DFID/AKDN Seminar

Public-Private Partnerships for the Delivery of Basic Education Services to the Poor

SEMINAR REPORT

15 October 2003
Introduction

1. A seminar on Public-Private Partnerships (PPPs) for the delivery of basic education services to the poor was held at the Ismaili Centre in London on 25 September 2003. It was jointly organised by the Aga Khan Development Network (AKDN) and the Department for International Development (DFID).

2. The purpose of the Seminar was to discuss lessons and challenges in implementing public-private partnerships for the delivery of basic education services. It focused mainly on Pakistan, Afghanistan and India. Approximately 35 people, including outside experts, participated. The Programme is given at Annex 1 and the List of Participants at Annex 2.

3. The Seminar was inaugurated by Mr Aly Nazerali (Chief Executive Officer, AKF-UK) and Ms Nicola Brewer (Director-General Regional Programmes, DFID). The Keynote Paper was given by Dr Steve Commins, who worked on the World Bank team, which wrote the World Development Report 2004 – Making Services Work for Poor People. The Keynote Paper and five case studies, which were prepared for the seminar, are at Annex 3.

4. This brief report summarises the key points from the Seminar. It was drafted by Steve Jones and Sofia Shakil\(^1\), who facilitated the seminar.

Key points

5. The following key points were made during the seminar:

   \(a\) Governments are responsible for ensuring that services such as basic education, health, water and sanitation reach their citizens and should be held accountable for this. However, the delivery of quality basic education services to poor people and the attainment of the Millennium Development Goals, require public and private sectors to work together. Governments need to enter into partnerships with non-state providers (NSPs) - including ‘for-profit’ and ‘not-for-profit’ providers – to achieve this goal.

   \(b\) A framework is needed to use in planning and managing PPPs in

\(^1\) Steve Jones (Pakistan Programme, DFID). Sofia Shakil (Consultant, AKDN).
order to clarify:

- **The meaning of the terms used in PPPs** (e.g., ‘public sector’, ‘private sector’ and ‘partnership’). It is important that all parties entering into a PPP have a common understanding about what these and other key terms mean.

- **The different ways in which public and private sectors can work together and share resources to improve service delivery to poor people.** In the early days of PPPs, the private sector was seen as a ‘contractor’ delivering services for the public sector. It is now realised that the private sector can play a broader role and may contribute to regulation, financing and setting standards, and to policy formulation and the long-term management of service delivery. It is important to be clear about the different tasks involved in delivering basic education services and the roles and responsibilities of partners in any public-private partnership.

- **The boundaries between ‘public’, ‘non-for-profit private’ and ‘for-profit private sectors’** are often not clear (e.g., NGOs may act like ‘for-profit’ providers; public school teachers and public doctors may work as private tutors and practitioners outside school hours; NGOs generally ‘work for poor people’ but are not accountable to them).

- **The most effective ways donors can support PPPs** in improving service delivery to poor people needs further study. What instruments and models work best in which circumstances and what mechanisms can donors use to strengthen accountability of the State? How can donors best support innovation and improvements in service delivery in countries like India and Pakistan where aid is a small proportion of GDP (under 5%)?

(c) **It is important to understand politics at all levels** (federal, state/province, district, community and within the education sector) in planning and implementing PPPs. Service delivery is highly political and we need to understand political dynamics and incentives around PPPs (e.g., for accountability) and ensure that any new approaches take account of the political context.

(d) **Improved data and information is needed across the full range of the public and private sector education services.** Accurate and timely information is critical for effective planning and management of service delivery, for performance monitoring and accountability and involving citizens in PPPs, but is generally lacking. Recently, in India and Pakistan, for example, there has been a huge increase in private sector (for-profit) schools but it is not possible to assess their efficiency, quality, equity and other impacts because data are not
available.

(e) **In difficult environments, it is important that donors remain engaged with the state sector even if the private sector may be the most effective way of delivering services in the short-term.** This is important in order to encourage the state to (a) formulate appropriate policies, (b) be accountable to its citizens and (c) take responsibility for the long-term and sustained delivery of services. In post-conflict situations, the challenge is often to find ways to work effectively with competing political leaders and groups, and with transitional governments.

(f) **The private sector should be involved in innovating and piloting new approaches, even if the state is the main deliverer of services.** The private sector is generally better resourced, more flexible and often better placed than the public sector to test new approaches in service delivery. Even in situations where services are delivered largely by the State, there is a role for the private sector.

(f) **The impact of PPPs on the poor and poorest households, and on equity should be explicitly considered.** Recent emphasis in PPPs on efficiency and choice has tended to ignore issues of equity and social exclusion despite evidence that service provision is failing poor people.

(g) **Communities need to be empowered to give them voice and to hold service providers accountable either directly** (the ‘short route’ to accountability using, for example school management committees) or **indirectly** (the ‘long route’ to accountability of service providers via elected representatives). Capacity to generate and use data and information also needs to be built at the local level (capacity both of local people and planners) to give people both voice and choice,

(h) **Long-term commitment – with solid financial support – is critical** in achieving sustainable improvements in service delivery.

**Next steps**

The Seminar participants agreed that PPPs will be an increasingly important part of the development landscape in the future and not only in the education sector. The experiences drawn from Pakistan, India and Afghanistan are of wider interest to practitioners in DFID and AKDN and will be widely disseminated.

It as agreed that the debate around PPPs needs to be taken forward with recipient governments at all tiers. Many of the ideas discussed will therefore be taken forward by the Policy Division Service Delivery Team and country programmes in Pakistan and Afghanistan.
The DFID Pakistan Programme organised a national policy seminar on PPPs for service delivery in Pakistan on 9-11 October 2003, which highlighted the important role Government needs to play in improving the policy and regulatory environment for PPPs to make them more effective. DFID Pakistan plans to address this in current and future programmes (e.g. a proposed project on Decentralisation and Poverty Reduction in Southern Punjab).

The DFID Afghanistan Programme will be looking at service delivery models in the health and education sectors in the near future. The London School of Hygiene and Tropical Medicine is currently reviewing the different service delivery models in the health sector in Afghanistan.

A CD-ROM with this report, including the Keynote Address and five case studies will be made on CD-ROM by early November. It will be distributed by the Aga Khan Foundation, UK.
Annex 1

DFID/AKDN SEMINAR ON
Public-Private Partnerships
For the delivery of basic education services to the poor

PROGRAMME

**Purpose:** To discuss lessons and challenges in implementing Public Private Partnerships for the delivery of basic education services, with primary focus on Afghanistan, Pakistan and India.

**The event:** A policy-level seminar for approx 25-30 people (10-12 from AKDN, 10-12 from DFID and 4-6 outside experts).

**Venue and date:** Ismaili Centre in South Kensington on 25 September.

**Agenda:**

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<tr>
<th>Time</th>
<th>Activity</th>
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<tr>
<td>0915</td>
<td>Registration/coffee</td>
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<tr>
<td>0930</td>
<td><strong>Welcome</strong> by Aly Nazerali, CEO, AKF(UK) and Nicola Brewer, Director-General, Programmes, DFID</td>
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<tr>
<td>0940</td>
<td><strong>Keynote address</strong> by Dr Steve Commins, World Bank (WDR 2004 team)</td>
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<td></td>
<td>‘Key policy issues and challenges in using PPPs to improve service delivery for the poor’</td>
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<tr>
<td>1000</td>
<td>Discussion</td>
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<tr>
<td>1030</td>
<td><strong>PPPs for delivery of basic education services</strong></td>
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<td></td>
<td>(Presentation of two short case studies by DFID and AKF)</td>
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<tr>
<td>1050</td>
<td>Discussion</td>
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<td>1115</td>
<td>Coffee</td>
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<tr>
<td>1145</td>
<td><strong>Delivery of basic services in poor performing states</strong></td>
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<tr>
<td></td>
<td>(Presentation of two short case studies by AKF and DFID)</td>
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<tr>
<td>1205</td>
<td>Discussion</td>
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<tr>
<td>1230</td>
<td><strong>Synthesis of key lessons and ways forward</strong></td>
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<td></td>
<td>(Facilitated discussion)</td>
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<tr>
<td>1300</td>
<td><strong>Concluding session</strong></td>
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<td>1315</td>
<td>Lunch</td>
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**Facilitators:** Steve Jones (DFID) and Sofia Shakil (AKDN)

**Outputs:**

- A brief note summarising the discussion and identifying key lessons and ways forward for internal circulation in AKDN and DFID (by end September).

- A CD with all papers and presentations for circulation to AKDN, DFID and outside contacts (by end October).
Annex 2

DFID/AKDN SEMINAR ON

Public-Private Partnerships
For the delivery of basic education services to the poor

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Annex 3

DFID/AKDN SEMINAR ON

Public-Private Partnerships
For the delivery of basic education services to the poor

KEYNOTE PAPER AND CASE STUDIES

1. Keynote Paper - Dr Steve Commins, World Bank:
   *Key policy issues and challenges in using PPPs to improve service delivery for the poor*
   
   **AVAILABLE ON 1 NOVEMBER 2003**

2. Case Study 1: Sofia Shakil
   *The experience of the AKDN in Afghanistan*

3. Case Study 2: Sofia Shakil
   *The experience of the AKDN in India*

4. Case Study 3: Sofia Shakil
   *The experience of the AKDN in Pakistan*

5. Case Study 4: Paul Bennell
   *Public-Private Partnerships in Basic Education in South Asia*

6. Case Study 5: Chris Berry and Adaeze Igboemeka
   *Service Provision in Difficult Environments – Issues arising from DFID support to health sector interventions in Burma, Afghanistan and Nepal.*
CASE STUDY 1

The experience of the Aga Khan Development Network in Afghanistan

Sofia Shakil, Consultant
Introduction

The Aga Khan Development Network and the Department for International Development (DfID) are co-hosting a seminar on public private partnerships for the delivery of education services to the poor. The purpose of this dialogue is to discuss and share experience, issues and challenges in implementing PPPs for the delivery of basic education services to the poor in Afghanistan, Pakistan and India.

To enrich the discussion, several case studies are being prepared to serve as background for the seminar. This case study attempts to capture elements of public private partnership for service delivery in ‘poor performing states’, drawing upon the AKDN’s experience in Afghanistan, a country which finally has entered a reconstruction period after its long history of fragmentation and recent decades of intensified unrest, invasion, civil war and extremist rule. It also poses some questions about which approaches to public private partnerships might be most appropriate to such environments in terms of effectiveness and efficiency in delivery, while at the same time responding to the essential need to support the capacity and validate the legitimacy and credibility of a new post-conflict government.

The Afghanistan Context

General Environment

Against the backdrop of a long history of social and political fragmentation and most recently 24 years of extreme instability, Afghanistan’s contemporary operating context is one of post-conflict, reconstruction-focused programming to lay the ground for the long term aspiration of national policy development, institutional growth and effective service delivery. In this endeavour, led by the new central government and supported by a strong consensus of international donors and advisors, the question arises whether the adoption of public private partnerships might help to facilitate higher quality and more cost-efficient service delivery than resorting exclusively to government services by offering alternative and innovative ways of reaching out to the unserved population. Given the mostly ‘pre-development’ environment, such models are still very nascent in Afghanistan, and the debate remains wide open regarding what might be the most appropriate balance of public-private mix to suit the drastically under-resourced technical line ministries and the precarious state of national governance, as well as most effectively addressing the needs of the population.

The governance and policy environment in Afghanistan is still emerging, managed by public institutions that have been repeatedly destroyed and are not yet re-built. The fragility of the system is in stark contrast to countries like India and Pakistan where the government is a strong driver behind comprehensive policy frameworks for sector-wide development, and where ministries and provincial departments are active in the consensual approach
to developing such policies. Afghanistan’s political processes are only just beginning to take root, and the very considerable risk of discontinuity due to instability challenges the institutional cohesion that is essential to bring the entire country under the development umbrella. Strong pressures from both Afghan and international constituencies bear upon policy formulation and uptake. The effectively autonomous rule of many local warlords exemplifies the difficulty of practical dissemination of central policy where it might not be acceptable to those traditional leadership structures. Conversely, in an environment where indigenously-led policy development is yet to emerge as the lead driving force, external influences from major development agencies such as the UN, donors, the loaning institutions and NGOs might inadvertently stimulate detrimentally conflicting policies and programmes. Above all, concerns of local insecurity in all regions outside the capital complicate effective decentralization of policy, planning and management.

**Education**

The situation for education in Afghanistan is bleak, with extremely low participation rates, particularly for girls, and lack of curriculum and learning material. The physical infrastructure has been largely damaged or destroyed, and wide disparities exist between urban and rural communities. Girls’ access to formal education, historically constrained by cultural beliefs, was even further reduced during the Taliban regime. Currently, the system is characterized by extremely low enrolment rates, abysmally low adult literacy rates, high gender disparities, lack of availability of trained teachers, insufficient physical infrastructure, and the absence of a school support structure. The curriculum has not been revised for 30 years. Most teachers and administrative personnel have not been paid for six months. The existing syllabus and textbooks reflect the conflicting ideologies propagated by previous regimes rather than providing a neutral and relevant education to children. A typical school day is 2½ hours as most schools operate three shifts a day to accommodate all the intakes. The average teacher is being paid approximately USD 43.00 per month.

