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CAPACITY DEVELOPMENT SERIES



PACIFIC CHOICE

The Role of USPNet in Capacity Development in the South Pacific Region

Asian Development Bank

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The Role of USPNet in Capacity Development in the South Pacific Region

By Ronald Duncan and James McMaster

Asian Development Bank

Capacity Development Series

This sub-series is published by the Asian Development Bank to provide the governments of its Pacific developing member countries (PDMCs) with analyses and insights on key issues and lessons learned with respect to capacity development. Cases studied highlight a range of experiences throughout the region by sector, theme and source of external support, revealing approaches to capacity development that work best and the conditions that have been conducive to their success. They also explore the unique challenges faced by PDMCs in addressing capacity constraints as well as some of the opportunities facing governments and the people in the Pacific islands. Among other things, the case studies underline the importance of PDMC leadership, engagement of local partners, strategic attention to long-term capacity issues and effective use of external resources. It is our hope that the findings in these reports will help to guide future capacity building efforts in the Pacific.

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FOREWORD

Despite 50 years of aid in the Pacific region, including some S\$17 billion invested over the past 25 years, overall results in terms of sustainable improvements in capacity have been mixed, at best. This raises questions, not only in the Pacific but also throughout the developing world, about approaches to capacity development—what works, what doesn't, and why? The Asian Development Bank (ADB) recognizes the importance of capacity development, having officially embraced it as a thematic priority in 2004. ADB's commitment is consistent with the Paris Declaration on Aid Effectiveness and the Pacific Principles on Aid Effectiveness. The programs of a number of other funding agencies, including the Australian Agency for International Development (AusAID), New Zealand's Agency for International Development (NZAID), United Nations Development Programme (UNDP), and the World Bank also embrace the importance of more effective capacity development.

Increased interest in capacity development in recent years reflects an acknowledgment of the shortcomings in development assistance over the past 50 years. This has led to calls for approaches that are more systematic and integrated, and which focus more on developing country ownership and achievement of sustainable results. Capacity amounts to the policy, procedures, personnel, organizations, institutions, and supporting environment required to effectively deliver development outcomes. In particular, ADB has focused on the ability of public sector capacity to deliver essential services, thereby strengthening the compact between government, civil society, and the private sector. Capacity development is much more than just training or skills transfer. It is really about effective organizations and institutions, a sound unpoliticized policy environment, accountability systems, effective relationships, and appropriate incentives. And as noted in this study, capacity development should be firmly rooted in a country's political economy.

To gain a better understanding of what works in terms of approaches to capacity development, ADB's Pacific Department (PARD) commissioned a regional study in 2007. The study was rooted in 20 case studies from 11 countries across the region, prepared mainly by Pacific islands consultants. The case studies covered a range of programming experiences—from economic planning, to infrastructure development, health and legal sector reform, and civil society enhancement, as well as different modalities for supporting capacity development. ADB's intent in commissioning the overall study was to draw upon the individual findings and recommendations to help guide future capacity building efforts in the Pacific, including institutionalizing a more focused and effective approach to capacity development in ADB's country programs and operations.

The case studies in this series and the overall study report are the result of collaboration among a number of consultants working with ADB under the direction of Steve Pollard, Principal Economist, PARD. The team leader for the overall study was Joe Bolger, and the authors of the studies were Helio Augusto, Kevin Balm, Brian Bell, Ron Duncan, Ben Graham, Ueantabo Mackenzie, James McMaster, Samson Rihuoha, Cedric Saldanha, Tom Seta, Paulina Siop, Esekia Solofa, Kaveinga Tu'itahi, Henry Vira, and Vaine Wickman. The study also benefited from the input of a number of resource persons, including Tony Hughes (Solomon Islands), Lynn Pieper (Timor-Leste), Tim O'Meara (Samoa), and Patricia Lyon, Senior Capacity Development Specialist, AusAID. The case studies represent the situation at the time of writing in 2007.

In conclusion, this report seeks to enhance understanding and dialogue on capacity development and its potential for contributing to poverty reduction and improvements in the quality of life of all Pacific islanders. I trust that you will find it both thought-provoking and practically helpful in advancing our collective commitment to development in the Pacific.



Philip Erquiaga
Director General
Pacific Department

PROLOGUE

Upoko Tupa, an ambitious young Pacific Islands manager, was reflecting on his recent promotion to a challenging senior management position as the chief executive officer (CEO) of a government business enterprise on the remote island of Rarotonga, a popular South Pacific holiday destination in the Cook Islands. Upoko is a science graduate from the University of the South Pacific (USP) with 10 years of work experience. His promotion from a technical operations manager to a CEO position demanded new competencies in strategic planning, finance, accounting, marketing, and human resource management.

Sitting out on the ocean front deck with a group of his friends, Upoko commented: “My new job is great but I need training in management techniques. What I really need is an MBA, but I can’t take time off to go to USP in Suva to take the course.” His friend Tevai, a budding entrepreneur who had just returned from a business trip to Samoa, said: “Last Saturday I met some guys in Samoa who were celebrating the completion of the MBA course that they had taken part-time at the USP Alafua campus there. They said the course made a big difference to their performance as managers and some have already taken up new CEO positions with big salary increases. I hear that the World Bank is helping upgrade the USP satellite communications system so that we will have access to state-of-the-art distance learning.” Upoko replied: “I know a dozen people who are keen to do an MBA here in Raro. Why don’t we lobby to get USP to deliver the course here, using all the new satellite technology and their new audiovisual studio?”

Rod Dixon, the USP campus director, was one step ahead of him. At the USP council meeting held in May 2006 in the Cook Islands, he had lobbied the dean of the Faculty of Business and Economics to replicate the Samoa MBA program delivery system in Cook Islands and make full use of USPNet and a World Bank-sponsored project that will considerably improve the speed and quality of video-conferencing and internet communication among the 12 campuses that make up this regional university.

The 2006 upgrade of USPNet is already making it feasible to deliver the MBA more effectively in more Pacific island countries. Over the last 10 years, MBA enrolments have grown rapidly, but up until 2005 the course was only conducted in the Fiji Islands—in Suva and Nadi. In 2005, with financial support from the European Union, the MBA program began delivering the course on a face-to-face basis to 30 managers in Samoa, and in February 2007 a cohort of 35 executives started the 2-year program in the Cook Islands (again on a face-to-face basis) with financial support from the Government. Planning and feasibility studies are now being undertaken on delivering the MBA course in Tonga, Kiribati, Vanuatu, and other member countries, depending on demand, cohort size, and financial support from donors. The recent USPNet upgrade will enhance the network’s capacity, allowing faster internet speed and better audio and video quality, and thereby making blended-mode delivery of the MBA more effective.



