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GOVERNMENT OF SINDH
EDUCATION & LITERACY DEPARTMENT
Karachi, dated: -9-2006

Inward Date 21/09/06

To,

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The Program Director,
Sindh Devolved Social Services Program,
3rd Floor, State Life Building No.3,
Dr. Ziauddin Ahmed Road,
Karachi.

SUBJECT: AIDE-MEMOIRE LOAN NO.2047/48/49-PAK:SINDH DEVOLVED SOCIAL SERVICES PROGRAM REVIEW MISSION (JUNE 25-JULY 1,2006) AN ASSESSMENT REPORT – SDSSP THIRD TRANCHE ACTION.

I am directed to refer to the subject noted above and to enclose herewith an Assessment Report on Education Sector Reforms for onward transmission to the Planning and Development Department, Government of Sindh on Top Priority Basis.


(ALI GUL SANJRANI) 20/9/06
SECTION OFFICER (DEVELOPMENT)

Copy for information is forwarded to the Planning Officer (F. Aid), P&D Department, Government of Sindh, Karachi, with reference to his letter No:P&D/FA/ADB-195/2006 dated 17-8-2006.

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Context

Education department is almost half of the provincial government. Of the 460,000 odd employees in the provincial government, over 225,000 are in Education Department. And while on paper a bulk of the staff and functions stand devolved to the district government however these employees continue to belong to the province legally being employees of the Government of Sindh under the Civil Servant's Act 1973.

The public education in Sindh is faced with multiple challenges on various components of the delivery of education especially the elementary education. The situation is that of 6.7 million 4 to 9 age group children only 4.3 million were enrolled in schools, which included around a million children in private schools (mostly Karachi). Similarly as against 2.9 million eligible population for middle school 0.85 million are in schools leaving behind around 2 million out of school. The education system is thus bypassing nearly 3 to 4 million hundreds thousand children every year. If the current trend persists, in the next decade nearly 3-4 million more children will grow up with no or little education.

The gender disparities and rural-urban gap are large and growing in Sindh. The Primary net enrollment rate for Pakistan is 52% and for rural female in Pakistan it is 42%, while in Sindh the rural female is at 29%. The gender disparity, however, appears to be predominantly a rural phenomenon. According to the Sindh Education Management Information System (SEMIS), 63 percent of enrolled boys and 71 percent of enrolled girls in rural areas dropped out while moving from grade 5 to grade 6. Thus improvement in public service delivery in education is critical for the rural children in Sindh.

The Government of Sindh is thus faced with a gigantic task as far as the policy objectives of elementary education are concerned. The provincial government initially evolved a reform package for fighting low enrolments and improving quality of education earlier in 2001-02. Here the provincial government worked to improve enrolments through an incentive system that aimed to provide free textbooks to all primary children encouraging girls participation beyond class 5 through a stipend of Rs. 1000 per year to all girls in class 6 to 8; evolution and increase role of school management committees for improving school level affairs through greater institutional involvement of parents etc.

Education Department in Post Devolution Scenario

Government of Sindh took a major policy decision on 2001 by devolving the responsibility of social sector service delivery to District Governments. The Sindh Local Government Ordinance-2001, First Schedule (Section 14 and 35) has assigned the responsibility of i) Boys Schools, ii) Girls Schools, iii) Technical Education, iv) Colleges (other than professional), v) Sports (Education) and vi) Special Education to District Governments. The “Restructuring of Education Department, under devolution plan” says following about the role of District Governments

“All matters pertaining to Administration, Establishment, and Transfer, Posting and allied assignment will be performed by the District Officers Education in line with the policy chalked out by the Zila Nazim and the Government from time to time according to their authorities. The policy issues pertaining to government along-with issues relating to Textbook Boards, Curricula, Standard Quality and Examination will be followed by the respective districts. All matters pertaining to development will also be dealt with by district officers according to the policy decision.”

Source: “Restructuring of Education Department under devolution plan”, Education Department, Government of Sindh, 2001.

Subsequently Department published detailed guidelines and Roles & Responsibilities of District Officials (Guidelines for City / District Government on Education- November 2001-Education Department). In addition to laying down the inter-relationship of various tiers of the district education departments, these guidelines provide essential parameters for planning and execution of schemes.

