered by private PHEIs. The experience in other sectors in Ethiopia and in education on other parts of the world indicates that competition can improve quality, but for this to be certain and to protect the public interest, HERQA must establish a more rigorous form of licensing and accreditation for private higher education.

This system will need to distinguish between those PHEIs that are ‘good enough’ for accreditation and those that qualify for an extra ‘good quality’ rating and so can benefit from the incentives discussed in this paper.

In the Interim report it was recommended that the HERQA would certify an HEI as a ‘good quality private HEI’ when it had achieved the following:

1. Accreditation procedures have been successfully completed for its programs;
2. The institution has conducted a quality audit according to HERQA guidelines, with the assistance of outside facilitators.
3. The institution has developed a quality action plan building on the recommendations of the audit.
4. The institution has achieved a good quality assessment report from HERQA in the higher education subject(s)/program(s) it offers and at institutional level.

If HERQA ultimately decides to focus only on institutional review as seems likely, this last criterion will need to be modified.

In a developing country where resources are scarce and subsidy to one area such as higher education means an opportunity denied to another (e.g. primary education or health), higher education cannot be supported as a good in itself, nor because it advantages students, but only if it benefits society, and in particular reduces poverty and aids development. It is likely that an expanded private higher education sector *is* of benefit to the country, but the private sector tends to focus on the social sciences and those technical and professional subjects that are not resource intensive to deliver. It is generally less involved in subject areas that are capital intensive and expensive to teach. This means that private higher education is useful in-as-much as it educates students without cost to the Government in certain subjects, freeing resources for the public sector to focus on more expensive areas but less useful in supplying much needed scientific and engineering skills. Private HEIs may wish to think about a more balanced portfolio to convince Government

that it is worth investing more in their sector. Of course, part of the quid pro quo is that the student pays for most or all of the costs of tuition in the private sector and so the tax payers of Ethiopia are not paying for the education provided.

There is, of course, no mechanism in a democracy for enforcing the targets agreed by the private HEIs apart from the withdrawal of incentives. The Government must rely on their good will and best efforts, or develop contracts in return for benefits such as financial support and tax concessions. This is not the case for the public sector institutions, since Government funds them directly and so can demand certain outputs. In order to regulate the system and ensure an appropriate supply of graduates in particular areas to meet the social and development needs of the country, many governments provide HEIs with intake targets for each subject or programme. The private sector must expect to accept some targets if the government is to invest in it. This implies there needs to be some sort of 'social contract' between the private HEIs and government,

Conclusion

It must be admitted that there were weaknesses in the two reports. In the case of the interim report, the Task Force was not successful in that meetings were poorly attended and most members did not contribute to the preliminary report in any meaningful way until it was replaced by a smaller focus group. This group did work intensively and produced some useful thinking.

Neither set of report authors had the time nor the resources to properly research what might be the factors that would provide the engine for the expansion of quality private HE. In the case of the second report, the time allotted to finalize the research was one and half month. Ministers of Education and some donors did not respond to the request to fill in the survey and time did not allow follow up. The timing of the study has also coincided with the European Christmas and New Year, which made it difficult to get information from NGOs and other development agencies.

Despite these difficulties, the two reports in combination provide a useful expansion of thinking about private public partnership in higher education and how it may be developed to support both expansion and quality across the sector. Nevertheless, progress has been very slow. This lack of progress may be the result of a variety of factors:

- There was a change of leadership within the Ministry of Education at the time of the Interim Report's publication. This may have meant that, since they had not commissioned the report, Ministers had less of an interest in its outcomes.
- The exploration of public private partnership might not have been a direct interest of the government, but rather a means of appeasing donors who wished to see more recognition of its role by government as a condition of increased funding.
- The new leadership in the Ministry may have been distracted by other priorities in their first months in office
- There might be a residual suspicion of the private sector and its ability to deliver quality higher education in some parts of government.

It is the belief of the author of this paper that the reasons above are unlikely to have been the main obstacles to progress. It is more likely that the reason is that the two reports contain such a plethora of suggestions that the government and public sector HEIs do not know where to begin. Each suggestion is complicated to implement and requires more management and leadership time and expertise than may be readily available within the Ministry of Education. For this reason, this paper suggests that the way forward may be to focus first on mechanisms for action. Below two suggested mechanisms are put forward:

1. It may be useful to set up an Ethiopian Council for Public Private Partnership (ECPPE). This would need to be set up and funded through the Ministry of Education, perhaps with the financial support of the donor community. This could be a non statutory body that reports to the Presidents from both sectors (through quarterly reports to the monthly meeting between the Presidents of the public universities and the Minister and to the Private HEI Association) and comes up with carefully phased, detailed and concrete

formulations as to how the two sectors could work together to mutual benefit. These suggestions could include a limited number of pilot projects for cooperation that might be extended at a later date.

As a second stage, this body could also come up with specific suggestions as to mechanisms, rules and draft contracts for the allocation of government sponsored students between public and private higher education and the sharing of resources.

Since the public and private HEIs and the Government would each have an interest in this cooperation and since there would need to be some allocations from the higher education budget, it is suggested that this group should be a small working committee consisting of people from the public and private HEIs and the Ministry of Education.

This body should work out carefully phased, detailed and concrete specifications for consideration of Government. At a minimum these should include:

- The definition of a ‘quality private HEI’
- Ways that the two sectors should cooperate together and the ground rules for sharing facilities and resources
- Specific suggestions as to the allocation of government sponsored students between public and private higher education and their financing
- Specific suggestions for improving labour force planning with respect to HE provision.

2. The provision of various ‘official’ benefits and incentives will be more complex than it appears at first sight. It seems sensible for a small working group, the Fiscal and Other Benefits Working Group, consisting of key representatives from each of the private HEI Association, the MoFED and the Ministry of Education to look at each of the recommended financial, fiscal, twinning and donor benefits in the two reports and come up with detailed recommendations, rules, contracts and guidelines to Government. This group should be a non statutory body that reports to the Presidents in the same way as the ECPP.

These recommendations should be carefully phased to make their consideration and implementation feasible. They should include how and the conditions under which the benefits would operate to ensure the country receives appropriate social and economic pay back. They should specify how these benefits should be monitored and quantified. Again, this group should set up and funded through the Ministry of Education, but could be supported by the donor community.

This body should work out detailed and concrete specifications for consideration of Government. At a minimum these should include:

- The financial support for private HE and the conditions under which is may be allocated
- Fiscal arrangement and concessions and qualifying conditions
- Conditions under which private HEIs may be included in Government supported twinning arrangement
- Conditions under which private HEIs might receive donor funds negotiated by Government.

These two groups must be careful in developing recommendations as a phased programme. The Ministries in Ethiopia and the higher education sector have capacity problems and overly complex or too numerous recommendations may not be achievable. It is therefore suggested that the two groups each develop one recommendation at a time, think through all the ramifications, come up with detailed guidelines and rules for its implementation and discuss these with all stakeholders. Once a recommendation has been fully developed, understood and accepted, the group may start work on the next one. This means that these groups will operate for some considerable time and the public and private higher education sectors will need to be willing to support them in terms of personnel commitment and adequate per diems for the members. This investment seems to the author of this paper to be well worth while and that it should be supported by all who have the interests of Ethiopia and poverty reduction at heart.

There are many advantages to a development of public private partnership in Ethiopian higher education. It is particularly appropriate a time when the country is expanding the number of enrolment into higher education in order to create the professionals it needs to secure its poverty reduction strategy. What the country needs is for the two sectors to work in partnership for the benefit of the country as whole and to create an integrated, coherent system, rather than to develop along two parallel lines that never meet.

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