The Pacific Choice

WITH CAPACITY DEVELOPMENT



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INTRODUCTION

This case study tells the complex story of how a regional university has changed its delivery systems for teaching and learning to serve the growing needs for tertiary education of students living on thousands of small islands in the Pacific Ocean. It traces the history of the foundation of the University of the South Pacific (USP) by 12 island nations in 1968, and the development and use of its communications technology system called USPNet. It examines the role of the university as a regional capacity development institution for students, public and private institutions, and civil society by using satellite information technology to deliver first-class tertiary education.

USP is widely regarded as the best example of cooperation between the Pacific island countries. Indeed, some would say that it is the only successful example of such cooperation. Other attempts at regional cooperation, such as the formation of a regional airline, have failed—largely as the result of unwillingness to give up on the idea of national carriers or to cede sovereignty. Unwillingness to cede sovereignty by countries that have been independent for a relatively short period is perhaps understandable.

Developing a regional university to serve 12 tiny countries spread out over the vast Pacific Ocean was a monumental task. The fact that the University of the South Pacific has accomplished this feat and, moreover “manages to punch well above its weight in teaching and research”, in the words of its most recent vice-chancellor, is a testament to perseverance and to taking advantage of developments in the field of information and communications technology (ICT). At present, more than half of the university’s more than 20,000 students are distance students; that is, in the modern jargon, they are distance and flexible learning (DFL) students who learn with the assistance of modern telecommunications media—audio-conferencing, video-conferencing, and internet—as well as paper-based materials.



USP is widely regarded as the best example of cooperation between the Pacific island countries.

The case study describes how the university tapped into the initial stages of the development of satellite-based communication; how it has struggled to find the finance necessary to improve its crucial communications facility; how it has had to cope with the extremely high telecommunications charges and regulatory obstacles resulting from the monopolized telecommunications facilities in member countries; how it has contended with the enormous damage to infrastructure that can be inflicted by the physical environment; and how it has continually struggled to provide the most up-to-date multimedia learning to more than 10,000 DFL students studying in some of the most remote places in the world.

The communication difficulties facing the small communities in the small outlying islands and in remote areas of the main islands have long been a concern for Pacific peoples. The advent of global satellite coverage and the rapidly declining costs of computers and VSAT (very small aperture terminals) equipment, together with the availability of solar power, has opened up the possibility for people in remote communities to have immediate telecommunications contact with the rest of the world. This technology also opens up the opportunity for these communities to participate in the DFL offerings of USPNet. It is likely that the next big step for USPNet will be to develop its facilities to cater for this demand.

The case study suggests a number of strategic alternatives for further development of the university's capacity in DFL, including bandwidth expansion to the 12 campuses and extension to the small rural communities where many students would prefer to undertake their studies. The challenge is to develop a strategic plan that will lead to the achievement of the University's objective of making all its courses available by DFL by around 2010. But capacity development for the university is much more than full- or part-time tertiary training. There is a very important role for the university in delivering public education about important economic and social issues, such as health and disaster management, as well as playing a role in bringing together communities of experts to discuss common problems. USPNet can play a vital role in these kinds of activities.

DEVELOPMENT OF USPNET

Establishment of the University of the South Pacific and USPNet

USP was set up in 1968 and was formally established by Royal Charter in 1970. It is a multicountry university with a membership of 12 Pacific island countries: Cook Islands, Fiji Islands, Kiribati, Marshall Islands, Nauru, Niue, Samoa, Solomon Islands, Tonga, Tokelau, Tuvalu, and Vanuatu. The main campus is in Suva, the capital of the Fiji Islands. Currently, it has two other major campuses: the Alafua campus in Apia, Samoa, home to the School of Agriculture and Food Technology; and the Emalus campus in Port Vila, Vanuatu, home to the School of Law and the Pacific Language Unit.

The populations of these countries are very small, ranging from around 1,500 in Niue and Tokelau to 850,000 in the Fiji Islands. As well, the countries are spread out over some 33 million square kilometers of the Pacific Ocean. Moreover, most of the countries are very dispersed, comprising many small volcanic islands or coral or atoll islands. The problems of catering for tertiary education in such small, dispersed countries cannot be overstated.

USPNet is a satellite-communications network that was set up in 1973 as a means of distance education for those students who could not afford the high financial and personal costs of traveling to and living in Suva. USPNet used the Peacesat satellite—a National Aeronautic and Space Administration experimental satellite—for voice broadcasts of educational material to the students studying by distance. USP was one of the early users of Peacesat and this early adoption of a new technology showed a surprising degree of enterprise on the part of the university. Peacesat was not a commercial service and its services were provided free. Furthermore, USP's participation was supported by the Carnegie Corporation and the United States Agency for



The problems of catering for tertiary education in such small, dispersed countries cannot be overstated.

International Development (USAID). With terminals in each of the university's member countries, Peacesat facilitated voice communication between teachers and students.

In 1985, the Peacesat satellite went off course and access to this facility was lost. An alternative was found in October 1986 in the form of space on the INTELSAT satellite, which normally provided communication channels on commercial terms, but provided access to USPNet initially free of charge for 2 years. In 1988, Cable and Wireless Public Ltd (Hong Kong) agreed to meet the full cost of satellite space for USPNet for another 2 years. This agreement was extended for 2 years in 1990 and for a further 2 years in 1992 on the expectation that the university would use that time to establish a more permanent, self-reliant system.



The access provided by national telecommunications authorities was said to be highly subsidized.

At this stage (early 1990s), the paper and voice-only communications between the main campus and the member country centers of the university were very much a patchwork arrangement. The satellite links from the main campus to the university's other centers went via the earth stations of national telecommunications agencies in 5 of the other 11 countries: Cook Islands (where the full costs of the space and ground links were paid by Telecom NZ International), Kiribati, Solomon Islands, Tonga, and Vanuatu. However, Kiribati was disconnected by USP after extended discussions with its national telecommunications authority failed to persuade it to lower its high charges.

The access provided by national telecommunications authorities was said to be highly subsidized, which more than likely reflects the high monopoly prices being charged in these countries—still a constraint to economic and other activity in many of the countries. But even though they claimed to be subsidizing this access, the national telecommunications authorities were, and remain, reluctant to allow USPNet to operate outside their jurisdiction. This reluctance stems, at least in part, from the concern that the university would offer communication channels in competition with the national monopoly. All licenses granted by the telecommunications authorities limit the use of telecommunication facilities to educational purposes.

In four of the six USP member countries where national telecommunications earth stations were not available (Nauru,



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Niue, Tuvalu, and Samoa), the university centers were linked to the main campus via a high-frequency (HF) radio system. The remaining two countries (Tokelau and Marshall Islands), and Kiribati after its earth station link was cut, had no connection to USPNet.

The system described above served reasonably well for some years. But there were persistent problems. And, with the development of telecommunications technology, people's expectations rose rapidly. The ongoing problems noted at the time were

- only one-way voice communication,
- frequent faults, outages associated with within-country landlines and earth stations (outages often lasted for days),
- total reliance on local goodwill for repairs,
- vulnerability to atmospheric conditions,
- insufficient HF power for the distances covered (where HF systems were in use),
- no computer communication or data transmission facilities, and
- inequity in coverage between countries/students.

