

Public Private Partnerships In the Education Sector:

Education Sector Reforms Action Plan 2001-2005

Policy, Options, Incentive Package and Recommendations

Government of Pakistan Ministry of Education Islamabad

March, 2004

Message from Federal Minister of Education

It gives me great pleasure to introduce this booklet on Public Private Partnerships (PPP), which will serve as a guide to current government policy, action plans, incentives as well as PPP program options, partners and recommendations.

An anchor area of the Education Sector Reforms Action Plan 2001-2005 has been the promotion of public private partnerships to address access and quality targets at all levels of the education spectrum. However, creating and managing partnerships is not always easy. Those interested in participating may not know how to access such partnerships; what are their options; the incentives; protocols and policy markers. Moreover, they may not be aware of the possible constraints that they may encounter. The booklet thus aims to address all these concerns. It will be available to all interested on our website and also distributed to the Provincial Departments of Education, Education Foundations, District Governments as well as all our missions abroad. The booklet will be widely disseminated to Civil Society Organizations, research organizations and universities as well.

I would like to acknowledge the inputs of a Pakistani intern, Ms. Faheen Allibhoy, who under the supervision of Baela Raza Jamil, voluntarily sought this assignment to work with the Ministry of Education and the National Education Foundation. This work is yet another manifestation of a partnership with the government to promote the implementation of reforms. We shall continue to encourage such linkages with the Pakistani academic and professional community. The Ministry of Education would gladly facilitate such contributions from our invaluable assets both at home and abroad.

The booklet will be translated and updated annually to incorporate changes in policy, procedures, incentives and options. I am happy to endorse this booklet prepared by the Ministry of Education as a series of public interest information publications.

Zobaida Jalal Federal Minister Education Government of Pakistan

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Introduction

Starting in the mid-1990s, a major shift has occurred in the Government of Pakistan's (GoP) approach to the country's education sector. The government has officially recognized that the public sector on its own lacks all the necessary resources and expertise to effectively address and rectify low education indicators. Moreover, it has taken the bold step to assert and involve the private sector and civil society organizations (CSOs) in the financing, management and delivery of education services in Pakistan. In essence, the GoP sees its role shifting from being a mere provider to also acting as a facilitator and financier of the education sector in Pakistan.

Among other initiatives, the GoP has undertaken policy reforms and provided incentives for PPPs to flourish in the education sector. From initiating innovative programs to working in tandem with non-governmental organizations (NGOs) that run public schools, the government has stepped up its efforts to include various other stakeholders in the delivery of education in our country. While the collaboration of these different players in the education sector is not a new phenomenon in Pakistan's history, it is the first time that this interplay has been recognized, supported and given a mandate to succeed.

Given the rapidly changing context of education delivery in our country, this booklet aims to provide (i) an overview of the GoP's current policy regarding PPP, (ii) what incentives the government has put in place to promote PPP, (iii) the players involved in the effort, IV. Benefits of Public Private Partnerships (v) a description of current PPP projects and (vi) brief policy recommendations for the sector going forward. This booklet should also serve to provide an introduction to the innovative work being carried out in the education sector and better inform those interested in PPPs on the ways and means by which they can participate in the on-going effort.

II. Policy Context

A. Broader Context

Reform in the education sector is set in the broader context of decentralization undertaken by the government. As per the Constitution, the education sector is administered at the provincial level with oversight and coordination at the federal level. However, as per the Devolution Plan of 2001, responsibility for the delivery and management of education has shifted to the district. On the one hand, decentralization has defined the delivery area and given each of Pakistan's 104 districts increased autonomy over the provision of education in their areas. On the other hand, it has highlighted the stark disparity of capacity in the different districts and the general lack of knowledge about PPPs at the local level. Moreover, there are inevitable transition issues pertaining to the devolution plan regarding the evolving mechanisms on operationalization of partnerships between political, administrative and civil society partners for the effective delivery of education.

B. The Education Sector Reform (ESR) Action Plan

In April 2001, the Ministry of Education launched the ESR Action Plan: 2001 – 2005. This document serves to detail the objectives of the GoP's education policy in general and specifically with respect to PPPs. The ESR purposefully recognizes that the government does not have the resources or expertise needed to manage the complex education sector and actively advocates PPPs. It goes a step further by stating that, "the private sector and civil society organizations are not only encouraged to mobilize financial resources

but also join in designing, executing and monitoring education activities." Accordingly, the government has tried to create an enabling environment for growth of PPP enterprises by providing incentives and by deregulating the sector. Examples of such actions include the liberal grant of charters, restructuring of the education foundations as autonomous bodies, development of multiple textbooks and accreditation of private examination boards. In essence, the ESR is a comprehensive nationwide program aimed to increase access, equity and quality of education at all levels..

Box One: Education Sector Reform Targets for each sub sector from 2001/2-2005

	<u> </u>	
Literacy	from 47%	to 60%
Gross Primary Enrollment	from 89%	to 100%
Net Primary Enrollment	from 65%	to 75%
Middle school Enrollment	from 47.5%	to 55%
Secondary School Enrollment	from 29.55	to 40%
Higher Education	from 2.6%	to 5%

The Plan has seven main thrust areas – elementary education, literacy, technical education, madaris education, higher education, quality assurance and public private partnership. Underpinning these areas is the ESR Plan's acknowledgement, *inter alia*, that:

- (i) the private sector is to be promoted in providing education at all levels;
- (ii) an important responsibility of the state is to reach out where private sector options are inaccessible to the poor; and
- (iii) Public-private partnerships are to be built for mobilizing all sections of society in the provision of education.

Importantly, the ESR action plan gives PPPs visibility and a new significance. One of the nine components of the ESR's Policy Statement states that, "governance of educational institutions shall be strengthened and PPP shall be introduced to improve management, financing and planning." Moreover, the new action plan also allocates measurable targets to PPPs by, for example, aiming to raise the number of PPPs from 200 institutions in 2000, to 26,000 in 2005. This is a quantum jump. In the future, specific PPP indicators will be added to the newly introduced quantifiable goals set for the overall education sector. The current objectives, targets and achievements for PPPs are detailed in the table below:

Table 1: Detailed Objectives of the PPP Initiative, along with Targets and Achievements (ESR, 2003, pg. 19)

o Objectives

- Increasing access to quality education at all levels
- Improved service delivery through PPP
- Restructuring of the Education Foundations

o Targets

- Provision of incentive package for the private sector
- Involvement of the private sector in the management of under-utilized public sector institutions
- Provision of grants and soft loans through restructured Education Foundations

- Adopt School Program
- Community Participation Project (CPP) for school up-gradation in afternoon shifts from primary to middle and middle to secondary and higher secondary levels.
- Introduction of IT courses in schools / college through private sector under PPP
- Access to public funds 25% utilization of funds at district level through CCBs and PTAs
- o Achievements to date:
 - Enabling environment for private sector participation
 - Private sector incentive package approved by the Federal Cabinet
 - 6,240 schools have been upgraded through PPP in Punjab and NWFP. 60.7% are girls' schools and enrollment is 60,000 students
 - Computer education introduced in over 4,000 secondary schools through PPP
 - National Education Foundation (NEF) restructured ordinance promulgated. Provincial educational foundations are in the process of restructuring.
 - 8,000 teachers trained in IT by INTEL Corporation
 - SMCs / PTAs provided legal cover through CCBs for school improvement and local governance

However, financing the new ESR targets is an ambitious endeavour. For the period 2001 – 2005, the ESR plan is expected to cost approximately Rs. 100 billion. While allocations from the federal and provincial governments are estimated to cover Rs. 50.5 billion of the total cost, there remains a financing gap of Rs. 45.5 billion, which is expected to be sourced through negotiations with development partners and PPPs. While there is buy-in from PPP participants on the amounts needed to jump-start the sector and implement the ESR, the amount to be raised from outside sources is large and seems rather ambitious for a four-year timeframe.

Public Private Partnership in Education:

A collaboration of government and private sector companies, communities, individuals or NGOs in the funding, management, operations to support education in Pakistan

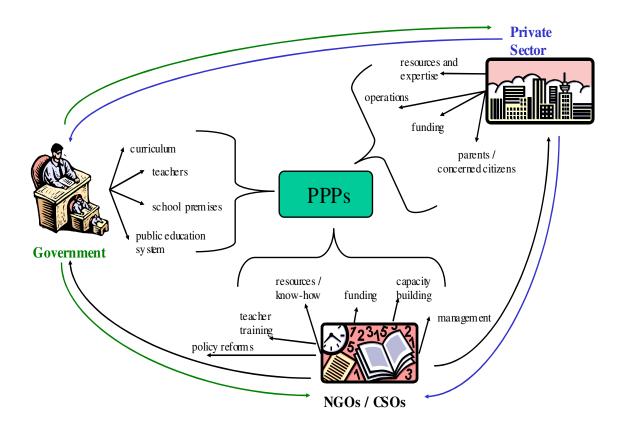
Collaboration can be at: a) government owned institutions,

b) community owned sites, and

c) non-elite private sector sites

Figure I.

Public Private Partnership in Education



"A public-private partnership is defined as any arrangement between a government and the private sector (*inclusive of CSOs*) in which partially or traditionally public activities are performed by the private sector." (Savas, 2000)⁴.

III. The Participants

C. The Government

The driving force of the new PPP initiative has been the Ministry of Education (MoE), under the special directive of the Minister by designing reforms for the sector and providing incentives to increase private sector participation in government schools. It has also re-invigorated the mission of the education foundations and promoted deregulation of the sector. While the framework and policies put in place are byin-large sound, the challenge remains in the effective and sustainable implementation of the ESR. These issues include the (i) buy-in and compliance of the various stakeholders, (ii) effective coordination of this large and complex effort, and (iii) deployment of qualified and willing human resources to successfully implement the action plan.