The education sector is structured into two ministries. The Ministry of Education is responsible for Classes 1–12, and the provision of training for teachers for primary grades through their pre-service and in-service programmes. The Ministry of Higher Education oversees Kabul University and

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2 UNICEF data estimates gross primary school enrolment rates in 2000 at 39% for boys and only 3% for girls. Adult literacy rates in 2000 were 40% for men and somewhere between 4 – 10% for women. World Bank estimates show that there are currently about 21,000 qualified teachers (12% female) that must serve approximately 4 million school-going age children, making it an impossible ratio of 1:200. A survey (Curriculum Framework document, 2002) indicates that from the 4.5 million primary age students, 3 million were registered in primary schools and 1.5 million students could not be registered due to lack of school facility. There is an urgent need for rehabilitation of 5,435 schools, and 2,500 more school buildings are needed. To teach 3 million students, a total of 93,466 teachers are needed in the classroom. At present only 64,849 teachers are on the MOE’s payroll.
the University of Education, formerly the Pedagogical Institute, which is responsible for the training of Secondary Teachers. Financial and human resource capacity is extremely weak at all levels of both ministries. Currently, there is no funding from the government’s own resources for the education sector, all of it coming instead from external donor agencies. In the face of the almost overwhelming situation, the ministries are struggling to respond quickly and effectively to introduce a number of reform measures into the system.

The Ministry of Education’s focus is on bringing improvements to the public system of education through rehabilitation of the destroyed school infrastructure; development of appropriate and relevant curriculum and learning materials, including textbooks; and the training of teachers. The Ministry of Higher Education, through the University of Education, is planning an expanded programme to develop and strengthen a cadre of Master Trainers, putting in place a Masters level programme for education, and strengthening and expanding the undergraduate pre-service teacher education programme. Other reform measures include introducing health education at all levels, encouraging the use of student-centered methodologies and developing vocational training centres. However, the government faces major capacity constraints both to perform its own planning and strategy development processes, and to translate vision and policy into action, particularly where it lacks control in the provinces.

**AKDN’s Approach in Afghanistan**

Under these conditions, the AKDN's Education Programme, since its inception in mid 2002, has been implemented exclusively through the government to help develop and deliver a reform plan that focuses on quality improvement in the existing public school system. Focusing on northern Afghanistan, the programme pursues an approach that directly reflects the government’s policies and sectoral plans, aiming to assist the public education sector by improving access and quality of basic education in order to make it more relevant, effective and efficient. Institutionally, the programme is designed to develop local management capacity and expertise, and to strengthen the two education ministries. While the programme to date has principally focused upon the primary sector, wider investment is under review to support secondary and tertiary education.

Specifically, the AKDN aims to improve the quality of teaching in all government schools in the three target provinces of Badakhshan, Bamyan, and Baghlan through strengthening education training institutions and the provincial and district Departments of Education; improving local support structures / systems for schools through increased community involvement; and ensuring a safe and healthy learning environment for students through the rehabilitation of destroyed infrastructure. The AKDN has undertaken the construction of 16 schools and a hostel at the Pul I Khumri Teacher Training Centre, and assisted with refurbishing the Centre, supplying furniture, and
establishing and resourcing a library and a computer centre. Training workshops for Master Trainers have been held, and they have now begun their programmes of teacher support in selected school clusters in the three target provinces. Additional training and upgrading for the Master Trainers and teachers is under development. Drawing upon lessons from this experience in the field, liaison and coordination continues with the government ministries and other international agencies in Kabul, focusing on developments in planning, strategy and curricula for schools and for teacher education.

While endorsing and reinforcing the existing public delivery system has been AKDN’s chosen approach under the current circumstances, the question remains whether a support programme so exclusively directed at the public sector might be missing out on opportunities of improved efficiency and effectiveness when the public sector is handicapped by a variety of resource and capacity problems. In other words, by foregoing more private, even parallel, options for service delivery, is AKDN even denying delivery of education benefits to the hard-to-reach sections of the population? The question is especially relevant in a context where social services, such as they have been, historically have been organized by local leaders and communities mostly independently of central government, albeit with no guarantee of equitable access or quality. As a general statement, the AKDN sees its work in Afghanistan as contributing to national recovery and stability. One strategy to inducing a more open and secure environment is perceived to be private sector intervention in the spheres of cultural, commercial and social development (in the health sector in the latter case). It is in this light that the Education Programme is reviewing its strategy, with public-private options under discussion with the Ministry of Higher Education and the University of Education.

The Challenge of Developing Partnerships in National Reconstruction Scenario’s

While the private sector may be able to demonstrate innovative ways to reach large numbers of currently unserved children in the absence of a viable public system (e.g., through community-based or NGO-run schools), this potentially poses a challenge to the government’s paramount priority of building one system for all that can unite and encourage understanding across the diverse cultures and contexts in the country. In Afghanistan, where traditional divisions and discrepancies between different groups have further widened over the recent decades of conflict, the Ministry of Education is keen to avoid promoting different systems that might lead to further differences and inequities between classes, cultural/religious groups and urban/rural communities. A diverse range of education settings operated over the last decades, often unrecognised or deliberately keeping a low profile (e.g. girls schools in homes), and the government now wants to bring these efforts together and establish an open public system for the first time in many years.
The private sector has therefore been positioned by central policy to test new approaches and pilot innovation only within the public system, leaving little room to develop alternative autonomous methods of service delivery (e.g., community-based schooling, innovative private schemes such as informal coaching centers for girls, etc.). However, with the government's predominant focus necessarily being upon the physical rehabilitation of schools during the reconstruction phase, the private sector remains constrained from being creative and innovative in quality improvement at school and teacher levels or from promoting alternative access-expanding programmes. Furthermore, the limited infrastructure, shortage of resources and lack of capacity within the public system create an institutional environment that is unresponsive to private participants' efforts to advance reforms and fails to optimize on their training and resource inputs.

Thus, in a context where the Ministry of Education is not favorable towards independent private initiatives in education, a critical question for private agencies is how to respond to optimal effect within the fragile public system in a way that might bring greatest returns in quality and coverage. Given the scale of the task, the answer can only be piecemeal and partial, but through technical assistance and consultative testing of innovative approaches, it could include linking with parents, communities and emerging elements of civil society at large to develop strategies with local, provincial and national government officials that might resolve access and quality issues. In addition, private agencies might assist in monitoring progress of the system.

The difficulty of achieving an effectively coordinated public-private delivery system is compounded by the government having insufficient capacity and resources to wrest control for developing its own policies (aside from implementing them), where there is a large and powerful presence of external donors and private implementing agencies with very significant budgets, all individually driven by their own – mostly short term - disbursement priorities. In such a scenario, there is the risk of several conflicting approaches undermining the process of development. There are indeed concerted efforts happening in Kabul to coordinate sectoral aid strategies through technical working groups. However, the diverse mandates of the many and various agencies working in Afghanistan, and frequent turnover of staff, make such coordination efforts difficult at best when it comes to promoting consistency in policy formulation and service delivery.
Key Questions

The dilemma facing the private sector is how to position itself to help improve service delivery of education under the current policy environment while looking ahead towards a more stable long-term development framework. Some key questions that confront programming in a reconstruction environment such as Afghanistan, based on the issues presented above, include:

- Can we find ways to increase opportunities for the private sector to innovate and pilot new approaches in a situation when the Government is focused upon fixing the public system of delivery with emphasis on the basics such as rehabilitation of infrastructure and revamping of the curriculum? On the other hand, while the policy frameworks are still developing and control of the central Government over the outlying provinces has yet to emerge, might this provide the private sector an opportunity for considerable flexibility to experiment and innovate? Should the private sector (donors, implementing agencies) advocate to be permitted this opportunity – or does that risk undermining the fledgling ministries and inducing fragmentation of the national development plan?

- In Afghanistan and similar reconstruction environments, can the public sector system aspire to deliver to the total population, and at what cost? As local services and public goods traditionally have mostly been provided in Afghanistan through local leadership structures and some third party actors (eg. NGOs SCA, Afghan Aid etc), might continuation of private provision be a more institutionally logical and efficient means of providing access, and perhaps ensuring quality as well?

- However, how do issues of equity, and perhaps quality, get addressed when the private sector becomes a large provider of service delivery? For example, for decades, the governments in Pakistan and India have left the private sector to function on its own, outside of the mainstream and in absence of a broad regulatory framework for private schools. These two countries are now faced with a near crisis in the public system of delivery. As the private sector begins to account for a large proportion of enrolments in urban and peri-urban areas, the public sector is confronted with the challenge of ensuring equitable and quality education service delivery, either by building drastic improvements into the public system or through ensuring standards and reforms are instilled and adhered to through a parallel private system.

- Might the role of the public sector then be to certify quality by establishing minimum standard quality guidelines (strengthening of the curriculum, guidelines for textbooks, teacher qualifications, teaching
methodologies, and provision of training etc.), and to ensure equity through targeting, incentives and other such mechanisms, while leaving the delivery of services to the private sector? For a country like Afghanistan, would it be more appropriate for the public sector to allow the private sector to flourish under the quality standards and equity guidelines set and overseen by the Ministry? Where do the greater downstream resource risks lie – in the formal public sector system aspiring to national coverage, or in the fluidity of informal private sector programmes aspiring to scale (but most probably inequitably distributed by location)?

- How does an agency make the transition from working under the reconstruction period, which requires a certain (short term) approach, to working under more stable conditions, requiring a very different strategy? Is there opportunity for both public and private agencies to graduate sooner from pure construction activity by integrating forward-looking policies and transitional programming innovations earlier in the sequential process? Requiring, in turn, a long term perspective and commitment by private agencies, and a sustained effort to help inform and shape policy by working closely with the government through demonstration of lessons from the field – is this long range strategy planning and longevity of commitment realistically attainable among donors and private implementing agencies?
AKDN - DFID

SEMINAR ON

PUBLIC PRIVATE PARTNERSHIPS FOR THE DELIVERY OF BASIC EDUCATION SERVICES TO THE POOR

London – 25 September 2003

CASE STUDY 2

The experience of the Aga Khan Development Network in India

Sofia Shakil, Consultant
Introduction and background

The Aga Khan Development Network and the Department for International Development (DFID) are co-hosting a seminar on public private partnerships for the delivery of education services to the poor. The purpose of this dialogue is to discuss and share experience, issues and challenges in implementing PPPs for the delivery of basic education services to the poor in Afghanistan, Pakistan and India. To enrich the discussion, several case studies are being prepared to serve as background for the seminar. This study focuses on the experience of the Aga Khan Education Service, India (AKES, I), and in particular on one specific programme that is based on public private partnership for improving the quality of schools in Andhra Pradesh and Maharashtra states.

Context of Education in India

The education sector in India is facing a crisis: schools are understaffed, enrolments and literacy rates are extremely low, and a large unregulated private sector is growing to fill the gaps. Literacy rates for all of India are 73% for males and only 50% for females according to official Government data. It is estimated that more than half of India’s children are still out of school, and two-thirds of them are girls. Girls’ participation in education at all level is under 50%. Government schools in some places are in danger of closing down, and this is already happening in Madhya Pradesh, and even in the more forward-looking state of Kerala. The officially unrecognized, unaided private for-profit sector is growing rapidly. Recent studies show that the proportion of children attending private unregulated primary schools is as high as 18.7% in Haryana, with Punjab in second place with 15.5%. Official figures from Hyderabad district in Andhra Pradesh show that an astonishing 66% of students are enrolled in private unaided schools. State governments, including that of Andhra Pradesh, are beginning to question the effect of such schools and expressing concern about the “commodification” of primary education. The situation is not unlike that in Pakistan, where the public sector’s ability to deliver is being challenged by the rise of low cost private schools.

In an environment where the public sector is facing a crisis of service delivery, and where the Government is responsible for delivering on the EFA targets, there is a serious dilemma of how private sector efforts can be channeled towards achievement of equity (education for all) while ensuring quality. The public sector may have to strengthen its role in providing guidelines for oversight and regulation for minimum quality standards, while encouraging the private sector to fill critical gaps. However, it should be noted that the private sector, although expanding rapidly, is still – and will always be - far smaller than the public sector in outreach, and therefore the

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3 These figures are cited in a paper prepared by Yash Aggarwal of the National Institute of Educational Planning and Administration in New Delhi (March 2000).
public sector system will need to explore ways to become more flexible to encourage innovation within its own system to improve simultaneously its quality and outreach to the marginalized. The private sector, through carefully attuned partnership arrangements, can play an important role in bringing about this change in the public sector system.

**Aga Khan Development Network’s Education Programme in India**

AKF and AKES,I address national education needs in India through quality enhancement programmes in government and private/community schools, including those run by AKES,I. AKF has a coverage of about one million students in nearly 1000 government schools and 85 AKES,I schools, from pre-primary through higher secondary, in Andhra Pradesh, Gujarat and Maharashtra, and in the development of an international centre of excellence in Mumbai. AKES,I programmes through grantee institutions, runs school improvement programmes, and provides financial assistance, scholarship programmes and counseling services. AKES,I’s quality-improvement initiatives build upon AKF’s school improvement programme, which was in turn based upon lessons learnt from small-scale innovations piloted by AKF grantees. The focus of the programme has been to extract lessons and to make a visible impact on the quality of education in the larger government system through improved teaching and learning methods, community participation in schools, and leadership and school management.

