Public-Private Partnerships in Education

Review of International and National Best Practices to Inform the Education Landscape in Punjab and Khyber Pakhtunkhwa

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Abbreviations

CSR	Corporate Social Responsibility
DIB	Development Impact Bonds
E&SED	Elementary & Secondary Education Department, Khyber Pakhtunkhwa
ePPP	Education PPP/PPPs in Education
ESEF	Elementary & Secondary Education Foundation, KPK
EVS	Education Voucher Scheme
FAS	Foundation Assisted Schools
GoKP	Government of Khyber Pakhtunkhwa
GoPb	Government of Punjab
KPK	Khyber Pakhtunkhwa
LFPS	Low-fee private schools
NMD	Newly Merged Districts
NSP	New School Programme
OOS	Out-of-school
OOSC	Out-of-school children
PDF	Project Development Facility
PEF	Punjab Education Foundation
PEIMA	Punjab Education Initiatives Management Authority
PPP	Public Private Partnership
PSSP	Public Schools Support Programme
RBF	Results-based Financing
RMU	Risk Management Unit
SDGs	Sustainable Development Goals
SED	School Education Department, Punjab
SIB	Social Impact Bonds
VGF	Viability Gap Fund

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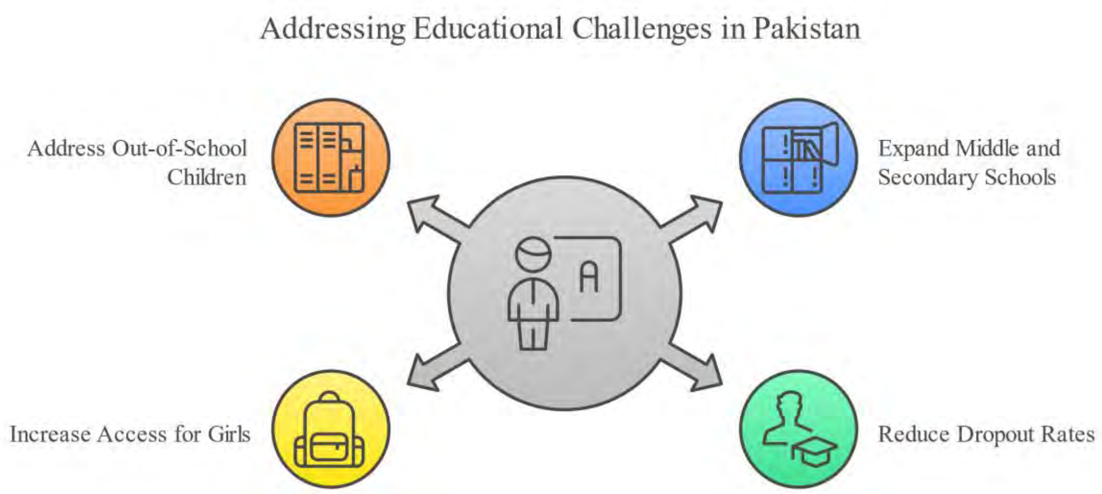
Executive Summary

This report examines the potential of Public-Private Partnerships (PPPs) to address significant educational challenges in Punjab and Khyber Pakhtunkhwa (KP), Pakistan. Despite the government's commitment to improving access, quality, and equity in education, both provinces face supply-side constraints, financing gaps, and infrastructural limitations. In Punjab and KP, most schools cater to primary education, leaving a critical need for middle and secondary school expansion, especially in underserved rural areas. Additionally, both regions grapple with high dropout rates, particularly among girls, and a substantial number of out-of-school children—11.7 million in Punjab and 3.6 million in KP.



Need for PPPs in Education

The public education systems in both provinces are unable to fully meet the growing demands for education due to limited resources, ageing infrastructure, and persistent socio-economic disparities. Existing financing mechanisms are insufficient to bridge these gaps. Therefore, innovative solutions, such as PPPs, are crucial to mobilising additional resources, enhancing efficiency, and improving service delivery. PPPs allow the public sector to leverage private sector capabilities in areas such as school management, teacher training, curriculum development, and infrastructure provision.

