REPORT OF THE INDEPENDENT TECHNICAL ADVISORY PANEL (ITAP)

ASSESSMENT OF ENABLING FACTORS[1]

PAKISTAN, PUNJAB PROVINCE | AUGUST 10, 2023

Background

In line with the GPE 2025 operating model, the government and country partners have analyzed country progress in the four enabling factor areas for system transformation. The *Contextualized Enabling Factors Analysis* completed by the local education group and supporting documentation were shared with the ITAP, tasked by the Board with providing an assessment of country status against the enabling factors.

The ITAP assessment seeks to contribute to country policy dialogue on the partnership compact. The ITAP considers the extent to which challenges in enabling factor areas act as bottlenecks to country education system transformation goals. Based on this assessment, it classifies each area as a low, medium, or high priority for action. A designation of high indicates that identified challenges may act as significant bottlenecks to transformation goals.

The ITAP report is shared with the government and country partners to collectively review for any major factual errors that may have affected the ITAP assessment.

The ITAP report is ultimately shared with the Board and feeds into Board decision-making on the system transformation grant allocation, with special attention given to how challenges in the high priority enabling factors are resolved in the country partnership compact.

[1] The ITAP operates as an independent advisory body to the GPE Board. The views expressed in this report are solely those of the ITAP country panel. Where ITAP reports lists any suggestions on how to address gaps identified, these should be regarded as illustrative only and there is no expectation from ITAP or GPE that countries follow these specific actions. ITAP country panel members for this report: Desmond Bermingham (Chair), Gustavo Arcia, Helen Craig, Michael Mambo.

P art A: Main Panel Conclusions

Data and Evidence

Punjab has a well-established system of collecting education data through the conduct of Annual School Census through the Punjab Education Management Information System (PEMIS). It also collects real time data through the School Information System (SIS). It captures data on enrolments, schoolteachers, and school facilities disaggregated by level, gender and district as applicable. The data covers both the public and private schools under the Punjab Education Initiative Management Authority schools (PEIMA). Other sources of education data are the Pakistan Education Statistics which provide data on all provinces of Pakistan including Punjab. While the EMIS data is fairly comprehensive, there are gaps in the data such as some access, quality and efficiency indicators necessary for the complete monitoring of the education system and equity analysis.

Assessment systems are also well established and include diagnostic assessments for different levels and end of cycle examinations. The number of assessments and examination are, however, many and are conducted by many entities including the private sector, with little coordination and sharing of the information, suggesting a lack of a coherent learning assessment policy and framework. There is some evidence that assessment data is being used but not optimally for improving learning. There are many sources of data and information available to Punjab for policy development, planning and decision making but not all these sources are being optimally used for this purpose. This is due to low capacity and the largely top-down decision-making processes in the system. Strategies for addressing these shortcomings are included in the Punjab Education Sector Plan (PESP) 2019-2024.

ITAP agrees with the LEG's priority rating of **MEDIUM** for this enabling factor since the challenges identified are being addressed in the PESP 2019-2024.

Gender-Responsive Planning, Policy and Monitoring

The Punjab Education Sector Plan (2019-2024) provides an organized education policy and planning framework to guide implementation and monitoring of sector program progress towards agreed targets. While it was difficult to adequately assess the functioning of these organizational arrangements due to lack of monitoring and assessment data available at this time, some key organizational and program issues which appear to disrupt implementation and lessen system efficiency and accountability processes include: (i) frequent turnover of senior level personnel in a highly political environment which delays programming decisions; (ii) limited coordination between education departments and related agencies, sometimes

resulting in duplication of effort; (iii) low supply and retention of sufficient staff with relevant technical skills including District-level staff; (iv) trying to ensure financial resources are equitably distributed, including to more impoverished locations; and (v) availability of timely harmonized data i.e. alignment of different sources. While sound achievements have been made to support girls' education, the government appears aware that further effort is needed to strengthen gender-responsive actions and monitoring as the needs are great, particularly in lagging districts. The planned August 2023 Joint Education Sector Review provides a critical point to assess the functioning of these arrangements along with the progress towards the ambitious program targets. The ITAP agrees with the LEG rating and believes that this enabling factor, according to the GPE criteria, should be viewed as a **MEDIUM priority.** Sound foundations have been laid with further implementation and monitoring actions needed to ensure the achievement of one or more of the strategic goals. Failure to address the above issues could impede program implementation and significantly delay the achievement of key policy priorities in the Punjab.