The Programme for Enrichment of School Level Education (PESLE) and AKES,I’s Participation in the Promotion of Education through Partnerships

**PESLE**

The Programme For Enrichment Of School Level Education (PESLE) is an eight-year programme funded by the European Commission to improve public school education in India through mainstreaming innovative models of quality education that have been developed and tested by private agencies, NGOs and community organisations. PESLE aims to scale up and mainstream successful innovations in school improvement into the public system and push the frontiers of quality education to within the reach of the poor.

For more than a decade prior to PESLE, AKF had supported the development of innovative approaches for improving the quality of education by influencing teaching, training, school management, and community and parental participation processes in schools. Although most of these innovations were developed through experimentation in private and community-based schools, they were also successfully tested in government schools. PESLE now seeks to build on these successes to make a wider impact on the quality of education in public schools.

AKES,I was included as one partner in PESLE because of its long history in school improvement activities. AKES,I has been testing its approach to
“whole school based change” since 1989 in two Mumbai schools, and in AKES,I schools in Andhra Pradesh and Gujarat. AKES,I had always sought for improvements initiated in the target schools to be sustained and eventually taken to scale in other schools - particularly government schools, not only because of the large number run by the public sector (directly or through grant aid to private providers) but also because government policies would determine the space and guidelines under which other providers would operate. Moreover, the public system was moving towards decentralized planning and management of education under the District Primary Education Programme (DPEP). Schools were being increasingly included in ‘bottom upwards’ planning processes that would feed into district and state plans. Institutional mechanisms to build the capacities of schools such as Cluster Resource Centres (catering to about 12-15 schools) and Block Resource Centres (sub-district units) were being established. PESLE therefore presented a good opportunity to AKF partners, including AKES,I, who had been working with school-based processes to improve the quality of education and build the capacities of schools, to expand their participation in decentralized planning and management through a larger programme geared to disseminating innovation through partnerships.

In the first two years of the project, AKES,I focused on consolidating its learning regarding school improvement processes, and began to share these lessons with low cost private schools nearby who were interested in change. This was an important phase to prepare a set of resource persons as AKES,I geared itself up for taking these lessons to the mainstream public schools. During this phase, modules encapsulating child-centered and age-appropriate pedagogy were developed, and teachers were trained as master trainers in preparation for training government teachers. After building the skills and confidence of a team of resource persons and having adequately prepared itself, AKES,I then initiated its phase of working with the mainstream public education system. The table below gives an indication of the current public-private partnership mix attained to date:

<table>
<thead>
<tr>
<th>Grantee &amp; location</th>
<th>Public Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aga Khan Education Services, India, working in states of Andhra Pradesh, Gujarat and Maharashtra</td>
<td>Invited to work with the Government of Andhra Pradesh to for universalisation of elementary education in the state; direct responsibility to implement school improvement interventions in one mandal (block)</td>
</tr>
<tr>
<td></td>
<td>Invited by the government of Gujarat to work</td>
</tr>
</tbody>
</table>

4 Whole School Based Change is a systemic approach to School Improvement and is based on four principles, namely reflective practices, joint problem solving, creating an enabling environment through informed leadership, and sustainability through outreach. It looks at a combination of factors essential for sustaining quality process within the school, and was developed based on the experiences of lessons learnt in the school improvement programme.
with the Gujarat Council for Educational Research and Training to develop a curriculum for preschool education and influence pre-school teacher training institutions in the state.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Role/Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bodh Shiksha Samiti, working in the state of Rajasthan</td>
<td>Appointed as Technical Support Agency by government of Rajasthan for the <em>Janshala</em> programme supporting quality education for the poor in five cities.</td>
</tr>
<tr>
<td>Dr Reddy’s Foundation for Human &amp; Social Development, working in the state of Andhra Pradesh</td>
<td>Invited to work with the Government of Andhra Pradesh to undertake interventions for quality improvement in Balanagar <em>mandal</em> of Rangareddy district.</td>
</tr>
<tr>
<td>Society for All Round Development, working in the state of Rajasthan</td>
<td>Invited to manage one Cluster Resource Centre for improvement in the quality education Deeg Block of Bharatpur District.</td>
</tr>
</tbody>
</table>

A number of factors have helped to facilitate these public private partnerships. These include personal influence based on individual contact that the programme team at AKES,I has with government officials at key implementation and decision-making levels; the credibility of the AKDN and its experience in education; deliberate efforts to provide key government officials with exposure through AKES,I sponsored conferences; the enabling environment in the country which includes the cooperation of civil society (although viewed by Government mostly as contractors); and the political will of the Government. However, the experience has not been without its challenges, as discussed below.

**AKES,I Participation in Promotion of Education through Partnerships**

Because of its efforts to test innovation and attempt to apply it to the mainstream government system, AKES,I today is recognized by the Government to be a partner in a number of efforts to bring improvements to education service delivery. AKES,I is contributing towards the Education for All goals, particularly to help raise levels of universal elementary education in Andhra Pradesh. Over the course of many years, it has established credible linkages with the Principal Education Secretary, the Secretary of Women and Child Welfare Department, and the State Council of Educational Research and Training (SCERT). In Gujarat, AKES, I is a member of the core group on the Gujarat Council for Educational Research and Training (GCERT) that has been instituted by the Government to provide technical support to the pre-school programme, and influences the pre-school teacher training institutions. In Mumbai, the linkage with the South Indian Education Society (SIES), a pre-service teacher training college, is a leverage point for introducing the AKES,I-

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5 SCERT is the apex body at the state level for curriculum development.
developed curriculum into the university curriculum. Linkages with advocacy bodies like Forum for Child Care and Education Services are enabling AKES,P to advocate for quality education of pre-school children based on AKES,I’s own experience. Under PESLE, AKES,I’s outreach programme covers about 77,837 students, 2195 teachers and 1069 school and pre-schools in both rural and urban areas, making AKES,I’s influence on quality improvement significantly larger than when it began in its own seven schools.

These different points of collaboration and partnership are built on technical and organizational areas in which AKES,I has demonstrated particular competencies – i.e., pre-school education, teacher development and quality learning environments. AKES,I’s experience, similar to others, suggests that work with government and other education stakeholders must be built on concrete experience and a firm knowledge base. However, while the number of AKES,I beneficiaries through its various partnership activities are significant figures in themselves, and represent major programme expansion, the coverage remains a drop in the bucket of total need, given India’s enormous population and huge numbers of poor. Effective scalability, while retaining and improving quality, remains the predominant challenge.

**Key Issues Faced & Lessons Learnt in the Partnership**

While there are many positive elements that are emerging out of these partnerships, AKES,I’s partnership with the Government through PESLE is still young and challenges exist to the implementation of a smooth public private partnership. Some operational level issues include:

- **Frequent transfer of government officials and its impact on continuity.** One major issue is that of transfer of personnel and how that can put a brake on momentum and progress. For example, in Mumbai, two key officials that were instrumental in the implementation of an integrated child development programme were transferred, and the programme came to an almost standstill until the new officials were oriented. *This is a pattern that is consistent with bureaucracy systems of South Asia, making it as relevant for Pakistan where frequent staff turnover at all levels, particularly leadership, handicap continuity and forward looking change.* AKES,I has learnt to include a broader group of officials in the negotiation and planning of interventions, as champions of the initiative, to take it forward when colleagues move on. Improved documented record of the discussions, plans and agreements would have also assisted the new officials to maintain continuity.

- **The Government’s system of service delivery:** The bureaucratic culture prevalent in the public system often proves counter-productive to AKES,I’s work for quality improvement. This has been most detrimental at the school level where teachers have complained of a variety of hindrances, including essential teaching materials being kept under lock and key, lack of trust in teachers by supervisors, inadequate
monitoring, an outdated support system and generally high teacher-student ratios. Schools, and teachers, do not have sufficient autonomy, making it difficult to build ownership and sustainability of positive change at school level. (However, with growing decentralization of planning and management under the District Primary Education Project, schools are becoming the starting level of bottom-up planning). Further, teachers, already over-extended with their regular teaching duties and additional demands placed on them by more senior education officials for help in surveys, complained of the extra work they now have to do as a result of the new training and methods. Again, this is an issue that is endemic across South Asia, with similar patterns in Pakistan making service delivery difficult, and the environment for partnerships even more challenging – particularly when trying to introduce innovation into the system.

However, PESLE’s partners and other programmes are proving that it is possible to make changes in the public system, through appropriate training and in particular through orienting school-based practitioners to adopt a child-centered approach towards education and develop and use appropriate teaching-learning practices. Similarly, to sustain the impact of these interventions, pedagogical interventions in teaching-learning processes need to be paired with systemic interventions that address issues of management and decision-making in the system. Tactically, it is important to target a viable administrative unit while planning such interventions in the public system, beginning with small pilot-phase activities in which the approach can be tested and adapted for scalability.

- **Need for the private sector to adapt its ways of working.** AKES,I has faced a challenge in adapting its own ways of working to address public sector schools. AKES staff were not prepared to work easily under the different conditions, and it has taken serious internal management discussions for the staff to undertake work in non-AKES,I schools. This can be applied to most instances of private agencies and NGOs working with the Government – staff are accustomed to working with greater facilities and under better working conditions and often find it difficult to adapt to working in a public sector setting.

AKES,I had foreseen some of these challenges based on its previous experiences, and had anticipated by introducing some mitigating factors to enable smoother implementation of the partnership. Under PESLE, the new partnership strategy carefully spelled out the role of the different stakeholders in the programme in a formal agreement so as to ensure accountability. The programme recognizes that each partner has diverse interests, but that the agreement must be specific about common goals and objectives, which need to be agreed upon at the outset. A joint monitoring committee was suggested to avoid duplication of efforts. AKES,I stipulated that trainings would take place on site and as per Government’s regular training schedule to avoid
over-burdening of teachers. Similarly, AKES,I expressed that the teachers of partnering government schools be exempt from all other training programmes sponsored by the Government. AKES,I in its proposal also requested a teacher-student ration of 1:40. Further, AKES,I also included impact indicators at the classroom and school level to help the Government and partners monitor progress. The proposals have been formally accepted by the Government in Andhra Pradesh, and informally in Gujarat and Mumbai.

Some challenges that go beyond the operational level and are concerned more with private agencies’ attempt to apply innovation to the mainstream public sector include:

- **Parental and community involvement.** Parents, even from poorer communities, are willing to participate in their children’s education. If cultivated, parental and community participation can be a powerful tool in improving school performance. However, this is an area that is challenging to public sector officials to deal with and is therefore often neglected. The Government often seeks the involvement of private agencies to help address this issue.

- **Relevance and applicability of innovation to the government system.** AKES,I is facing the huge task put forth under PESLE of “replicating tried and tested strategies within the mainstream system” as it means applying an approach, model or set of strategies developed in one context, and adapting and refining these to very different situations. For AKES,I, this means ongoing study and reflection on the applicability of its approaches to a large number of diverse public schools, and undertaking extremely careful needs analysis of the schools. It also raises the question of whether the Government can mainstream not just the innovation but also the culture of experimentation and innovation into its system. *This concern also reflects two questions in the Pakistan case study. Does the Government have the capacity to sustain and replicate innovations that have been introduced into the public system after having been piloted with proven success by private agencies – but only with hypothetical scalability? And is the public sector able to exercise the requisite agility to innovate and pilot new approaches and models themselves – especially on a sustainable basis?*

- **On engagement with the private sector:** There is a case for examining the perception that private schools offer better quality education and sustained quality control by offering ‘choice to the customer’. Indeed the number of private schools has expanded dramatically in India in both urban and rural areas. While patterns of demand and supply preclude real choice to the customer, popular benchmarks of quality do not necessarily ensure that effective learning is happening. However dismissing private schools as an alternative would not be a viable way forward. The issue needs to be addressed urgently and will need a multi-pronged response including aspects of governance and regulatory
mechanisms for schools, public and parental awareness about indicators of quality education, avenues for enabling willing schools to upgrade their capacities, and systems to adopt good practice and for ensuring equitable access to education, particularly for the marginalized. The public sector needs to explore ways to engage the private sector not just for filling in service delivery gaps, but also to help cultivate reform and room for innovation within the public sector.

AKES,I believes that public-private partnership can be an effective system for enabling better alignment of resources to needs. The key to partnership is synergy, playing upon the strengths of each partner, and a clear understanding and adoption of joint ownership. This needs to be formalized and exercised through such instruments as technical assistance agreements, co-financing arrangements and clear contractual definition of accountability for performance and financial probity.

While PESLE is only just beginning to expand, if AKES,I and the Government are successful in replicating innovative approaches for school quality improvement in the wider government schools, this partnership should offer lessons for other public-private partnerships for the delivery of education services. Meanwhile, during the course of implementation, the challenges too will provide their own lessons.
CASE STUDY 3

The experience of the Aga Khan Development Network in Pakistan

Sofia Shakil, Consultant
**Introduction**

The Aga Khan Development Network and the Department for International Development (DFID) are co-hosting a seminar on public private partnerships for the delivery of education services to the poor. The purpose of this dialogue is to identify significant issues and challenges in implementing PPPs for the delivery of basic education services to the poor in Afghanistan, Pakistan and India, in order to carry forward a dialogue between DFID and AKDN on how these issues might be better addressed.

To give reference to the discussion, several case studies are being prepared to serve as background for the seminar. This case study documents the diverse experience of the Aga Khan Development Network using public private partnerships in the delivery of basic education services in Pakistan, and attempts to extract some themes, issues and dilemma that AKDN is struggling with in partnership with the Government.