Global PPP Models

The report explores successful international PPP models in countries including Bangladesh, India, and Malaysia. In Bangladesh, the Reaching Out-of-School Children (ROSC) Project utilises community involvement and partnerships with local NGOs to deliver education to underserved communities.

Existing PPP Initiatives in Punjab and KP

In Punjab, the Punjab Education Foundation (PEF) administers several PPP programs, such as the Foundation Assisted Schools (FAS), Education Voucher Scheme (EVS), and New School Programme (NSP), which collectively serve over 2.6 million children. These initiatives have shown promising results but require scaling to address gaps in middle and secondary education. KP’s Education Sector Blueprint highlights the use of PPPs through schemes like the Viability Gap Fund (VGF), which subsidises private investment in areas lacking educational infrastructure. KP’s Education Blueprint also emphasises PPPs to expand access, improve quality, and foster community involvement.

Policy Recommendations and Way Forward

To maximise the potential of PPPs in Punjab and KP, the report provides the following specific recommendations:

Policy and Regulatory Reforms

Review and streamline existing legal and institutional frameworks to align PPP models with emerging educational needs. Introduce regulatory incentives, such as tax breaks and simplified licensing processes, to attract diverse providers, including local organisations, specialised institutions, and non-profits.

Strengthen Institutional Frameworks for Oversight

Establish a dedicated PPP Unit in Punjab and strengthen the PPP Node in KP, staffed with experts in contract management, financial oversight, and educational standards.

Accountability and Performance Monitoring

Develop a robust accountability framework comprising annual audits, performance-based funding, and community feedback mechanisms. Schools under PPPs must meet predefined educational outcomes and undergo regular evaluations, with corrective measures for underperformance.

Promote Equity and Inclusivity

Embed equity considerations into PPP contracts, mandating targets for gender balance, scholarships for disadvantaged students, and accessibility for disabled learners. By 2028, ensure at least 40% of PPP school enrolments comprise students from marginalised backgrounds, with regular reporting to monitor progress.

Encourage Innovation

Incentivising private education providers to pilot new teaching methods, integrate technology, and expand vocational training. Competitive grants tied to measurable outcomes will drive local solutions, with successful models scaled to address broader challenges.

Leverage Digital Platforms

Create a digital marketplace for educational services, enabling schools to access specialised providers for EdTech, assessments, and teacher training. The platform should ensure transparency, promote competition, and streamline procurement processes.

Empower Parents, Students, and Communities

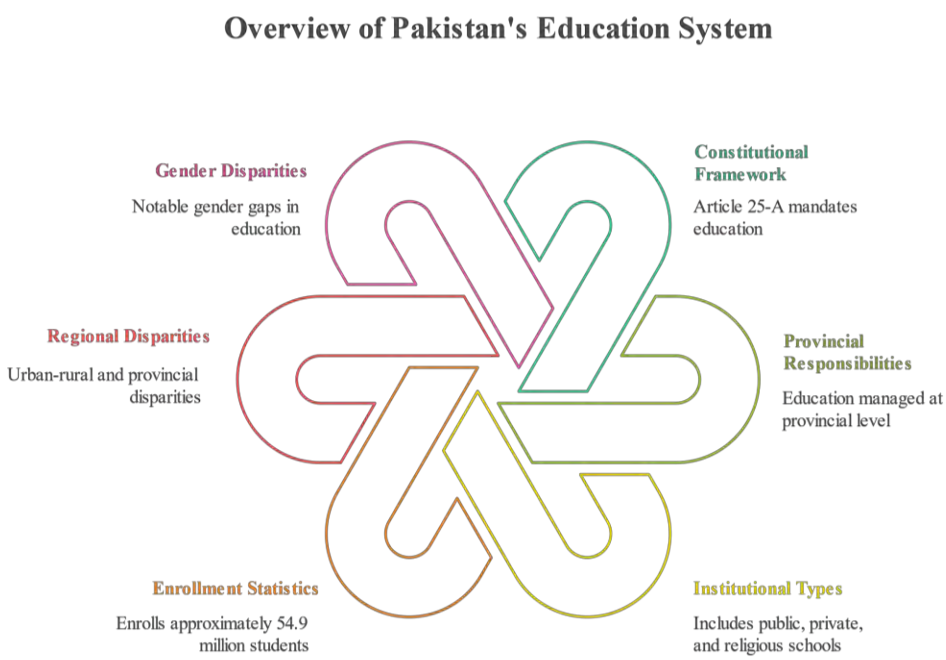
Form district-level education councils that involve parents, students, and local leaders in decision-making and feedback. These councils should have access to school performance data, enabling community-driven insights that can guide improvements in school quality and responsiveness to local needs for the long term in a sustained way.