D. The Private Sector

Private institutions and individuals have traditionally played a large role in the delivery of education in Pakistan. In 2002, according to the Federal Bureau of Statistics, there were 36,096 private educational institutes in Pakistan of which 66.4% were in Punjab, 12.3% in NWFP, 17.9% in Sindh, 1.5% in Balochistan, 0.9% in FATA and 1% in Islamabad. Of these institutions, 39% were located in rural areas and 61% in urban areas, 43.5% were primary schools, 37% middle schools, 17.5% secondary and 2% higher secondary and above.⁵ According to the Pakistan Education and School Atlas(2002), 18% of all schools in Pakistan were private and more telling is that these schools accounted for 27% of all student enrollment.⁶

Historically, some of the oldest and most prestigious centres of learning in Pakistan have been set up and are managed by private organizations, individuals and trusts. Even today, private sector participation in schooling continues to proliferate. According to a study (Andrabi, Das and Khwaja, 2002), the number of private institutions in Pakistan have increased ten-fold since 1983. Moreover, private education, especially in the past two decades, has evolved from being a rich, elite and urban phenomenon to that of mainstream, lower and middle-income rural Pakistan as well. For example, in Punjab, which has 50% of the country's school-age going population, the mean tuition in private schools in urban and rural areas amounted to Rs. 71 and Rs. 53 per month respectively. This tuition level represents 1.7% of average household expenditure at the rural level and 2.1% at the urban level. The private sector currently educates approximately 6.3 million students and has been responsible for stimulating competition and brining change to the sector. An interesting positive externality in the growth of private sector schools is a commensurate increase in female teachers, which in turn attracts more female students. In all, private sector participation in the education sector continues to grow, which gives more students access to education and decreases the burden on the government.⁷

E. Civil Society and Non-Governmental Organizations

Some of the leading purveyors of change in the education sector have been non-governmental and civil society organizations. Starting in the 1980s, there was a radical increase in the number of NGOs active in Pakistan's development sector, which in turn led to a dearth of new ideas, social action and political awareness, as well a dilution of key issues and increased deployment of resources just to placate the demands of NGOs. Over time, however, in addition to promoting issues such as adult literacy and girls' education, many CSOs also became involved in the delivery of education, especially in under-served areas. With the growth and participation of NGO and CSOs in the education sector, the government has increased its level of interactions with such organizations to leverage synergies and promote change through these different channels. Such programs are detailed below in the section on PPP Initiatives.

F. The Education Foundations

The foundations, namely the National Education Foundation (NEF), Sindh Education Foundation (SEF), the Frontier Education Foundation (FEF), the Punjab Education Foundation (PEF) and the Balochistan Education Foundation (BEF) were established between 1990 and 1994 with the objective of encouraging and facilitating private sector participation in government-provided education. While each foundation was given an endowment to carry out its mission, many of these bodies functioned as poorly managed, ineffectual quasi-governmental agencies attached to their provincial ministries rather than separate, independent bodies forging a new way of approaching education. In fact, a major component of the new

policy context and corresponding action plan consists of restructuring the education foundations, to redefine their focus and reinvigorate their mandates of encouraging the collaboration of the public and private sectors in the education sector.

G. <u>Multilateral and Donor Agencies</u>

Many multilateral organizations and donor agencies currently provide funds, technical expertise and other resources to improve access to education for all Pakistanis. Given recent geo-political events, Pakistan has attracted increased attention from donors, all of whom are interested in swiftly impacting education in the country. Those involved in funding PPP education projects include the World Bank (WB), United States Agency for International Development (US AID), Department for International Development (DFID), Asian Development Bank (ADB), United Nations (UN) agencies, the Japanese Government, Norwegian Agency of Development Cooperation (NORAD), and European Union (EU).

The **World Bank** is currently providing loans to three projects including the \$30 million Northern Education Project, \$3.7 million National Education Assessment System and \$770,000 support to the NEF for experimenting with vouchers in underserved areas. It is also extending medium term support to the Government of Punjab for implementation of the Provincial Education Sector Reforms and providing technical assistance to PPP through the restructuring of the Education Foundation to support programs that address gender equity and creating education options for households through vouchers.

US AID has allocated \$100 million over five years for Pakistan's education sector in the form of bilateral grant-in-aid and technical assistance. Of that budget, \$60 million has been allotted to the four-year funded Education Sector Reform Assistance Program (ESRA) team to support the Pakistani government in implementing its ESR. ESRA's work is divided along four lines: (1) policy and planning, (2) teacher's training, (3) literacy and (4) PPP. Moreover, it will focus on setting up systems and choosing grants for projects in four districts each in Sindh and Balochistan, where ESRA also has field offices. Within the PPP effort, emphasis will be placed on increasing girls' enrollment in school, helping local governments devise "District Education Plans," providing stipends or vouchers for children to attend school and supporting the education foundations to carry out their work. While ESRA's work primarily involves disbursing funds to different projects, it will also participate in capacity building, strengthening legal institutions and empowering the education foundations.⁸

ADB has earmarked \$280 million in soft loans over a six-year period to promote social capital formation by raising literacy and schooling levels in Pakistan. Of ADB's funding, \$60 million has been allocated to an on-going (March 1996 to December 2003) Technical Education Program, which among other things aims to promote private sector participation through the establishment of Institute Management Committees in selected polytechnics. This program will be implemented at both the federal and provincial level.

DFID has committed approximately £20 million in its current program portfolio for education covering costing and monitoring of PRSP; policy dialogues and targeted assistance at federal level; strategic support to education sector in collaboration with other donors in NWFP and Punjab; and support to community and PPP through all core programs and strengthening of the National Education Foundation.

UNICEF has committed \$12 million over 5 years to several projects in the form of grant-in-aid and technical assistance. Its Primary Education intervention will disburse \$1.2 million annually (\$5.8 over the course of the program) through the federal ministry, provincial departments and local NGOs to (i) implement the EFA

policy, (ii) encourage community participation and PPPs, (iii) espouse quality primary education and (iv) promote advocacy and social mobilization for increased enrollment programs.

NORAD has a six year \$22 million program for promoting quality education, particularly for girls. Through its program, NORAD has partnered with NEF in a \$6.5 million project to assist in the establishment of 350 community schools in FATA through PPPs.

The **European Commission's** allocation for education is \$81 million over six years, of which \$45 million will be allocated to SEF to implement the ESR and promote PPPs. The project will be carried out in all 16 districts of Sindh.

H. Private Philanthropy

Private individuals have historically been significant benefactors of education in Pakistan. From setting up schools to donating funds to educate a child, private citizens have generously committed to bridge the gap in educational opportunity that exists in our country. The Citizens Foundation (TCF) has set up 141 schools across Pakistan through philanthropy supporting both capital and recurrent costs. However, there has been little research done on the trends within philanthropic giving, especially with respect to private sector business and the country's corporations. In 1998, the Aga Khan Development Network (AKDN) conducted a study on the country's charitable contributions and determined that Pakistanis gave approximately Rs. 70 billion in cash, kind and services that year. However, the same study also showed that a majority of such donations (65%) went directly to individuals for temporary relief rather than to charities or organizations that promote sustainable development.⁹

In light of a strong desire to give on the part of both resident and overseas Pakistanis but a general lack of information and trust about whom to donate to, there has been a concerted effort on the past of many charitable organizations to (1) increase awareness through marketing efforts, (2) register their organizations as tax-exempt entities abroad and (3) focus on particular sub-segments of private donors. In light of the third avenue, the Pakistan Centre for Philanthropy (PCP), which was set up in early 2002, will focus on how to promote corporate giving and will this year conduct a nationwide survey on the topic. PCP plans to act as a facilitator between the Pakistani corporations and NGOs in order to promote both education and healthcare in the country. Moreover, within the corporate sector, the PCP plans to focus on sugar, textile and oil & gas companies who have a tie with the community they work in to help promote education in the vicinity of their agricultural grounds or factories. In essence, the PCP aims to promote corporate responsibility and build long-term sustainable relationships of philanthropy between Pakistani companies and the societies they work in and serve.

Another source of private philanthropy, which currently operates on a very small scale, is that of self-directed corporate philanthropy whereby Pakistani and multinational corporations have established funds and trusts to allocate funds they have earmarked towards social causes. Many of these corporations direct these socially responsible funds to the areas in which they have operations or large number of employees. Examples include funds set up by ICI, Shell and Unilever on the basis of corporate philanthropy as well as IT teacher training carried out by Intel.

IV. The Government's Incentive Program

In order to create conducive environment for private sector involvement in the education sector, the Cabinet has passed a decision to facilitate the entry and participation of non-governmental entities in the sector. These concessions are in addition to several existing incentives, both of which are detailed below:

Table 2: Existing Educational Incentives

- 1. Income Tax Exemption for teaching faculty and researchers are in place on a sliding scale whereby income greater than Rs. 1,000,000 receives a tax reduction of 5% all the way down to annual income of Rs. 60,000 receiving a tax reduction of 80%. [see Annex-e for detailed reference]
- 2. Exemption of custom duties and other taxes on import of education equipment / material is granted to institutions which are recognized, aided or run by the government [SRO 362(I)/2000 dated 17/06/2000, see Annex-d for detailed reference].

Table 3: Public-Private Partnership Package of Concessions for Private Sector Educational Institutions (annex – a).

- 1. Provision of land free or on concessional rates in rural areas. In urban areas, respective departments / organizations shall undertake appropriate zoning for educational institutions in residential areas;
- 2. Electricity shall be provided on domestic tariff rates;
- 3. Provision of concessional financing for establishing rural schools through respective Education Foundations and credit through Khushali Bank and other such financial institutions.

This decision was promptly sent forward to each of the provincial education departments, the Capital Development Authority (CDA), Water and Power Development Authority (WAPDA), Khushali Bank, Pakistan Poverty Alleviation Fund (PPAF) and the Federal Directorate of Education to be made aware of these concessions.