Because of the frequent landline problems, and with the availability of improved quality of landlines, the university, with the financial support of aid donors Australia, New Zealand, and the UK, undertook an upgrade of the system in the early 1990s. Through the national telecommunications authorities, which agreed to give "educational rates", 64-kilobyte (kb) lines were leased to and from the five countries with earth stations. This upgrade allowed voice and data transmission.

In 1992, in the face of opposition from national telecommunications authorities, the university council—consisting of the education ministers from the member countries, and others—approved a USPNet proposal for the establishment of a network of USP satellite earth stations in all member countries. The council asked the university to seek approval to do so from the appropriate authority in each country. This proposal took 5 years—until 1997—to take effect.



With the development of telecommunications technology, people's expectations rose rapidly.

USPNet 2000 Upgrade

In June 1995 the university developed the Project Proposal for the Upgrade of the University's Communications System: USPNet. The requirements in the proposal included earth stations and connections to the private branch exchanges (PBXs) at each university center, so that telephone calls within the university throughout the member countries could be made at local rates. Also, it was proposed that internet access be provided for all sites through a high-speed central connection at the main campus in Suva. These arrangements needed licenses for the satellite connections, internet connections, and telephony.



In June 1995, the university developed the Project Proposal for the Upgrade of the University's Communications System: USPNet.

No decisions resulted from this proposal, which was overtaken by events: developments in video transmission and the rapid reduction in bandwidth costs, which led to a decision for a stand-alone system. In July 1997, the Government of the Fiji Islands, on behalf of USP, requested assistance from the Government of Japan to upgrade USPNet to a stand-alone, private network. The 1995 proposal was for a satellite-based network providing 64 kb per second data and voice capability. The 1997 proposal for building a VSAT system included a video capability to allow videoed lectures to be broadcast from any of the three main campuses of the university (Suva, Port Vila in Vanuatu, and Apia in Samoa) and to be received by all locations. The remaining centers (remotes) would have two-way voice and data capability and be able to receive video transmissions. Only the three main campuses would have two-way videoconference capacity.

The problems faced in implementing the upgrade were typical of the problems that beset activities in these countries, for example:

- difficulty in finding a site for an earth station on islands barely above sea level and with limited land area;
- irregular power supplies, making some form of alternative energy supply necessary;
- extreme humidity and temperatures, which required finding reliable and inexpensive cooling systems;
- high recurrent costs (which the university had to bear), for instance, for electricity, repairs, and maintenance, satellite access, and information technology; and

- vulnerability to natural disasters, such as cyclones, earthquakes, and tsunamis.

The proposal for the upgrade was eventually accepted by the Government of Japan. Because of conditions applying to the Japanese Grant Aid Scheme, the Government of Japan had difficulty in extending assistance to four of the member countries: Cook Islands, Nauru, Niue, and Tokelau. New Zealand has close relationships with Cook Islands, Niue, and Tokelau and agreed to fund the improvements to their facilities as well as for Nauru. Australia agreed to fund the upgrade in Kiribati. USP was to bear all recurrent costs of the facilities.

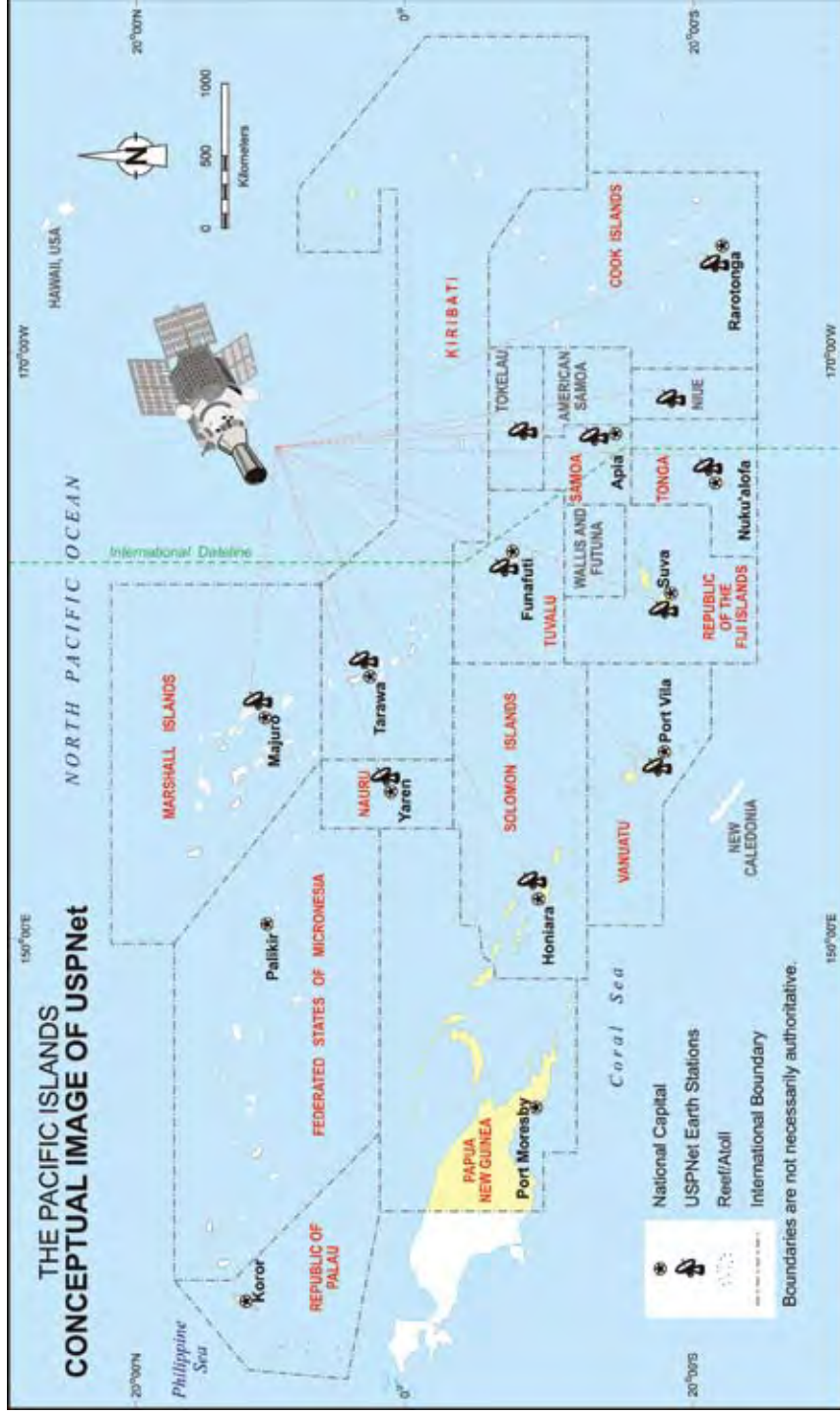
The tendering process for the upgrade began in October 1998, with a completion date set for March 2000. The last earth station was duly installed in March 2000. The new configuration of USPNet (conceptualized in Figure 1) was as follows: Suva was the hub earth station; Apia and Port Vila were mini-hub earth stations; and Cook Islands, Kiribati, Marshall Islands, Nauru, Niue, Solomon Islands, Tokelau, Tonga, and Tuvalu were remote earth stations. Satellite space was leased from INTELSAT.