**Parameters and Definition for Public Private Partnership**

Public private partnership is becoming an increasingly established and preferred approach to build increased efficiency, effectiveness and quality into service delivery. Whether this is a current trend or a long-term sustainable way of delivering services, most large-scale public programmes, in education as well as in other sectors, that have recently been designed and launched in Pakistan, include PPP as an approach for programme implementation.6

Because of its emerging nature, there are varying parameters being used to shape the definition of public private partnership, particularly for the delivery of public goods such as education. PPP can be defined to include a number of different mechanisms, such as public or government financing of services (e.g., in the case of education, a relevant example could be that of school vouchers for poor children); public contracting out of services (such as the training of government teachers to a private institution, or community-parent mobilization to an NGO), or procuring of services (i.e., technical assistance) for specialized functions (ranging from textbook design to reform of an

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6In addition to the Government’s Education Sector Reforms (which is discussed in more detail in this paper), these include the Education Sector Reforms Assistance Programme of USAID, the World Bank’s planned assistance for Punjab’s Education Reform Programme – both have distinct PPP components (to promote activities such as expansion of support to education foundations, strengthening of school management committees, promotion of private (for-profit) sector participation in local education initiatives, etc.). Other programmes include piloting of incentive schemes (such as stipends) for vulnerable populations, expansion of adopt-a-school programmes to promote innovative ways to increase access and quality to schooling, and others. DFID is also currently supporting the National Education Foundation as it re-organizes itself to be able to take on programmes that promote greater PPP. PPP initiatives beyond education include programmes in micro-finance, rural water supply and other development sectors.
examination system\(^7\)); or, perhaps a more informal arrangement that includes *active participation of private sector institutions* in policy dialogue and planning processes. Additionally, the running of a parallel system by the private sector, while not a direct partnership, can also qualify inasmuch as such a system is in the business of providing a public good. While it is acknowledged by most partners that the understanding about the third “P”, i.e., partnership, is still emerging and clearly needs to be embedded and more emphasized in PPP schemes, there are already several examples of PPP that have been recognized for their success or for the lessons they offer.

**Overview of Education in Pakistan**

**Performance & Trends.** Performance in the education sector in Pakistan is dismal. Progress in education outcomes during the past decade has been disappointing, or, at best, mixed. The gross enrolment rate for primary level improved from about 65% to 70% between 1991 and 1995/96, but then stagnated at 69% in 1998/99.\(^8\) The gender gap in rural enrolment fell, but this is mainly attributable to declining or stagnant male enrolments rather than any significant increase in female intake. Income-related inequities also increased with households in the bottom half of the income distribution ladder having much lower enrolment rates than those in the upper half. Both female and male literacy rates have shown slight increases during the 1990s, and were estimated at 43% in 1998/99 (with a female literacy rate of 27% lagging behind that of male of 57%).\(^9\) As a consequence of this poor performance in the past decade, at the onset of the 21st century only one in two children aged 5–9 attends school, and optimistically only about half are functionally literate.

In an environment of declining quality of public sector schooling, the private sector, mostly unregulated, is fast becoming a major provider of education in Pakistan (recent surveys show that about 52% of education in urban Sindh, for example, is being provided by the private sector), especially so the low-cost sector catering to lower income groups in urban areas as well as to rural populations. This trend is similar in neighbouring India where recent studies show that a growing proportion of children is attending private officially unrecognized primary schools. These figures point towards the trend for increasing private sector (parallel) provision of education, without government support.

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\(^7\) Although the example of Aga Khan University’s participation in helping to reform the national examination and assessment system is not included in this case study, it is worthy to note that such a partnership is developing.

\(^8\) Figures are based on data from the Pakistan Integrated Household Survey (PIHS), a sample-based survey instrument that has been critical in tracking social sector indicators during the Social Action Programme years. However, if data from the Education Management Information System (EMIS) cells are used, the Government often cites a higher GER rate of 89%.

\(^9\) These are PIHS-based figures. The most recent Economic Survey of Pakistan (2001-2002) shows the literacy rate to be rising steadily from 43% in 1998, to 50% in 2002. These are varying official numbers, and many dispute these by placing functional literacy rates to be much lower (below 40%).
Reform Efforts. In order to remedy the problems of the education system at the roots, the Government of Pakistan has launched initiatives to bring reform to the system. These include: a) efforts to decentralize education service delivery and its management as part of the devolution plan (similar to efforts in India under the District Primary Education Project); and b) the Education Sector Reforms (ESR) programme that was launched two years ago. The relevance of decentralization to PPP is that the new system has brought about greater accountability of education managers to the local communities and has encouraged local level institutions (such as School Management Committees) to flourish. This process continues to provide a wider space for innovative PPP to take place, particularly as district governments are pursuing partnerships with NGOs, private sector schools, and even the corporate sector.\(^\text{10}\)

The ESR was developed by the Ministry of Education to be a long-term framework of reforms linked to Education for All (EFA) goals through 2015, with a three-year action plan for 2001-2004 designed to close the gap in imbalances in service delivery, ranging from early childhood to the tertiary level. The ESR has expanded the scope for public-private initiatives by specifying it as an essential part of one of the thrust areas: Innovative Programmes.

As a result of these reform efforts, many examples of PPP are emerging, some of which have been referred to above. What is more important to note here, however, is that an environment that is conducive to adoption of partnership between the public and private sector for delivery of education services has emerged and is taking firm root in Pakistan. The provincial and district governments are keen to improve delivery of services by factoring in the innovation and efficiency that can accompany PPP. The AKDN has already positioned itself as an important partner for the Government by working within many of the ESR areas.

Overview of AKDN Programme Experience in Pakistan

Education has always been one of the cornerstone programmes of the AKDN in Pakistan. The Aga Khan Education Service, Pakistan has been working in Pakistan since prior to independence, and the first schools were established in the Northern Areas in 1946. AKDN education programmes have focused on complementing government programmes, particularly to help fill in the gaps where Government was unable to reach (e.g., girls in remote communities in northern Pakistan), through a combination of parallel service delivery and implementation of capacity building and quality improvement programmes based on partnership with the public sector.

\(^{10}\) There are several examples that can be cited, including the efforts of district governments of Rahim Yar Khan, and others in southern Punjab, as well as Khairpur in Sindh that are partnering with institutions such as the Rural Support Programmes, and local industrial interests to promote school improvement.
It is significant to note AKDN’s commitment to working with Government in light of the recent alignment of AKDN programmes with the national education policy frameworks, such as the ESR. The AKDN has been working within the ESR framework to promote community-public partnerships for activities such as school facility improvement, as in the Northern Areas through the Northern Pakistan Education Programme (NPEP). The Institute for Educational Development’s (IED) work with public teacher education institutions supports the ESR’s aim to involve the private sector in the management of under-utilized public sector institutions. Another important area of the ESR is to promote early childhood education, and the AKDN has already taken a lead role in helping to shape policy and facilitate implementation. The following detailed account of these specific cases is followed by an attempt to illustrate some issues and challenges, and some policy implications associated with PPP for education service delivery.

**AKDN – Government Partnerships for Education Service Delivery**

The three key areas in which the AKDN has formed significant partnership with the Government include professional development, early childhood education, and community based education. In all three areas, the AKDN has been able to demonstrate innovation for education service delivery, while facing challenges in having Government mainstream lessons from the innovation. The partnerships have ranged from completely parallel programs to varying degrees of integration and joint involvement, but all aim to demonstrate impact for wider replicability.

**Promotion of Professional Development through Public Private Partnerships**

The AKDN has been partnering with the Government to promote professional development as a key element of quality improvement of education service delivery. The IED and the Aga Khan Education Service, Pakistan (AKES,P) are the lead AKDN agencies undertaking professional development programs. IED has been active in promoting professional development among government educators and education managers/administrators through its initiative of the Professional Development Centres and other programmes\(^\text{11}\) in the South (Karachi) and in the North (Gilgit, and recently Chitral). Through this experience, the Institute has come to be recognized as one of the lead institutions for professional development among government policy makers and educators in Pakistan. For over a decade, the PDCs have contributed to the professional growth of over 1000 government teachers, educational leaders, and teacher educators and managers.

\(^{11}\) Other programmes of IED have included quality improvement efforts in Balochistan, and training of Government supervisor staff in Sindh – all partnerships requested by the Government. IED has also implemented a programme of promoting policy dialogue in education (a series of five policy dialogues in areas such as teacher education, effective utilization of resources for public private partnership, education decentralization) among policy makers and lead implementers.
Building upon its experience with PDCs, the IED is also developing a programme to develop and strengthen its collaboration with and support to the Provincial Institutes for Teacher Education (PITEs) in various provinces to improve the competence of managers, teacher educators and teachers. There are more than 400,000 teachers in Pakistan, and as many administrators, managers and others associated with the education profession. The majority of them are not equipped to deliver the best quality education. A programme to strengthen PITEs will work towards eliminating some major problems of Pakistan’s education system – poor teaching, mentoring, and management quality. This partnership not only builds public capacity to provide better quality education, but is also driven by government demand and ownership, which should lead towards greater sustainability of change.

Similarly, AKES,P, which is one of the largest private education service providers in Pakistan, has promoted capacity development of teachers and the development of a cadre of Master Trainers through various components under its Field Based Teacher Development Programme (FBTDP) and the Northern Pakistan Education Programme, largely in partnership with the Government. The FBTDP has trained more than 7,500 teachers across the north with more than 45% of trainees coming from government and community schools.

In its pursuit to provide better quality education to the remote communities of the Northern Areas, AKES,P has maintained a principle of complementarity with Government in order to fill in the gaps where Government could not work due to limited resources or inaccessibility, and to strengthen public capacity and involvement in quality education service delivery. For the FBTDP, when AKES,P’s own capacity was lacking, government Master Trainers were engaged to help design FBTDP training modules and to deliver them in the early years. Later on, to strengthen public capacity and that of community schools established under a different partnership programme (discussed below), FBTDP became an instrumental way to introduce innovation into public teaching practices. The impact of FBTDP has been significant, particularly owing to the outreach that has enabled the professional development of female teachers from remote and conservative areas where the Government had not been able to reach. What remains to be done, however, is to build systemic change into public professional development through mainstreaming of the demonstrated innovation carried out under FBTDP.

Development of the Early Childhood Care and Development Sector in Pakistan through Partnership: Shaping Policy & Facilitating Implementation
The Early Childhood Care and Development (ECCD) sector in Pakistan is emerging as a priority issue for the Government, as reflected in the ESR as well as in actions in recent years to develop a national curriculum targeting the early years. When the federal Ministry of Education began to spearhead programmes for ECCD two years ago, the AKDN recognized the opportunity for participating in a partnership that would help promote a better environment for early learning from the outset of policy development to its implementation, and to helping improve the policy environment based on lessons emerging from AKDN experience in implementation. The partnership between the Government and the AKDN in this sector is firmly one based on mutual learning and sharing of resources, and includes the contribution of the Teachers’ Resource Centre (TRC) and AKF’s project of Releasing Confidence and Creativity (RCC).

The TRC, a project of AKF, works to develop the capacity of teachers and provide support to improving the learning environment at the school level. The TRC, largely with funding from AKF since the mid-1980s, has been testing and developing innovative strategies for better teaching and learning methods. The TRC’s participation with the Ministry of Education for the design of the National Curriculum for ECE emerged as a natural process that was based on recognition of its impact in the area of early schooling. The Ministry requested technical assistance from AKF for adapting the TRC’s early learning material into a consolidated national curriculum for pre-primary class in the public sector. The TRC’s role has included providing this technical assistance and development related material, and designing and undertaking training for teachers in the implementation of this new curriculum. The TRC and the Ministry’s Bureau of Curriculum have worked in a close partnership that has included conceptualizing the curriculum, developing a master plan, developing teachers’ guides for implementation, and for helping test this in some sites. AKF financed the launch of the National Curriculum.

RCC is being implemented by AKF and six partner organizations in Balochistan and Sindh, with the aim to help the Government test and implement innovative activities that can later be taken to scale at the pre-primary and early primary level in clusters of a total of 100 selected public schools. Through RCC, AKF also aims to strengthen the management and administration of public education in the targeted districts, and to support research and policy dialogue with government officials at all levels. From demonstration of innovative pilots at the school level to active participation in policy reform dialogue, RCC is underpinning the broader efforts of the Government to implement the National Curriculum for ECE. AKF aims to

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12 Although the Ministry is focusing on Early Childhood Education, the terms Early Childhood Development and Early Childhood Care and Development are used more frequently by most practitioners in Pakistan.

13 Implementing partners include AKES,P, HANDS, Sindh Education Foundation in Sindh, the Society for Community Support for the Primary Education in Balochistan; other technical assistance partners include the Aga Khan University’s Human Development Programme and the Teachers’ Resource Center.
continue to help shape the emerging policy for ECE/ECCD in Pakistan by staying abreast of issues emerging from the field and by disseminating these lessons through various means among government policy makers, donors and practitioners. As noted, the role of other AKDN agencies – the Human Development Programme of AKU that is undertaking cutting-edge research in the area of early learning, and the TRC – is an important factor in the partnership between AKF and the Government for the promotion of ECCD in Pakistan.

Strengthening Community and Private Schools

Strengthening of community-public-private partnership is another area that is a major focus of national education policies and strategies. From its experience of facilitating a large community schools programme in the Northern Areas to its in-depth work with school improvement through community based interventions in Sindh, the AKDN has worked extensively on promoting community-public partnership. Building upon this experience, the AKDN is now venturing into enhancing the quality and institutional capacities of low-cost private schools in partnership with the Government.