I. Status of Agencies Involved

(1) WAPDA

As a result of the above Cabinet Decision, WAPDA circulated an internal memorandum advising that all Private Educational Institutions with a load of up to 20kW be brought under the General Supply Tariff A-I starting 01-04-2002.¹¹ On April 4, 2002, WAPDA issued a 'Clarification With Regard to Tariff Applicable to Private Schools / Colleges" which stipulated that only schools having a load up to 20 KW and could furnish any of the following documents detailed below would be eligible to tariff A-1. Such documents include a certificate issued by the concerned provincial department to the effect that the institution stands registered under the Government. In the case where registration is still in process, documents showing that the application for registration has been duly admitted and evidence that income tax has been paid by the school management must be furnished.¹² In essence, WAPDA has posited the condition that only

registered and income tax paying private educational institutions shall be eligible for concessional tariff A-1 for loads up to 20 KW. In addition, WAPDA has ruled that larger schools with loads greater than 20KW can avail of tariff A-2(b) rates.

Since the issuance of this Cabinet Decision, several complaints have been lodged against the Ministry and WAPDA that the water & power authorities have been either slow or reluctant to provide tariff concessions to private schools. WAPDA authorities on the other hand contest that those who have come forward to avail of the concessionary tariffs have not been able to provide the required documentation. Other electricity authorities have not responded to the Cabinet Decision suggesting that they are governed by the National Electric Power Regulatory Authority (NEPRA) for all compliance and concession policies. While best efforts have been made to make all departments aware of the Cabinet decision, many private schools have not been able to avail of the concessions given at Annex-b.

(2) Oil and Gas Authority

The Ministry of Education sent a request to the *Oil and Gas Authority* to implement the Cabinet decision, for application of Domestic Tariff, as opposed to commercial rate, on Sui Gas utilized by private schools, similar to electricity. The Oil and Gas Authority has responded positively. With effect from July 1, 2003, the Ministry of Petroleum & Natural Resources, has issued Statutory Notification (S.R.O) 635 (1) 2003¹³. The SRO has specified minimum charges as per given schedule to Sui Northern Gas Pipelines Limited and to Sui Southern Gas Company Limited. Educational institutions such as universities, colleges, schools, private educational institutions, orphanages and other charitable institutions, fall in the category of Domestic Consumers list. The assessment will cover four slabs with a ceiling of given cubic meters per month. The SRO is reproduced at Annex-c.

(3) Khushali Bank

Khushali Bank (KB) responded to the Cabinet decision by informing the MoE of its role as a microfinance bank, operating model and funding arrangement. KB underwrites non-collateralized community-based loans of up to Rs. 30,000 and is funded through the Microfinance Social Development Fund (MDSF), a US\$40 million endowment from ADB, and the US\$20 million endowed Community Investment Fund (CIF). Both these endowments are with the State Bank of Pakistan and managed by the Funds Committee. Khushali Bank is mandated to '..provide micro-finance services in a sustainable manner to poor persons, particularly poor women, with a view to alleviating poverty". CIF is being used to support availability of basic infrastructure services, which also includes establishing schools in poor communities. Matching grants are provided to communities not exceeding Rs. 150,000 per project. These projects have to be identified, implemented and managed by the community organizations themselves.

(4) Capital Development Authority (CDA)

The CDA, despite repeated communications and letters, has not responded to the ordinance and has not yet provisioned any land, free or concessional, for schools in the ICT. They have however agreed to a meeting with the Ministry on the subject of land allocation at reserved prices. Meanwhile the Lahore Development Authority (LDA) has advertised lands at reserved prices or on long lease to CSOs on merit.

V. Benefits of Public Private Partnerships

Under the current conceptualization as highlighted in figure I in section above, PPP provides a number of benefits to the public sector including:

- A less radical alternative to sometimes controversial and less desirable wholesale privatization
- A more transparent and proactive manner of engaging the private sector for improving access and quality of education
- Enhanced managerial performance, entrepreneurial spirit, through capacity building inherent in the model:
- Access to proven leading edge technologies
- Improved transparency through involvement of local community from design, implementation through to the operation
- Support to local knowledge and employment generation at local levels

VI. PPP Initiatives

J. Government Initiatives

In recent times, the government has helped develop, provide and fund incentives and programs that facilitate non-governmental agencies participating in all facets of education delivery. Though the government manages these schemes, the implementers and facilitators are by in large CSOs.

(1) Afternoon School System: Up-Gradation of Schools through Community Participation Project (CPP)

An innovative experiment implemented by the Government of Punjab to address the challenge of too few children having access to post-primary schooling is the CPP Up-gradation program. Seeing that government school campuses were utilized for only six hours each day (usually in the morning), the project aimed to invite private sector or NGO entities (known as licensees) to commit to upgrading a regular government school and establishing an afternoon schooling system, either as a second elementary shift or a middle / high school session. Cost savings to the government as a result of the program are estimated to be Rs. 0.8 million per primary to elementary up-gradation, Rs. 1.5 million per elementary to high upgradation and Rs. 2 million per high to higher secondary up-gradation.¹⁴

Through the program, the government provides the school building, furniture, libraries, labs and fixtures free of charge and recognizes the regular status of afternoon students. On its part, the licensee is required to upgrade and improve the school facilities, pay all utility bills of morning and afternoon shifts in lieu of rent waiver, and manage the afternoon program over a 5-year contract period (which is extendable by mutual consent). The licensee may charge a fee for the afternoon school as per a pre-agreed schedule with subsidies for needy children. Through his initiative, some 6,166 schools have with upgraded with (39% boys / 61% girls) have been able to attend schools of all levels that they would otherwise not been able to access. The same initiative has been replicated in NWFP, but on a much smaller scale with just 150 institutions brought into the net.

While the CPP concept is sound and has much potential, there have been considerable challenges in successfully implementing the program. First, the assumptions used when configuring the program in different geographic areas have tended to be static rather than dynamic, making them difficult to adapt to each specific community's needs. Moreover the morning shift staff is reluctant to take on the additional

challenges presented by an afternoon shift, including the sharing of premises, required administration work and teacher resources. An additional problem is the equitable allocation of electricity costs and monitoring of the program on the part of the government. However, given the importance of bridging the ratios of primary to middle and high schools and the valuable saving to the government accrued through the program, CPP should be given due consideration, requires rigorous review of the scheme and the support needed to succeed.

(2) Adopt-a-School / School Improvement Programme

A second PPP scheme that has been widely implemented is the Adopt-a-School or School Improvement program whereby NGOs / CSOs may contractually take over and manage government schools over a prescribed time-period. This PPP arrangement is designed to help revitalize failed or low-performing public schools and is governed through a Memorandum of Understanding (MoU) that sets the standards for the period (usually a minimum of three years) under which the school is under NGO-management. The Adopt-a-School program has resulted in refurbished schools, better-trained teachers, the addition of libraries and IT-labs as well as increased enrolments, morale and attendance at public schools.

There are several examples of NGOs/CSOs that have successfully implemented the Adopt-a-School program and taken it from strength to strength. Support to the program has been mobilized from Pakistani philanthropy in-country, the expatriate diaspora as well as the corporate sector. Good adopt a school programs have followed a four-step adoption process comprising (1) identification and evaluation of the adoption targets, (2) formal MoUs and the initiation of the adoption process through local community's mobilization, (3) designing the school development plan, its management and implementation and (4) devising an exit strategy through partnerships for sustainability. Certain organizations, NGOs and concerned citizens have specialized in the program across Pakistan ranging from the Pakistan Navy, CARE, ITA, ex-Governors of Sindh. It is expected that these successful models can be replicated throughout the country through corporate and individual philanthropy. Some private sector chains such as Beaconhouse have also entered into PPP with Pakistan Railways to turn around their sick units by expanding places for non-railway clients, whilst protecting subsidized seats for railway employees' children.

Box 1: Example of a Private Sector Response

A Memorandum of Understanding was signed between the Small Business Finance Corporation (SBFC) and Beaconhouse School System (BSS) respectively.

BSS has over the past year been preparing feasibility reports regarding franchising of relatively inexpensive schools providing quality education. The BSS has felt that because of inflationary pressures and continuing recession, the purchasing power of the middle class has been adversely affected.

The purpose behind the idea is to provide potential investors, the franchisees, with easy access to credit after approval of the project by the BSS and SBFC. The SBFC management likes to support the project because it has the potential to provide investment opportunities for small and medium investors as well as retired teachers and government servants, besides spreading quality education throughout the country at relatively low fee.

Source: Summary of an Article in the News, May 25, 2001.

(3) IT programs in Government Schools

A third initiative implemented by the government is that of private sector provided IT labs for public schools. Four years ago, the government began entering into formal arrangements (MoUs) with private companies to provide computers, other hardware and IT curriculum to public schools on a fee basis. The IT program has a two-fold intent: (1) to give regular students access to computer classes during the school day at a nominal fee (up to Rs. 65/month in Punjab) and (2) to provide IT classes to the local community at both concessional and market rates. Charging a fee allows the program to be self-sustaining by covering its own costs and using any profits garnered for school improvement. Through this program, over 4,000 government schools have been equipped with IT labs.

(4) Mainstreaming of the Madaris (Religious Schools)

Another government-led PPP initiative involves mainstreaming madaris by equipping the nation's religious non-profit institutions with a core education curriculum of maths, science, social studies, English and IT. The Government of Pakistan (GoP) has set aside Rs. 1.225 billion during 2003-2004 for an incentive program that involves the (i) introduction of these subjects, (ii) training of additional teachers, (iii) provision of textbooks or (iv) up-gradation of school facilities by providing libraries and IT labs. This program will be implemented through the education foundations and the departments of education. Currently, the program targets 8,000 madaris. Through this program, the government hopes to alleviate poverty and give madrasa graduates access to subjects and skills that will allow them options for gainful employment.