Sector Coordination

Inclusive Sector Dialogue and Coordinated Action:

The government established the Punjab Education Development Partners Group (PEDPG) in January 2022. This group is chaired by the Secretary of the School Education Department and has representatives from other government departments and development partners. District education offices are represented by a single rotational member as are CSOs, academia and the private sector. It appears that the PEDPG/LEG has focused on matters relating to GPE supported programmes. The enabling factors self- analysis acknowledges this as a weakness and there are plans to address this issue as part of the next Joint Education Sector Review. The LEG meetings appear to be decisive, at least with regards to GPE. However, there appears to be a capacity gap to deal with broader issues that are impeding progress towards the goals of the ESP. Considering these challenges of effective coordination and ensuring that the LEG fulfills its broader functions in support of the ESP, the ITAP respectfully disagrees with the LEG and assesses this enabling factor as a **MEDIUM priority.** Failure to improve the functioning of the coordination mechanisms could have a significant impact on the use of resources in the education sector and could delay or prevent the achievement of the agreed policy priority.

Coordinated Financing and Funding:

External financing is estimated to be over US$350M over the period 2020 – 2028. The largest commitments are from the World Bank, UK FCDO and GPE. The Enabling Factors Self- Analysis states that all grants, loans and externally funded technical assistance are harmonized and aligned with government policies and the ESP The self-analysis also

states that aid is reflected in provincial Annual Development Plans and that the annual budget development process 'takes stock' of the aid utilization during a fiscal year although no external support is currently delivered through the provincial financial management systems. The ITAP was not able to confirm on the evidence provided whether this was happening in practice. There was some evidence of mutual accountability and attempts to improve aid effectiveness although this was largely limited to GPE supported programs. The ITAP assumes that the provincial government has a limited role in coordinating external financing at the national level and the number of donors at the provincial level is still quite low. The ITAP therefore concurs with the LEG assessment of this enabling factor as a **LOW priority** for attention in the current strategy period.

Volume, Efficiency and Equity of Domestic Financing

In Punjab, the existing problems in education are a manifestation of deeper problems of governance and management that negatively affect education quality, education access, and learning. It is reported that high turnover of personnel at the higher levels of decision making in education had negative impacts on operational efficiency and, by implication, on budgetary efficiency. The COVID crisis of 2020, the devastating floods of 2022, and the war in Ukraine, have led to problems of inflation and lower economic growth. The government understands that there is a need to make structural reforms in governance and management to improve educational performance and make domestic financing more effective and efficient. More funding is needed to deal with the out-of-school children problem, and to enroll more girls in the system. However, there is also a need to reallocate per student spending, especially from higher secondary to primary, to increase spending efficiency.

Given the need to address these constraints as soon as possible, ITAP agrees with the LEG and considers domestic finance to be of **HIGH Priority.**

Part B: Assessment of Enabling Factors

1. Data and Evidence

Education Management and Information Systems (EMIS)

Punjab has been conducting Annual School Censuses (ASC) in the education sector since 1994. The latest version is for 2021-22. The system is now digitized in order to enhance data-based policy development and decision making. The data is collected through the tablet-based School Information System (SIS) which starts at the school level. The ASC provides comprehensive data on the number of schools, disaggregated by gender and district, student enrolments disaggregated by gender, district and level, teacher data disaggregated by gender, district, level and qualifications and school facilities which include toilets, electricity, drinking water, boundary walls, sewage and playing fields. The ASC also captures data on private schools managed by the Punjab Education Initiative Management Authority (PEIMA) that operates under a public-private partnership arrangement. The schools account for about 5,4 percent of total school enrolment.

The ASC, however, does not provide data on Gross Enrolment Ratios (GER) and Net Enrolment Ratios (NER), key for monitoring access. On quality, it provides pupil-teacher ratios and pupil-classroom-student ratios by level though not disaggregated by district, making equity analysis on teacher and classroom distribution difficult. On efficiency, it provides information on dropout rates by gender but not the reasons for dropping out of school, information which is essential for addressing this inefficiency in the education system and which also leads to a loss of human potential if those who drop out of the system do not make their way back through the Non-Formal Education (NFE) system. The Multiple Indicator Cluster Survey (MICS) (2022-23), however, provides some reasons for drop-out but they are limited to supply-side factors only. The data on learners with disability is limited to those with mild disabilities of low vision. Those with low hearing impairment and physical disability are mainstreamed into the system. There is no data on other types of disability which can affect learning and on those with special education needs who are not mainstreamed. This is a big information gap which needs to be addressed since it facilitates the devising of appropriate responses to the needs of this marginalized group.