On-Going Reform Activities

For the purpose of education reform and development department has initiated following activities in current financial year:

Current Years Allocations

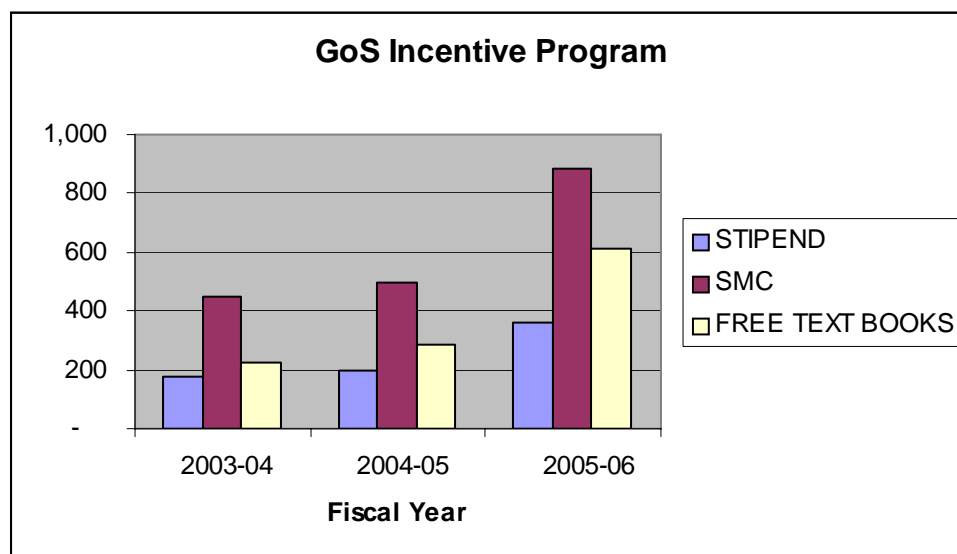
S. No.	Activities	Budget Estimate 2006-07 (Rs.)
1	100-Community Supported Schools	20,000,000
2	100-Fellowship Schools	20,000,000
3	Scholarships Middle School Girls	500,000,000
4	Grant to SMCs	1,160,000,000
5	Free Textbooks	609,000,000
6	Teachers Trainings	60,000,000
7	SMC Trainings	60,000,000
8	Publicity Campaign	50,000,000
9	ENDOWMENT FUNDS	200,000,000
10	Reform Support Units	48,656,200
11	Poverty cum Merit Scholarship	15,000,000
	Education Sector Reform	2,742,656,200

Donor's Projects/ Programs

1.	Decentralized Elementary Education Project	Rs.
1a.	Media Campaign/ Publicity	30,000,000
1b.	Stipend	443,000,000
1c.	Staff Development	327,500,000
1d.	Instructional Material	471,336,000
1e.	Special Resource Persons	62,850,000
3.	Sindh Devolved Social Services Program	
3a.	Budgetary Support to District Governments	900,000,000
3b.	Technical Assistance	78,000,000

Analysis of Incentive Programs

Incentive Schemes	2003-04	2004-05	2005-06
STIPEND	178	198	357
SMC	450	500	886
FREE TEXT BOOKS	225	287	609



The trend toward increasing the pro-poor incentive programs shows the government is committed to meet MDGs and EFA targets.

Public-Private Partnership

A. Sindh Education Foundation

Sindh Education Foundation (SEF) is the major flag bearer of Department's various initiatives in public-private partnership area. SEF has performed at a level that is unprecedented in the public sector educational development agencies. The short term goal was to establish strong and meaningful partnerships with the key stakeholders (Department of Education, local government, communities and parents). Through Sindh Education Foundation government has initiated various indigenous model of forging a meaningful partnership between government and civil society. Current initiatives of SEF are:

- Home Schools Program
- Support to Private Education Institute Program
- Community Supported Schools
- Fellowship Schools
- Women Literacy & Empowerment Program

- Adopt a School Program
- Child Labor Education Program
- Quality Assurance and Research Center

Details of these initiatives and impact analysis attached

B. Directorate of Non-Formal Education

To increase literacy rate and participation rate at primary level and to reduce the drop out of age group 10-14 Federal Government, in collaboration with provincial governments, has launched an ambitious project of opening adult learning centers, through civil society and NGOs, in Sindh. Program is in its 3rd year and has achieved considerable success.