The timing of the completion of the upgrade was fortuitous because there was a coup in the Fiji Islands in May 2000 and most regional students at the main campus returned home. The second semester was almost cancelled, but through the medium of USPNet, 35 courses were delivered to the four regional centers with the largest concentrations of students (Kiribati, Samoa, Solomon Islands, and Tonga). On several occasions during national disasters, such as Cyclone Heta in Samoa in January 2004, USPNet has provided the only link to the outside world.



The tendering process for the upgrade began in October 1998, with a completion date set for March 2000.

Figure 1. Conceptual Image of USPNet



Source: International Telecommunication Union web site: www.itu.int/ITU-D/pdf/ig7/usp001.html and ADB.

USPNet 2006 Upgrade

Almost immediately, driven by the rapid changes in telecommunications technology and continuing reductions in the cost of bandwidth and satellite space, there was demand for enhancement of the USPNet system. In 2000, thought was already being given to how USPNet might be developed to provide access to students beyond the centers and in communities in the outlying islands.

A survey of the university centers in 2004 showed noticeable improvements in the services provided by USPNet following the 2000 upgrade. Audio conferences were much clearer and more slots were available for delivering lectures and tutorials. The enhancement of the facility offered scope for audiographics, and these enhanced the interaction between lecturer and student. In those locations where videoconference facilities were available, they were much appreciated and were said to be the most useful aspect of the upgrade. Moreover, the capacity to videotape lectures and broadcast them at other times added flexibility to the system's use as a teaching medium. Still, the high bandwidth requirements and the inflexibility of the system meant that videoconference slots remained very limited.

But already, partly because of heightened expectations from experience with telecommunication speeds in other environments, students were complaining about the slowness of data transmission via USPNet. In video broadcasts, voice was rated as reasonable but picture quality was "poor", and internet access was rated as "very slow". Physical space in the video and computer rooms at most of the centers had become very tight as the number of students continued to grow rapidly.

As early as September 2002, a joint report of the Japan International Cooperation Agency and USP had been prepared on further enhancement of USPNet. This report recommended an increase in the bandwidth, integration of USPNet with other educational communication systems, and expansion of USPNet services beyond the centers. There were difficulties with connections to other educational communications systems, such as the Government of Japan's J-Net and the World Bank's



A survey of the university centers in 2004 showed noticeable improvements in the services provided by USPNet following the 2000 upgrade.

Global Development Learning Network, in the form of technical incompatibility, the high cost of the communications link, and lack of common applications.

By March 2005, a USPNet enhancement project was finalized. A proposal by Gilat, a communications company, was accepted to create an internet-protocol (IP) platform at the Suva hub, with the 11 other centers having interactive data, broadband IP, and public and private telephony. This upgrade required at least a 128 kb per second data channel. Bandwidth could be shared between applications, however, so that spare capacity in one area could be shifted to others, improving the efficiency of the whole system.

The USPNet upgrade was launched at the end of 2006. It is now a stand-alone network with interactive videoconferencing possible between all campuses. The quality of the picture and audio is excellent. Only time will tell, but the communications opportunities that USPNet now offers appears to have greatly enhanced its usefulness in capacity development throughout the region.

Figure 2. Antenna at Hub Station in the Fiji Islands



Source: International Telecommunication Union web site: www.itu.int/ITU-D/pdf/fg7/usp001.html

ROLE OF USPNET IN SUPPORTING CAPACITY DEVELOPMENT IN PACIFIC

AusAID defines capacity development as

the process of developing competencies and capabilities in individuals, groups, organizations, sectors or countries which will lead to sustained and self-generating performance improvement. (AusAID 2004 a and b)

This report examines the experience and potential of USPNet for building the capacity of institutions, including the USP, and the capacity of individuals. Capacity development of institutions involves strengthening processes and systems within an organization to improve its ability to achieve organizational goals and objectives. Capacity development of individuals involves developing the skills or competencies of individuals and is an integral part of the process of supporting the attainment of organizational goals and objectives.

Three capacity development questions are discussed in this case study:

- What has USPNet done to build both individual and organizational capacity?
- What aspects of USPNet worked or were successful, what didn't work, and why?
- What lessons can be learned for future project design and delivery?

When the university was established, the founding fathers envisaged that it would play a major role in producing graduates in a range of professions needed for the economic development



Capacity development of institutions involves strengthening processes and systems within an organization.



Capacity development in the Pacific has proved to be a complex, long-term process.

of member countries. All of the member countries lacked people with the training and experience needed to implement government development strategies. Many countries relied heavily on expatriates who held key positions in the public and private sector. Donors, such as AusAID and New Zealand's International Aid and Development Agency (NZAID), worked with governments to address the capacity shortages. They developed special expatriate recruitment programs called staffing assistance schemes to provide national organizations with experienced professionals from Australia and New Zealand. For example, in the Fiji Islands (the largest of the Pacific island countries aside from Papua New Guinea), most of the key positions in the public service in the 1980s were held by expatriates on 3-year contracts, supported by the donor staffing assistance schemes. One of the responsibilities of these expatriates was to train counterpart staff with the objective of localizing these positions.

The graduates of USP were recruited by the public and private sectors and in many cases were rapidly promoted to senior civil service and chief executive positions. Since 1980, all the Pacific island countries have implemented a variety of approaches to capacity development—institutional strengthening projects, human resource development projects, executive short-course training programs, short-term attachments to overseas agencies, institutional twinning arrangements, and educational scholarship schemes for university training in the donor countries. With technical assistance from donors, including the Asian Development Bank, the governments established new institutions and implemented institutional strengthening programs focusing on management and accounting systems and human resource development.

Capacity development in the Pacific has proved to be a complex, long-term process, requiring considerable resources and continuing technical assistance. This has led to ongoing debate in the region about the most effective way of supporting capacity development. The migration of skilled and professional staff has exacerbated capacity shortages. And many public institutions have suffered from serious capacity constraints, including lack of key professional staff, particularly in such areas as engineering, medicine, management, finance, banking and economic management.

Specific donor-sponsored initiatives include AusAID’s *Institutional Strengthening Project* with the Ministry of Finance and Economic Management in Vanuatu, *Treasury Institutional Strengthening Project in Samoa*, and *Tonga Health Sector Planning and Management Project*.^[1] The Asian Development Bank has also helped to enhance capacity on a regional basis through such initiatives as the *Strengthening Capacity for Macroeconomic Analysis, Planning and Policy Formation project in Samoa*.