Implementing these recommendations will require a conducive regulatory environment, clear roles for each stakeholder, and effective monitoring systems. By enabling innovation, ensuring accountability, and enabling community participation, Punjab and KP can harness PPPs to address persistent educational challenges, improve access, and enhance educational quality.

Introduction

Context

Education is a constitutional right in Pakistan, where Article 25-A mandates that all children aged 5-16 must receive free and compulsory education. Since the 18th Constitutional Amendment, education has been a provincial responsibility, which has led to diverse provincial approaches and challenges in implementing quality education across the country.[1] The education system in Pakistan comprises public, private, and Deeni Madaris (religious seminaries), totalling over 313,418 institutions and catering to approximately 54.9 million students. The public sector accounts for 56.2% of these institutions, enrolling over 29 million students, while the private sector represents 43.8%, serving around 25.1 million students. However, access, quality, and resource disparities are stark, with urban areas typically having better facilities and infrastructure than rural areas. This uneven distribution is particularly evident in provinces like Punjab and KP, highlighting the need for innovative solutions, such as PPPs, increased funding from the government, or targeted community-based initiatives to address educational inequities and better serve underserved communities.[2]



1 The Constitution (Eighteenth Amendment) Act, No X of 2010
2 Pakistan Institute of Education. 2024. *Pakistan Education Statistics 2021-22*. Ministry of Federal Education and Professional Training. Islamabad.

In Punjab, the SED manages 51,737 schools, employing more than 364,468 teachers. The province prioritises primary education, with 71% of public schools at this level, reflecting a focus on expanding foundational education. However, geographical constraints mean that 91% of primary public schools are concentrated in rural Punjab, which can limit access to higher levels of education for many students, particularly girls. Despite progress, challenges remain in providing inclusive education and ensuring high enrolment rates beyond primary school. Gross Enrolment Ratios (GER) show that while pre-primary and primary levels are relatively high, there is a steep drop at middle and secondary levels, with prominent gender disparities. For example, Punjab's primary GER is 84%. Still, it declines significantly to 59% at the middle and 47% at the secondary level, underscoring the need for innovative strategies to retain students and ensure equity across gender and socio-economic backgrounds.[3]

Khyber Pakhtunkhwa has approximately 34,180 public schools and 5.53 million students, with a focus on primary education, as almost 80% of schools are primary-level institutions. While the private sector covers 29% of the total schools and caters to around 34% of the students, the supply of post-primary public schools is inadequate, especially in rural areas. Gender disparities are more pronounced in KP than in Punjab, with boys making up a higher percentage of enrolled students.

GER in KP indicates substantial challenges in access beyond the primary level. Although the province has a good GER for primary education at 81%, the GER at the middle level drops to 56% and at secondary levels to 44%, suggesting critical access issues and a need for reforms that prioritise the inclusion of girls and underserved rural populations.[4]

A significant issue within Pakistan's education sector is the large population of out-of-school children, estimated at 26.2 million for ages 5-16. Punjab has the highest number of out-of-school children, approximately 11.73 million; in KP, this figure is around 3.63 million. Factors such as poverty, limited infrastructure, teacher shortages, and socio-cultural barriers contribute to a lack of access and high dropout rates, particularly for girls. These challenges demand targeted interventions to increase access, improve retention rates, enhance quality, and reduce access disparities.

The pervasive issue of learning poverty further compounds the challenges of access and low retention in education. While some studies suggest that private school students outperform their public school counterparts in literacy and numeracy, recent evidence indicates that both systems face significant challenges in ensuring students achieve basic competencies, particularly in rural areas. According to available evidence, public and private schools struggle to achieve basic competencies among students, with private schools showing an advantage in literacy outcomes. Learning poverty in Punjab and Khyber Pakhtunkhwa presents a significant obstacle to educational progress. World Bank data reveals that 52% of 10-year-olds in Punjab and 63% in KP lack basic reading comprehension skills.[5] This alarming statistic highlights the urgent need for targeted interventions to improve learning outcomes and ensure that all children have the opportunity to acquire foundational literacy skills. This highlights an imperative need for effective management, resource optimisation, and targeted interventions that can enhance educational outcomes across both provinces.