ITAP notes several positive developments in data such as the School Information System (SIS) which provides real-time data and information on schools, teachers and students and has the capacity to track students. Currently 11,6 million students, 48,282 schools, 382,917 teachers and 73,131 support staff are registered in the SIS. The introduction of the unique student-level identifiers in the system will facilitate planning for the sector and for model trends and identify challenges to the expansion of the education system. The educational data on SIS is easily accessible on a dashboard on the School Education Department (SED) Website. This should promote and facilitate the use of this data.

Other sources of educational data in Punjab include: Pakistan Education Statistics which provides data for all the provinces; the Pakistan Non-Formal Education: Annual Statistical Report (2020-21) which captures data on nonformal education and out-of-school children.

The ESA (2018) notes that there are many data systems collecting similar and different types of information across the sector with limited sharing of this information especially with regard to private data sources. There are discrepancies in the data and information making it difficult to efficiently and effectively use this data and information for decision making. Harmonization and Integration of the various sources would assist in cleaning and reconciling the data for effective use.

Learning Assessment System (LAS)

The new Assessment Policy Framework developed in 2019 is aligned to the New Deal for Education (2018-2023) which introduced the school-based formative assessments for school and classroom improvements, and the large-scale assessments (LSA) conducted for grades 5 and 8 for strengthening of the overall system under the Punjab Examination Commission (PEC). The LSA assesses literacy, numeracy and scientific skills through evaluation of student learning in cognitive domains of English, Mathematics, Science and Urdu based on the 2006 curriculum.

Other assessments conducted in Punjab include the National Education Assessment System (NEAS)/Punjab Education Assessment System (PEAS) that carries out periodic, sample-based assessment for Grade 4 and Grade 8 at the national and the province level; the Annual Status of Education Report (ASER), which conducts sample-based testing of school children on an annual basis; the Chief Ministers' roadmap team which conducts six-monthly assessments; the DFID's six-monthly learning assessment which is school based and covered the period September 2014 – March 2018 and the Learning and Numeracy Drive (LND) data which is school based and covered the period September 2015 to February 2020..

In addition to these assessments, students in Punjab also take examinations at Grade 5 and Grade 8 conducted by the Punjab Examination Commission (PEC). They then sit the Grade 9 and Grade 10 examination conducted externally by the Boards of Intermediate and Secondary Education (BISEs). After secondary they sit the Grad 11 and Grad 12 examinations.

The ESA (2018) noted a lack of a coherent learning assessment policy in Punjab, with lack of clarity on how this volume of data, collected by different entities using varying methods and samples, is used in improving teaching and learning and in measuring the performance of the sector on this central objective of an education system. There Is, however, limited evidence that assessments are being used to track learning and to

create mechanisms for data-driven planning and incentivising schools to focus on learning. The PEC faces a number of challenges in the organization and administration of the assessments and examinations such as reliance on technical assistance because of limited capacity, and cheating in the conduct of examinations which adversely affects the credibility of the examination system.

ITAP notes with appreciation that the challenges facing learning assessment have been noted in the PESP (2019-2024) and strategies to address them have been put in place. In the absence of a mid-term review of the PESP (2019-2024) it was not possible to determine the extent of the implementation of these strategies.

Evidence production and use

ITAP notes that, based on the different pronouncement in the documents provided, Punjab fully recognizes the need for and importance of using data and evidence in the decision making and planning. There are several sources of data and information available in Punjab such as the Education Sector Analysis (2018) which provides an in-depth diagnosis of the education sector, with recommendations to address challenges identified that feed into the Education Sector Plan (2019-2024). Other sources of information include: the Multiple Indicator Cluster Surveys (MICS) which captures data on education, and contains some of the data not provided in the ASC such as reasons for dropping out of school; the Pakistan Social and Living & Standards Measurement (PSLM); the Pakistan: Education Sector Assessment (2020); the Punjab Gender Parity Report (2021); the Pakistan Education Sector Assessment (2020); the Evaluation Education Sector programme: Final Report (2021); the Performance Evaluation of the Punjab Education Sector Programme (PESP2) Review of Education Sector Performance: Final Report 2021 and the Annual Joint Sector Reviews which review sector programmes annually and recommend needed reforms to programmes and the sector. A gap noted in the ESA is the lack of data and information on school management aspects which would be useful in addressing challenges at this level.

