

# Pakistan

Using Development Policy Lending for HD  
Outcomes

Experience of the Punjab Education Sector  
Reform Program

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*July 28, 2005*

# Background

- Education in Punjab supported through Social Action Program during 1990s, and sector investment projects (WB, ADB, others) during same period
- Despite large scale investments, very little improvement in key indicators, stagnation in indicators
- Enrollments in public schools showed average of 1.5% increase annually, Primary NER at 45% - situation would have been worse without growth of private sector

# Decentralization and Education Service Delivery

- In 2001 major structural change through political, administrative and financial decentralization
- Service delivery responsibility shifted to newly elected local governments
- Three tiers formed – district, tehsil and union council level
- Education service delivery responsibility of district governments
- Focus on improving processes and inputs leading to better outcomes

# Scale of the Punjab Education Sector

- 64,000 education institutions – out of which 44,000 primary schools
- Over 500,000 employees, including 350,000 teachers
- Over 30,000 private schools
- 11 million enrolment and 3 million in private schools

# Situation Analysis

- Poverty / income inequities in access to education
- Decaying physical infrastructure
- Poor quality service delivery: large teacher vacancies; teacher absenteeism; low student learning; inadequate quality of textbook and learning materials
- Weak community and parental participation with ineffective experiences with school management committees
- Rise of private sector provision, in urban and rural areas but no viable public private partnerships

# Situation Analysis

- Weak political will for fixing service delivery
- Weak implementation and monitoring, especially at the district and service delivery level
- Data analysis driven decision making missing
- Low funding levels for education
- Devolution took place in 2001 but no focused program to improve service delivery
- Education program not aligned with changed delivery system
- Competition between elected provincial and district governments

# Education Program Design: Fundamentals and Principles

- Designed to tackle issues captured in the situation analysis, especially:
  - Program design aligned with national strategies: PRSP, and most importantly devolution strategy
  - Program design and strategy driven by highest level of political commitment and championship
  - Overall aim to increase enrollment, quality of education and funding levels
  - Strengthen service delivery through the district governments
  - Bank requested to support the program

# Program Design

- Three year program launched in July 2003
- Three program pillars:
  - Public finance reforms to realign provincial and district expenditures with education and other pro-poor expenditures
  - Strengthen devolution and public sector management reforms
  - Improve quality, access and governance of the education system

# Program Scope and Management

- Three years initially, with support from WB development policy lending instrument, but looking towards long term framework
- Led by Punjab Government – high level steering committee, and monitored by strong program monitoring and implementation unit
- Streamlining management within provincial and district Education Departments to ensure sustainability
- Strengthening Community oversight
- Strengthening district tier for service delivery

# Provincial and District Government Partnership

- Program underpinned by clearly defined, mutually agreed upon terms of partnership between the province and the 34 district governments: signed at the beginning of each year of the Program
- First time such a service delivery contract used by a province after devolution

# Program Areas and Interventions

- Strengthen devolution through 'Terms of Partnership (ToP) agreements' between provincial and district governments
- Specific Program interventions include:
  - Improvements in infrastructure to link demand with supply
  - Addressing poverty and equity through free textbooks and stipends
  - Improvements in quality through merit based teacher recruitment, teacher professional development, textbook improvements
  - Improving governance through greater role of School Councils, school based budgets, strengthened capacity of district education teams, and development of robust monitoring and evaluation system

# Terms of Partnership (ToPs)

- Provide clarity of provincial and district government roles and responsibilities, with detailed institutional arrangements for program implementation and for monitoring & evaluation
- Conditional grants to districts backed by agreed annual targets (with performance indicators benchmarks), including financial parameters
- Need and performance based formula included in this instrument to reward/incentivize better performance
- Provide opportunity to adjust the partnership (targets, etc.) on an annual basis

# Examples of Performance Indicators in Terms of Partnership

- Enrollment – primary, middle by gender
- Drop out rate
- Budget allocation, comparison with previous year
- Provision of school budget to be operated through School Councils
- Reduction in missing facilities (e.g. walls, toilets, water etc)
- Number of school councils operationalized
- Non-functional schools operationalized (i.e., through posting of newly recruited contract teacher, etc.)