These challenges underscore the need for innovative solutions that go beyond traditional approaches. Public-Private Partnerships (PPPs) offer a potential solution by leveraging private

3 Ibid.
4 Ibid.
5 World Bank. 2023. *Benchmarking Pakistan's Learning Poverty*. World Bank

sector expertise and resources to strengthen teaching and learning, particularly in underserved areas. These partnerships involve collaboration between government entities and private organisations to collectively address the education system's shortcomings. Globally, Public-Private Partnerships (PPPs) have gained traction as a transformative approach to address these challenges, offering innovative solutions to mobilise resources and improve service delivery.

The available evidence from international practice highlights their role in enhancing infrastructure, expanding access, and improving learning outcomes. In South Asia, countries have increasingly adopted PPPs to bridge gaps in human resource development, foster inclusivity, and scale infrastructure development in education. For example, the evidence from Bangladesh and Sri Lanka underscores the success of innovative PPP strategies in addressing teacher shortages, improving school facilities, and introducing vocational training.[6] PPPs have the potential to mobilise additional resources, introduce efficient management practices, and implement targeted interventions to reach marginalised communities. By addressing the multifaceted issues leading to children being out of school and tackling the broader challenges within the education system, PPPs can contribute significantly to achieving the goal of inclusive and equitable education in Pakistan.

This report critically examines the potential role of PPPs in advancing these objectives, with a particular focus on Punjab and KP. It draws on global best practices and South Asia’s growing experience with PPP models, providing insights into their potential to drive sustainable educational reform in Pakistan.

Methodology

The report employs a comprehensive, multi-pronged methodology, including a detailed desk review of national and international PPP frameworks, field assessments in Punjab and KP, and consultations with stakeholders across public and private sectors. Comparative analyses of global PPP models offer insights into adaptable practices for Pakistan. The findings are further enriched by evaluating existing provincial PPP setups, institutional capacities, and regulatory frameworks, enabling context-specific recommendations.

6 Asian Development Bank. 2017. *Innovative strategies for accelerated human resource development in South Asia: Public–private partnerships for education and training—Special focus on Bangladesh, Nepal, and Sri Lanka*. Asian Development Bank

Structure of the Report

The is organised in six sections to provide a comprehensive analysis of Public-Private Partnerships (PPPs) in education, focusing on their potential to address systemic challenges in Punjab and Khyber Pakhtunkhwa (KP). The introductory section establishes the context, highlighting the significance of PPPs in addressing educational gaps. It is followed by a synthesis of global best practices and their relevance to the provincial contexts of Punjab and KP. The analysis examines existing institutional frameworks, operational challenges, and the policy environment governing PPPs in both provinces. The later sections provide key findings and actionable recommendations to inform policy, enhance implementation, and promote sustainable reforms. Finally, annexures offer supporting data and comparative analyses that underpin the report's conclusions.