Punjab has several reports that undertake gender diagnosis. The *Impact of School Violence with Gender Variance on Students' Self-Efficacy during Secondary School Education* report examined the impact of both physical and psychological violence between student to student and teacher to student on the educational self-efficacy of both genders. It showed that while the perveance of the violence was higher for boys than girls the impact on the self-efficacy was higher for girls more than for boys. The *How has COVID-19 affected support for girls' education in Punjab, Pakistan* report provides information from an on-going survey on parents' perceptions on the impact of school closures on the learning of their children based on gender. *Assessment of Student learning loss (COVID) Punjab* examined to level of learning loss as a result of the COVID

related school closures. The results are disaggregated by gender but the report does not discuss the impact of school closures on attendance by gender.

Despite the availability of so much data and evidence there are challenges in the dissemination and use of data because of limited capacity among the stakeholders, including at the school level, and the top-down decision-making culture in the system, which reduces efficacy of data and information

ITAP notes that the PESP (2019-2024) has strategies to address the identified challenges in order to foster evidence-based decision-making through integration of the various education datasets in the education sector. It also aims to build capacity in data use and to conduct targeted research in identified areas in the sector to generate appropriate and relevant data and information for informed decision-making.

Conclusion:

Considering that the PESP (2019-2024) has noted the challenges of gaps in the ASC statistics, the need for better coordination and streaming in learning assessments and improving the usage of data in decision-making, and has strategies for addressing them, ITAP agrees with LEG's priority of **MEDIUM** for this enabling factor.

2. Gender-Responsive Sector Planning, Policy and Monitoring

Strategic Planning Frameworks and Practices

The *Punjab Education Sector Plan*, *2019-2024* (PESP) provides an organized education policy and planning framework which guides implementation and monitoring of sector progress towards agreed targets. This endorsed PESP is based on needs and issues clearly identified in the Education Sector Analysis (2018). The PESP is in alignment with the broader reform initiative the *Punjab School Education New Deal 2018-2023*, the Constitution of Pakistan and subsequent *Punjab Free and Compulsory Education Act (2014)* which support access and provision of 12 years of free and compulsory education to all children of the age of five to sixteen years. The Act also refers to access to non-formal education and vocational education. It also has a provision that all Private schools provide free education to at least 10% of their low-income students. Several separate policies including for Early Childhood Education, Literacy and Non-Formal Education and Special Education have also been developed. However, the self-analysis noted there was a lack of clear policy guidelines to explicitly safeguard the right of free and compulsory education among those children who are not registered with relevant government authorities.

Planning processes are aligned with the human rights declarations in the Sustainable Development Goals, including for vulnerable groups. This has helped identify needs and guide attention for marginalized groups including children with disabilities; out-of-school children; refugees; internally displaced persons; ethnic minorities; and gender-affected groups, especially female students. Adequate provision of services for the high number of out-of-school children in rural and poorer locations, female students and children with disabilities appears particularly challenging.

Regular collaboration with other ministries, including the Ministry of Finance, appears limited, although there were links noted with broader budgeting processes. Closer collaboration with the Ministry of Health appears essential to try to ensure more children come ready to start school healthy (i.e., less stunting, wasting and being malnourished). Broader planning to address recent public health and natural disasters included development of The *National Education Response and Resilience Plan for COVID-19* and the *Pakistan Flood Response Plan 2022.* The PESP recognizes that more specific resilience planning for the education sector is needed, including a better understanding of how girls and boys in poorer communities are often more adversely affected in their ability to access such programs.

Operational Planning Instruments and Practices

The PESP notes that the organizations responsible for program delivery would develop more specific operational/annual work plans with detailed activities to implement and monitor PESP interventions. These would include costings, responsible agencies and how

to track performance towards PESP targets. No specific operational plans were provided in the ITAP documentation. However, Annual Development Plans were provided. These included costs and funding allocations for PESP activities along with the Medium-Term Development Framework funding projections.

An assessment is needed to determine how well these operational tools and processes are functioning and what progress has been made towards targets. Key challenges noted in documentation which appear to disrupt implementation and lessen system efficiency and accountability processes include: (i) frequent turnover of senior-level management personnel in a highly political environment which delays programming decisions; (ii) limited coordination between education departments and agencies, sometimes resulting in duplication of tasks; (iii) low supply and retention of sufficient staff with relevant technical skills including District-level staff; (iv) trying to ensure financial resources are equitably distributed, including to more impoverished locations; and (v) availability of timely harmonized data i.e. alignment of different sources to improve assessments and subsequent formulation of more targeted strategies and activities, especially for pre-primary, elementary and out-of-school children.