# Progress in Program Inputs

- On time delivery of free textbooks for past two years: 11 million books to 8 million students; in year 2, 17.6 million books to 11 million students
- Regular delivery of quarterly stipends (@ Rs 200 p.m) to over 200,000 middle school girls in 15 low literacy districts
- Recruitment of (30,000) contract teachers to fill critical vacancies
- Provision of 37,000 missing facilities in existing schools in the first year

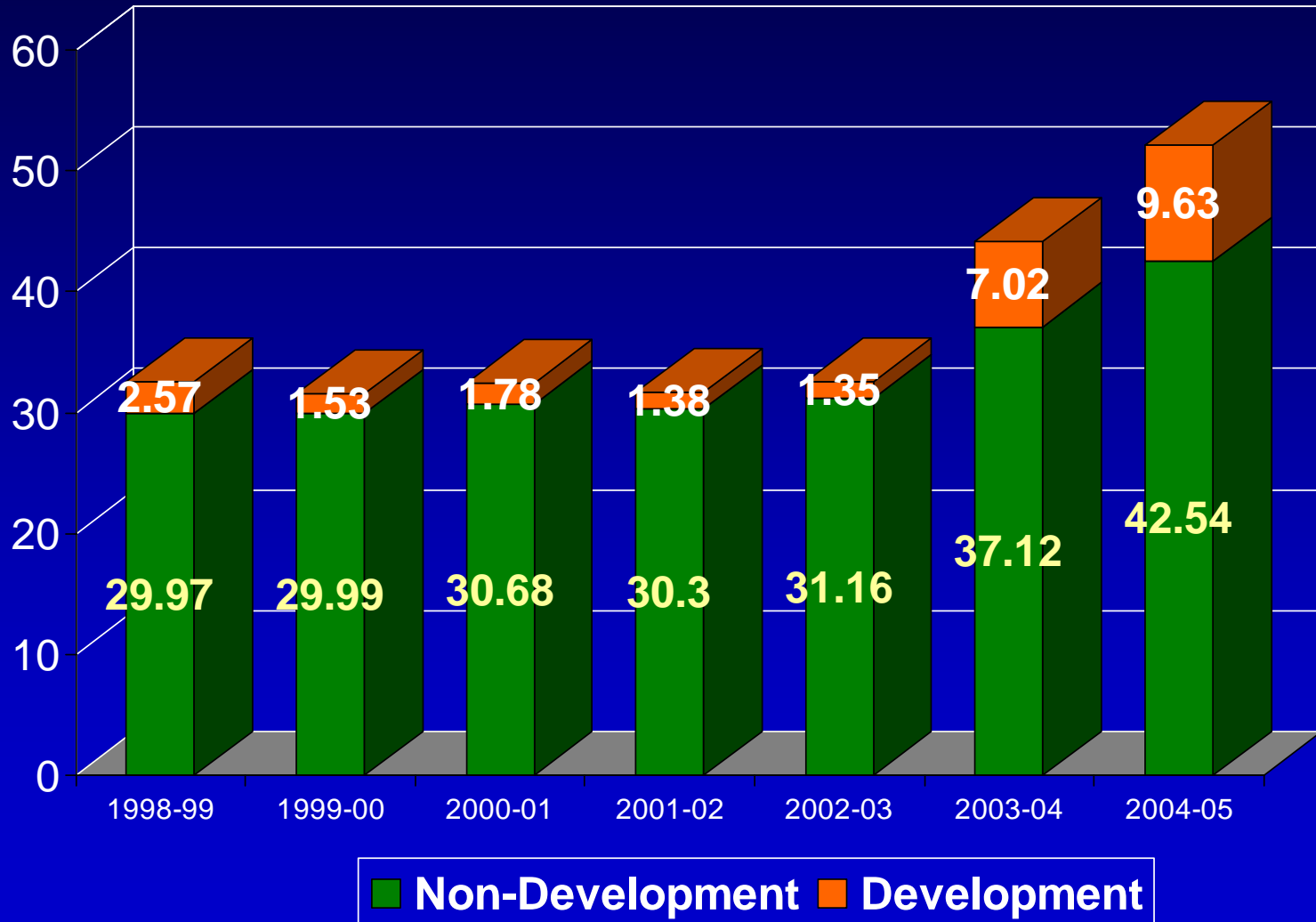
# Progress in Program Inputs

(continued...)

- Establishment of school-based budgets through School Councils in 50% of the districts
- Pilot launched to provide capacity support to School Councils (6 districts – 2400 schools): NGO management of schools through School Councils
- Opening up of window for public private partnership
- Robust monitoring system established; data used for decision making; Third Party Validations

