1. Country and Sector Background

With a population of over 150 million people, Pakistan is the second most populous country in the South Asian region. Economic growth has increased from the average of 3.3 per cent during 1997-2002 to the average of nearly 6 per cent during 2002-04. Pakistan’s growth performance is likely to improve and average 6-8 % over the next four years if Pakistan carries through with the ambitious reform program underway in most sectors of the economy. Balochistan, the least populous of Pakistan’s four provinces, with a population of approximately 7.8 million people makes up 5% of total population of Pakistan and spread out over 45% of Pakistan’s land area. A large proportion of the population lives in small and dispersed rural settlements with only 24 % of the population living in urban areas of the province. According to the Balochistan Poverty Reduction Strategy Paper (2003), eight of the ten most deprived districts in Pakistan are located in Balochistan. While there has been some improvement in the enrolment rates in recent years, Balochistan continues to lag behind other provinces in education service delivery. Clearly, other parts of Pakistan have shown faster progress in getting students enrolled in school. Lagging enrolments in Balochistan can be traced to low community participation, poor quality of education in government schools, and the limited participation of the private sector in education service delivery. The Government of Balochistan (GoB) is following a two pronged approach to tackle the problem. Firstly, with support from ADB, it is encouraging the district governments to direct additional resources and provide additional support to government schools. Secondly, it is working through the Balochistan Education Foundation to engage with private / NGO sector education providers to encourage and support greater participation by them in education service delivery.

2. Objectives

The key objective of the project is to improve access to quality primary education, in particular for girls, by using private and non-government service providers.

3. Rationale for Bank Involvement

The Federal and Provincial Governments have expressed a keen interest in the Bank’s support to improve primary education in the province through establishing effective private–public partnerships. The Bank would bring its global, regional and country experience of the education sector in encouraging private–public partnerships, demand and supply side interventions, empowerment of communities, school
management through parent education committees (PECs) to manage their local schools in a sustainable manner.
4. Description

The project will be carried out through the Balochistan Education Foundation (BEF). The proposed project will have the following three components:

Component I. Establishment of New Community Schools in Rural Areas
BEF would finance the new community schools in the rural areas of Balochistan, where community is able to enroll at least 20 students in school, and there is no girl’s school within a 2-km radius.

BEF will select NGOs to work as Implementing Partners (IPs) to mobilize the community, facilitate the selection of the Parent Education Committee (PEC), and provide support for the establishment and monitoring of the community school. The PEC would run and supervise the community schools. Through the IPs, the PECs would be provided funds for teachers’ salaries and other recurrent costs of the schools. These schools would continue to operate under the management of PECs even after the end of the project period. The project will fund the recurrent costs for the first two years of the each school’s operation through BEF. Subsequently, the Government of Balochistan (GoB) will fund the recurrent costs of schools, also through BEF.

If the school successfully maintains enrollment for two years and the community donates by formally transferring land ownership by mutation to the PEC, the project will provide appropriate funding through BEF for a new permanent school building. The construction will be undertaken by the community according to a design approved by the WB and with technical assistance arranged by the IP.

Component II. Establishment of New Private Schools
The project would support establishment of new private fellowship schools to promote access to low-fee quality private education in semi-urban and rural areas. Each school would receive a per student subsidy, as per the uniform rates determined by BEF in consultation with the private sector operators applying for establishment of schools. These private sector operators would become BEF’s IPs, up to a period of 4 years. New schools would be established if there are at least 50 children (age 4-9) not attending any school, and no government primary school or any other girls’ school exists in a 1-km radius. Any additional school in the same locality would also be allowed if justified due to overcrowding of the first school.

Component III. Capacity Building
The capacity building initiative under the proposed project would consist of the following two major components:

Training and Skill Development
This component of the capacity building would seek to improve the quality of education, as well as impart trainings to Teachers, PECs, IPs and the BEF staff.

Institutional Support to BEF
The project would support institutional strengthening of BEF to ensure effective implementation of the initiative. The project would facilitate BEF to attract and retain a team of dedicated professionals and streamline requisite processes and systems, which are critical for improving access to schools as well as raising the standard of education.
5. Financing

IDA will provide a credit of US$ 22 million for the project.

6. Implementation

*Partnership arrangements*

Although there is currently no formal partnership arrangement among development partners, consultations have been held with key development partners about using the Balochistan Education Foundation as a financing Apex body to channel funds to private sector and community schools. Several development partners responded favorably and may join later on if the project is successful.

Moreover, a strong public/private partnership understanding has been developed with a newly restructured BEF, whose specific mandate is to complement the Balochistan Government’s efforts in promoting access to quality education through the non-government and private sector.

*Institutional and implementation arrangements*

BEF, acting as apex organization, will be responsible for the project activities. BEF is governed by the Balochistan Education Foundation Act, 1994 as a semi-autonomous institution mandated to promote and support community, civil society and private sector initiatives in education in the province. The project design envisages BEF implementing the project through its Implementing Partners (IPs). The implementing partners for the three project components are described as under:

<table>
<thead>
<tr>
<th>Component Name</th>
<th>IP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Setting Up Community Schools in Rural areas</td>
<td>NGOs</td>
</tr>
<tr>
<td>2. Establishment of Private Fellowship Schools</td>
<td>Private School Operators</td>
</tr>
<tr>
<td>3. Capacity Building</td>
<td>NGOs, Consultants, Government Training Institutes</td>
</tr>
</tbody>
</table>

Implementing partners will be responsible for implementing project activities and for reporting progress to BEF, as well as providing all required project data to BEF for monitoring and evaluation.