Budget Programming and Monitoring

The education sector program budget process is linked to the broader provincial and federal budget processes. The Ministry of Finance via the Medium-Term Budgetary Framework process allocated funds to the three core departments - School Education, Special Education and Literacy and Non-Formal Basic Education based on the recommendations and projections by these departments. Targets set by these departments were used to determine the costings for the PESP using an established financial projection and simulation model. The summary tables of these financial projections and funding gaps are noted in the PESP. The Annual Development Plans show department costs/needed resources side-by-side the projections of the Medium-Term Development Framework.

The Special Education, and Literacy and Non-Formal Basic Education Departments are the most dependent on development funds which means their proposed activities under the PESP are also the most in jeopardy of not being fully implemented due to funding constraints. PESP projections in the original documentation also showed a potential shortfall of available funds for the final three years of the program. The Joint Sector Review will be an important opportunity to review actual funds spent, and the impact towards key results. Financial distributions to South Punjab with its greater poverty levels warrants close assessment and monitoring to ensure that sufficient funds are being equitably received for needed educational services, especially at the student learning level.

Sector/Implementation Monitoring Mechanisms

The PESP outlines program monitoring arrangements to track progress of indicators and to coordinate and try to reduce duplication of effort across the three key education departments. A Technical Working Group was set up to help coordinate the various monitoring and evaluation activities, align activities, and provide guidance for the sector. This working group is chaired by the Secondary Education Department. Representatives from each of the three government agencies as well as development partners, civil society and other government agencies can participate.

Intended monitoring activities include routine at various levels of the decentralized government, including school level; quarterly to review implementation of the annual work plans and achievement against targets in the PESP; and annual reviews, producing an annual sector performance report. These annual reports are intended to be the basis for discussions at the Joint Sector Reviews. Progress is to be reported according to the targets stated in the Results Matrices and the Key Performance Indicator Matrix of the PESP. Under PESP there is a plan to harmonize different databases used to provide education sector data to develop a more integrated system for data collection, management and utilization. No updates on how well these monitoring arrangements are working or on the overall PESP progress were available in the ITAP documentation. LEG Minutes show some welcomed regular discussion about program progress but seemed to focus mostly on GPE related indicators.

The PESP also sets out targets and monitoring arrangements to capture progress on gender initiatives, especially for girls, along with initiatives for other marginalized groups which were noted earlier. With the highly politized environment in the Punjab, it appears that greater attention and accountability is needed to ensure resources are equitably distributed, especially for marginalized groups and in more impoverished locations to ensure no communities are left behind. The need for consultations with relevant officials at the respective governance levels were also noted in documentation to ensure alignment of goals, capacity and resources with the ground realities and to better develop broader ownership. Extra support to further develop capacity at the local level for planning and monitoring is likely needed.

PESP has provision for Joint Sector Reviews of the program. However, neither the annual review nor the mid-term review have occurred due to COVID-19 constraints. The Joint Sector Review is now planned for August 2023.

Gender Mainstreaming Across the Policy Continuum

Sensitivity for gender mainstreaming is reflected in several recent gender diagnostic studies as well as the core education policy, planning and monitoring documents. Costed

interventions with monitoring targets are set out in the PESP. Administrative and learning data are disaggregated by sex/gender in all of the key educational statistical reports.

Punjab has made commendable progress in its initiatives for female students including gains with gender parity. However, much more is still needed, especially in rural and poorer communities. The sector assessments provide insights into gender gaps and issues to be addressed with a specific focus on these localities as well as low learning achievement and transition rates to secondary education. Specific strategies and activities with costings in the PESP include provision of stipends and upgrading girls' schools into elementary and higher schools. In addition to the above work, the School Education Department has also established four transgender schools. No further information was available to the ITAP about how these operate.

The ITAP notes that gender-related barriers and gaps appear to persist. While some of these issues include bullying and gender-based violence, many of the issues related to shortage of nearby schools, teacher shortages and absenteeism, poor school learning quality, capacity of teachers, family poverty and insecurity, and perceptions of the low value of education. There appears to be awareness of these issues by the Government of Punjab and motivation to do more to address these.

Conclusion: The Government of Punjab utilizes an organized education policy and planning framework to guide implementation and monitoring of sector progress towards agreed targets. While it was difficult to adequately assess the functioning of these organizational arrangements due to lack of data available at this time, some key organizational and program issues for ongoing attention include: (i) high turnover of senior level management personnel; (ii) limited coordination between education departments; (iii) insufficient staff with relevant technical skills including District level staff; (iv) trying to ensure financial resources are equitably distributed, including to more impoverished locations; and (v) availability of timely harmonized data. While sound achievements have been made to support girls' education, further strengthening of gender-responsive actions and monitoring is necessary to address many more needs. The ITAP agrees with the LEG rating and believes that this enabling factor, according to the GPE criteria, should be viewed as a **MEDIUM priority.** Sound foundations have been laid with further implementation and monitoring actions needed to ensure the achievement of one or more of the strategic goals.

