

## **The Fourth Punjab Education Development Policy Credit (PEDPC IV) US\$100 million**

The Fourth Punjab Education Development Policy Credit (PEDPC IV) is the first operation of a new series of three development policy credits designed to support the ongoing Punjab Education Sector Reform Program (PESRP), which has entered a second Phase. Phase I was supported under a series of three programmatic Development Policy Credits (DPCs) from 2004-2006. The objectives of the Phase II PESRP are to improve performance and quality of school education to improve student learning outcomes; improve school participation and retention rates; and reduce gender and regional disparities (grades 1-10). The reform program seeks to enhance fiscal sustainability; increase equitable access to education; improve quality and relevance of education; and improve public education governance and management.

Since the launch of the first phase of Punjab Education Sector Reform Program (PESRP) in 2003, several improvements have been achieved, particularly in expanding access. Public sector enrollments have increased by over 2.4 million, up from 8.8 million in 2003 to 11.2 million in 2006, and net primary enrollment rate has also increased from 45 percent to 58 percent between 2003 and 2005. There has been steady progress in moving towards gender parity, with girls' share of total public school enrollment (grades 1 – 10) moving from 43 percent to 45 percent. At the primary level, the share of girls' enrollment in public schools has increased from 44 percent to 46 percent.

The credit will continue to contribute to the government's goals of poverty reduction. It will enable the government to continue with the already successful interventions, such as girls' stipends and free textbooks, to provide much needed support to poor and rural households. The credit also supports the government's strategy for opening and scaling up support to the low-cost private sector. Strong monitoring systems have also been put into place and have encouraged need-based decision making for program interventions and for policy development.

Despite these gains of the first three years, there are significant remaining challenges that continue to confront the education sector in the province. While enrollment levels have increased, there is a need to sustain the growth, improve student retention by reducing the still high drop out rates, and further reduce gender and regional disparities. The most fundamental challenge is to improve quality of education. This remains a huge challenge for Punjab and the country as a whole. Learning outcomes at the basic education levels are poor. Several institutional changes were initiated in the first phase of PESRP to improve quality of education, including raising teacher qualifications, implementing reforms in teacher professional development, examination system, and textbook development. These are being deepened under the second Phase so that the school system performs better and produces better educated students.