# Punjab Province Education Funding Pattern

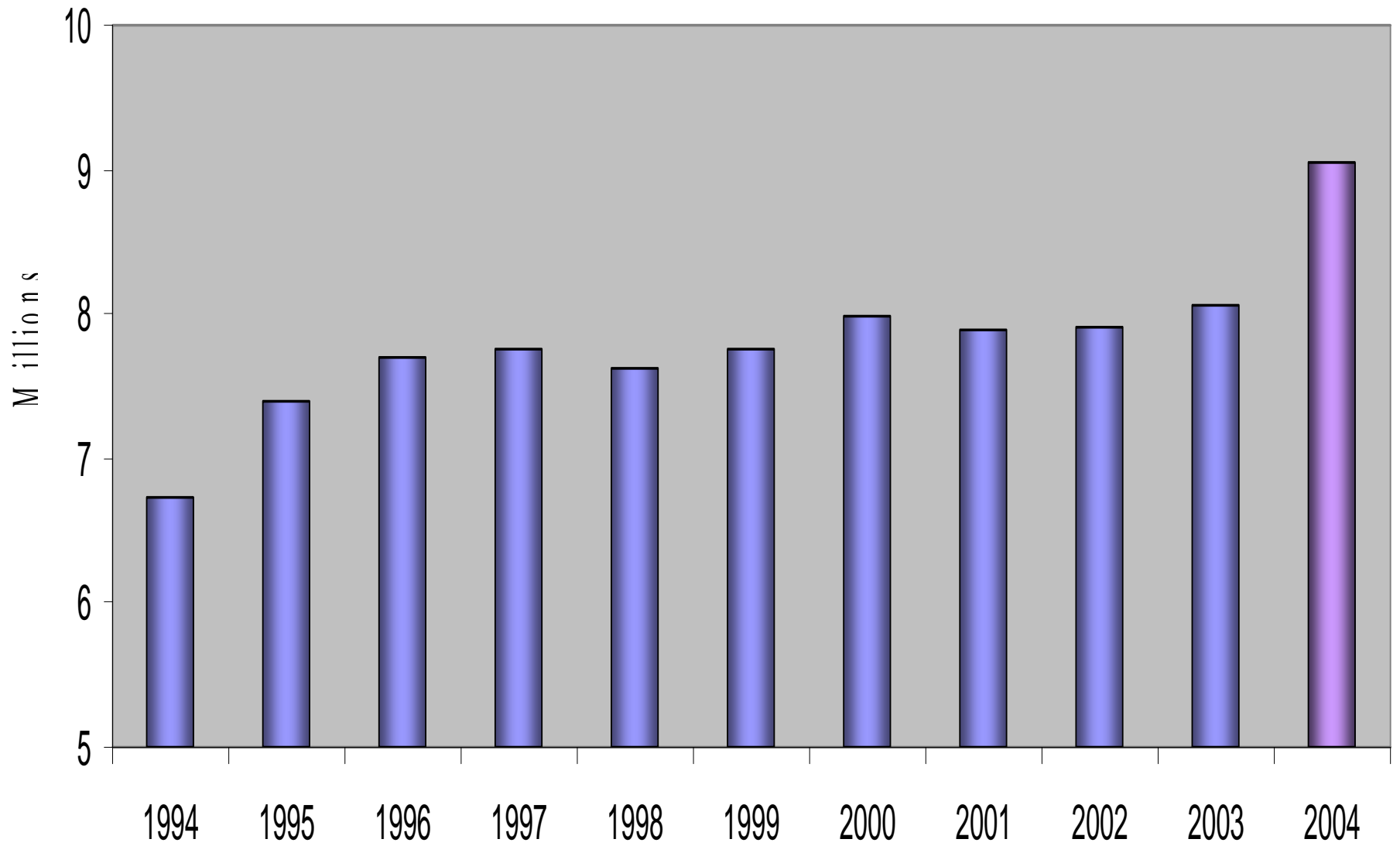
Rs. in billion



## Evidence of Service Delivery Improvements

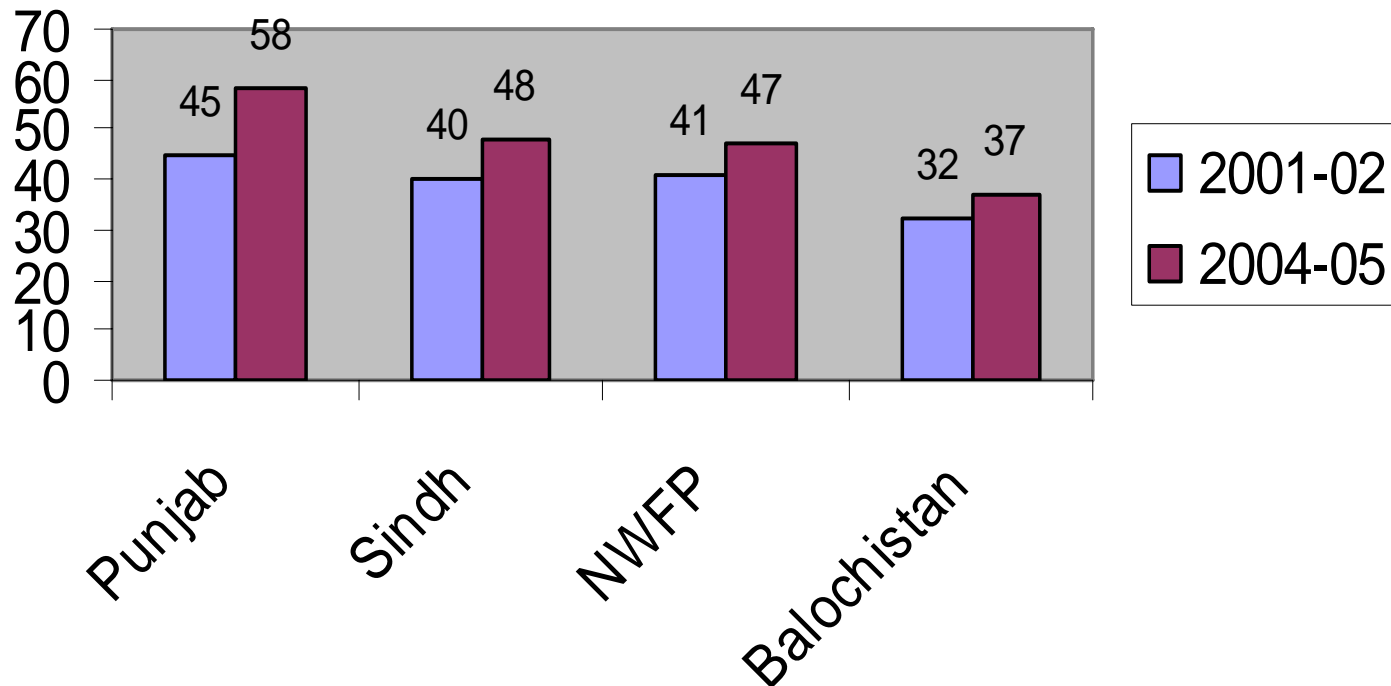
- Increase in primary school enrollment and retention: one million more students in Government primary schools
- More than 20% increase in girls enrollment increase in Government middle schools in target (low literacy) stipend districts

# ELEMENTARY ENROLLMENT IN GOVERNMENT SCHOOLS



# Changes in Net Enrollment

## Primary NER (Age 5-9)



PIHS 2001/2002;

Preliminary CWIQ Data 2004/2005 (preliminary data from a recent household survey - still to be analyzed)

# Why Development Policy Credit (DPC) was an Appropriate Instrument

- The elements of the Program were amenable for a DPC:
  - System wide reforms: new teacher recruitment policies; revitalization of School Councils; establishing mechanisms for institutionalized public private partnerships
  - Conditional grants to district governments under Terms of Partnership Agreements
  - Significant increase in the education budget
  - Cross sectoral areas such as the fiscal decentralization process and governance reforms

# Why DPC was an Appropriate Instrument (continued)

- Policy reforms required support beyond sector line ministries;
- Facilitated policy dialogue at the highest government level sustaining attention of the political leadership and senior government officials.
- Single tranche annual disbursement maintains focus on performance indicators

# What was different in the Punjab Education Sector Reform Program

- Political championship of education reform at the highest level
- Reforms came first, followed by additional funding
- Alignment between provincial and district governments