Report Attached

Institutionalisation of Reforms- Road Ahead

In order to institutionalize the reform initiative-in the post devolution setup-Department has taken various measures that have helped to streamline the policy, monitoring and implementation mechanism in the province. Some of major achievements are:

- The timely completion of the design of sector framework and accompanying financing plan for the reform.
- Major changes in the area of monitoring and evaluation, especially the improvement in the management information system and the implementation of a significantly improved school census, which will provide the baseline for further design and monitoring of the reform. Department has planned to use Third Party delivery mechanism to cape pilferage and inefficiency.
- The design and establishment of new implementation arrangements for the existing textbooks and stipends program.
- The strong commitment of political leadership for adhering to a policy of merit based recruitment of teachers.

Major Reform Areas

Establishing a Medium-Term Budget Framework (MTBF)

Education Department is leading the Government of Sindh's process of establishing a Medium Term Budget Framework (MTBF). This framework would project the provincial fiscal resources (federal transfer, provincially collected revenue, donor assistance, etc.) and recurrent and development expenditure by broad aggregates and for key sectors / departments. For the education sector to be brought under the MTBF, sectoral projections will be based on the costing exercise, currently being undertaken by RSU. Each year the fiscal framework will be revised to provide rolling projections for the next three years.

Rationalization of Annual Development Program (ADP):

Presently, over 50 percent of ADP funds are allocated for new schemes, which slow down the implementation of on-going schemes, delays completion usually leading to cost overruns and erosion of economic and social benefits of these projects. This also increase the throw-forward of the development portfolio implying prolonged claim of schemes included in the ADP implying prolonged claim of schemes included in the ADP on development resources thus reducing fiscal space for education sector reforms. This issue has been discussed with the provincial as well as district government and it has been agreed that prudential development allocation will be made in future. It has also been agreed that District Governments will also be encouraged to streamline their development allocations in education sector.

Adopting Medium term Sector Policy Framework and Financing Plan for Education

The Education department has begun to work with the assistance of a consultant on the preparation of the medium term sector policy framework with a particular focus on the directions of the reform program in the first year.

The Education department is also working with the finance department on provision for the key interventions in the provincial budget (Stipends and differential policy, textbooks, RSU strengthening, grants to district governments for school improvements etc.). This was accompanied by some rationalization of expenditures. For example, with the support and guidance of the P&D department, the education department has considerably rationalized the provincial ADP for education in 2006/07, with the elimination of all new schemes that belong in the district domain (and priority accorded to completing ongoing schemes of this type in coming year), and dropping of several schemes that are not aligned with the emerging sector policy framework. The net impact of this exercise is a projected increase in the provincial education budget of 63%. This will mean an increase in the consolidated budget in education of approximately [23%] in the next financial year.

Contracts (Partnership /Agreements) with District Governments:

The education department intends to enter into partnership agreements with the district governments. The partnership agreements will provide the basis for conditional grants that would, in due course, be linked to the agreed output and outcome indicators as well as incentives (like matching grants) to reward districts demonstrating higher performance. The terms of partnership would set out roles and responsibilities, and triggers for the release of funds along with accompanying notifications and guidelines on reporting formats, audit trails for expenditures and procedures to be adopted for the flow of funds and supervision and monitoring activities. While Supervisors will be provided incentives, third party validation of monitoring by supervisors will also be done.

The RSU is working on a draft partnership agreement. Finalization of these agreements is awaiting establishment of baselines on the basis of the data collected in the new school census (which covers public and private schools). In addition it will also furnish information not collected through previous data gathering efforts (e.g. information on sanctioned teachers positions, filled posts, academic and professional qualifications of teaching staff, available physical infrastructural facilities and condition, etc.). In addition to providing the needed baselines, these data will enable the specification of annual performance (output and outcome targets and efficiency measures). District governments will compile an inventory of their current infrastructure and generate lists of basic facilities required in the schools under their jurisdiction. Implementation of district's infrastructure improvement plan will be taken up on a schools basis (that is, providing all missing facilities in schools taken up before moving to other schools). This will ensure effective functioning of the school with all the needed infrastructure, availability of adequate number of teachers on the basis of a student teacher ratio of 30. The government expects to begin to enter into agreements during the early part of the next fiscal year.