Audience

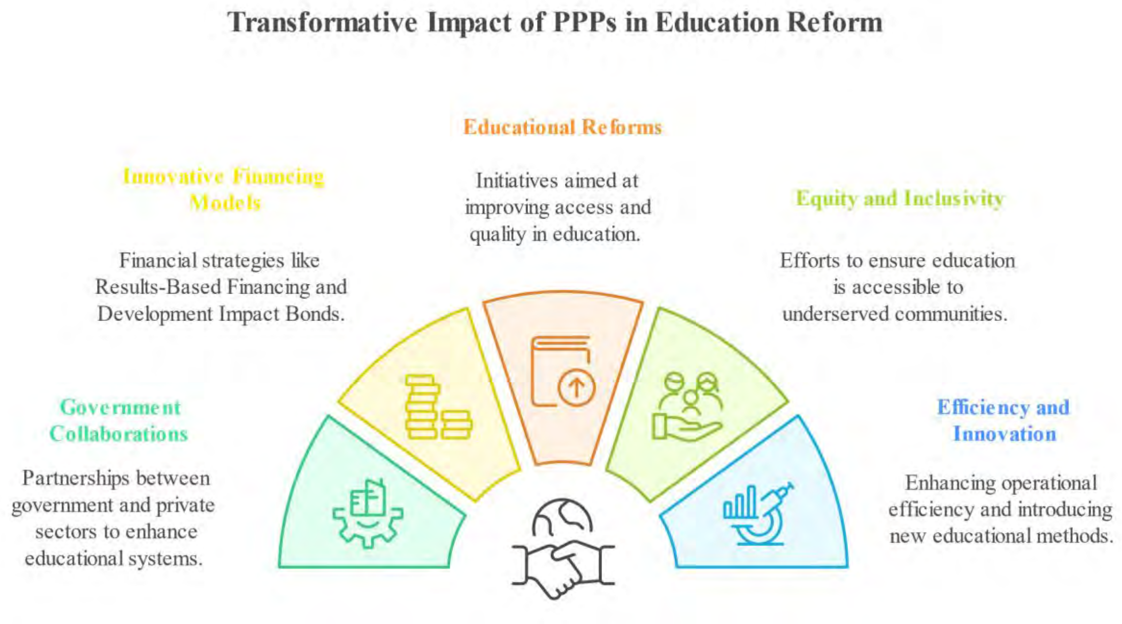
The primary audience of this report is the School Education Department (SED) in Punjab and the Elementary and Secondary Education Department (E&SED) in KP, including public education administrators, policymakers, and provincial education foundations such as the PEF and PEIMA in Punjab and the Elementary and Secondary Education Foundation (ESEF) and Merged Areas Education Foundation (MAEF) in KP. The report provides all these entities with insights into effective PPP models for education that could enhance educational access, quality, and equity, particularly for underserved communities. By incorporating global best practices and contextualised recommendations, the report aims to support these beneficiaries in developing sustainable, innovative, and inclusive educational frameworks capable of addressing local challenges, such as high dropout rates and expanding middle and secondary education in rural areas.

Public-Private Partnerships in Education-An Overview

Government partnerships with the private sector have emerged in teacher training, curriculum development, and management, as well as in the outsourcing and management of schools. These collaborations have been shown to foster cost-effective models, enhance accountability, incentivise expansion into underserved areas, and potentially improve learning outcomes over what the standard public education system provides. In both KP and Punjab, education reform strategies and policy directives strongly emphasise integrating the private sector to improve access and efficiency. Public-private partnerships (PPPs) emerge as an opportunity for this endeavour due to their ability to leverage private sector efficiency, innovation, and investment, offering a collaborative and sustainable solution to the complex challenges in service provision.

Evolution of PPPs in Education

The evolution of PPPs in education reflects global trends in addressing systemic challenges through innovative solutions. In the late 20th century, governments in both developed and developing countries began integrating private sector expertise into public education to address infrastructure deficits, funding constraints, and disparities in access. This transition was catalysed by the recognition that traditional



funding models were insufficient in addressing the urgent needs of educational infrastructure and quality. For example, the advent of academies and charter school models in the United Kingdom epitomises this movement, wherein private entities assume management responsibilities to enhance educational outcomes.[7] Similarly, in New Zealand, the Partnership School initiative was instituted to grant greater autonomy in school operations, thereby empowering educational institutions to tailor their approaches to the specific needs of their communities.[8]

Since the 1990s, South Asian countries have increasingly embraced PPPs as a mechanism for educational reform. In Pakistan, the establishment of the Punjab Education Foundation (PEF) in 1991 is a case in point. The PEF sought to implement voucher schemes and school management contracts to improve access and education quality for marginalised communities. India sought to enhance its education ecosystem by introducing public-private partnerships under the Sarva Shiksha Abhiyan initiative. This initiative aimed to strengthen school infrastructure and improve teacher training.[9] With the onset of the 21st century, the evolution of PPPs in education has been further characterised by integrating innovative financing models, such as Results-Based Financing (RBF) and Development Impact Bonds (DIBs). RBF and DIBs are innovative mechanisms reshaping education financing globally. These approaches focus on aligning financial disbursements with verified results, enhancing accountability, and ensuring the efficient use of resources. Evidence suggests that RBF, in the form of cash transfers, have been used to increase student attendance and retention in low-income countries, fostering equity and inclusivity. Similarly, the performance-linked incentives for teachers have improved attendance and classroom engagement, provided they are supported by robust monitoring systems. Meanwhile, DIBs involve upfront financing from private investors for social projects, with repayment by outcome funders contingent on achieving agreed outcomes. This model transfers financial risk to investors while ensuring accountability and innovation. DIBs have demonstrated the potential to address learning gaps and enable innovation in the education sector.[10]