3. Sector Coordination: Inclusive Sector Dialogue and Coordinated Action and Coordinated Financing and Funding

3.1 Inclusive Dialogue and Coordinated Action

Coordination functions and practices

The government re-established the Punjab Education Development Partners Group (PEDPG) in January 2022 as the Local Education Group (LEG). This group is chaired by the Secretary of the School Education Department and has representatives from other government departments including Finance, Planning and Development, and Special Education. The PEDPG (which is also referred to as the LEG) also includes representatives from development partners including the World Bank, JICA and UNICEF, with JICA serving as the coordinating agency. The district education offices are represented by a single rotational member. CSOs, academia and the private sector also have a single seat. Based on the evidence provided to the ITAP, it appears that the PEDPG/LEG has focused on matters relating to GPE supported programmes, at least for the past two years. There does not appear to have been discussion of the broader issues relating to the implementation of the PESP nor dialogue around policy issues. The enabling factors self-analysis acknowledges this as a weakness and there are plans to address this issue as part of the next Joint Education Sector Review which is planned for August 2023. The LEG has also indicated that it intends to consider measures to make the group more inclusive and representative of a broader range of stakeholders. It will be important to address and resolve these issues in order to ensure effective coordination across the sector, not just in relation to GPE support.

Capacities for coordination

The quality of the data, evidence and strategic planning referred to elsewhere in this report is evidence of some capacity within the SED for planning and coordination. The minutes of the LEG meetings demonstrate clear focus and decisiveness at least with regards to GPE related matters. However, the capacity gap appears to lie with government officials' ability to coordinate at a higher level and to deal with issues that are impeding progress towards the goals of the PESP. The self-analysis acknowledges these weaknesses and commits to address them in the next review.

Conclusion on 3.1:

Considering the continuing challenges of effective coordination and ensuring that the LEG fulfills its broader functions in support of the PESP, the ITAP respectfully disagrees with the LEG and assesses this enabling factor as a **MEDIUM priority.** Failure to improve the functioning of the coordination mechanisms could have a significant impact on the use of resources in the education sector and could delay or prevent the achievement of the agreed policy priority.

3.2 Coordinated Financing and Funding

Availability of aid alignment and joint financing mechanisms

The government estimates that development partners have allocated over US$350M to support education programmes in Punjab province over the period 2020 – 2028. The largest commitments are from the World Bank, UK FCDO and GPE. The enabling factors self-analysis states that all grants, loans and externally funded technical assistance are harmonized and aligned with government policies and the PESP. The ITAP did not see any evidence of joint financing mechanisms. There are only a small number of bilateral donors and they do not provide budget support. However, the World Bank's loan for the ASPIRE project is delivered through country systems. The self-analysis states that aid is reflected in provincial Annual Development Plans and that the annual budget development process 'takes stock' of the aid utilization during a fiscal year. The ITAP was not able to confirm on the evidence provided whether this was happening in practice.

Accountability and dialogue around aid effectiveness

The minutes of the LEG meeting from 2022 provided evidence of a willingness on the part of the government and development partners to be transparent and accountable, at least with regards to the GPE supported programmes. The government expresses an interest in exploring the option of budget for delivering future external support in a more effective and streamlined way that builds country capacity.

Commitment towards greater aid effectiveness practices

The ITAP found evidence of government commitment to improving aid effectiveness in line with international best practice for example in the planned review of the coordination processes during the JESR as well as the desire to consider the options for channeling more aid through country systems. It was not clear the extent to which donors shared this commitment at the country level. There are also constraints on the extent to which the provincial government can improve aid effectiveness as the federal government has the lead responsibility for agreements with major funders such as the World Bank.

Conclusion on 3.2:

Given the fact that the provincial government has a limited role in coordinating external financing and the fact that the number of donors is still quite low, the ITAP concurs with the LEG assessment of this enabling factor as a **LOW priority** for attention in the current strategy period.