(5) Capacity Building of School Management Committees (SMCs)/PTAs

In many provinces capacity building of SMCs is being undertaken through PPP with government contracting out this service to NGOs who have effective outreach to communities, more organized materials and effective communications skills. Notable examples can be found in all provinces of Pakistan and this trend will continue to grow as government seeks to expand local governance in education through SMCs/PTAs. Under Local Government Ordinance Sections 109 (12) section (100) Section (119) (2) and Section (109) (5) and Chapter 28 (all paras), the MoE has negotiated that SMCs/PTAs be allowed to register themselves as Citizen Community Boards (CCBs). This makes them into legal entities enabling them eligibility for district development funds with 20 per cent counterpart funding from local communities. The Ministry of Education has issued necessary notification to this effect (annex).

The government sponsored autonomous agencies such as the Education Foundations have been lively contributors to PPP options.

K. Education Foundation Programs

As government agencies with a mandate to promote private sector participation in education, several of the education foundations have taken a leading role in developing innovate programs and collaborations. Short descriptions of the Education Foundations are summarized below:

(1) Sindh Education Foundation (SEF)

Established in 1992, SEF has worked tirelessly under the leadership of Professor Anita Ghulam Ali to promote education and literacy throughout Sindh. SEF's programs include: (i) **Adopt-a-School** through which 150 schools in Sindh are now managed by various affiliated NGOs, concerned individuals and charity organizations. It is important to acknowledge SEF as the pioneer of the program which is now fully incorporated in the ESR; (ii) **Child Labour Education Program** whereby a Child Development Center was established in a congested industrial area of Karachi to accommodate street and out of school children in a bid to prevent them from entering the child labour market; (iii) **Community Supported Schools Program**

which mobilizes community involvement to promote primary education, particularly for girls. Volunteers in the community along with SEF providing materials and technical support manage approximately 100 CSS schools that cater to 4,000 children in rural Sindh, (iv) **The Fellowship Schools Program** was adapted from a similar program in Balochistan to introduce low-cost education for girls, through a per child subsidy provided to the institution. SEF along with partner NGOs provides technical and subsidized financial support for the operation of schools over a period of four years. The FS are managed by the Parents Education Committees (PECs) and most of them are now registered entities. Currently, 120 Fellowship Schools operate in 7 districts of Sindh catering to 15,000 girls and 3,000 boys; (v) **Women's Literacy & Empowerment Program** which has established 22 Learning & Empowerment Centers in various districts to promote women's literacy and socio-economic empowerment.

(2) Punjab Education Foundation

PEF was created through an ACT in 1991. The basic objective of the Foundation is "Promotion, development and financing of educational institution in private sector". The priorities are female education in rural areas and backward districts, urban slums, basic education, technical vocational education, and special education. To date the funds of PEF have been provided to 348 projects of which 133 are at the elementary level, 155 for high schools, 17 for colleges and 27 for vocational and 16 for special needs. Of these cases 118 have been for girls education, 146 for coeducation and 84 for male institutions. Rs. 188.36 million has been given out as grants and Rs. 161.77 million as loans. PEF is under restructuring under a high level committee constituted by the Chief Minister and chaired by the Chairman P& D Board for greater outreach to its mandate and potential presence at the district level.

(3) National Education Foundation (NEF)

NEF was created in late 1994 to oversee PPP initiatives across the country. In early 2002, the agency was re-structured to give it increased autonomy and geographical focus (ICT, FATA, FANA and AJ&K). NEF's vision is to provide quality-enabling education through public private partnerships for disadvantaged groups. Its programs and interventions are aimed at promoting and addressing critical educational development issues including gender equality, improvement in literacy standards, community participation and socio-economic empowerment. The Community Supported Rural Schools Program is NEF's largest program and it encourages pilot innovations to promote education in rural areas. Notable among them are the Child Friendly School Program and Education for Working Children. Currently, 260 schools are run under CSRSP with an enrollment of 23,300 students and another 200 schools will be established in 2004 supported by NORAD. Moreover, teacher training has been a significant component of CSRSP, with the goal to enable in-service community school teachers to re-learn modern pedagogical principles and techniques to manage today's classrooms. NEF also implements the (i) Adopt a School / school improvement program, which currently manages 5 schools in the Islamabad area together with ITA, (ii) Scholarship Scheme, which provides scholarships to the children of Federal Government Teachers (FGTs) and monetary support to the widows of FGTs, (iii) Food-Aid program to address the dietary needs of school going children in selected impoverished community schools in ICT, AJK and FATA. The program reaches about 862 children of 12 Community Model Schools each year and is a partnership with the Catholic Relief Services/Trocaire, and (iv) Grant-in-Aid program to Private Schools in rural and urban areas is provided for making up their budget deficits. NEF is primarily serving as a disbursing agency for schools identified by the Ministry of Education for grants. NEF has disbursed Rs. 4.5 million to private schools.

Enhancing participation in Education through Innovative schemes for the excluded and vulnerable.

To promote basic education through Public Private Partnership, NEF has embarked upon an innovative scheme that will be implemented under ESR through involvement of local institutions. The proposed scheme will be launched in 2004 with support from the Japan Social Development Fund (JSDF) managed by the World Bank. The scheme will address the following broad objectives:

- Through a public awareness campaign, enhance the participation of the excluded population in schooling in select poorer districts through involvement of local institutions (such as School Management Committees, Citizen Community Boards, NGOs and
- 2) To develop and pilot innovative scheme to increase access to schooling of vulnerable groups in select poor districts of Southern Punjab, rural ICT' and F AT A through the participation of NGOs.

(4) Frontier Education Foundation

The Frontier Education Foundation (FEF) was established as a Corporate Body in 1992 under an Act of the Provincial Assembly as amended under the NWFP Ordinance No. XLI of 2002. The principal function of FEF is to take measures for the promotion, development and financing of education in the private sector in NWFP. The administration and management of FEF and its affairs vest in the Board of Directors (BOD). FEF extended financial assistance to 134 such institutions at the cost of Rs 75.00 million before its restructuring in 2001. The Modified Role of FEF and Strategy for Improvement is as follows:

- The Govt: of NWFP has, through an Ordinance, established the Elementary Education Foundation during 2003 and the role of FEF has been restricted to colleges and higher education. The grant facility has also been discontinued.
- The role of FEF has now been restricted to Colleges and higher-level education.
 - In the post restgructuring phase FEF has attained the target of 14 Degree Colleges for Girls in the shortest possible time and these were established at Hayatabad Peshawar, Tangi, Chakdara, Haripur, Kohat, Bannu, Dabgari, Nothia, Nahaqi Peshawar, Topi Swabi, Zaida Swabi, Manshera, D.I.Khan, and Sarai Naurang. Six more colleges for girls are in the pipeline.
 - The FEF has sanctioned during 2003-04 Rs 2.772 million for the Award of Scholarships to the students of Medical, NWFP University of Engineering & Technology & Other Professional Colleges.
 - FEF has held seminars on the "Role & Performance of Private Education Sector" in Peshawar.
 - To date FEF has sanctioned loans of Rs 26 million to 12 distinguished educational institutions at Higher level in private sector.
 - The Project for establishment of Academy for the training of College Principals & Lecturers has been launched with the proper functioning FEF Academy. The major activities are to impart preservice, in - service training to the teachers and the principals and to design and carry out the

refresher courses for the participants

• The Managing Director, FEF was delegated both administrative and financial powers through FEF Administrative and Financial (Delegation of Powers) Rules, 2002, which for providing necessary autonomy to meet its objectives.

NWFP Elementary Education Foundation (EEF): This is the second education foundation created in 2002 through the NWFP Ordinance No. XXX. Its core functions are to take all such measures as it deems necessary for the prmoton, improvement and financing of education and development of human resources in the NWFP through strengthening of elementary education in the private sector in line with the education policy of Government. Its scope extends to provision of loans and grants to improve literacy with a focus on women and emp;loyment of teachers; improvement of quality through teachers training; promotion of community participation and ownership at grass roots level; assist in national efforts for madaris mainstreaming; and to introduce innovative programs relating to literacy and skill development for the exceptional, disabled and disadvantaged children and youth. The NWFP EEF has introduced afternoon shift upgraded schools in government school premises.

(3) National Commission on Human Development (NCHD)

Founded in June 2002, NCHD is itself a public-private partnership formed under the directive of the President with a mission to promote development in the fields of health, education and microfinance. It is funded through the Pakistan Human Development Fund (PHDF) registered under the Company's Act 1984. It has mobilized \$5.5 million from private donors and \$34 million from government resources (Rs. 2 billion). NCHD was set up to act as a government sponsored autonomous agency to implement a variety of human development objectives. In education, NCHD aims to help the government achieve its EFA objective of 86% literacy by 2015 and 100% enrollment of children aged 5 – 7 years by (1) providing technical assistance in teacher training, syllabus development and instruction in practical life skills, (2) selecting, funding and training CSOs who will implement the commission's objectives and (3) gaining the participation and commitment of the communities among which the commission works. Currently, NCHD operates in 16 districts on a core-program basis each of which has a staff of approximately 15 people. It aims to add 32 more districts in year 4 and cover all of Pakistan by year 7.15

L. CSO / NGO Initiatives

While many PPP initiatives have been devised and promoted by the government, others have actually been brought to fruition through the creativity and dedication of local and national NGOs committed to contributing to the nation's education sector. Such programs are described below:

(1) Community Learning / Literacy Centers (using school premises / facilities)

An innovative program implemented by the CSO sector has been to use school premises and facilities in the afternoon or evening hours to offer life long learning opportunities to the local community. NGOs working for school improvement or adopt a school have extended the facilities use to CLCs. These Community Learning Centres (CLCs) are being used for adult literacy classes, homework study support centres introduction to IT and computers, basic skills seminars and other classes that are useful to and demanded by the community. Most CLCs have been funded through CSOs or through private philanthropy and have expanded the uses of schools and extended their benefits to all members of the community, regardless of age or educational background.