Community-based Schools. The AKDN, through a partnership with AKRSP, AKES,P and the Government’s Department of Education, facilitated the establishment of approximately 500 community schools across the Northern Areas. This partnership focused on AKRSP’s expertise to mobilize communities, AKES,P’s ability to work with local teachers and learning environment, and the Government’s efforts to promote access to education into under-served areas in a tight resource environment. The Government has continued to provide support to these schools in the shape of school construction, monitoring support, and teachers’ salaries. This partnership influenced community-based interventions in other programmes such as the Northern Education Project and other efforts in Pakistan.

Quality Improvement and Institutional Development (QuAID) in Private Sector Schools. AKES,P is aiming to establish innovative approaches for the development of sustained public-private collaboration for the improvement of the growing number of private schools. The overall objective of the project is to strengthen the capacity of low cost private schools so that the education they provide to the poorer communities is of high quality and well managed. QuAID will work in a partnership between the Government Directorate of Private Education, private schools, and AKES,P. In an environment where private schooling is mushrooming, this promises to be an effective partnership for the provision of low cost quality education, and one that may help demonstrate ways for the public sector to deal with establishing and enforcing

14 AKF has commissioned and disseminated situational analysis and updates on progress in the ECE/ECCD sector, and has shared findings widely among policy makers, most recently at a roundtable in Karachi (August 2003) which was attended by the Federal Minister for Education, the Ministry’s team from Islamabad, and senior provincial officials.
minimum quality standards among the currently unregulated private education sector.

**Key Challenges & Issues**

While Section II above presented a more descriptive account of the various partnership programmes of the AKDN, this section attempts to analyze their effectiveness and appropriateness by extracting significant issues and challenges that confront the implementation and sustained continuation of such PPP efforts. Although the AKDN has had an overall positive experience with its partnership programmes, the partnerships have not been without challenges. Three sets of challenges are discussed below.

- **Commitment & Ownership**

  Government commitment to and ownership of the partnership initiatives has often been a key hurdle in smooth implementation. While there has been articulated commitment at the higher policy levels, often that commitment does not get translated down to the operational level among officials who are in decision-making positions at the implementation level. For example, AKES,P’s efforts through NPEP have sometimes been challenging and frustrating due to the difficulty of getting Government to nominate people for training, to pay their allowances, and other such operational issues which cause delays and hindrances. The same can be said for the other partnership programmes where timely government action is critical for effective implementation.

  However, on the flip side, have the private sector, the AKDN in this case, been offering enough commitment of its own to form a true partnership? While the AKDN intends to build the capacity of government educators and administrators through strengthening of PITEs, has it lobbied for improved transparency in selection of teachers for training based on needs, or for preventing frequent transfers so that those teachers get posted and remain where they are needed? And while RCC is promoting innovative approaches to implementing ECE, will AKF be able to cultivate widespread ownership, particularly at the district and local level, especially to ensure that district governments begin to recognize the importance of ECE and reflect this in the district budget? In an environment of tight fiscal constraints, building ownership of social sector activities is a challenge, particularly when local officials are more inclined to fulfill the physical infrastructure needs of the people to demonstrate immediate returns. Clearly AKDN programmes have aimed to promote better governance and policy among the Government. However much more can be done to ensure higher levels of institutional commitment and ownership so that partnerships truly become effective.

- **Government Resources & Capacity for Sustaining Innovation and Scaling Up PPP Results**
Many PPP experiences have been challenged by the Government’s lack of capacity to sustain and scale up planned activities after the project graduates or expands beyond partnership to exclusive public sector management. This constraint on sustainability and growth, particularly in the form of human and financial resources, is especially a frustration when the partnership itself is yielding positive results. While the private sector plays a catalytic role in developing and demonstrating new ways of doing things, the Government, even when there is a sense of ownership and acceptance of the alternative approach, often fails to integrate and mainstream the innovation into its regular programmes. Some examples from AKDN Pakistan are given below:

- While the IED has offered high quality programmes and solutions to professional capacities in the education sector, it faces the challenge of demonstrating the applicability of a PDC-type institution within the public sector through strengthening PITEs, given the discrepancy between the programme’s financial costs and human resource needs and the public sector’s resource availability. For such an initiative to be successful, IED must realistically assess the partner’s capacity, and, through AKDN, attempt to influence policy to improve sustainable resource availability.

- RCC’s support to test implementation of the National Curriculum for ECE is similarly faced with the continuous challenge of lack of public sector capacity to take these pilots to scale. While AKDN is piloting innovative approaches through RCC, it has to take into account the realistic extent to which Government will be able to afford and manage its scaling up.

- The case of the Northern Areas community schools programme shows how committed ownership by the Government led to the continuation of the programme itself, but the programme did little to bring visible change in the way the Government continues to do business with the regular public school system.

- AKES,P’s pursuit to introduce quality standards among private schools, though extremely needed and promising of high returns, is accompanied by the challenge of getting Government to apply the newly developed approaches of quality assurance among the large and growing number of private education providers.

Furthermore, instilling the capacity - and attitude – for the public sector to become themselves more agile and experimental as a regular way of doing business is a whole extra dimension of ‘mainstreaming’ that is necessary for the Government to continue to introduce innovation into public sector programmes at their own initiative. While the private sector’s forte – indeed role - is to test and demonstrate new models and approaches, this culture of
experimental practice seldom reforms the more conservative and less dynamic ‘maintenance mode’ in which the Government generally works.

- **PPP as a Standard Policy Instrument versus a Contractual Arrangement**

Another key issue facing public private partnerships is that there is no particular model or approach in PPP that can be used or applied as a standard policy instrument. The nature of a public private partnership is usually different for different sub-sectors, and therefore requires different ways of implementing the partnership. What might be a useful approach for PPP in professional development programmes (e.g., a contract between a private sector institution and a public sector training institute) would not necessarily be the most appropriate approach for implementing a quality improvement programme at the school level. Most public private partnerships are undertaken on a contractual basis, case by case, and it is difficult to derive straightforward lessons for a standard policy instrument that could be used to develop and implement PPP.

**Conclusion: Lessons Learnt & Implications**

Some important lessons for future PPP programmes can be derived from the AKDN’s experience:

- Partnerships and partnership programmes or initiatives must take into account the availability of resources and commitment to provide these resources by the Government. At the same time, there should be efforts to pressure policy makers, particularly those responsible for finance, to allocate resources towards high priority programmes (since often it is not the overall shortage of resources, but the lack of commitment to commit resources for certain programmes over others). Often, programmes are directly worked on and planned with the concerned department (education in this case), and finance officials are not included. When programmes come from the education departments to finance for approval later, these officials are not entirely familiar with the objectives, benefits, and potential impact of the programme.

- Innovative approaches piloted and developed by the private sector often face the challenge of not being sustained through Government’s own programmes. This can occur when either partnerships are developed without full commitment and ownership of Government, with absence of actual commitment to integrate activities into the regular government programme and budget, or when policies and priorities, along with key officials, change, and also when the cost implication of taking pilot initiatives to scale is too large for Government to realistically undertake. These issues provide insight into an important lesson – pilot approaches and activities that form a partnership programme must include government participation at all levels in the planning and implementation,
and should also be realistic in the projection of cost implications for public sector programming.

- PPP programmes that fall within the overall framework of national policies and priority programmes of provincial and district governments, such as the ESR, are more likely to be owned and sustained by Government in the long run. This has clearly been a lesson that can be extracted from AKDN’s experience. Many of the programmes that the AKDN has developed and implemented have fallen within the framework of the ESR and other national education parameters, and the AKDN has aimed to further influence national policy through demonstrated and tested field experience. It would be wise for donor support to emphasize those PPP programmes that creatively support the implementation of national policy. This is especially critical in an environment like Pakistan where the Government has embarked upon several ambitious targets that will require innovative ways to implement programmes that perhaps can best be done through partnership between the public and private sectors. These initiatives can be further strengthened if Government is the partner who initiates the partnerships, and even (co-)finances them – although it is only recently under the current reform environment that examples of such Government-initiated partnerships are emerging (e.g., the case of ECE).

Beyond these lessons, however, lie a set of questions whose answers could have critical implications for future and continuing PPP initiatives:

- Based on lessons from AKDN’s experience in the area of PPP for promotion of education service delivery, can it be ascertained whether the approach of public-private partnership is the most effective in bringing about greater efficiency and improved performance of the education sector? More specifically:
  - Can or should the private sector continue to “work outside the box” and innovate, when the lessons of their innovation and new approaches are often not fully translated into the Government’s way of working? Or,
  - Would the contribution of the private sector be more effective if it were to implement a parallel system of service delivery, especially if that parallel system were offering quality education to girls/children who would otherwise not avail any service?
  - And, finally, there is an environment emerging where, while Government is expanding its scope to promote public private partnership and enhance private sector participation in delivery of services, the actual opportunity for private implementing agencies to operate creatively is shrinking with donor assistance increasingly being routed through the public sector. Will such an environment provide space for the private sector to help Government innovate, or will it restrict private participation to contractor status?
CASE STUDY 4

Public-Private Partnerships in Basic Education in South Asia

Paul Bennell
Knowledge and Skills for Development, Brighton
1. INTRODUCTION

This short paper describes the extent and nature of non-state provision (NSP) of basic education in South Asia, focusing in particular on Afghanistan, India and Pakistan. The discussion is structured around the following five questions:

- What is the scale and nature of NSP in this key area of service delivery?
- How do poor children benefit from these services?
- What is the quality and efficiency of these services?
- What is government policy and practice with regard to NSP of basic education?
- What are the existing and emerging modalities for donor support to NSP and what criteria should DFID use to determine future assistance to non-state providers (NSPs) in this sector?

More generally, the paper addresses a range of issues concerning the overall role of NSP in facilitating the attainment of the education MDGs in South Asia.

There is a serious paucity of comprehensive information on NSP of basic education in the region. Without better quality data, it is difficult to reach robust conclusions on most key aspects of NSP including access, quality and efficiency issues. NSP in this sector is highly diverse and complex. Detailed surveys of representative samples of private and government provision of all types of basic education institutions in urban and rural localities should be undertaken as well as research on state resource flows to basic education NSPs, particularly the distribution of public subsidies by income group.

Types of NSPs and partnership arrangements

There are three types of non-state or ‘private’ providers: for-profit, not-for-profit NGOs, and community-based initiatives. The size of NSPs varies enormously from very large international and national NGOs (CARE, SCF, OXFAM, BRAC, AKF, MVF) to very small NGOs and private schools serving a single locality. Two main areas of service activity can be delineated namely direct provision of schooling and other learning services (outputs) and support to strengthen input delivery services (teacher training, pedagogy, curriculum development, facilitating school improvement, development of assessment instruments, project management, adult education, research and evaluation).

There are numerous partnership modalities. The state can directly support/subsidise NSPs (principally through capital grants, payment of teacher salaries and other recurrent expenditure, and direct provision of learning materials and other physical inputs), provide targeted demand-side funding (community and individual vouchers, bursaries/ scholarships and other types of entitlement), establish leasing contracts on the basis of

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15 The views expressed in this paper are solely those of the author and not DFID.
competitive tendering where NSPs take over the management of failing government schools, and outsource various support services. Equally important, resources can be mobilised from the private sector to support public service delivery. This includes resources from the community (land, school buildings, governance and management) and the private corporate sector. The scope, intensity and duration of partnerships are also key factors. The dividing line between public and private is frequently quite blurred, especially where schools are jointly funded from government funds and private sources.

2. BASIC EDUCATION PROVISION

It is widely accepted that education provision in South Asia has disproportionately benefited better-off sections of society. The serious under-provision of primary schooling with generally poor learning outcomes represents major policy failure and, to a considerable extent, is a consequence of weak political commitment at all levels. The power of vested interests, particularly teachers, within education systems themselves has also been a key constraint. Teaching unions are particularly strong in India. However, over the last decade, governments in the region have begun to make more concerted efforts to universalise basic education. While some progress has been made, very large proportions of school-aged children still do not complete even the first primary schooling cycle.

The education system in Afghanistan has collapsed as a result of poor government and war. The gross enrolment ratio in 1999 was 53 per cent for boys and just 5 per cent for girls. The survival rate (to Grade 6) in 1993 (latest year available) was 29 per cent for boys and 8 per cent for girls. The primary school age population is estimated to be 4 million. The current Back to School Campaign, which commenced in March 2002, had managed to enroll 2.3 million children in primary school by early 2003, 30 per cent of whom are girls. Approximately 60 per cent of all schools are ‘shelterless’.

In India, the Department of Education states that the expansion of enrolments has been ‘quite impressive’ during the last decade. However, enormous variations exist in the provision of basic education between the states. Household data shows that, in 1999, 37 per cent of rural girls aged 15-19 had never enrolled in school and barely one-half completed the lower primary cycle (see Table 1). According to the 2001 Population Census, 38 per cent of boys and 52 per cent of girls aged 6-14 were not attending school. This is despite the fact that over 90 per cent of children live within one kilometre of a school. Class1 enrolments in government primary schools are reported to have declined during the last 3-5 years.