4. Volume, Equity, and Efficiency of Domestic Public Expenditure on Education

Overview

In Punjab, the existing problems in education are a manifestation of deeper problems of governance and management that negatively affect education quality, education access, and learning. It is reported that high turnover of personnel at the higher levels of decision making in education had negative impacts on operational efficiency and, by implication, on budgetary efficiency. The COVID crisis of 2020, the devastating floods of 2022, and the war in Ukraine, have led to problems of inflation and lower economic growth. The government understands that there is a need to make structural reforms in governance and management to improve educational performance and make domestic financing more effective and efficient. More funding is needed to deal with the out-of-school children problem, and to enroll more girls in the system. However, there is also a need to reallocate per student spending, especially from higher secondary to primary, to increase spending efficiency.

Volume

About 70% of public education funding comes from the central government and the remaining 30% from provincial-level taxes and fees. Funding assigned to each province is based on a simple formula associated with the number of students in each province. Total domestic funding in Punjab needs to increase, as 24% of children are out of school, of which one-half are of primary-school and middle-school age. Although education funding in Punjab has increased in nominal terms during the past decade, in relative terms, it has decreased (Table 1), from 1.5% In 2020 to 1.2% in 2022. Now it is expected to continue at this level of spending until 2026, resulting in a reduction in the share of the budget allocated to education: from 24% in 2020 to 16.7% for the 2023-2026 period.

Table 1. Share of education expenditure in GDP and in total government expenditure

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Education as % of Punjab GDP (excl. debt service)	1.5	1.5	1.2	1.2	1.2	1.2	1.2
Education as % of Punjab Government Budget (excl. debt service)	24	21.6	19.5	16.7	16.7	16.7	16.7
Recurrent education expenditure as % of Punjab's recurrent expenditures (excl. debt service)	25.6	24.1	23.8	19.3	19.3	19.3	19.3

Source: Computed from "Domestic financing matrix" completed by the country

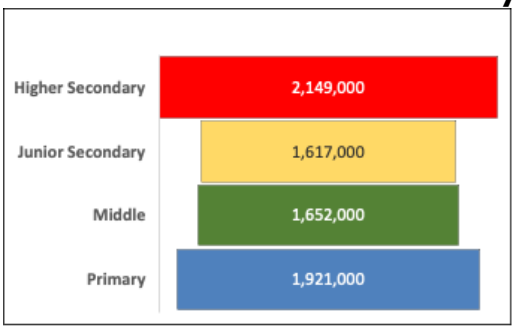
Increasing the efficiency of spending is of high priority, requiring a review of per student spending policies by education level. In 2023 per student spending in higher secondary is 3.67 times the level of per student spending in junior secondary; 12.45 times the level of per student spending in middle school, and a staggering 29.87 times the level of per student spending in primary. Reducing these imbalances in the levels of spending per student, would help alleviate the number of out-of-school children in primary and middle school in the near future.

According to the self-assessment of the enabling factors, limited capacity at the district and school levels have led to weak accountability and financial inefficiency. At the district level, poor planning and management also lead to poor coordination across departments, which also lead to inefficiencies in resource allocation, with corresponding losses in education access and quality. All of these losses in efficiency result in increases in per student costs.

Equity

Children in poorer areas have lower access to school than in less poor areas. Total enrollment is about 12.4 million boys and girls, in 52,470 public schools. Children in South Punjab, which is poorer than the north, have significantly lower access to school than the rest of the province, with low gender parity and a survival rate to Grade 10 of 28% (31% for boys and 25% for girls). MICS data show that for every 100 children entering first grade, 34 do not complete 5th grade; a total of 44 do not complete middle school, a total of 61 do not complete junior secondary, and a total of 70 do not complete higher secondary. Extrapolating from the MICS data it is concluded that in 2018 there were about 7.4 million children out of school between the ages of 5 and 16, of which 3.8 million were of primary and middle school age, and 3.6 million were of secondary school age (Fig. 1). Government estimates are more modest, indicating that of 22 million children between 5 and 16 years of age in Punjab, about 5.3 million are out of school.

Fig. 1. Number of Out of School Children by Level of Education



Most out-of-school children were in the lower two income quintiles, with rates that are about double the average rate for the province. Out-of-school children are slightly more rural, and they can be either male or female. MICS data also show that poverty—especially extreme poverty—seems to be the main deterrent to school attendance.

Efficiency

Internal Efficiency

Completion rates show a great range of variation, but low rates are strongly associated with poverty among districts and within districts. Across all levels, rural students have lower rates of completion, and children from the two lower income quintiles account for more than 70% of those not completing primary, and more than half of those not completing middle and junior secondary (Table 2).