What Role Does USPNet Play in Supporting Accelerated Capacity Development?

The following table identifies USPNet’s six major target groups and provides a framework for reviewing its role in capacity development. The table summarizes capacity opportunities for each of the six groups and the corresponding challenges, each of which is discussed further.

Box 1. Capacity Development Role of USPNet

Target Group	Capacity Opportunities offered by USPNet	Capacity Challenges and Restrictions on USPNet
USP Headquarters, Laucala Campus, Suva, Fiji Islands	<p>Cost-effective regional communications system for campus administration and education program delivery</p> <p>Increased capacity as knowledge facilitator (hub)</p> <p>Links to other global knowledge networks and universities</p> <p>Enhanced reputation/role as regional knowledge broker</p> <p>Enhanced capacity to deliver Pacific Plan regional projects</p>	<p>Technology, government regulations</p> <p>Competing institutional interests</p> <p>Need to motivate and train academic staff in new USPNet teaching approaches</p> <p>Promoting the benefits and potential of USPNet to stakeholders</p> <p>Need to prioritize use of USPNet</p> <p>Political instability</p> <p>Leadership, vision</p> <p>Network management</p> <p>Trust, legitimacy</p> <p>Adaptive capacity of staff and institution to new methods of course delivery</p>

Continued next page

1 See AusAID. 2004 *Capacity Building in Public Finance in the South Pacific. Evaluation and Review Series 36*, which evaluates these projects.

Target Group	Capacity Opportunities offered by USPNet	Capacity Challenges and Restrictions on USPNet
University Campuses in 12 Pacific Nations	Enhanced communications with headquarters Reduced travel costs by video conferencing Access to knowledge and expertise Enhanced skills and service delivery capacity	Technology, bandwidth limits Government regulations Restricted access to some library materials Management of greatly increased demand for capacity development activities and limited physical capacity at campuses to accommodate student needs
USP Students	Increased access to knowledge, skills at lower cost Improved access to academic staff for consultation	Technology Quality of education experience Access restrictions
Pacific Island Governments and Public Sector	Beneficiaries of new skills and knowledge Access to staff development training programs delivered at the regional campuses Access to knowledge databases and public sector networks	Links between knowledge and skills offered and needs of organizations in the region Access restrictions
Private Sector	Access to business development courses and online business toolkits Networking with regional private sector organizations Video conference seminars	Access restrictions Limited physical space at the regional campuses to accommodate all potential users
Civil Society, including NGOs	Public education role Access to knowledge and expertise Access to professional staff of the university for advice, mentoring	National telecommunications regulations, which limit USPNet use to purely educational uses Gaining access to limited regional campus facilities

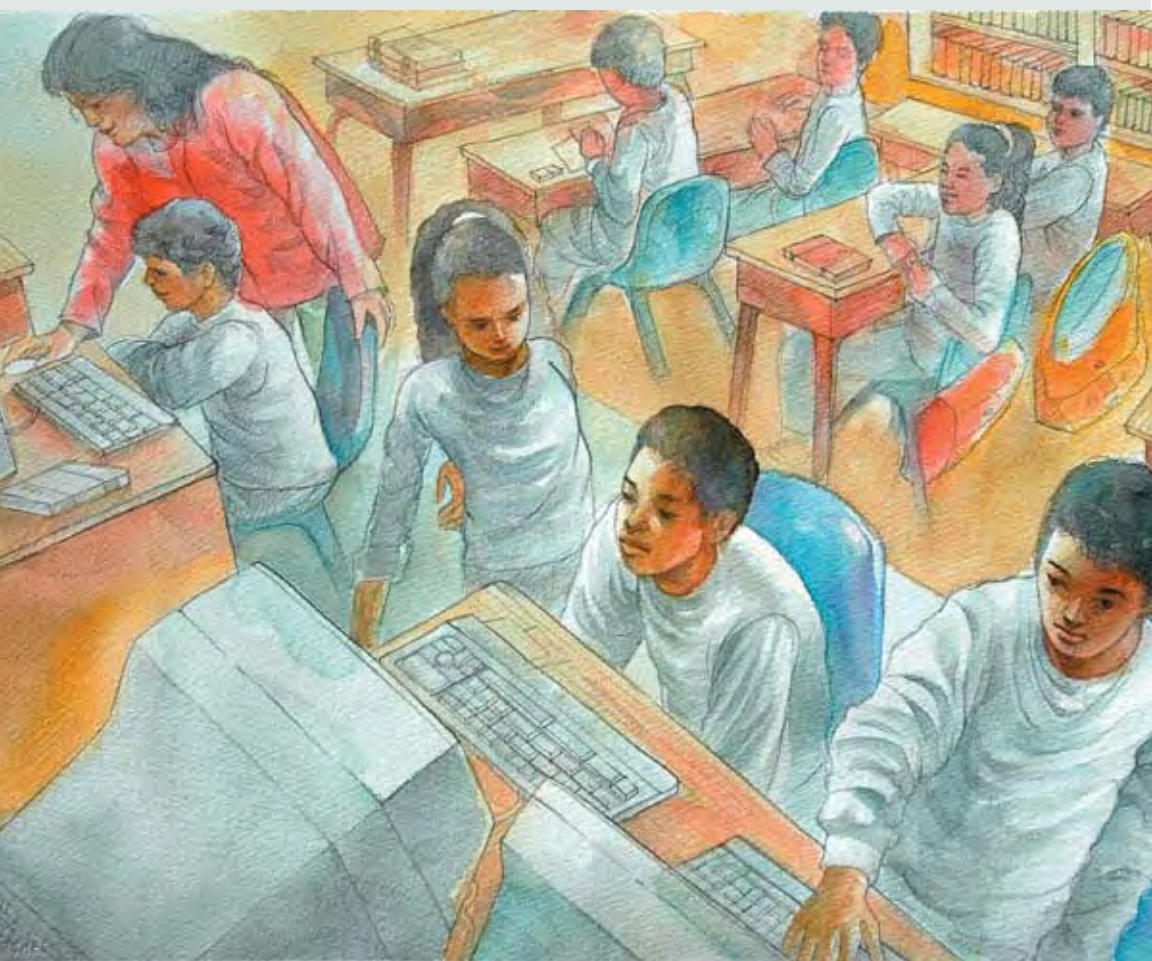
NGO = nongovernment organization; USP = University of the South Pacific.