In Pakistan, in 1990, nearly three-quarters of rural girls had never attended school and only one in five managed to complete Grade 5 (see Table 1). Reliable data is seriously lacking, but it appears that there was some improvement in the gross enrolment rate during the first half of the 1990s,
but the rate stabilised and possibly even fell during the late 1990s. This is
despite the fact that, according to government statistics, the number of
primary schools doubled between 1990 and 1998. The official GER for primary
education was 65 per cent in 1991 and 69 per cent in 1998/99. The male GER
remained constant at 78 per cent while the female GER increased from 53 per
cent to 60 per cent during this period. However, the urban-rural and rich-poor
GER gaps widened. The survival rate to Grade 5 is only 50 per cent.
Government expenditure on education as a percent of GDP was barely 2 per
cent in 1991, but fell to 1.6 per cent in 2001.

Table 1: Educational attainment among 15-19 year olds in Bangladesh, India and Pakistan
(rounded percentages)

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Male-urban</th>
<th>Male-rural</th>
<th>Female-urban</th>
<th>Female-rural</th>
</tr>
</thead>
<tbody>
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<td></td>
</tr>
<tr>
<td>No schooling</td>
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<td>15</td>
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<td>23</td>
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<td></td>
<td>1999</td>
<td>13</td>
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</tr>
<tr>
<td>Grade 5</td>
<td>1993</td>
<td>70</td>
<td>49</td>
<td>67</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>1999</td>
<td>74</td>
<td>62</td>
<td>68</td>
<td>61</td>
</tr>
<tr>
<td><strong>INDIA</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No schooling</td>
<td>1992</td>
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<td>23</td>
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<td>1999</td>
<td>8</td>
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<td>37</td>
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<td>Grade 5</td>
<td>1992</td>
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<td>67</td>
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<td>1999</td>
<td>86</td>
<td>74</td>
<td>82</td>
<td>54</td>
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<td>1990</td>
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<tr>
<td>Grade 5</td>
<td>1990</td>
<td>75</td>
<td>54</td>
<td>67</td>
<td>21</td>
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</tbody>
</table>

Source: Demographic and Health Surveys, various

Progress towards EFA has been most impressive in Bangladesh. Grade 5
attainment rates for rural girls increased from 41 per cent in 1993 to 61 per
cent in 1999. Gender and rural-urban attainment differentials have narrowed
appreciably (see Table 1). The major contribution of NGOs (especially BRAC)
in providing primary education to rural girls is a key factor.

3. SCALE OF NSP

The scale of NSP in the basic education sector in South Asia cannot be
established with any degree of precision. In India and elsewhere, government
schools have a strong incentive to over-report enrolments while the majority
of private primary schools are ‘unrecognised’ and their enrolments are not
therefore reflected in official statistics. The scale of community/NGO provision
is also likely to be seriously under-reported in most countries. Virtually no
data is available on the outsourcing of support services by Ministries of
Education, which has grown rapidly in most countries.

Notwithstanding these data limitations, it is clear that the growth of NSP
enrolments has contributed very significantly to the overall improvement in
the access of the poor to basic education during the last decade.
Formal schooling

‘Agency’ schools in Afghanistan (primary, home-based, NFE centres) accounted for 35 per cent of primary education enrolments in 1999, down from 78 per cent in 1990. NGOs supported the education of another 170,000 refugee children in Pakistan during the late 1990s.

The breakdown of primary school enrolments by main provider in Bangladesh is as follows: government 65 per cent, NGO/community 28 per cent, madrassahs 5 per cent, and for-profit 2 per cent. BRAC runs 34,000 schools with 1.1 million students. No major differences exist in the gender enrolment ratio between these providers.

In India, private schools are either government aided or unaided. Officially, all private schools have to be ‘recognised’ i.e. comply with the panoply of government regulations concerning private schools, but the majority remain ‘unrecognised’. The main motivation for private primary schools to be recognised is in order to be eligible for state subsidy. There are, therefore, three types of private primary school: recognised and aided, recognised and unaided, and unrecognised. Recognised aided and unaided primary schools accounted for mm per cent and nn per cent respectively of total enrolments in the late 1990s. National survey data indicates that 4.8 per cent of children were enrolled in unrecognised primary schools in 1999. In some states though this enrolment share was much higher (e.g. Punjab 15.5, Haryana 19, Uttar Pradesh 10). Official statistics show that unrecognised primary school enrolments were increasing by nearly 10 per cent per annum during the 1990s with a gradual decline in enrolment in formal schools in favour of alternative and community based schools.

The limited amount of independent research that has been undertaken suggests that official statistics seriously under-estimate the size of the unrecognised primary school sub-sector. A 1995 school survey in Lucknow District, Uttar Pradesh found that four out of five children attended these schools in urban areas and nearly one in three children in rural areas. A 1999 survey in Haryana reported that 41 per cent of all primary schools in the survey areas were unrecognised and that 46 per cent of children were paying for their primary education. (Government primary schools in India are free.) The number of unrecognised private primary schools in the study area was doubling every five years. Nearly one in five of the village schools in the four (poor) states surveyed for the PROBE study in 1999 were private. In Hyderabad District, private primary schools accounted for 42 per cent of total enrolments in 2001 (11 per cent aided and 31 per cent unaided).

Another area of rapidly growing but largely hidden provision is private tuition and coaching. For example, one-quarter of household educational expenditure was spent on private tuition in urban Uttar Pradesh in the early-mid 1990s.
NGOs in India have played a key role in the rapid expansion of alternative schools and other kinds of bridging and non-formal education programmes for out-of-school children that went to scale during the 1990s. Nearly 550 NGOs ran 38,000 NFE centres in 1997 (14 per cent of the total). However, the exact scale of this area of provision in terms of enrolments and progression to formal schooling is difficult to establish from official statistics.

In Pakistan, 4.6 million students attended private primary schools (both for-profit and not-for-profit) of all types in 2000, 29 per cent of total enrolments compared to only 14 per cent in 1991. In absolute terms, NSP enrolments tripled during the 1990s. At least one-half of primary school children in urban centres attend private schools and around 10 per cent in rural areas. A recent survey in Lahore puts this figure at 90 per cent. However, the private sector accounts for less than 20 per cent of secondary school enrolments. Official statistics indicate that around two-thirds of all for-profit primary schools (36,000 in total) were registered in 2000. But other survey data suggests that the large majority of NSP schools are not registered and remain almost wholly unregulated. Around 2600 primary schools and other basic education centres are run by NGOs. NSPs employed 305,000 teachers in the late 1990s. Unlike Bangladesh, NGOs in Pakistan do not account for a sizeable share of primary school enrolments, but they have developed some innovative and effective delivery models (see Box 1). It is estimated that there are as many as 45,000 madrassahs in Pakistan, only 8000 of which are registered. Some of these religious schools (perhaps 10-15 per cent) have been strongly influenced by Islamic fundamentalists.
Box 1: Innovative PPPs in the basic education sector in Pakistan

Three of the most well known education PPPs in Pakistan are Adopt a School, Community Supported Schools and Urban Fellowship Schools Programmes.

**Adopt a School Programme:** NGOs are currently managing over 500 poorly performing government primary schools. These are time-bound management contracts of 3-10 years in duration. There is a prescribed four-step school improvement process: identification and evaluation of a target school, parental and community mobilisation through Parent Teacher Associations and School Management Committees, formulation and implementation of school management plans, and devising an exit strategy through partnerships for sustainability. Results to date have been quite promising.

**Community Supported Schools Programme:** Primary education provision, particularly for girls, in areas with very low enrolment ratios (Balochistan, NWFP) has been significantly improved through increased community involvement. Community supported schools are supported by volunteers from the local community and receive learning materials and technical assistance from NGOs.

**Urban Fellowship Schools Programme:** Private schools directly receive a per child subsidy to girls from low-income areas. The programme was first introduced in Quetta, Balochistan in the early 1990s. Girls’ enrollment in the targeted areas in Quetta increased by one-third. The programme has been subsequently extended to other areas. For example, there are currently 120 Fellowship Schools being supported by the Sindh Education Foundation.

4. EQUITY

NGOs continue to play an important role in improving access to basic education for the poorest and most disadvantaged children throughout South Asia. Parents see NGO schools as low cost alternatives to government and for-profit schools. However, this is not always the case. In Bangladesh, for example, parents who send their children to NGO schools frequently pay more than better-off parents whose children attend mainly government schools. This is because NGO schools receive much less government subsidy per pupil. Madrassahs, particularly in Pakistan, perform an important welfare function because they provide food and shelter for students from the poorest households who cannot afford private school fees.

The traditional view is that private, for-profit schooling is fundamentally incompatible with the universal provision of primary education, especially where a large proportion of the population is poor. However, there is
evidence (albeit patchy) to show that poorer households throughout India and Pakistan are paying for private education and it is possible for-profit schools to provide reasonable quality education at very low fee rates. For example, recent surveys in Karachi and Lahore found that 50-60 per cent of low-income households send their children to private schools. In India, ‘budget private schools’ charge fees as low as R50 per month. More generally though, it is the ‘exorbitant’ fees charged by private schools that have hit the headlines.

Although private, for-profit primary schools are increasingly catering to the poor, the fact remains that the poorest children cannot afford to attend these schools. In India, these children are either obliged to attend government schools where they are frequently discriminated against and receive low quality education or they simply do not bother to attend school at all. Also, there is some evidence to show that parents prefer to send boys to private primary schools.

It is important to stress that the non-availability of government primary schooling is not a key issue in most localities (although excess demand for primary schooling is a major factor in Afghanistan). In much of India and Pakistan, basic education is not supply-constrained since children have reasonable access to government schools. However, these schools are often seriously under-utilised due to lack of demand.

Government support to mainstream private education is itself highly inequitable since it disproportionately benefits the non-poor. In India, government subsidies for private education are concentrated at the secondary level. Most secondary schools also run unrecognised primary sections in order to generate surpluses to cross-subsidise their government funded tuition-free, junior and secondary sections.

Government support for non-formal basic education provision by NGOs and communities that is directly targeted at out of school children (and especially girls) directly promotes equity. However, there are concerns that these alternative forms of provision could result in ‘structural dualism’ in the sector. There have also been a limited number of education voucher type initiatives that have targeted poor and other disadvantaged groups including girls.

5. QUALITY AND EFFICIENCY

The reasons for the explosive growth in NSP basic education enrolments relate mainly to the low quality of public schooling coupled with strong parental and community demand for alternative forms of non-state provision. Reliance on English as the medium of instruction has also been a key factor in the growing popularity of private schools. Despite well-known programmes such as DPEP in India and SAP in Pakistan, government primary schools remain seriously under-resourced, are vernacular based, and teaching
standards are generally very poor. Low levels of commitment by school managers and teachers result in high levels of absenteeism and poor motivation. Management systems at all levels of the education system are seriously dysfunctional. The inability to discipline and dismiss poorly performing managers and teachers is the most serious principal-agent problem in government primary schools throughout the region. Pakistan, in particular, faces colossal problems of poor teacher motivation, undue political interference, and deteriorating quality. As a result, primary school enrolment in government primary schools fell by 18 per cent in Sindh and 8 per cent in Punjab between 1990 and 1998. Between 10-20 per cent of government schools are empty or nearly so.

Regardless of ownership, the overall quality of basic education is unacceptably low in South Asia. However, the fragmentary evidence that is available shows that learning outcomes (based on student test performance) are often better both in for-profit and NGO/community primary schools. This is because teachers are more intensively managed, student attendance is higher, and schools are more accountable to both students and the community at large. More appropriate types of schooling which directly tackle various access and learning constraints also impact positively on learning outcomes. A notable example is the local recruitment of female teachers for community-based, girls-only schools in Pakistan.

Despite the paucity of hard data, it seems clear that education quality is highly uneven among both for-profit and not-for profit providers. Learning outcomes are particularly poor at madrassahs in Pakistan, which usually provide only religious instruction. Anecdotal evidence also suggests that the quality of education provided by many low-cost private primary schools is also unacceptably low. Teachers are poorly qualified and receive little or no in-service training, rote learning is the norm, and learning materials are minimal.

Unit costs in non-elite private primary schools tend to compare favourably with government schools mainly because teacher salaries are typically three-four times lower and teacher workloads are higher.

6. STATE POLICY AND PRACTICE

Rapid privatisation of basic education provision has occurred during the last decade throughout South Asia without either coherent and comprehensive national policy frameworks or effective regulation. In particular, there has been no proper articulation of the appropriate roles of the state and NSPs. In theory, all private schools in India are supposed to be under strict government control with a daunting number of regulations concerning physical facilities, staffing, class sizes, etc. However, in practice, these regulations are widely ignored and bribery is reported to be widespread.
The nature of the relationship between NSPs and the state has varied quite considerably among countries in the region. The relatively large size of the NGO basic education sector in Afghanistan and Bangladesh is widely perceived as a consequence of the failure of the state to create sufficient schooling capacity to enroll all children. Consequently, relations between these NGOs and the state have often been strained, if not openly antagonistic, especially when they are both directly competing for resources from the same donors. In India, legal constraints on the ‘commercialisation’ of education continue to frustrate the development of a supportive regulatory framework and, in effect, government has turned a blind eye to the rapid expansion of unrecognised, for-profit primary schools. However, NGOs are generally regarded as being an acceptable partner because they are ‘between state and market’ and do not threaten the state’s monopoly provision of formal education. In Pakistan, relations between NSPs and the state have traditionally been adversarial, but the government is currently making concerted efforts to develop strong partnerships with the private sector (see below).