Improving Sector Governance and Management

In an effort to institutionalize the reform activities and to strengthen the capacity of the department to play a lead role in Education Sector Reforms in the province government has established a Sindh Reform Unit (RSU) for scaling up the institutional capability of the Education department by providing the needed human and material resources for providing the direly needed dedicated attention to reforms, their coordinating and ability to track progress. This has been setup under the control of a high-powered Steering Committee chaired by the Chief Secretary Sindh for ensuring high level of ownership of reforms. Reform Support Unit is an integral part of the department. Its mandate includes data collection and management; program monitoring (direct and through third party validations); policy formulation on the basis of data analysis; making implementation arrangements for various reform interventions; and management and coordination of all donor program and technical assistance inputs supporting education. In addition to filling of key senior staff positions and putting the

necessary infrastructure support in place, the RSU, has begun/undertaken several important activities, including:

- Administrative integration of SEMIS into RSU, and upgrading of equipment, software and skills in SEMIS.
- Upgrading the offices of SEMIS in the districts (DEMIS) and integrating them with the offices of the EDO Education (the head of DEMIS, although an employee of SEMIS, reports to the EDO).
- Significant redesign of the school census questionnaire to make it more comprehensive to capture full school (student, infrastructure, teacher) information.
- Completion of the FY 2005 public school census (in May 2006) data collection (data is currently being put into the database at the district levels by DEMIS), and validation of census (3% sample) to verify credibility of data (including verification of Grades 6 – 10 girls enrollment for stipend program).
- Pre-testing of the instrument for private school census.

The RSU has started to develop a system of information management that will integrate the different database (including school census, human resource information, stipend and textbook delivery information) to facilitate better analysis and reporting.

The Education department is working on improving education management at the district level by identifying and posting better-qualified EDOs.

Improving Teacher Management:

The Reform Support Unit has made impressive progress in improving the quality of SEMIS, and in adding a module that captures teacher information. This new module will allow for the analysis of teacher transfers, disaggregated by type and quality of school, location, and teacher characteristics.

Addressing teacher absenteeism is critical to achieving the objectives of the reform program. The Education Department has decided to pilot a new teacher monitoring mechanism, in one district, based on a combination of monetary incentives for school inspectors and supervisors, spot checks through a third party, and increased resources to increase the frequency of inspections

School Management Committees

School Management Committees are the pivot of the reform agenda that department has envisaged and is being executed. The Education Department has taken several steps recently to strengthen SMCs.

These include:

- Notifying their vertical expansion to middle and secondary schools, and (with assistance of an NGO) establishment of more than 4300 SMCs in middle schools.
- The decision to increase funding to SMCs from 2006/07, to Rs. 210/child enrolled with a minimum of Rs. 25,000 for a primary school, Rs. 50,000 for a middle school and Rs. 100,000 for secondary school to increase the incentive for parents and community to participate in SMCs
- Revision of mechanism for transmission of funds for SMCs and provision of detailed instructions to the District Coordination Officers and Executive District Officers.
- Training of more than 20,000 primary school SMCs, and all middle and secondary schools SMCs in the preparation of school improvement plans (SIPs).

Department has commissioned a study on training of SMCs. This field report will provide additional insights into the functioning and effectiveness of SMCs. Further formulation of the interventions to SMCs will be a focus area in the short run, but the department envisages that the interventions will include modification of audit requirements, clarification on reporting teacher absenteeism, and further targeted capacity building. The RSU will hire third party assessments on the utilization of funds.

Improving Availability and Quality Of Schooling Particularly in Rural Areas

As discussed above, the RSU has included information on infrastructure inventory of all public schools in the April/May 2006 school census. The RSU is also fairly advanced in the process of commissioning a firm to undertake a survey of closed schools to determine the reasons for closure, the state of the physical infrastructure and whether there are any prospects of reopening.

Information from both these sources will be fully analyzed and will serve as the basis to validate/prepare district plans for the provision of missing infrastructure, and for improving the utilization and efficiency of school infrastructure (through identification and mapping of closed schools). Schools that are non-viable will not receive SMC or other non-salary funds. Efforts will also be made to re-deploy as many teachers in these schools as possible.

Stipends and Differential Policy:

The government is operationalizing the expansion of its existing stipends program to girls enrolled in grades 9-10 after effecting improvements to the previous stipend delivery system. The previous system suffered from several problems including delays in receipt by the girls, receipt of less than the full amount and without adherence to attendance criteria, as well as duplicate/inflated claims. The first payments under the new system (second installment of stipends for AY 2005/06) are currently being processed and are expected to reach the girls by the end of this fiscal year. A third party validation exercise is planned for July.