While RBF and DIBs hold transformative potential, challenges such as capacity gaps, regulatory barriers, and stakeholder buy-in must be addressed. Developing robust monitoring and verification systems and fostering multi-stakeholder trust will be critical to leveraging these mechanisms effectively. These models offer a pathway to sustainable and impactful education reforms, aligning financial investments with measurable improvements in educational outcomes. PPPs bring a dual advantage of improving cost efficiency and introducing innovative teaching and learning methods. For instance, blended learning models supported through PPPs have demonstrated their ability to enhance student engagement and outcomes. These partnerships also address equity challenges by focusing on underserved regions and marginalised groups. Voucher schemes, such as those implemented by the Punjab Education Foundation, subsidise education for low-income families, ensuring inclusivity.

PPPs provide transformative opportunities to address limited resources, access inequities, and education quality gaps. By leveraging private sector expertise, governments can enhance operational efficiency, encourage innovation, and expand educational access.

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7 Andrews Jon and Natalie Perera. 2017. *The Impact of Academies on Education Outcomes*. Education Policy Institute.

8 Nina Hood. 2019. "Manifestations of Autonomy and Control in a Devolved Schooling System: The Case of New Zealand." *Education Journal for Research and Debate,* 2(5).

9 ADB. 2017. *Innovative Strategies for Accelerated Human Resource Development in South Asia: Public–Private Partnerships for Education and Training Special Focus on Bangladesh, Nepal, and Sri Lanka.* Asian Development Bank

10 Louisee Cruz. 2022. *Results-Based Financing and Performance Incentives in Education: New Evidence in the Literature*. Results in Education for All Children (REACH). World Bank Group.

The educational landscape in Punjab and KP can benefit significantly from PPPs, with key advantages including:

- **Improved Outcomes through Expertise:** Leveraging private-sector expertise helps improve public service outcomes.
- **Increased Financial Resources:** PPPs attract additional funding to support public services, ensuring better value for money.
- **Operational Optimization:** Governments retain oversight while the private sector manages specific service aspects, maximising each sector's comparative advantage.
- **Innovation-Driven Models:** Output-based payment structures drive innovation by focusing on results rather than processes.
- **Increased Competition:** Competition in service provision promotes efficiency and incentivises innovative solutions for public services.
- **Transparency and Accountability:** Clearly defined costs, contracts, and accountability measures improve transparency in public expenditures.
- **Stakeholder Engagement:** PPPs encourage active participation in public service delivery and decision-making, enhancing community involvement.
- **Resource Sharing for Improved Access:** Both sectors' combined technical and financial capacities improve access and quality, especially in education services.
- **Risk and Reward Sharing:** PPPs establish clear frameworks for sharing risks and rewards, encouraging private investment in underserved areas.
- **Competitive Selection of Partners:** Open bidding processes help governments select the most capable private partners, promoting accountability and cost-efficiency and expanding outreach to marginalised communities.

In both KP and Punjab, PPPs offer a promising approach to transform education delivery by infusing private-sector agility and resources into the public system, aligning public education goals with efficient and sustainable service models. Despite their potential, PPPs in education face challenges that limit their scalability and effectiveness. Regulatory barriers, such as complex approval processes, discourage private sector participation. Capacity gaps within public institutions hinder effective implementation, and socio-economic inequities may widen if PPPs are not designed inclusively. Furthermore, scepticism from stakeholders often stems from concerns about commercialisation and profit-driven motives in education.[11]