(2) Education Extension and Enrichment Programs

Public sector schools and non-formal programs operate on a minimal education program which cover a few prescribed core areas in literacy and numeracy. To supplement these, one of the first value-added activities of CSOs in the education sector has been to introduce and run enrichment programs for disadvantaged communities. These range from puppetry, project based learning, early childhood education, supplementary education materials, child rights campaigns, celebrating activity based theme days, handicrafts, IT literacy, electronics, sports, music, reading clubs, field visits and theatre. Of note is the work of Teachers' Resource Centre (TRC), Human Rights Education Program (HREP), the Book Group (TBG) and Alif Laila Book Bus Society (ALBBS).

Box 2: Pakis

Pakistan Centre for Philanthropy (PCP)

The Pakistan Center for Philanthropy (PCP) is a non-profit support organisation with a mandate **to promote the volume and effectiveness of philanthropy for development in Pakistan.** Established in 2001, it brings together in its Board of Directors many years of experience and commitment by a group of eminent citizens, civil society representative and corporate leaders. The Centre doses not engage in direct philanthropy; instead it strives to **facilitate philanthropic efforts** of others through support services. The Centre's efforts focus on mobilizing resources from the private sector, in particular the corporate sector to supplement government's poverty reduction agenda.

Against this backdrop PCP launched its initiative "PUBLIC PRIVATE PARTNERSHIPS - FACILITATING CORPORATE PHILANTHROPY FOR QUALITY EDUCATION". The project aims at creating linkages between the public sector primary, elementary and secondary education services, corporate philanthropists and nonprofit organizations. Historically the corporate sector has played a very significant role in the education sector in Pakistan's. However this is for the first time that the corporate sector's support is being recognised, studied and documented in a systematic manner by PCP under its PPPs initiative.

PCP-PPPS equation of "Civil Society Organisations (CSOs)-Government-Corporate Philanthropist" adds a new dimension to the general concept of PPPs. The corporate philanthropist brings in financial resources as well as management expertise to enhance the efficiency of the wide network of largely underutilized Government education sector assets. While the CSOs with their capacity to mobilize and build ownership of the communities, ensure transparency leading to increased accountability of the Government. This arrangement has the potential of substantially increasing the quantum and efficient utilization of resources for basic social service, improve quality of the existing education institutions, increase ownership for school-based change and build the capacities of relevant stakeholders.

Presently the project activities are focused in three districts: Faisalabad, Ghotki and Thatta and involve Oil and Gas, Sugar, and Textile Sectors. PCP through its PPPs initiative is making an effort to improve access to quality education by the children of remote, under, marginalized, poverty stricken rural communities in the three focus districts. Memorandums of Understanding outlining the institutional arrangement has been signed between PCP and all the three district governments. After rigorous consultations with the corporate philanthropists, District Education Department and communities PCP has developed 'school improvement and monitoring plans' for each corporate philanthropist. Some tripartite agreements between PCP, Corporations and the District Education Department have also been formalized. PCP has also entered into partnership agreements with the local NGOs for monitoring and community mobilization. In order to create a broad based ownership of this initiative and to ensure timely and effective implementation of the partnership agreements a Joint Advisory Committee (JAC) will be constituted in all the three Districts. JAC will comprise of a representative of the corporate entity, District Executive Officer-Education (EDO-E) and PCP. In Faisalabad PCP and the Faisalabad Chamber of Commerce and Industries (FCCI) have under taken joint steps for advocacy with the business community through FCCI Trade Bulletin.

In doing the above, to keep all the stakeholders in loop and to obtain support for the PPPs Initiative PCP team holds regular consultations with Federal/Provincial Ministries (Education, Trade and Industries, Petroleum and Natural Resources), Directorate General for Petroleum Concession, Sugar Mills Association, FCCI, District Nazim, District Coordination Officer, EDO-E, Corporations, CSOs, School Council/School Management Committees and the communities. The strength of the PCP-PPPs initiative is its dynamic nature which allows to devise specific strategies in order to engage with different corporate sectors be it Oil and Gas, Textile or Sugar. In the initial stages of the project the lack of trust and varying interests of the three components of the PCP-PPPs equation was a challenge. However at present the challenge is to define systems and procedures in order to institutionalize partnerships developed under the PCP-PPPs initiative. (www.pcp.org.pk)

M. Rural Support Networks: Scaling up Poverty Reduction through Public Private Partnerships¹6: Another mode of Public Private Partnerships which are multi-sectoral, engaging with education, health, infrastructure, water and sanitation and credit are the Rural Support Programs. These have become vibrant entities The Rural Support Programme movement began slowly in the early 1980s and began to expand more rapidly in the early 1990s. In 1990 there were only three RSPs working in about ten districts, whereas today there are ten RSPs working in more than 70 of the 106 districts in the country. The movement began from remote, poor, and sparsely populated rural districts and gradually expanded to include larger districts and even some work in poor urban communities. Today the RSPs work with more than 43,000 community organizations that have more than one million member households.

The economic impact of the work of RSPs is best captured from the work of the oldest RSP. Data from the districts in which the Aga Khan Rural Support Programme works show that per capita incomes have increased substantially, catching up from being at about 30% of the national average in 1991, and even lower when AKRSP began its work in 1982, to almost 60% today. There is also evidence of significant improvements in health and education outcomes. What the RSPs have been able to do better than any other large scale development efforts has been to organize poor people and enable them to be included in mainstream development opportunities.

Box: 3 RSPs and Public Private Partnerships: Changing Roles and Expectations

What have more recently come to be called public private partnerships are the basis upon which several of the RSPs were initially established; the government provided seed capital for private, independent organizations that were designed to work in partnership with government programs. The approach taken in setting up these RSPs later on became the basis for establishing other development organizations, for example the Pakistan Poverty Alleviation Fund, the National Commission for Human Development and the Devolution Trust for Community Empowerment. The PPP approach also makes up a large part of the development work undertaken by RSPs and has recently been expanded into the social sectors to try to improve service delivery.

The RSPs have been engaged in partnership with many grassroots, poverty reduction projects of the government, with community mobilization and capacity building done by the RSPs in order to provide a base for service delivery by a government line department. Examples of this include the Khushal Pakistan Programme, area development projects in Punjab, and agriculture development projects in NWFP and Punjab. More recently new forms of public private partnership have been piloted that try to improve the poor record of service delivery in the social sectors. One of the very few 'successes' in the Social Action Programme that began in 1992 was the government AKRSP partnership in the Northern Areas that resulted in establishing 500 'community schools' providing access to primary education, especially for girls, in remote communities. This model was later on adopted and modified by the Punjab Government in partnership with PRSP, and there are now 400 such community schools, with plans for more. In 2001 NRSP entered into a partnership to manage three basic health units in a rural part of southern Punjab on behalf of the government. This experiment was later 0 n expanded to the entire district 0 f R ahimyar Khan, with P RSP contracting with government to manage all 105 basic health units in the district. While it is too early to judge the impact of this experiment, management of the primary health care system has improved and there is pressure from other districts to follow the same approach.

The Local Government Ordinance 2001 has devolved the management of departments involved in the provision of basic services from provincial to district level, and therefore provides an opportunity for the RSPs to be involved in more partnership agreements with district governments. The ordinance also envisages the creation 0 f community-based organizations called 'community citizen boards' to undertake projects for which 25% of the development budget would be allocated. Through an MOU signed with the Development Trust for Community Empowerment, the RSPs have been asked to undertake the task of mobilizing these CCBs. (RSPN: 2004)

VII. Analysis / Issues

N. Market Forces or Government Regulation?

In opening the education sector for private participation, the government walks a fine line when deciding whether to let market forces prevail or make a concerted effort to regulate the sector. In the former case, the private sector can charge any price for its education, making price a signal or proxy for quality, and in the latter case, regulating the market, which is a difficult and restrictive task, allows education to remain a public good. This dilemma is further exacerbated by the difficulties imposed by regulation, specifically how to evaluate quality programs and how to make institutions comply with government-mandated rules and regulations. Moreover, given that government does not have positive experiences as an effective regulator in the past, should it be tasked with harnessing a free, vibrant and innovative private sector? While this issue remains a difficult one to resolve, government may find a medium ground in warding off excesses of the private sector while giving self-funded institutions enough room to manage and operate as efficient entities.

VIII. Policy Recommendations

O: The government has currently three operative strategies ¹⁷:

Strategy I: Under this Strategy the Government is proposing six incentives, three of which are concessions (utilities, custom duties and property taxes at industrial rather than commercial rates, income tax reduction for teachers and managers and dispensation to locate in urban areas); and two of which are exemptions (customs duties and other taxes on the importation of educational equipment and the provision

of land free or on lease or at concessional rates). There is a sixth incentive, namely "Access to financing by DFIs and Banks", such as the one being explored by Beaconshouse through SBFC.

Stragtegy II: Restrucutring of, and enhancements of capacity and resources of Education Foundations for greater autonomy and improved targeting to tap non-elite private sector to meet ESR /EFA targets through innovative programs and services.

Strategy III: This Strategy is a call for "support to, and use of un/under-utilized public sector institutions", through: (i) the Adopt a School program at national level; and (ii) the use of un/under-utilized public buildings by the private sector such as the CPP, (iii) Community Models schools under the Community Schools Rural Support Program and Fellowship Program through subsidies and the proto-vouchers scheme and (iv) the Beaconhouse model where the ownership of institutions remain the property of Pakistan Railways, but the management, partial resources and income remains with Beaconhouse.

Other options include:

- (i) Support of privatization through concessions and contracting out options for the delivery of goods and services;
- (ii) Establishment of pilot projects that can demonstrate best practice;
- (iii) Encouragement of direct financial and advisory assistance to small and medium educational enterprises;
- (iv) Utilization of subsidy schemes, such as vouchers or fellowship schemes, to enhance the purchasing power of the poor;
- (v) Participation of the community in providing assistance in the setting of service standards;
- (vi) Emphasis on accreditation, certification and monitoring systems that can enable the poor to choose;
- (vii) Provision of capacity building to the federal and provincial governments that supports a different focus of their core functions, specifically to manage the contracting out process and those reduced regulatory or monitory functions that remain within the public realm;
- (viii) Reliance upon a firmer data base and hence the need to incorporate a strong EMIS that can benchmark the private sector's role in assisting the government to attain its targets of quality, access and equity; and finally
- (ix) Enhanced emphasis on the role and responsibilities of the Educational Foundations to assist in the provision of support to both the private and public sectors.