All IPs will prepare quarterly monitoring reports to be submitted to BEF which will prepare regular semi-annual reports for its Board. Impact Evaluation of the interventions and achievement of Project objectives will be carried out by an independent and recognized third party which will prepare an evaluation report bi-annually to be submitted directly to the Board of Directors of BEF. The evaluation report will be based on special evaluative thematic studies and action research as well as the statistical and other reports prepared by BEF’s Monitoring and Evaluation Unit. Since monitoring and evaluation will assess the efficacy of project interventions, and will provide feedback towards information-based decision-making, responsible agencies for the respective reports will need to deliver them on time.

7. Sustainability

The sustainability of various elements of the project is ensured by the ownership of the project design by all stakeholders.

**BEF:** The BEF already has its own endowment and receives development grants and support for its recurrent expenditure from the GoB’s own budget. GoB’ support is likely to increase in the coming years.
Community Schools: GoB has committed to finance education provided by community-based and community-run schools established under the project. Community mobilization is a key aspect of the project and is designed to encourage effective community involvement. This, coupled with capacity-building efforts at all levels, would go a long way towards enhancing sustainability, as community empowerment along these lines has been shown in other countries to lead to enhanced community participation/contributions (in cash or in-kind) towards the operation of schools.

Private Schools: New private schools will be provided a per capita subsidy for up to 4 years and will be expected to generate their own resources after the end of the project period to ensure financial sustainability. All supported private school operators and teachers will be provided training to introduce them to the latest management and teaching techniques.

8. Lessons Learned from Past Operations in the Country/Sector

The lessons learned are drawn from the experiences of the previous World Bank supported Balochistan Primary Education Project in Balochistan. It is critical that: i) complex project design is avoided as the low implementation capacity of the province warrants keeping it as simple as possible. This is reflected in the project design by keeping the project component to a maximum of three and outsourcing implementation to IPs competitively selected by BEF, which will act as an Apex body; ii) there should be a clear exit strategy along with a clear plan of action for ensuring sustainability of project supported structures. This project’s plan for sustainability is outlined in Section 7; iii) there is a clear need to ensure ownership of project design by the borrowers during the preparation phase, and clear actions from them demonstrating a long term commitment to the project design. There has been a long and broad engagement with all stakeholders, including the Department of Finance and the Department of Education of the GOB during the design phase which envisages a gradual shift of financial responsibility for schools to the GoB from the third year of the project; iv) FM and procurement capacity and procedures should be assessed. The current project design includes an assessment of both these aspects, and BEF’s Operational Manual includes separate volumes on FM and Procurement issues; v) taking successful interventions to scale takes time, and must allow for capacity building before expansion. The project is deliberately small so that taking successful interventions to scale only happens in follow-on projects, while this project includes extensive capacity building features; vi) Involvement of community during and after implementation increases teacher accountability and improves school performance. This project ensures community involvement by firmly putting PECs in the driving seat and getting a commitment from GoB for public financing of project supported community schools after the project period through BEF and PECs; vii) ensure involvement of qualified NGOs in the design and implementation of project related interventions for which they have shown expertise. This project design takes this lesson on board by outsourcing implementation to NGOs which will be selected against transparent criteria including past experience and expertise.

9. Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP/GP 4.01)</td>
<td>[X ]</td>
<td>[ ]</td>
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<tr>
<td>Natural Habitats (OP/BP 4.04)</td>
<td>[ ]</td>
<td>[X ]</td>
</tr>
<tr>
<td>Pest Management (OP 4.09)</td>
<td>[ ]</td>
<td>[ X]</td>
</tr>
<tr>
<td>Cultural Property (OPN 11.03, being revised as OP 4.11)</td>
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<td>[ X]</td>
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<tr>
<td>Involuntary Resettlement (OP/BP 4.12)</td>
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<td>[ X]</td>
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<tr>
<td>Indigenous Peoples (OD 4.20, being revised as OP 4.10)</td>
<td>[ ]</td>
<td>[ X]</td>
</tr>
<tr>
<td>Forests (OP/BP 4.36)</td>
<td>[ ]</td>
<td>[ X]</td>
</tr>
<tr>
<td>Safety of Dams (OP/BP 4.37)</td>
<td>[ ]</td>
<td>[ X]</td>
</tr>
</tbody>
</table>
Projects in Disputed Areas (OP/BP/GP 7.60) [X]
Projects on International Waterways (OP/BP/GP 7.50) [X]

10. List of Factual Technical Documents

- Balochistan Education Foundation and NGO Assessment 2004-05, by Abdul Rehman Khan (Commissioned by the World Bank)
- Social Sector Performance and Poverty Analysis; Key Performance Indicators 1991-2001, Oxford Policy Management (Commissioned by DFID)
- Balochistan District-based Multiple Indicators Cluster Survey, MICS 2004

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