Faced with the enormity of the EFA challenge, all governments increasingly recognise the importance of effective partnerships with NGO providers. The Indian government wants to make education ‘a people’s movement’. This goal is closely linked to decentralisation of education services to the district level with much increased community participation. In the future, district-level planning will be based on a ‘responsive community base, which includes government and non-government institutions’. However, the government continues to be wary about the role of for-private primary schools and supply-side funding of private schools is being phased out.

In Pakistan, only very limited opportunities existed for community participation in schools during the 1990s. Innovations, most notably school management committees, met with strong teacher resistance. However, the promotion of a wide range of PPPs in education is a major objective of the current Education Sector Reform Action Plan. In particular, the overall role of autonomous national and provincial Education Foundations, which were established during the mid-1990s to promote private education provision, is to be considerably expanded. Building on the success of the Community Support and Urban Fellowship Programmes, attractive support packages will be made available to non-state providers of basic education services, and in particular to disadvantaged groups ‘where making profit from tuition fees alone is not feasible’. Other PPP measures include self-regulation by private associations, simplification of school registration procedures, the adoption of dysfunctional schools by private schools as co-managers, and the introduction of ICT in schools. Village Education Committees and school management committees will be established as part of wide ranging decentralisation.
7. DFID POLICY AND PRACTICE

Traditional and emerging approaches

New donor funding modalities have major implications for state-donor-civil society relationships and partnerships. Whereas, in the past, donors directly supported NGO service delivery in the education sector, donor resources are now increasingly being channeled through education sector development programmes, which are managed by Ministries of Education. As part of these ESDPs, various services are being contracted out to NSPs on a competitive basis. Many NGOs are understandably concerned, therefore, that this type of outsourcing arrangement could adversely affect their capacity to provide services to the poor and to undertake effective advocacy work. Competitive tendering for large contracts also opens the door for for-profit providers and obliges NGOs to become more ‘commercialised’. In some countries (for example South Africa), the contractual playing field has been tilted in favour of indigenous entrepreneurs’ in order to promote private sector development.

The role of NSPs

As noted earlier, the traditional view is that basic education is a public good and a fundamental entitlement for all citizens and it should therefore be both fully funded and delivered by the state. However, in South Asia, this premise is being increasingly questioned mainly because public provision of primary education is itself inequitable, low quality, and seriously inefficient. While it is now widely accepted that communities and NGOs should play significant complementary roles in supplementing the efforts of the state, no such consensus exists when it comes to for-profit NSPs. Proponents of comprehensive PPP strategies argue that greater encouragement of for-profit schools would reap multiple benefits. These include expanded provision, increased resource mobilisation, and improved efficiency as a result of greater competition and accountability. Encouraging the private sector frees up state resources, which can be targeted more directly on the most disadvantaged groups of learners. Public resources should also be used to provide incentives for the poorest children to attend either public or private schools. Finally, effective regulation can ensure that minimum quality standards are maintained and fees are not excessive.

Critics of this kind of ‘privatisation’ strategy believe it would reinforce what is already a highly dualistic structure of basic education provision, which reproduces inequality and poverty. Thus, as a matter of principle, all children should receive the same basic education. Private education undermines this entitlement and, by enabling the middle class to sidestep the problem of poor quality public education, it also takes the political pressure off governments to ensure effective provision. The historical record indicates that it is only when governments have taken full responsibility for both the funding and delivery of basic services that they have become universally available.
The capacity of the state to manage wide-ranging PPPs in the education sector is also another important risk factor. Opportunistic behaviour by state officials around the registration and inspection of schools is already widespread. Voucher and other demand side financing schemes could increase the scope for such behaviour.

While there is much less opposition to NGO and community involvement in basic education, there is still a tendency to under-estimate the difficulties of ensuring effective parental and community participation in basic education. This is especially the case in South Asia where social divisions are very deep, local elites are extremely powerful, and where ‘social capital’ is often quite limited.

**DFID support criteria**

The role of NSPs in the basic education sector will continue to be highly contested. Nonetheless, there are some broad criteria that should be used to guide DFID support for NSPs in the basic education sector.

- The only realistic option for attaining EFA in a sustainable manner is on the basis of properly funded, public sector delivery with acceptable learning outcomes. The role of NSPs is to facilitate the attainment of this goal, both in the short and long run. Turning around failing public school systems is a daunting challenge. Out of school children must enroll and complete at least five-six years of primary education and education quality has to be significantly improved.

- Donor support to NSPs in each country should be part of a comprehensive sector development programme for basic education, which is based on effective partnership arrangements between government, donors and civil society stakeholders. In the past, competition for funding between NGOs with little or no centralised coordination has sometimes resulted in excessive duplication and lack of clear strategic direction.

- A well-designed and operational policy framework should clearly delineate the ‘space’ that NSPs should occupy in the basic education sector. NSPs should provide direct delivery and support services where they have a comparative advantage based on well-established track records.

- A key role for NGO providers is to manage bridging and other educational initiatives for out of school children. However, these programmes must not become second-best, alternative schooling systems. Rather they should be relatively well resourced and provide clear pathways for children to join the mainstream education system. In Bangladesh, for example, the share of primary education in total public expenditure on education fell by 10 percentage points during the 1990s. It is argued that increasing NGO provision of basic education services enabled the government to do this.
• PPP arrangements should be properly integrated into a comprehensive strategy for the reform of public service delivery of basic education. Public sector reform hinges on the creation of new and effective partnerships both within the public sector as well as between the public and private sectors. This includes ministry-district-community-school relationships (decentralisation) and the creation of new autonomous agencies, especially for key service functions such as quality assurance. The market for basic education is already very competitive in most locations. Government primary schools are losing a large segment of this market and enrolments are falling as a result. However, these schools do not go out of business because they continue to be resourced at the same level by government. Teachers actually benefit from this failure because they have smaller classes and increasingly teach mainly the poorest children whose parents are less able to exercise control over schools. Public sector reform has therefore to turn round what is a failing school system.

• PPPs must be feasible given state capacity and the overall level of private sector development. For example, PF I contracts based on private sector leasing of schools are not viable in South Asia for the foreseeable future. Scaling-up of NGO education services also remains a major issue.

• Donors should adopt a cautious attitude towards supporting for-profit primary schools. It is important to emphasise that well-designed public sector reform strategies can significantly improve quality and efficiency through increased competition and accountability without resorting to wide ranging privatisation of service delivery. There is, however, some scope for NSP involvement in demand-side financing schemes as a mainly temporary measure in order to get difficult to reach children into school and to keep them there, at least until the end of the primary school cycle. These schemes will need to be very carefully designed and piloted. A key issue is whether to provide financial incentives to individuals or institutions (schools). Concessionary arrangements where the private sector manages or co-manages failing government schools is another possible area of involvement. Somewhat ironically, with an effective system of regulation and incentives, states in South Asia would have greater agency (control) over NSP providers than they currently have over their own schools. For-profit providers also have an important role to play in capacity building, especially management training and a wide range of other consultancy services.

• It is important that the distinctive contribution of NGOs is not neglected as a consequence of new donor support modalities. This includes the key roles of NGOs in policy design and promoting good governance in the education system. Public funding of basic education is seriously inadequate throughout South Asia. Sector-wide development programmes are an important mechanism for ensuring much increased political commitment and public expenditure for basic education. However, the
advocacy role of NGOs is crucial. Consequently, some independent core funding of NGO activity by donors should continue.

- Differences in the curriculum offerings of what are in effect separate primary education systems (vernacular, English and religious) need to be resolved.
CASE STUDY 5

SERVICE PROVISION IN DIFFICULT ENVIRONMENTS:
ISSUES ARISING FROM DFID SUPPORT TO HEALTH SECTOR INTERVENTIONS IN BURMA, AFGHANISTAN AND NEPAL

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The views expressed in this paper are those of the authors and do not necessarily represent DFID’s own policies or views. Any discussion of the content should therefore be addressed to the authors and not to DFID.
1.0 Aim and objectives

This short case study focuses on DFID experiences of supporting health service interventions in difficult environments in Asia. It has been produced as part of a collaboration with the Aga Khan Foundation aimed at discussing lessons and challenges in implementing Public Private Partnerships.

The paper has three objectives:
- To introduce two dilemmas that face the donor community when they seek to support service sector interventions in difficult environments
- To illustrate how these dilemmas have been addressed with examples from DFID-supported health sector interventions in Afghanistan, Burma and Nepal
- To present some issues and challenges that these examples suggest for DFID when working with state and non-state actors on service delivery interventions in difficult environments

The case study was produced through reviewing available project documentation and through discussions with DFID advisers in London involved in the projects. The study examines specific interventions within DFID’s broader support to Afghanistan, Burma, and Nepal. It does not undertake to review entire programs or the broader development context and so represents only a snapshot of support to those countries.

2.0 Rationale

This case study focuses on ‘difficult environments’. DFID’s Poverty Reduction in Difficult Environments (PRDE) team has been developing its approach to the problem. We define difficult environments as those states in which the international development community is unable to use its preferred aid instruments – eg direct budget support, sector wide approaches.16 Difficult environments may arise for a number of reasons, including:

- Problems of violence, uncertain territorial control and preoccupation with security tend to undermine government’s ability to formulate and deliver on poverty reduction efforts in conflict-affected states
- Partnerships are also difficult in cases of low institutional capacity within governments due to lack of trained staff, inadequate administrative systems, or poor management
- Poor policy environments arise where governments are not committed to poverty reduction, and thus have failed to implement policy measures that promote growth and human development

- Governments with **dysfunctional political systems** tend to become focused on the sole issue of staying in power and are unable to deliver the political mobilisation to achieve poverty reduction goals.
- The problems of poor policy and dysfunctional politics are frequently combined in **repressive regimes** that violate human rights, are unresponsive to the needs of poor people, and often have oppositional relations with donors.
- Finally, it is important to note that poverty reduction partnership can fail due to **ineffective donor engagement**, including imposition of unrealistic policies, slow or unpredictable programming, and a failure to deliver on promised assistance.

The issue of service delivery in difficult environments is important to DFID for at least three reasons. First, the MDGs will not be achieved without a strategy for service delivery in these contexts. It has been estimated, for example that as many as 50% of children out of school live in conflict-affected countries. Second, service delivery may offer an entry point for triggering longer term pro-poor social and political change. Third, service delivery interventions may help to prevent some of the states in this category from sliding into major conflict with repercussions for regional stability.

The health sector has been selected for focus in this study because this has a direct relationship with three of the Millennium Development Goals and it is a key sector for human development support in difficult environments.

### 3.0 Difficult environments used in the study

This case study uses illustrative examples from DFID’s approach to health service delivery in three difficult environments:

**Afghanistan:** Afghanistan is one of the poorest countries in the world and is emerging from over twenty years of external and internal conflict. There are continuing problems with security in several parts of the country and an estimated 60-80% of the population lives below the extreme poverty line. Life expectancy is estimated at 44 years and the infant and mortality rates, at 165 per 1000 and 257 per 1000 respectively, are amongst the highest in the world.

Currently, the Afghan Transitional Administration (ATA) is taking the lead in directing the development process through their National Development Framework. The success of ATA and the international community will be defined by the ability to generate a sustainable, safe and accountable Afghanistan state with the effective delivery of basic services.

**Nepal:** In 1996, the Communist Party of Nepal began what has become known as “the people’s war.” Armed incidents have increased and it is estimated that 5000 people have died in the conflict. Support for the Maoists stems to some extent from the failure of the various Governments to
implement social, economic and political changes to reduce poverty, eliminate corruption, provide employment, and deliver basic services.

The state is weak and Nepal may be classified as a difficult environment both in relation to the failure of governance, and on the basis of ongoing conflict. The state has lost control of much of its territory and is unable to implement policy, including service delivery policy.

**Burma:** Burma is one of the poorest and most ethnically diverse countries in south east Asia. There are significant disparities in the level of opportunities afforded to ethnic minorities in the country. Since 1960 Burma has been ruled by a series of military regimes. Democratic elections were held in 1990, but the ruling military junta refused to recognise the results. Burma has one of the worst human rights records in Asia. None of the criteria necessary for DFID to make a partnership with the government are satisfied (Country Strategy Paper, 2000). There is little government willingness to deliver services to the poor, especially in the border regions, and both education and health sectors are extremely funded and supported.

### 4.0 Conceptual framework

This case study seeks to explore policy and operational issues that arise when a bilateral aid agency such as DFID seeks to support service delivery in a state that lacks either the will or capacity to facilitate the delivery of quality services to segments of its population. There are two major dilemmas for the donor community in these environments:

**State legitimacy**

Many of the states that fall into the difficult environments category lack either internal or external legitimacy. In the case of the former, the authority of the government can be contested by elements within its own population e.g. the Maoists in Nepal. In the case of the latter, the international community may refuse to recognise the government e.g. Burma.

It is problematic for the international development community to engage developmentally in these contexts as doing so may imply that existing state structures are legitimate. This might create tensions amongst international partners, or with some of the actors in any particular state context. It can also be the case that the international community may want to help support the legitimacy of a government, especially where a country has recently emerged from conflict. The aim being to create stability and build peace in order to strengthen people’s belief in the state.

The question is, what forms and channels of aid exist that allow the international community to engage without necessarily legitimating the state

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or further aggravating existing social and political divisions? What forms and
channels are appropriate when the objective is to strengthen state legitimacy
and what are the implications for working with non-state service providers?