PPPs in Education Risks and Responsibility Sharing

In PPPs for education, sharing risk and responsibility is essential. However, achieving a balanced distribution is challenging since the government remains the primary provider of social services like education, for which it has a statutory obligation. It is critical to effectively align the competing incentives of the public and private sectors in public-private partnerships (PPPs). While private partners prioritise profitability and efficiency, the public sector's goals emphasise equitable access, quality and social responsibility. Key incentives for private sector participation in education PPPs include financial benefits like management fees, performance-based payments, and access to government funding. Additionally, social benefits such as brand enhancement, opportunities for social impact, and access to new markets also spur private sector engagement. Effective PPPs in education require clear contracts, robust monitoring and evaluation, and strong collaboration between the government and private partners.[12]

11 Jo Walker. 2016. *Private Profit, Public Loss: Why the Push for Low-fee Private Schools is Throwing Quality Education Off-track*. Global Campaign for Education (GCE).
12 Organisation for Economic Co-operation and Development. 2017. *The Future of Education and Skills: Education 2030*
Asian Development Bank. 2013. Public–Private Partnerships for Education and Training: Special Focus on Bangladesh, Nepal, and Sri Lanka

Mutual understanding and clearly defined roles, responsibilities, and incentives allow PPPs to promote accountability, sustain project outcomes, and address longstanding educational challenges, such as high dropout rates and the prevalence of out-of-school children (OOSC). In regions like KP and Punjab, these PPPs are critical in providing necessary resources to underserved schools, thereby supplementing the government's efforts to ensure inclusive and quality education. In developing countries, education PPPs are often implemented to address systemic limitations in government capacity and resources.

The rationale for adopting PPPs in education is to enhance government schools' capacity and increase access by incorporating private providers within the public education system. The ultimate goal of education PPPs is to boost enrolment and improve outcomes, such as increased enrolment of out-of-school children, improved test scores, and reduced dropout rates, particularly among low-income families.

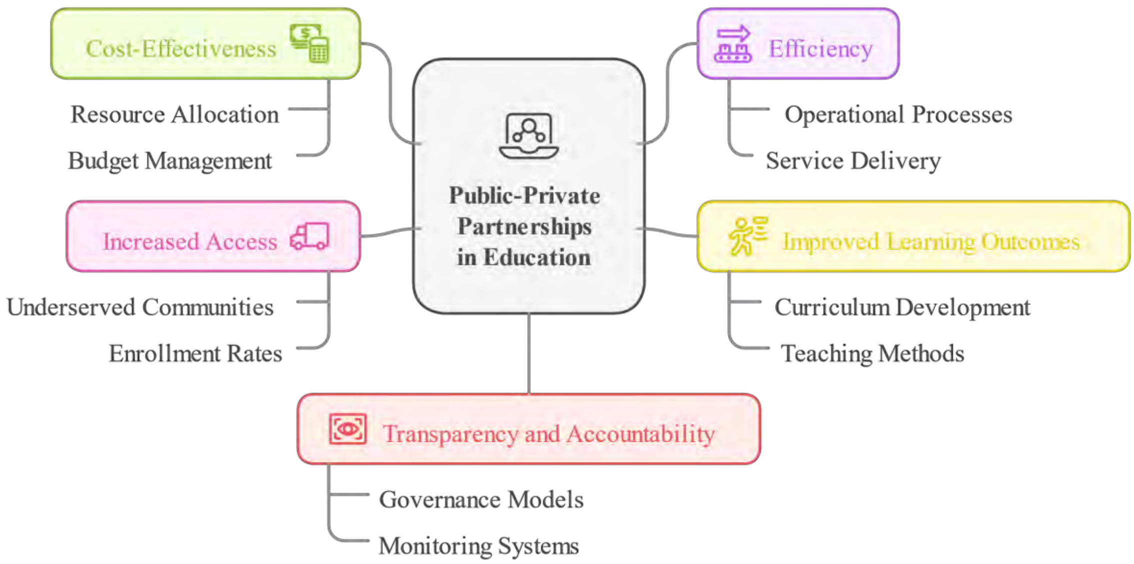
As explored in global examples, PPPs have demonstrated moderate to substantial impacts on education, increasing access and quality in diverse contexts. The table below, adapted from the Asian Development Bank's report on PPPs in Education & Training, provides an overview of various education-focused PPP models that can be developed according to regional needs, ensuring adaptable and context-specific solutions for Punjab and KP.[13]