Lead guestions that emerge in public policy vis a vis public private partnerships are:

- (i) If private sector intervention is to be increased, where should this intervention be directed? (i.e., At which sub sectoral level? In which localities? For which particular audiences?)
- (ii) Given the choice of intervention(s), which public policy instruments are the most appropriate to support this intervention? (i.e., Which public regulations are needed or should be reduced? What incentives are available and appropriate?)
- (iii) Given the choice of intervention(s), which types of institution should receive these incentives? (i.e., For profits and/or NGOs, and if the latter, which particular type of NGO institution Community group, Trust, Foundation et al)

Some key recommendations at this juncture are:

P: Single Point of Contact / Section or Department in the Government to Implement PPP

The growth and success of the government's new PPP initiative can be enhanced by the creation of a single point of contact or section in the Departments and Directorates of Education that directly deals with CSOs, private individuals, teachers, institutes and other groups interested in establishing, participating in or furthering PPPs in education. At present, those interested in being involved in PPP in Pakistan are uncertain as to whom to contact and what government agency they should contact or solicit information from. Consequently, establishing a point of contact at the government level would be effective and efficient way to guide those wanting to finance or get involved in the education sector. Ideally this should be at all levels of the government, viz. district, provincial and federal.

Q: Resumption of Grant-in-Aid (GIA)

Another recommendation lies in the resumption of GIA, which was terminated in 1972 with the nationalization of private schools. This can be undertaken through the restructured education foundations to institutions that justify set criteria. GIA may be applied towards the hiring of teachers, school upgradation, teacher training, educational materials, rent support, etc.

R: Creation of an Oversight Committee to Supervise the Implementation of the ESR's PPP Initiative

The implementation of the government's ESR initiative, specifically with respect to PPP, requires diligent monitoring and regular supervision. Given that the ESR document presents an action plan for reforming the education sector, its implementation and success should be carefully monitored and measured. In this regard, holding regular meetings of all concerned parties to monitor the progress of the action and incentive plans would be highly beneficial to the success of the ESR and the attainment of its stated objectives. Moreover, better monitoring should be implemented at the project level. There should also be prudent supervision over the performance of NGOs, public school teachers and administrators as well as funding allocated for PPP initiatives. Care must be taken that commitments are met and that agreements, specifically MoUs between the government and private sector participants, are honoured and followed. Only when such care is demonstrated will the ESR initiative be successfully evaluated and measured against the original targets.

Finally, the government must consciously monitor its own new initiatives to evaluate their performance and judiciously addressing any problems that may arise. Since many government-led programs are pioneer projects, it is important to chart their progress and remedy problems which are likely to arise on account of being innovations. Moreover, as the public sector gains access to additional funding from donor agencies, it must delineate between its own role and that of the CSO and private sector such that no duplication of work or mismanagement result. As the PPP effort evolves, the government should become aware of its strengths and capabilities and recognize what it should leave to the private and CSO sectors to manage and run.

S: <u>Better Cost-Sharing for CSOs who implement PPP</u>

Another recommendation lies in the improvement of the cost-sharing arrangement between the government and CSOs with respect to managing and operating public schools. There should be clearer rules about how utility and other expenses are allocated and the process by which grant-in-aid from the government is disbursed should be more easily accessible and efficient. Moreover, in the cases where government programs are being funded by agencies and multilaterals, CSOs should be aware of how to best access and avail of such resources.

IX. How YOU can be involved in PPPs in the Education Sector?

To be involved with the PPP initiative, you can contact any of the following parties.

Federal Ministry of Education

Secretary

D Block, Secretariat, Islamabad Ph: 051-920-8880 / 920-1401

www.moe.gov.pk

Planning & Development Wing (MoE)

AEPAM Building, Taleemi Chowk, G-8/1,

Islamabad

JEA Ph: 051-926-2059 DEA-ESR Ph: 926-2056 www.moe.gov.pk/pw

Pakistan Centre for Philanthropy

#28, Street 56, F-6/4, Islamabad, Ph: 051-2829448; 2820127; 2826291 Email: amena.hasan@pcp.org.pk

www.pcp.org.pk

Khushali Bank

94 West, Fourth Floor, Jinnah Avenue, Blue Area, P.O. Box 3111, Islamabad

Ph: 051-111-092-092 Fax: 051-920-6080

Punjab Education Foundation

30-Shar Shah Block, New Garden Town, Lahore

Ph: 042-9230729 Fax: 042-9230785

Pakistan Poverty Alleviation Fund

6A Park Road, F-8/2, Islamabad Ph: 051-225-3225 / 225-3178

Fax: 051-225-1726 www.ppaf.org.pk

Overseas Pakistani's Foundation

Shahrah-e-Jamhouriat, Sector G-5/2, Post Box No. 1470, Islamabad Phone # 051 - 9202457-9

Fax # 051 - 9224335, 051 - 9211613

E-mail: info@opf.org.pk

www.opf.org.pk

National Commission for Human Development (NCHD)

Prime Minister's Secretariat

Block D, Level 2 Islamabad, Pakistan Phone: +92.51.9216200 Fax: +92.51.9216164

www.nchd.org.pk

Balochistan Education Foundation

Sariab Road, Sanjarani Street, Quetta

Ph: 081-442722

Frontier Education Foundation

27-D St # 2 Defence Colony, Khyber Road, Peshawar Cantt.

Ph: 091-9211733 Fax: 091-9212291

E-mail: edu@psh.paknet.com.pk

Elementary Education Foundation NWFP

28-A, Street # 2,

Shami Road, Peshawar Ph: 091-9212395

Fax: 091-9212396

E-mail: sarwatjehan@hotmail.com

National Education Foundation

House 5-A, Street 16, F-6/3, Islamabad

Ph: 051-920-8236 Fax: 051-922-3113 E-mail: <u>staff@nef.org.pk</u>

www.nef.org.pk

Sindh Education Foundation

Plot 9, Block 7, Kehkashan, Clifton 5, Karachi 756000

Ph: 021-9251657 Fax: 9251652

email: sef@cyber.net.pk /mashhood@cyber.net.pk

www.sef.org.pk

Annex - a

Cabinet decision regarding

PUBLIC-PRIVATE PARTNERSHIP PACKAGE OF CONCESSIONS FOR PRIVATE SECTOR EDUCATION INSTITUTIONS.

The Cabinet approved during 2002, the following incentive package for private sector education institutions;

- (i) Provision of land free or on concessional rates in rural areas. In urban areas, respective departments/organization shall undertake appropriate zoning for educational institutions in the residential areas.
- (ii) Electricity shall be provided on domestic tariff rates.
- (iii) Provision of concessional financing for establishing rural schools through respective Education Foundations and credit through Khushali Bank and other such financial institutions.

Annex - b

WAPDA Concession Notification:

PAKISTAN WATER AND POWER DEVELOPMENT AUTHORITY

Phone: 9202224 740-Wapda House, Fax: 9202030 LAHORE

No. 1784/808/GMCS/T-150 (Vol-VI) dated: 11th April, 2003

All Chief Executive Officers,

DISCOs/WAPDA,

SUBJECT: TARIFF APPLICABLE TO PRIVATE SCHOOLS CASE NO. 24 / 03 / 2002 DATED 27-02-

2002

Ref: Ministry of Education, Government of Pakistan's letter No. F-1-1/2002-ESR-II dated

14th March 2002.

The Cabinet Secretariat vide Case No. 24 / 03 / 2002 dated 27-02-2002 has allowed the application of domestic Tariff for Private Educational Institutions.

- 2. You are, therefore, advised to implement the above decision and ensure that all Private Educational Institutions with load up to 20KW (inclusive) are brought under General Supply Tariff A-I. Necessary Tariff change input may be fed to the computer along with classification codes of the respective institutions.
- 3. The above change of Tariff will take place from 01-04-2002.*

Sd:

(Himayet Ullah) Secretary WAPDA Dated: 10-04-2002

CC to:

- 1. PS to Secretary, Ministry of Water and Power, Government of Pakistan, Islamabad.
- P.S.O to Chairman WAPDA.
- 3. S.Os to Member (Power), Member (Finance), Member (Water/CEO/PEPCO).
- 4. GM (F) P/ GM (CS)/GM (O)/GM (E&M) P/GM (WPPO). C.E WTDO/ Secretary WAPDA.
- C.E. AJ&K Electricity Deptt/DG (C)/ Chief Auditor WAPDA/Director (PR).

- a) Tariff A-I for smaller schools having load up to 20 KW.
- b) Tariff A-2 (b) for larger schools having load above 20 KW.

The rational behind tariff A-2 (b) instead of tariff A-I to the larger schools/educational institutions was that at higher consumption tariff A-I becomes much costlier than tariff A-2(b). The benefits of cheaper tariffs go to the genuine and legally recognized institutions. For an Educational Institution to be a legal entity it should have either been registered with Provincial Education Department or been a registered tax assesses of the Income Tax Department. Keeping that in view, an Educational Institution is required to produce any of the following:-

- (i) Certificate issued by the concerned Provincial Department to the effect that the Institution stands registered with the Government. However, in cases where the registration is still in process, the document(s) showing that the application for registration has been duly admitted shall also be acceptable.
- (ii) Evidence to the effect that income tax had been paid by the school management out of the income from the schools. If a school is exempt from income tax then it may produce certificate of such exemption from the local income tax office to that effect.