Sustainability
The second dilemma is that one of the tenets of development aid is that it
should be sustainable. This suggests that support for the service sector
should lead ultimately to the re-establishment of public stewardship of basic
service delivery. This may mean either that the state itself provides basic
services, or that it works with partners in the non-state sector within a pro-
poor regulatory and policy framework.

By their very nature, difficult environments pose major challenges to
introducing sustained institutional change – not least because the state and
its partners lack individual, organisational, and institutional capacity.
External partners may also lack the institutional capacity to work in these
environments. The question here is, what mechanisms and approaches are
most likely to build the systemic capacity of the state to manage the delivery
of services in the longer term, or at least not to undermine state capacity in
the shorter term?

When considering the health service sector interventions in this case study,
we will look at how state legitimacy and sustainability impact on:

- The form of aid i.e. humanitarian or development funds, project funds
  or budgetary support
- The channel through which services are delivered i.e. non-
governmental organisations, bilateral. Multilateral agencies
- The systems through which the aid is managed and policy is made
  i.e. line ministries, project implementation units etc.
- The content of the intervention i.e. infrastructure, capacity building

5.0 The health sector interventions

5.1 Afghanistan – DFID support for the interim health strategy 2002-2004

Afghanistan’s health system is in poor condition. Since state capacity is weak,
the limited delivery of basic services currently relies on a wide variety of
actors – the UN, NGOs, civil society and the private sector. Support from the
international community currently makes up about 80% of the health budget
and NGOs and the UN support at least 60 per cent of the country’s
functioning health facilities. The challenge is to address both short term needs
for health services and the long-term goal of a state-run, sustainable health
system. The model adopted by two of the main donors, the World Bank and
the European Union, is to contract out service delivery to non-state actors
through Performance-based partnership Agreements and to support the
government in a stewardship role.
The Ministry of Health/ATA is seriously concerned about how to finance and ensure sustainability in the health sector in a post-conflict environment of very scarce resources and where capacity in policy and planning, and public health skills are weak. Although health is not the main area of DFID focus, DFID has supported a number of quick impact projects in the sector through CHAD. More recent support has sought to contribute to the sustainability of the health system through capacity building. This support fits into one of DFID’s core strategic areas in Afghanistan – technical support for public administration and economic reform.

DFID began its support to the Ministry of Health by funding a consultant to help senior managers develop, refine and prioritise policy issues. The secondment was followed by five further consultancies that supported the strategic and institutional development of the Ministry of Health. The consultancies focused on hospital management, human resource planning, budget development and accounting systems, health financing, and policy and institutional development. DFID has also provided a small amount of budget support that has enhanced working relations between the Ministry of Finance and the Ministry of Health.

The early results of these inputs were greater confidence among key MoH staff in discussing technical and management issues with development partners. The MoH is now increasingly confident in leading the health sector and laying the foundations for effective stewardship in the health sector. But financial sustainability and human resources remain a major challenge for the health system. The consultancies provided essential analytical work to supply the data needed to understand the scale of the challenge. An interim health strategy (2002-04) has been produced, including outline strategies in specific subject areas.

Opportunities exist for DFID to continue to support the health sector at central and provincial level in order to contribute to effective policy and planning processes. Support could usefully include health financing, budgeting, strengthening institutional capacity for policy and planning, including lesson learning from ongoing service delivery initiatives and strategic thinking around working with the private sector. This support would be most effective if closely linked with ongoing civil service reform.

5.2 Nepal – Strengthening Health Services in Current and Potential Conflict-Impacted Areas

The ongoing conflict is impacting on the lives of Nepal’s most disadvantaged and marginalized groups. Although health facilities have not been a direct target, service delivery has been disrupted. The failure of the Government of Nepal to provide adequate basic health care and other services has been a key factor contributing to the conflict. The DFID-Nepal response to the conflict has three strands: long-term sustainable development programmes,
projects that respond to immediate needs in high-level conflict areas, and humanitarian relief if it should become necessary.

DFID’s support to health services in conflict-impacted areas (July 2002-July 2003) aimed to ensure the availability of essential drugs, supplies and equipment at health facilities in certain districts. The aims of this particular project demonstrate some of the key issues in delivering services in difficult environments. Firstly, the project sought to mitigate the immediate effect of the conflict by restoring and maintaining health service delivery. But it also sought to contribute to conflict resolution by helping the Nepalese government to demonstrate that it can deliver effective services, thereby increasing its legitimacy with the local population.

The project used a mechanism called a Quick Impact Project (QIP)\(^{18}\) which DFID sometimes uses to jump start development in conflict situations. As its name suggests, it was meant to have a quick impact and to be implemented and completed in one year. Because it was developed as a quick impact project the design was based on existing knowledge of community level health care needs. There was little opportunity for consultation with the main target beneficiaries and other stakeholders. John Snow International Research and Training (a non-profit making company dedicated to promoting and protecting the health of individuals and communities throughout the world) used its experience of community involvement, carrying out initial needs assessments and monitoring project implementation.

The project delivered essential drugs and medical supplies to health facilities, contributed to the effective functioning of the cold chain, and ensured that there was adequate storage capacity. Although this intervention was aimed at having an impact on immediate needs, it did not displace the state or work outside of state systems. The Ministry of Health and its Logistics Management Department was wholly responsible for the management of the project. Thus the project used the existing service delivery system, supporting the government (with funding and supplies) to reach areas that it could not reach without assistance. This approach is possible because the Maoists have supported health service provision, and do not generally target government health workers and facilities.

5.3 Burma – Joint Programme for HIV/AIDS

Burma’s estimated 50 million inhabitants are threatened by an alarming HIV/AIDS epidemic. The situation is exacerbated by the country’s political isolation, which has contributed to chronic underdevelopment in the health sector. UNAIDS has identified Burma as one of the three high priority countries in South East Asia. Trends in official surveillance data from 2001 show increasing rates of HIV infection among key sentinel groups: sexually

\(^{18}\) See GRC query on Quick Impact Projects, 20 August, 2003
transmitted infection patients, commercial sex workers, and pregnant women, among others.

Risk factors such as poverty, internal and external mobility, risk behaviours and a lack of response capacity means that there is potential for the epidemic to grow out of control unless an effective coordinated response is implemented. Furthermore, it is estimated that only $US0.09 per person per year is spent by the government on health and health related issues in Burma. This low spending level is reflected in the health indicators, which are poor compared to other countries in the region. Nevertheless, there remains some health system capacity with which the donor community can work.

In order to improve capacity in Burma for the prevention and care of HIV/AIDS, DFID is participating in the Joint Programme for HIV/AIDS: Myanmar, 2003-05, which involves bilateral donors, international financial institutions, and private entities pooling funds that are managed by the UN. The joint UN plan was developed as a unified effort among a number of active UN organisations including WHO, UNAIDS, UNICEF, UNDCP, UNDP, and UNFPA. Specific activities were identified and costed.

The UN uses a range of channels to work on the ground, including INGOs such as MSF, PSI, locally based NGOs and aspects of government. Interactions with government are limited and interventions support the training of local health workers, for example. Policy discussions with Ministry officials do take place. The decision was made to channel funds through the UN joint programme because this was felt to give more opportunity for coherence in approach than dealing with individual INGOs and NGOs. It is also simpler to hold the UN accountable for development outcomes.

The programme has five components, based on priorities identified by implementing partners: reducing the risk of transmission of HIV, increasing awareness of HIV/AIDS among the general population, particularly young people, increasing access and quality of care, treatment and support for people living with HIV/AIDS. The intention behind synthesizing the priority areas identified by implementing partners is to address HIV/AIDS in a systematic and comprehensive manner.

Strategies for improving the quality of care, treatment and support for people living with HIV/AIDS include a national basic package for care and guidelines and standards for treatment, enhancing capacity for screening and diagnostic services in both public and private sectors, and strengthening national capacities to provide effective counselling and support. Carrying out these strategies will involve working with lower levels of government workers, all the while having policy discussions with Ministry officials. In fact some government ministries are listed as implementing partners – e.g. Ministry of Health, Education. The question of government legitimacy in Burma and what level of engagement donors ought to have will be key. Particularly sensitive is
not to be seen to be rewarding the government of Burma for poor performance.

How to effectively deliver public goods in a difficult environment, ensuring accountability and that the poor are reached by the intervention is also an issue. This will require examining the relationship between government and local NGOs, as co-optation is sometimes a problem. There are also questions regarding long-term sustainability. As there is very low public spending on health in Burma, how will the benefits of the programme be sustained?

6.0 Key issues and challenges

In this section we will focus on what the examples tell us about how DFID has approached the dilemmas of state legitimacy and sustainability in Afghanistan, Nepal, and Burma and what are the implications for working with non-state actors to deliver basic services.

6.1 State legitimacy

In Afghanistan, DFID’s aim is to support the Transitional government through the Afghanistan Trust Fund in order to increase its legitimacy. The approach used is to strengthen the capacity of the Ministry of Health to develop policy and planning processes where there is a wide range of non-state providers. There are broader political aims in DFID’s support for the ministry. It contributes to the wider goal of state-building which is especially important in a post-conflict environment. Building state capacity is key in that it will have an impact on peace and stability by increasing people’s belief in the state.

The escalation of conflict in Nepal has led the DFID office to rethink its approach to service delivery and to experiment with ‘quick impact projects’. These are intended to demonstrate to those who are affected by conflict that the government still has the capacity to deliver. Here, as in Afghanistan, there is a broader political aim behind working deliberately through state systems and not using the non-state sector. Increasing state legitimacy in conflict-affected or potential conflict areas may contribute to conflict resolution. But there are risks involved when a donor explicitly “takes sides”, especially when there may be some parts of the local community who support the Maoists.

Government involvement is possible in conflict-affected areas in the health sector, but may be more problematic in, for example, education.

Burma is interesting in that partnership with the government is not possible from the UK’s (and other donors’) perspective without significant reform. There is no question of the UK seeking to legitimate the state. DFID is therefore working through a joint UN effort on HIV/AIDS that is seen as a key entry point in Asia. By investing in building capacity of local NGOs and lower levels of government workers, it is hoped that a foundation can be built that can be capitalised upon should a change in government occur. Moreover, the UN provides a means to engage with government in a more neutral fashion.
6.2 Sustainability

The examples all highlight the difficulty of working ‘developmentally’ in difficult environments and also the tensions that exist between supporting state legitimacy and sustainability.

In Afghanistan, most health services are provided through non-state actors. These include local NGOs, INGOs, and the for profit private sector. In this context, DFID’s support is aimed at strengthening the ministry’s capacity for strategic planning and co-ordination. Although DFID’s support to the health sector is small, it provides institutional strengthening to allow the ministry eventually to be able to take over stewardship of the sector. Linking the ministry support to service delivery activities on the ground will be a major challenge, especially given the context of security concerns. It will also depend on careful co-ordination with other donors.

In Nepal, the intervention was designed to be implemented and completed in one year. It sought to work through government channels in order to avoid the creation of parallel systems. In the longer term, it is not clear how the basic supplies provided through the intervention (i.e. medicines and drugs) will be supplied once the project ends. There may be quick gains in delivering basic supplies through government channels but the difficulty of sustaining provision could in the long run provoke tensions. There is also the danger that benefits will be captured by non-target groups (possibly with state collusion) leading to diversion of resources or bureaucratic blockage of inputs and activities.

In Burma, there were almost intractable sustainability problems given the impossibility of working within government channels. However, working through the UN has enabled increased policy coherence among a number of individual non-state providers. The UN joint programme also makes it easier for donors to work together in a more coherent way and provides a means of holding service providers accountable for development outcomes. The coherence of the programme would potentially facilitate the state’s adoption of responsibility for the sector in the future.

7.0 Conclusions

When working in difficult environments, state capacity is often so weak that non-state actors are the most important channel for the delivery services. Not only that, they may be best placed to deliver services, and to monitor the delivery of services, in difficult to reach areas. However our case study demonstrates that there are at least five important considerations for aid agencies when working with non-state actors in these situations:
• It is vital to remain engaged with the state even in the most difficult circumstances in order to support longer-term sustainability of the service delivery systems. Even if the state does not deliver directly, it is important to build its stewardship capacity. In a post-conflict environment it may be especially important for the state to be seen to be providing services in order to support its legitimacy.

• When working directly with multiple non-state service providers, there is a danger of policy fragmentation and this can lead to lack of voice, disempowerment, and inequalities at the community level. This is an especially important consideration in difficult environments where there are often underlying political tensions and instability that could lead to or exacerbate conflict. It is important for donors to work closely together around a common framework in order to minimise these risks.

• There are also dangers of capture by non-target groups when working with local non-state actors. Resources may be diverted from the intended beneficiaries, especially when these are marginalised and without voice. Care needs to be taken to examine the channels and systems through which service delivery decisions are made and to strengthen the accountability relationship between providers and clients.

• While external funding to maintain and develop service delivery capacity will probably be crucial in the short to medium term, it is important that the approach taken does not lead to an unaffordable model in the longer term. Ultimately, the public sector will be expected to fund whatever system has been put in place, so this needs to be realistic and manageable within the context.

• When working with multiple non-state providers, aid agencies need to consider carefully the lines of accountability. These are unlikely to be from the citizen to the state, so may have to depend on the provider being held accountable by the user (although the Burma example provides a different model). Critical to this is the development of ‘client voice’ and community participation in programme and project development. In conflict environments this may be highly problematic.
**Documents Consulted**


**People Consulted**

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