USP Central Administration, Laucala Campus, Suva

USPNet offers the University Central Administration an efficient technology to communicate from USP headquarters in Suva with the other campuses. It enables the university management to conduct video conferences with the directors of the campuses and campus staff. In years past, considerable funds have been spent



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on travel by senior management to attend meetings. USPNet provides the university management with a cost-effective way of conducting meetings, interviewing job applicants, and delivering lectures and seminars on administrative matters. USPNet also offers the university increased capacity to play an effective role as a knowledge facilitator hub through links to other knowledge networks. The university library is rapidly moving to a digital library whereby students can access online journals and learning materials. It is now a virtual learning laboratory with an increasing amount of resources and links to knowledge networks. USPNet also allows access to specialized knowledge hubs, such as the Pacific Institute for Advanced Studies in Development and Governance's online Governance Portal.

University Campuses

USPNet offers the staff on all campuses access by videoconferencing, intranet, internet, and telephone services to staff at headquarters and other campuses. It provides users with access to all the online resources of the USP library and the USP website, such as staff webmail. Now that USP's campus has an optical fiber link to Australia via the Southern Cross cable and is connected to the Australian Universities' Internet 2 facility, the Suva campus is also able to receive high-quality videoconference broadcasts from Australian universities. Through this medium, AusAID has over the past 2 years funded videoconference discussions on important development topics, which have also been broadcast through the World Bank's Global Development Learning Network (GDLN) to groups in Port Moresby, Papua New Guinea; and Dili, Timor-Leste. These discussion groups have allowed interested staff and students at USP and in the wider community to engage in discussions on topics such as corporate governance, leadership, entrepreneurship, anti-corruption, public-private partnerships, and telecommunications regulation and deregulation. Such discussion with peers is a very important means of learning. When the remainder of the university's campuses are linked into the GDLN—if telecommunications authorities in each country allow the reception of these broadcasts—all USP member countries will be able to participate. The proposed integration of USPNet into GDLN will allow all the campuses to make such use of USPNet.



USPNet offers the staff on all campuses access by videoconferencing, intranet, internet, and telephone services to staff at headquarters and other campuses.

USP Students

USPNet offers students access to knowledge and expertise. It provides an efficient means of delivering academic programs through seminars, discussion groups, debates, lectures, and tutorials. These forms of communication can be simultaneously delivered to students located in the network of campuses.



USPNet offers students access to knowledge and expertise.

Distance education from USP commenced in 1970. The students were mainly in-service teachers taking courses for a Diploma in Education. By 1976, there were 90 students enrolled in 16 courses. Students could enroll through four of the university centers (Cook Islands, Kiribati, Solomon Islands, and Tonga) or through departments of education in Samoa, Niue, Tuvalu, and Vanuatu. By 1996, there were around 5,400 students studying by distance out of a total student population of around 9,400, that is, 58% of students were being taught through USPNet. By 2006, there were more than 10,000 distance students of a total in excess of 20,000, with more than 200 courses offered over three semesters (including a summer semester).

Courses are available for distance education at three levels: pre-degree, which is for preliminary and foundation studies; subdegree, which is vocational training; and degree courses. The university campuses offer the distance student study space, study groups, a library, science laboratories, computers and internet access, audio and video lecture playback facilities, real-time viewing of lectures, on-campus tutors, and summer lectures and tutorials by visiting lecturers. The audio and video lectures are now loaded onto servers at the campuses and can be viewed by the students at a time convenient to them.

The availability of internet has made it possible to deliver online courses using course-management software, such as WebCT, which provides online access to lecturers and tutors, sending and receiving assignments, and participation in student discussion groups. The internet also allows the downloading of reading material and access to published databases. The campuses look after student enrollments, distribution of course material, handling of coursework, employment of local tutors, scheduling of tutorials, and scheduling of exams.

Initially, with the voice-only capacity of USPNet, students only had instruction available in the form of print, print with audio-conferencing, and face-to-face instruction from visits by lecturers to the member countries (summer courses), and later face-to-face lectures and tutorials from academic staff located at the centers. By 2006, more than 200 courses were being offered by what is known now as distance and flexible learning (DFL). The term “flexible” refers both to the fact that distance education offers those who do not wish to leave their work or home the opportunity for tertiary studies, and the multi-media instruction format. All 100-level (that is, first-year) courses are offered by DFL, and the university council has asked that all courses, both undergraduate and postgraduate, be made available by DFL as soon as possible, hopefully by 2010. The design of DFL courses is giving priority to full degree programs. Until all degree programs are available through DFL, some students will have to attend the main campuses to complete their degrees.

The Pacific Ocean covers a large area and several time zones, which limits the real-time connectivity of the Pacific island countries. While there are benefits for countries in different time zones in being able to undertake such activities as call-back centers, the different time zones limit the amount of real-time connection for delivering lectures and using USPNet for other activities, such as public education and university administration. Given the time zones of the member countries, lectures can only be delivered for 5 hours per day, for a total of 25 hours per week.

The difficulties students experienced with instruction delivered through USPNet before the 2006 upgrade were reflected in their performance. Attrition rates during courses averaged 20.8%—and much higher in some countries, for example, Nauru (53%), Niue (36%), and Tuvalu (36%). These are all very small countries that did not have an earth station; students were suffering poor reception and frequent outages. As well, the campuses facilities were very limited. It is hoped that the 2006 upgrade will greatly improve the variety and quality of the instruction that they can receive.



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Pacific Island Governments and Public Sectors

To date, USPNet has not been used to a significant extent by governments and public sector officials. However, there is substantial potential for USPNet to play a major role in the delivery of executive management development programs for senior civil servants. The MBA program has already demonstrated the potential to use the resources of USPNet to deliver this program on a part-time basis to executives and senior managers in Apia, Samoa; and Rarotonga, Cook Islands. Discussions are now taking place to expand substantially the in-country delivery of the MBA program to other member countries. This year the Vanuatu Public Service Commission invited USP's Graduate School of Business and other universities to put forward a proposal to deliver an executive development program for senior civil servants based in Port Vila. The Graduate School of Business is developing a proposal to deliver this program through USPNet and visits by the academic staff. Other Pacific island countries have identified their need for accredited middle and senior management programs.

USPNet offers a very efficient means for delivering staff development and training programs by providing a virtual learning laboratory and through online learning platforms, such as Moodle. Moodle allows the students to communicate easily with academic staff and fellow students, enter chat rooms, and gain feedback on assignments. USPNet has the potential to be the major institutional capacity development center for accredited training programs for a wide range of public and private sector organizations. Expanding USPNet to deliver public sector training programs will require the construction of additional audio-visual conference rooms in public service training centers. Most countries in the region do not have dedicated facilities for public sector training courses. However, the training centers that do exist are not making full use of the range of educational technologies that can be provided by USPNet.

Private Sector

More and more Pacific island governments are recognizing the importance of the private sector as the engine of growth. The USP has played an important role in providing skilled professionals for the so far limited private sector. However, limited capacity continues to constrain private sector development. Many private companies are required to recruit highly paid expatriates to fill key management positions; for example, most of the top executives of resort hotels are expatriates.