^{*} WAPDA has adopted liberal approach allowing cheaper tariffs to all the private schools / educational institutions in the following manners :

Annex-c

Sui Gas Concession Notification - SRO

The Gazette of Pakistan

EXTRAORDINARY
PUBLISHED BY AUTHORITY
ISLAMABAD, WEDNESDAY, JULY 2, 2003

PART II

Statutory Notification (SRO)
Government of Pakistan
OIL AND GAS REGULATORY AUTHORITY

NOTIFICATION

Islamabad, the 1st July, 2003

S.R.O 635 (1) 2003, - In exercise of the powers conferred by sub-section (3) of section 8 of Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002) and in super-session of Oil & Gas Regulatory Authority's notifications No. S.R.O.739(I)/2002. dated the 25th October, 2002, S.R.O.185(I)/2003 dated the 14th February, 2003, and S.R.O.292(I)/2003, dated 26th March, 2003, the Authority is pleased to declare the sale prices and minimum charges specified in schedule below, for the purposes of the said Ordinance, in respect of natural gas sold by the following companies to various categories of their retail consumers with immediate effect namely:-

SCHEDULE

- (1) Sui Northern Gas Pipelines Limited.
- (2) Sui Southern Gas Company Limited.
- (i) Domestic Consumers:
- (a) For domestic consumers, including residential colonies, mosques, churches, temples madrassas, other religious places and hostels attached thereto, Government and semi-Government offices, hospitals, Government guest houses, Armed Forces messes and langars, universities, colleges, schools, private educational institutions, orphanages, and others charitable institutions.

S. No.	Slab	Cubic meters per month	Rs. Per MMBTU.
(1)	(2)	(3)	(4)
1.	First	Up to 100	69.31
2.	Second	Over 100 up to 200	104.42
3.	Third	Over 200 up to 300	167.06
4.	Fourth	All over 300	217.32

Minimum charges:

Rs. 93.48 per month.

Annex-d

Customs duty exemption Notification:

GOVERNMENT OF PAKISTAN MINISTRY OF FINANCE, ECONOMIC AFFAIRS, STATISTICS & REVENUE

Islamabad, the 17th June, 2000

NOTIFICATION (CUSTOMS)

S.R.O 362/2000. – In exercise of the powers conferred by section 19 of the Customs Act, 1969 (IV of 1969) and clause (a) of sub-section (2) of section 13 of the Sale Tax Act, 1990, the Federal Govt. is pleased to exempt the goods imported by or donated to a non-profit making educational and research institution from the whole of customs-duties specified in the First schedule of the Customs Act, 1969 (IV of 1969), and the whole of sales tax subject to the following conditions, namely:-

- (i) The imported goods have an educational and scientific character;
- (ii) The importing or receiving institutions are recognized, aided or run by the Federal Government or a Provincial Government;
- (iii) The importing or receiving institution shall produce a certificate from the competent authority that-
 - (a) goods of equivalent educational and scientific value are not manufactured in Pakistan, and
 - (b) the imported goods will be used exclusively under the control and responsibilities of the importing or receiving institution.

Explanation – For the purposes of this notification, the expression "Competent authority" means, -

- (i) In case of institutions falling in the jurisdiction of the Federal Government, the Ministry of Education or Ministry of Science & Technology or any other relevant Ministry of the Federal Government.
- (ii) In case of an institution falling within the jurisdiction of a Provincial Government, the Director of Education or Technical Education or Public Instruction or any other relevant authority of the Provincial Government; and
- (iii) In case of a university recognized by the University Grants Commission, the registrar of the University.

{C.No. 3(9)Tar-I/88}

Sd/-(MIR FUAD) ADDITIONAL SECRETARY

Annex - e

Income Tax Concessions

Government of Pakistan (Revenue Division) Central Board of Revenue

Subject: <u>PUBLIC – PRIVATE PARTNERSHIP PROPOSED PACKAGE OF CONCESSIONS – DRAFT SUMMARY FOR THE CABINET BY MINISTRY OF EDUCATION.</u>

The undersigned is directed to refer to Ministry of Education's u.oNo.F.1-10/2000-FA.II dated 24-10-2001 on the subject. The proposal contained in sub-paragraphs (b) and (c) of paragraph 2 of the draft summary proposed to be submitted by Ministry of Education to the Cabinet have been examined by the Direct Taxes Wing of the CBR. The Board is unable to endorse these proposals for the following reasons:-

- i) Income of any university or other education institution established solely for educational purposes and not for the purposes of profit is already exempt from tax under clause (86) of part-I of Second Schedule to the Income Tax ordinance, 1979.
- ii) Income from running a computer training institution set up between the 1st day of July, 1997 and the 30th day of June, 2005 and duly recognized by a Board of Education or a University of the University Grants Commission is exempt for a period of five years beginning with the month in which the institution is set up [Clause (86B) of Part-I of the Second Schedule to the Income Tax Ordinance, 1979 refers].
- iii) With effect from income year commencing on 1st July, 2000, salaried persons have been allowed tax relief ranging between 5% and 80%; the highest relief of 80% being to the lowest income group earning salary of Rs.50,000 to Rs.60,000/-. This concession applies equally to all teachers whether employed by the Government or a private institution. The enclosed chart (Annex) illustrates the substantial reduction in tax. In Board's view, this concession is more than adequate for various salary levels of teachers.
- iv) An additional education of 50% in tax liability is available to full time teachers or <u>researchers</u> employed in <u>non-profit education of research institutions</u> duly recognized by a Board of Education or a university or the University Grants Commission.
- v) Under SRO 593(I)/91 read with SRO 1203(I)/91 Income Tax is not withheld under section 50(5) on imports of Education equipment if it is imported by non-commercial importers whose income is otherwise exempt. Such persons can obtain a certificate from the Commissioner of Income tax in order to get this exemption. Similarly, where a charitable institutions imports any good which are exempt from customs duly under SRO Nos. 360(U)/2000, 362(I)/2000 and 363(I)/2000 dated 17-6-2000, income tax is also not withheld at import stage under clause (17C) of Part-IV of Second Schedule to the Income Tax Ordinance 1979.

- vi) The estimated revenue costs of the proposals have not been worked out and communicated in accordance with the standing instructions of the Cabinet. Besides, under IMF conditionalities, the tax expenditure is to be published in the annual Economic Survey.
- vii) The government is following a conscious policy of not allowing any fresh exemptions among others in pursuance of its commitments with IMF etc.
- viii) There is a proliferation of private educational institutions even without the proposed additional tax concessions.
- 2. In view of the existing tax concessions there is little justification for any additional concessions as proposed by the Ministry; present tax concessions are quite liberal and adequate. The Ministry of Education is, therefore, requested to omit the proposals for tax exemptions contained in para 3(b) and (e) of their proposed summary.

Sd/-(Gholam Kazim Hosein) Secretary (Exemptions) Tele: 9205561

Ministry of Education (Dr. S. Irshad Hussain Tirmazi, Joint Educational Adviser), Government of Pakistan, Islamabad.

CBR's u.o. No.1(154)DTP-II/94 Pt.II dated 8-2-2001.

Copy to Finance Division [Raja M. Ali Saleem, S.O (BR-I) with reference to that Division's O.M.No.F.1(2)/2001-BR-I-132 dated 30-01-2001].

Secretary (Exemptions)

S.No.	Income Slab	Reduction	in	tax
		liability		
1.	Where income does not exceed Rs.60,000	80%		
2.	Where income exceed Rs. 60,000 but does not exceed Rs.80,000	70%		
3.	Where income exceed Rs. 80,000 but does not exceed Rs.100,000	60%		
4.	Where income exceed Rs.100,000 but does not exceed Rs.150,000	50%		
5.	Where income exceed Rs.150,000 but does not exceed Rs.200,000	40%		
6.	Where income exceed Rs.200,000 but does not exceed Rs.300,000	30%		
7.	Where income exceed Rs.300,000 but does not exceed Rs.500,000	20%		
8.	Where income exceed Rs.500,000 but does not exceed Rs.1,000,000	10%		
9.	Where income exceed Rs.1,000,000	5%		

In case of full time teachers and researchers tax payable, as illustrated in the above chart would be further reduced by 5% for determining the rate of monthly tax deduction from 1st July, 2000 and for working out the tax liability for Assessment year 2001-02.

Annex-f

SMCs/PTAs as Citizen Community Boards (CCBs):

GOVERNMENT OF PAKISTAN MINISTRY OF EDUCATION

Islamabad – August 19, 2002

NOTIFICATION

No.F.1-6/2002-ESR.III. In pursuance of Local Government Ordinance Sections 109 (12) Section (100) (2), Section (119) (2), and Section (109) (5) and Chapter 28 (all paras) entitled "Grants in Aid", of the Accounts and Audit of the Government of Pakistan First Edition, the Federal Government has allowed the participation of Civil Society Organizations (CSOs) in the implementation of Education Sector programs as per guidelines given below: -

OPTION I

- i. CSOs at the district level shall follow the Local Government Finance Rules Chapter XII, specifically sections, 109, sub-sections 5, 12 a), and section 119 (annex-I). The financing instrument for CSOs to participate in Education Sector programs relates to the development budget earmarked for bottom up planning through the Citizen Community Boards (CCBs). For carrying out education functions that have been devolved to the districts, CCBs shall be seen as partners, and hence eligible for accessing upto 30% Education Sector program funds.
- ii. NGOs, CBOs, Non-elite Private Sector/ SMCs/PTAs/School Councils shall be eligible to become CCBs (process and forms attached/annex). CCBs may engage with civil works as well as other areas as indicated in the Education Sector programs and the respective Letters of Agreement signed between the Provincial and District governments.
- iii. CCBs' duration shall be two years and they may have a minimum of 8, and maximum of 25 members. The focal district officer for CCBs shall be the Executive District Officer (EDO) community Development. The registration may take place at district and/or Tehsil levels.
- iv. CCBs shall access funds according to prescribed rules (attached/annex-II)
- v. CCBs' cash contribution to the matching grant shall be at least 20%. According to the prescribed rules this shall be in 'cash', and not in kind.