Table 2. Completion rates by gender, location and income, 2022

					Income Quintile				
	Males	**Females**	**Urban**	**Rural**	**Poorest**	**Second**	**Third**	**Fourth**	**Richest**
Primary	67	65	77	60	33	60	75	82	92
Middle	57	56	68	49	20	43	60	71	87
Junior Secondary	38	39	51	31	10	24	37	49	72
Higher Secondary	28	31	42	22	6	13	24	37	63

Source: UNICEF 2022

In terms of learning, there are significant differences associated with gender and poverty. Location (urban, rural) is also a factor, but rural location is also highly correlated with poverty. For learning equity UNICEF uses foundational skills as an index of learning. These skills are defined as the learning outcomes expected for Grades 2 and 3 in reading and numeracy and are measured among children aged 7-14. More formally, the measurement estimates the indicator SDG 4.1.1.a defined as the proportion of children in Grade2/3 achieving minimum proficiency in reading and numeracy, by sex (Table 3).

Table 3. Share of Children 7-14 with foundational learning skills, 2022

					Income Quintile				
	Males	**Females**	**Urban**	**Rural**	**Poorest**	**Second**	**Third**	**Fourth**	**Richest**
Reading	35	38	47	31	16	32	41	47	59
Numeracy	13	11	15	10	6	11	13	13	18

Source: UNICEF 2022

Repetition and Dropout rates

Recent rates are not reported by official statistics. However, MICS data indicates that both rates are relatively low in primary, and relatively high in 10th and 12th grades.[2] Boys repeat more (53%) than girls (47%), but dropouts are equally shared. However, rural areas have higher incidences of repetition (60%) and dropout (57%) than urban areas.

Table 4. Repetition, dropout, gross and net enrollment rates, percent

	Primary					**Middle**			**Jr. Secondary**		**Higher Secondary**	
Grade	**1**	**2**	**3**	**4**	**5**	**1**	**2**	**3**	**1**	**2**	**1**	**2**
Repetition Rate	7	5	4	4	4	4	4	2	7	6	4	8
Dropout Rate	1	1	2	3	…	1	2	…	1		1	…
Gross Enrollment Rate*	Primary			Secondary								
	Males	Females	Total	Males	Females	Total						
	104	90	97	43	35	39						
Net Enrollment Rate**	Primary			Secondary								
	Males	Females	Total	Males	Females	Total						
	63	59	61	16	17	16						

Source: MICS, 2017-2018

*Pakistan Education Statistics reports 2016-17

** Pakistan Education Statistics reports 2014-15

Conclusion

Budgetary efficiency associated with inefficiencies in governance is the main problem with domestic finance. Frequent turnover of decision makers at the highest levels of authority in education delay program implementation, policy decisions, and effective management. Although there is a need for more funding to reach universal coverage and eliminate the problem of out-of-school children, and also increase girls' enrollment in the system, more can be done to increase the efficiency of domestic finance by addressing current imbalances in per student expenditures by education level. Given the need to address these constraints as soon as possible, ITAP considers domestic finance to be of **HIGH Priority**.

[2] The most recent rates reported by the government are from 2017. MICS rates are for 2017-18. Although the repetition rate for Grade 1 is 7%, that is relatively low when compared with the repetition rates of other countries around the world with low preschool coverage, which can range between 10% to 25%.

Part C: High-Level Summary of Enabling Factors Assessed as High Priority

Enabling Factor	Challenges and Rationale for High Priority Rating
Volume, Equity, and Efficiency of Domestic Financing	**Challenge:** (i) Governance. High turnover of decision makers has had a negative effect on system governance and on system operational efficiency, as many policy and operational decisions are postponed, creating uncertainty at the district and school level, resulting in operational delays, a loss of education quality, and an increase in operational costs. (ii) Management. Managerial skills at the district level need to be strengthened in order to manage financial resources better. Per student expenditures for higher education need to be rationalized and redistributed in order to make financing more equitable, and to make the use of domestic finances more effective. Provincial and district-level authorities need to coordinate better in order to rationalize recurrent expenditures, and that requires managerial training and supervision, along with accountability. **Rationale for high priority**: Fixing the problem of high turnover is imperative in order to improve the efficiency of domestic financing, otherwise the education budget will always be lagging behind the funding needed for achieving the sector goals. It is necessary to improve managerial capacity and coordination between the district and schools to increase budgetary efficiency. Such actions would lead to savings that can be used to reduce the number of out-of-school children. Otherwise, increasing funding alone, without improving management and coordination would lead to large amounts of financial waste.