USPNet has the potential to play an expanded role in the delivery of in-house, tailor-made staff development programs for the private sector. There are many overseas examples of universities delivering accredited training programs for private sector clients. With tourism becoming the major source of economic growth in the Pacific, hotel management has particular potential given the demand for professionally trained hotel managers. USPNet could play a role in the delivery of a master's degree in hotel management to the 12 campuses.

USPNet could also play an expanded role in supporting small-business development in the region. Already, it has been used to deliver a GDLN video conference program on entrepreneurship, which resulted in a series of follow-on projects. These included a regional seminar on small business development held in Suva in November 2006 that focused on training business development advisors on the World Bank Small and Medium Enterprise (SME) Toolkit and online business development systems. The Graduate School of Business subsequently developed a specialized website^[2] to provide advice and support services to SMEs in the Pacific. The website links to an extensive network of business support programs and institutions established to support small business.

Another activity triggered by the videoconference discussions on entrepreneurship was the development of websites and business plans for ecotourism in Fiji Island villages. These activities illustrate the multiplier effects of such discussions on important development topics. Other subject areas where USPNet could



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² Available: www.pacificbusiness.org

facilitate delivery of training and seminars include business start up; export market development; and niche-market opportunities for Pacific island agricultural, fisheries, and forestry products.

Civil Society, including Nongovernment Organizations

For the past 4 years, the annual Siwatibau Memorial Lecture on Good Governance has been broadcast through USPNet to all campuses. This broadcast of a public lecture is an illustration of the usefulness of a communication facility such as USPNet for public education—an important function for the university, particularly given the very high cost of communications among these countries.

In future, USPNet services could be made more readily available to community groups and nongovernment organizations (NGOs) to conduct meetings, conferences, and training programs. Recently, for example, USPNet was used by an NGO leader to communicate with members in Nauru on development of the NGO's constitution. This proved to be a very efficient way of sharing expertise and knowledge through a participatory approach.

USP has supported many civil society groups and this support could be enhanced in future by providing subsidized access to USPNet. There are, however, constraints since the license that USP has with national telecommunication providers limits the use of USPNet to purely educational purposes. Because USPNet provides cost-effective telecommunications, the monopoly telecommunications companies do not wish noneducational users to gain access to USPNet and use it for their telecommunications needs as an alternative to using the much more costly services provided by these companies.



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THE FUTURE OF CAPACITY BUILDING THROUGH DISTANCE AND FLEXIBLE LEARNING

The university's strategic plan states that all university courses should be designed for flexible delivery by the year 2010. This requires a quantum increase in the use of DFL and poses several challenges involving, first, the learning environment; second, the capacity of the network; and third, ensuring flexibility in the telecommunication network.

First, what is the best DFL learning environment? What is the best mix of media, including compact discs (CDs), internet, audio conference, videoconference, and paper? There is also strong support from the regional campuses for face-to-face lectures and tutorials to supplement the DFL materials. Part of the issue is: how much of its resources should USP continue to put into paper-based courses? Most of the course materials are booklets that guide students step-by-step through the course and have not required access to a computer or the internet. Developing this material has been time consuming and, in many cases, it is already available in the world's best textbooks. Even so, USP needs to consider the use of open-source electronic textbooks rather than paper textbooks. Printed materials quickly become obsolete and the cost of transporting printed course materials is increasingly expensive. The paper-based approach also limits severely the level of interactivity with faculty members.

However, preparing DFL materials is not without problems. The Centre for Educational Development and Technology (CEDT) has the prime responsibility for supporting the development of DFL through its Distance and Flexible Learning Support Centre. The



The university's strategic plan states that all university courses should be designed for flexible delivery by the year 2010.

staff of the center develops courses with the academic staff of the faculties, which is very labor-intensive. An academic staff member is assigned to work with the DFL experts to prepare the learning material. The academics are given relief from face-to-face teaching for one semester so that they have time to develop a course for DFL delivery. But there is not a strong incentive for the faculties to move to online learning because they can ill-afford to have a staff member take leave from teaching duties for one semester.



The second challenge is to develop a network with the capacity to deliver DFL effectively.

The second challenge is to develop a network with the capacity to deliver DFL effectively. This involves problems of telecommunication capacity (bandwidth), getting to remote areas, and equipping students with laptop computers. In some locations, bandwidth remains insufficient. Possibilities include offering entire courses online, such as the MBA program and other graduate diplomas, and supporting remote locations with a substantial upgrade of the bandwidth. If USPNet is not able to provide the bandwidth, an option would be to purchase the bandwidth from a local internet provider.

What priority should USP place upon delivery of its courses to people located in the many remote locations in Pacific island countries? The continuing high rate of migration from these outlying areas to the major towns is a serious concern for Pacific governments. Many of the university's DFL students are studying in remote rural locations, sometimes where there is no electricity. The current challenge is to find cost-effective ways to link with these locations. To build communication systems with rural areas, USP will need to partner with the local telecommunication monopolies in each country and the internet service providers. The Pacific is witnessing some interesting projects to take internet services to rural communities, including the People First project in the Solomon Islands. There is scope for the most remote locations to have internet access (including audio and video services) through cheap computers operating on solar power, small satellite terminals (VSATs), and the development of Pacific-wide satellite coverage to provide internet service to airline passengers. More USP centers in the rural areas will also be needed.

DFL (and a more paper-free environment) would be facilitated by providing a laptop computer to every DFL student at USP,

with all the course materials loaded onto it or distributed on CDs and other portable storage devices. This might mean purchasing some 8,000–9,000 laptops. The One Laptop per Child Pacific initiative suggests that this objective is feasible. This initiative is being implemented by the South Pacific Commission (SPC) which proposes to distribute 100,000 laptops to children in rural and remote areas over the next 3 years. A US nonprofit organization created by faculty members from the Massachusetts Institute of Technology (MIT) Media Lab will design, manufacture, and distribute the laptops. Their cost, including a comprehensive set of software, is expected to be only US\$150, but servicing them in rural locations could prove a problem.


The third challenge is finding the optimal way to build into USPNet the flexibility to continue operations in the event of major disruptions arising from natural disasters, civil unrest, or political decisions. Presently, the Suva campus is the major hub for USPNet. Building flexibility into the system will mean some duplication of equipment at one or more of the other campuses.

However, there are also some promising opportunities to move DFL forward. First, there are good signs that Pacific governments are willing to move away from the public and private telecommunications monopolies that have plagued the region for so long. This liberalization may lower costs for USP, including the high costs of access to satellite space. Second, there are promising technological developments—international telephone calls have become extremely cheap using voice-over-internet services from Skype and similar providers. Satellite space is also becoming more available and more affordable as new satellites with Pacific footprints are launched and satellite communications technology is improved. Additional Pacific countries are also looking to access the Southern Cross optical fiber cable that the Fiji Islands are already using. This will provide faster and cheaper internet facilities.

However, realizing further progress in DFL will require dealing with some complex challenges. The alternatives and trade-offs need to be evaluated. A number of projects will need to be coordinated, for example, the World Bank-initiated project to increase bandwidth to the regional campuses and to construct audio-visual classrooms, and the Japanese-funded project to



The third challenge is finding the optimal way to build into USPNet the flexibility to continue operations.