- Alignment within government departments at all levels
- Strong implementation teams
- Predictability of financing
- Strong monitoring at provincial level, which ensured effective implementation and use of data for analysis and decision making
- Targeted interventions – supply and demand side; awareness campaigns

# Lessons from the Punjab Experience

- Political championship of education reforms at the highest level, and a commitment to implement a well governed program is essential
- Stable leadership at the Administrative Level
- Clarity of Roles between Provincial and District Level functionaries, and clear responsibility and accountability for implementing the program (e.g. Terms of Partnership)
- Strong teams to manage, implement, and monitor for ensuring effective implementation
- Use of credible data for decision-making

# Lessons from the Punjab Experience (continued)

- DPC with annual single tranche can work well if:
  - Based on strong quantifiable prior actions
  - Backed by intensive dialogue and policy and implementation reviews
  - Backed by on-going analytical work
  - Backed by credible data for measuring both outputs and outcomes
  - Backed by continuity of leadership at the implementation and monitoring levels

# Future Challenges

- Continued support through the DPC will enable the Punjab Government to deepen reforms and address future challenges:
  - Initial focus and achievements in expanding access - sustained focus on service delivery improvements is now required
  - Building stronger partnerships between Provincial and District Governments
  - Sustained political commitment and ownership
  - Continuity of leadership and implementation teams
  - Quality improvements: teacher quality, student learning, textbook improvements
  - Institutionalization of reforms