The existing stipend program provides Rs. 1,000 per annum per middle and secondary school girl across the board. The main beneficiaries of the present untargeted policy are children resident in urban areas where there is already a large and growing social demand for female education. Therefore, to further narrow the gender and geographical disparity in the educational attainment of girls, the government of Sindh has decided to enhance the stipend to a total of Rs. 2,400 per girl per annum for girls enrolled in the more disadvantaged parts of the province (talukas/districts with low participation and transition rates at the elementary and secondary stages of education).

Text Books:

The existing policy provides free textbooks to all children enrolled in primary and secondary education. However, learning from the past experience department has decided to use more robust and less-cumbersome process for distribution of textbooks. The RSU has already commissioned the new textbooks for next year based on a new system that will address the flaws in the previous system. The new orders are on the basis of validated enrollment projections.

Salient Features of Reform Activities

Quality Assurance and Setting Standards

Management Cadre

In a major reform initiative the political leadership of the province has made it mandatory that all posting of Executive District Officers will be on merit. Department has made an evaluative inventory of the entire senior cadre officers through a scientific methodology. This step will strengthen the service delivery in districts and raise the capacity of the district governments to better absorb the additional resources being provided in the sector.

Annual Census

Department has revamped the annual census exercise and have included some essential elements in this exercise. In a new initiative department is profiling each facility to develop a comprehensive 'District Profile' of the sector. In addition to inventorying the facility department is also preparing a 'feasibility study' for closed schools that are viable and can be re-opened and taking stock of branch schools that have been mushroomed in recent past.

The census exercised is also focusing on consolidating a 'Teachers Profile'. The SEMIS / DEMIS database will now have all teaching / non-teaching staff's computerized data including the national identity card numbers (this will help to resolve the issue of ghost teachers). Database will also note such essential information such as teacher's training, teacher's traveling distance to school, previous postings and student's achievement.

Certification and Competency Licensing of Teachers

Department is poised to establish 'Teacher's Accreditation Council' and 'Teacher's Certification Council'. These councils will ensure life-long learning of teachers. This initiative will enhance the quality of education in the province. Department will cover both public and private sector's teachers through this initiative. These two councils will remove the currently fragmented teacher's training methodology and would ensure cohesive capacity building approach, involving all development partners of the sector.

Human Resource Development Cell

Department has 0.2 million strong human resource spread all over the Sindh. To streamline the human resource management Department has embarked upon establishing a 'Human Resource Development Cell'. This cell will consolidate the service profile of all teaching and non-teaching staff in a provincial and district databases. Cell would study and notify the detailed job description of various services and offices and will guide and monitor the career planning of education department's officers.

Strengthening of District Government

In consultation with district governments department has initiated major reform activities focusing on strengthening the district governments.

Building Managerial Capacity of District Governments

To strengthen the service delivery at district and build capacity of district governments Department has decided to recruit merit based managerial staff from union council to district level. These new recruits (50% from existing human resource and 50% from direct induction through Public Service Commission) would pass through a rigorous training module. However to ensure the optimal performance in-service training would be mandatory for future promotions.

Financial Support to District Government

Department has earmarked Rs. 2.3 billion for district government as conditional grant funding for FY 2006-07. The accessing and eligibility criteria will be mutually agreed upon through an instrument of 'Term of Partnership' (ToP). The ToP will set outcome and performance criteria for district governments. The subsequent funding to district government would be conditioned on achieving the agreed indicators by district governments.

District Government can access the grant funding by preparing the annual sector plans. These annual sector plans would be overarching and subsume all streams of funding in the sector.

Conclusion

The process initiated in Donor's Conference held in March 2004 has started maturing in the form of Sindh Education Plan and Sector Reform Framework. To institutionalise the reform process Department has established Reform Support Unit. Through RSU, Department has endeavoured to provide one-window facility for all our development partners. Within the framework of Sindh Local Government Ordinance and Sindh Education Plan Education Department has identified four (4) major reform areas i.e. Access, Quality, Public Private Partnership and Governance. Essentially the education service delivery is with district governments and they are the crucial and major development partners of the Department in implementing reforms in the mentioned thematic areas. Department along with its all development partners is committed and confident of achieving the MDGs and EFA targets in-time.