A decorative vertical band on the left side of the page, featuring a complex, repeating geometric pattern in shades of green and white. The pattern consists of interlocking lines and shapes, creating a textured, woven appearance.

build facilities on the Suva campus for information technology teaching and research. The current approach to planning DFL appears to be fragmented, with responsibilities divided across the university's information technology and DFL support centers and the faculties. Given the ever-rising expectations and the rapidly changing technology, against the backdrop of budgetary pressures and regulatory constraints, what is the best path for USPNet to follow? It would appear that the development of USPNet needs an explicit strategic plan.

LESSONS FROM THE USPNET EXPERIENCE

A number of lessons have emerged from USP's experience in implementing a long-term regional capacity development initiative. These lessons, discussed below, concern in particular the challenges and opportunities in building up and managing networked capacity across a large multi-campus regional university owned by the governments of 12 Pacific island nations.

Strong Leadership

The first lesson is the need for strong and consistent leadership, particularly in the hub organization, in a regional capacity development initiative such as this. Capable leadership is required to drive the initiative over the long term and to keep all member governments and other stakeholders engaged and committed to a shared vision on an ongoing basis. In this case, USPNet has greatly benefited from having vice chancellors who have given strong leadership and accorded high priority for the network's resources. They have also provided a clear vision and have been "champions" who were able to convince a number of donors to fund the various stages of USPNet's development.



Capable leadership is required to drive the initiative over the long term.

Participatory Approach

The second lesson is the value of a highly participatory approach to the design and implementation of such initiatives and putting in place systems to gain regular feedback on performance from clients. The adoption by senior management of consultative decision-making processes on design issues, such as user needs, has strengthened stakeholder commitment and support for USPNet. Many USPNet stakeholders across the 12 campuses need to be consulted in the decision-making processes, especially

those related to the priorities of users. The campus directors are major clients of the educational services delivered through USPNet. They know what aspects of USPNet are working well for the student and staff users and what services are slow or of poor quality. A system that ensures regular feedback and consultation on the needs of the clients and the extent to which USPNet is meeting those needs is necessary in order to gain the full support and ownership of the initiative and to build collective capacity in the system.

Retention of Key Staff

The third lesson is the critical importance of retaining highly qualified individual capacity in key positions, especially in technical areas responsible for the information and communications technology development aspects of USPNet. The key USPNet positions are the director of information technology services and the director of the center for educational development and technology, as well as the head of the distance and flexible learning support center. USPNet has been adversely affected by the recent resignation of the highly experienced director of information technology services as well as the loss of other key staff members who have undertaken extensive staff development and training programs to enhance their technical skills for USPNet.

USP has great difficulty in matching the salaries and benefits paid by universities in developed countries, such as Australia and New Zealand. Therefore, it is difficult to attract high quality people and retain staff who develop skills that are in demand elsewhere. However, the situation is not altogether hopeless because the university is able to attract and retain exceptional people who wish to make a contribution to the developing countries of the Pacific region, or who wish to enjoy the Pacific environment and culture.

Accessible Project Planning System

A fourth lesson relates to the value of adopting an accessible planning system that provides information to all stakeholders across the regional network on planned upgrades and the annual work program. A challenge in complex projects such as USPNet is

to keep all the stakeholders informed of the project development path, the time schedule for completion of technical upgrades and equipment installation, and the planned dates for the coming on-stream of enhanced services. Related challenges are the coordination of the inputs of various parties and prioritization of the needs of the clients for new educational services. The USPNet experience has demonstrated that, in the absence of a comprehensive project plan accessible to all parties, various client groups experience difficulty in tracking the progress of implementation. This may result in lack of coordination and delayed progress. Discussions with the stakeholders indicate that there would be substantial benefits, in terms of maximizing the capacity development potential, from distributing regular USPNet progress reports widely across the university community. Although there have been high quality plans prepared for USPNet, not all parties have had easy access to them.

Promoting the Vision

The fifth lesson is the importance and the challenge of promoting a shared vision throughout a regional network, such as USPNet. The findings in this case suggest a need for USPNet leaders to invest time in marketing the potential capacity benefits to be realized from use of USPNet by a broad range of users, including public and private sector organizations for staff training programs, Pacific island public service commissions for online and video conference professional development courses, and civil society organizations for educational needs.

Clearly Defined Roles

The sixth lesson is the critical importance of ensuring clarity in roles and responsibilities of persons responsible for implementing activities across a regional network. Realizing the full educational potential of USPNet has been somewhat delayed by the lack of a clear and unified organizational structure for management that ensures effective coordination among groups that are central to USPNet's success: academic staff members in the faculties; the 12 USP campus directors; the Information Technology Services Division and the Centre for Educational Development and Technology as well as the DFL Support Centre.



The fifth lesson is the importance and the challenge of promoting a shared vision throughout a regional network, such as USPNet.



USPNet has played an important role in strengthening the capacity of the USP member countries...

FUTURE PLANS

USPNet has played an important role in strengthening the capacity of the USP member countries through its provision of communication and education services to students across the region. There are now specific plans to increase its role in capacity development through the GDLN project and the Graduate School of Business project to establish a virtual public sector academy, thereby extending its educational services to more regional civil servants. It is also envisaged that during the next 5 years, its capacity development services may be extended to civil society organizations, public sector organizations, national governments, other regional institutions, and private sector development organizations. By moving in this direction, USPNet is expected to make further strides in fulfilling its role as a key actor responsible for enhancing individual, organizational, and networked capacity in the Pacific region.

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The Role of USPNet in Capacity Development in the South Pacific Region

The University of the South Pacific (USP), a regional university, has changed its delivery systems for teaching and learning over the years to serve the growing needs for tertiary education of students living on the thousands of small and remote islands in the Pacific Ocean. This case study examines how the university has relied on its communications technology system (USPNet) to enhance its role as a regional capacity development centre for students, public and private institutions, and civil society in the region. The case offers interesting insights on the opportunities and challenges associated with relying on regional institutions to address capacity issues while also drawing attention to some of the capacities which are particularly important to the effective functioning of networks.

This sub-series is published by the Asian Development Bank to provide the governments of its Pacific developing member countries (PDMCs) with analyses and insights on key issues and lessons learned with respect to capacity development. Cases studied highlight a range of experiences throughout the region by sector, theme and source of external support, revealing approaches to capacity development that work best and the conditions that have been conducive to their success. They also explore the unique challenges faced by PDMCs in addressing capacity constraints as well as some of the opportunities facing governments and the people in the Pacific islands. Among other things, the case studies underline the importance of PDMC leadership, engagement of local partners, strategic attention to long-term capacity issues and effective use of external resources. It is our hope that the findings in these reports will help to guide future capacity building efforts in the Pacific.

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