OPTION II

i. The second option for financing CSOs to participate in Education Sector Programs would be the 'Grants-in-Aid' mechanism. This would follow the prescribed accounting, audit and monitoring guidelines, as provided within the Grants-in-aid Memorandum of Understanding (MoU). This mechanism is fully covered under the Provincial Financial Rules and the Accounts and Audit of the Government of Pakistan issued by Auditor General. All financing through this mechanism shall be governed by the rules specific to grants in aid.

Provided that:-

- I. For District Level implementation of education programmes, CSOs may participate as CCBs following the procedures of Local Government Finance Rules, Sections 109 and 119.
- II. SMCs/PTAs/PTSMCs and School Councils are eligible to become registered as CCBs.
- III. All registered CSOs shall be eligible to receive Grants in Aid at district, provincial and federal levels and shall follow the appropriate guidelines for monitoring, accounting and audit procedures as prescribed in the respective financial rules.
- IV. For Islamabad Capital Territory and all such Federally Administered Areas where the Devolution Plan has yet to be implemented, a provisional system of appropriate financial rules shall be notified by the Federal Government Finance Division. This may be added at an appropriate time as an addendum to this notification.
- 2. This issues with the concurrence of the Planning and Development Division, Finance Division, Office of the Controller General of Accounts and National Reconstruction Bureau vide their letter Nos. F7 (263) EDU/PC/2002 dated 18th June, 2002, u.o. No.5 (15) DFA (Edu)/2002 –1704, dated 29,6.2002 letter No.92/DG/(P&C)CGA/2002 dated 21-6-2002, and u.o. No.1(22)/Secy-NRB/2002 (Pt.II) dated 27-7-2002 respectively.

Sd/-

(SAID GHULAM)
Assistant Educational Adviser

The Manager,
Printing Corporation of Pakistan,
University Road,
Karachi

- CC: 1. The Chairman, National Reconstruction Bureau, Islamabad
 - 2. The Secretary, Ministry of Finance, Govt. of Pakistan, Islamabad.
 - 3. The Secretary, P&D Division, Govt. of Pakistan, Islamabad
 - The Secretary, Kashmir Affairs and Northern Areas and States & Frontier Regions Division, Islamabad
 - 5. FA (Education), Ministry of Finance, Islamabad
 - 6. The Accountant General of Pakistan Revenues, Islamabad
 - 7. The Auditor General of Pakistan, Islamabad
 - 8. The Controller General of Accounts, Islamabad.
 - The Chief Secretary, Govt. of Punjab/Sindh/ NWFP/Balochistan/ FANA/AJK
 - 10. The Finance Secretary, Govt. of Punjab/Sindh/NWFP/Balochistan/AJK/FANA.
 - 11. The Secretary, P&D, Govt. of Punjab/Sindh/NWFP/Balochistan/AJK/FANA.
 - 12. The Education Secretary, Govt. of Punjab/Sindh/NWFP/Balochistan/AJK/FANA.
 - 13. The Secretary, Local Government and Rural Development Division, Islamabad.
 - 14. The Director Education, Federally Administered Tribal Areas, Peshawar
 - 15. Nazims/District Coordinating Officers/Executive District Officers (Education) of all districts of the provinces.
 - 16. The Director General, Press Information Department, Ministry of Information and Media Development, Govt. of Pakistan, Islamabad (for publicity)
 - 17. The Director General, Federal Directorate of Education, Islamabad.
 - 18. The Director General, Academy of Educational Planning and Management, Islamabad.
 - 19. J.S (Admn)/JEAs, Ministry of Education Islamabad
 - 20. P.S. to Federal Education Minister, Islamabad
 - 21. P.S to Federal Education Secretary, Islamabad

(SAID GHULAM) Assistant Educational Adviser Ph:9262043

Annex - g Chartered Universities and Degree awarding Institutions in Public and Private Sector

	Public	Private	Total
Federal Area	11	5	16
Punjab	19	10	29
Sindh	10	19	29
NWFP	08	10	18
Balochsitan	3	1	4
Total	53	43	96

Number of Private Schools Pakistan (2000 – 2001)

	Primary	Middle	High & Higher Sec. Schools	Total
Islamabad	149	73	68	290
Punjab	9537	9185	3980	22702
Sindh	2572	1741	1583	5896
NWFP	2051	1318	602	3971
Balochistan	261	121	79	461
FATA	178	112	36	326
FANA				
TOTAL	14748	12550	6348	33646

Data for FANA not available.

Source: Pakistan Education & School Atlas, Planning Commission, 2002

XI. Acronym & Abbreviation

ADB Asian Development Bank AJK Azad Jammu & Kashmir

AKDN Agha Khan Development Network
BEF Balochistan Education Foundation

CCBs Citizen Community Boards
CDA Capital Development Authority

CEO Chief Executive Officer
CIF Community Investment Fund
CLCs Community Learning Centers
CPP Community Participation Project
CSO Civil Society Organization

CSRSP Community Supported Rural Schools Program

CSS Community Supported Schools

DFA Draft For Approval

DFID Department for International Development

DG Directory General EDO Executive District Officer

EFA Education For All

ESR Education Sector Reforms

ESRA Education Sector Reform Assistance

EU European Union

FANA Federally Administered Northern Area
FATA Federally Administered Tribal Area
FEF Frontier Education Foundation
FGTs Federal Government Teachers
GIA Resumption of Grant-in-Aid

GM General Manager
GOP Government of Pakistan

HREP Human Rights Education Program

IT Information Technology
ITA Idara-é-Taleem-o-Agahi
JEA Joint Educational Adviser

JS Joint Secretary KB Khushali Bank

KW Kilowatt

LDA Lahore Development Authority

MDSF Micro-finance Social Development Fund

MOE Ministry of Education

MOU Memorandum of Understanding

NCHD National Commission for Human Development

NEF National Education Foundation

NEPRA National Electric Power Regulatory Authority

NGO Non-Governmental Organization NORAD Norwegian Agency for Development

NWFP North West Frontier Province

P&D Planning & Development

PA Personal Assistant
PC Planning Commission

PCP Pakistan Center for Philanthropy
PEF Punjab Education Foundation
PHDF Pakistan Human Development Fund
PPAF Pakistan Poverty Alleviation Fund

PPP Public Private Partnership

PRSP Poverty Reduction Strategy Paper

PS Private Secretary

PTAs Parents Teachers Associations
SEF Sindh Education Foundation
SMCs School Management Committees

SO Section Officer

TCF The Citizens Foundation TRCs Teacher Resource Centers

UN United Nation

USAID United State Agency for International Development

WAPDA Water and Power Development Authority

WB The World Bank

Endnotes:

¹ ESR 2001 – 2005, pg. i

- Information gathered from Pakistan Centre for Philantrhopy(PCP)
- Information gathered from RSPN Draft paper (2004): Case Study Scaling up RSPs in Pakistan: Prepared for the Shanghai Poverty Conference Scaling up Poverty Reduction.
- ¹⁶ Rasmussen F. S et al. (2004) (DRAFT) Case Study Scaling up RSP's in Pakistan, for Shanghai Poverty Conference Scaling up Poverty Reducation.
- ¹⁷ Latham, Michael (2001) THE EDUCATION SECTOR REFORMS, STRATEGIC PLAN 2001-2004 AND THE ROLE OF PRIVATE PUBLIC PARTNERSHIPS. M. Latham is a Private Education Specialist. This Study was conducted with assistance from the World Bank (June-August 2001) to review and make proposals for refining the federal and provincial governments' policies towards the private sector. It has three main objectives: (i) to review the scope and nature of government assistance to, and regulation, of private education; (ii) to provide a framework that enables the government to select policies that support the attainment of the ESR targets; and (iii) to review issues of implementation and the expected effectiveness of selected incentives proposed by the federal government for the promotion of the private sector.

² ESR 2001 – 2005, pg. 3

³ ESR 2001 – 2005, pg. 11

⁴ Savas, E.S (2000). Privatization and Public Private Partnerships. Chatham House Publishers, New York. pg.4

⁵ Economic Survey 2001-2002, Government of Pakistan, 2002.

⁶ "Pakistan Education and School Atlas," Centre for Research on Poverty Reduction and Income Distribution, Planning Commission, Islamabad, 2002.

⁷ Andrabi, Tahir, Jishnu Das and Asim Ijaz Khwaja, "The Rise of Private Schooling in Pakistan: Catering to the Urban Elite or Educating the Rural Poor," World Bank Paper, March 21, 2002.

⁸ Information taken from an interview with Saira Malik, ESRA, July 16, 2003.

⁹ "Voluntary Certification Regime for the Non-Profit Sector", Publication of the Pakistan Center for Philanthropy.

¹⁰ Information taken from an interview with Shahnaz Wazir Ali & Amena Hasan, Pakistan Center for Philanthropy, July 16, 2003.

¹¹ Taken from WAPDA Document No. 1784/808/GMCS/T-150 (Vol-VI) dated 11-04-2002 signed by Himayet Ullah, Secretary WAPDA

¹² Taken from WAPDA Document No. 2169/88/GMCS/Tariffs/T-136 (Vol-VII) dated 04-07-2002 signed by Engr. Abdul Wahid, G.M. (Customer Services).

¹³ Taken from The Gazette of Pakistan, Extraordinary, Dated Wednesday July 2, 2003, Part II Statutory Notifications (S.R.O), Government of Pakistan, OIL AND GAS REULATORY AUTHORITY, NOTIFICATIONS, S.R.O 635(1) 2003 Published by Authority.

Syed Mohammad Hamid, "Appraisal of Community Participation Project, 2001 (Afternoon School System) Education
 Department, Government of Punjab," Pakistan Administrative Staff College: Course Research Paper, Lahore: 2003, pg. 14.
 Information gathered from meeting with Azhar Khan and Khurram Alam at the NCHD on July 30, 2003.