Education Service Delivery Initiatives	• Management of public schools by private operators • Private schools are contracted for the delivery of services • The private sector is contracted for the delivery of specialist curricula • Tutoring services • Outsourcing of ancillary functions at schools • Public sector affiliation and franchising of program delivery to the private sector
Infrastructure PPPs	• Private finance initiatives: finance, design, construction, and operation of educational infrastructure are conducted by private party • Private leasing of public school • Equipment and maintenance of information technology, laboratories and workshops
Demand-Side Financing Programs	• Publicly and privately financed voucher or scholarship programs • Payment of subsidies to students at private schools • Tax credits and tax exemptions
Policy, Strategy, and Support Initiatives	• Private involvement in curriculum and program development • Private involvement in policy and strategy development • Private sector quality assurance • Private information, testing, and certification • Private sector standard-setting • Private sector school review

Harry Anthony Patrinos, Felipe Barrera-Osorio, and Juliana Guáqueta. 2009. *The Role and Impact of Public-Private Partnerships in Education.* The World Bank.
13 Innovative Strategies for Accelerated Human Resource Development in South Asia - Public–Private Partnerships For Education and Training. https://www.adb.org/sites/default/files/publication/385661/ppp-education-sa.pdf

Global Practices – PPPs in Education

Several documented models provide a range of experiments and initiatives being implemented under the broader framework of PPPs across multiple countries. In the education sector, PPPs have been introduced in different countries as an innovative solution to expand educational service delivery to a larger population. These schools have proven more cost-effective and efficient than traditional public schools, resulting in improved learning outcomes, increased access to education for underserved students, and enhanced transparency and accountability.



Some examples of international PPPs in education and their effectiveness are presented below.[14]

Government Support to High Quality Affordable Private Schools

Improving Access to Education in Bangladesh - Demand Side Financing

The Reaching Out-of-School Children (ROSC) Project, managed by the Government of Bangladesh from 2004 to 2014, aimed to provide formal education in a nonformal manner for children aged 7–14 in educationally backward areas. Implemented in collaboration with local NGOs, the project involved local communities operating schools with financial support from the government. The project structure included a Community Management Committee (CMC) overseeing schools and two NGOs assisting in student identification, enrolment, teacher training, and material selection.

The World Bank substantially supported the ROSC Project, resulting in over 15,000 Ananda Schools in 60 impoverished divisions. Ananda Schools serve as alternative learning centres, offering a second chance for disadvantaged children, including those from ultra-poor families and remote areas with limited access to education, to continue their education. Since 2004, the project has successfully enrolled 500,000 out-of-school children.

Ananda Schools have achieved high completion rates, with over 90 per cent completing grade five in 2009. Key features contributing to its success include active community engagement, effective teacher training, and tailored support for out-of-school and hard-to-reach children[15].

Uganda’s Universal Secondary Education (USE) Programme

Uganda's Universal Secondary Education (USE) Programme enables private secondary schools in areas lacking government schools to receive public funding. These schools were awarded a per-student capitation grant comparable to the non-salary funds provided to government schools. With the autonomy to recruit and manage their teachers, these schools follow the same curriculum; students sit for the same national exams as those in government schools. Findings from three studies indicate that the program has positively impacted the quality of teaching and learning.

Gyanshala, India - Demand Side Financing

Under the central government's Special Training Programme (STP), Gyanshala operates low-cost private schools for "out-of-school" children between six and fourteen, aiming to mainstream them in two years. The organisation establishes the school using donor funds and runs it for a year or two before applying for government assistance (30% of operational costs per student). Gyanshala pupils receive extensive third-party assessments every year before the renewal of government financing in exchange for this. They serve over 34,000 students through their operations in nine Indian cities and four states.

14 Monazza Aslam, Shenila Rawal and Sahar Saeed. 2018. *Public-Private Partnerships in Education in Developing Countries: A Rigorous Review of the Evidence*. Ark Education Partnerships Group.
15 ADB. 2017. *Innovative Strategies For Accelerated Human Resource Development In South Asia Public–Private Partnerships For Education And Training Special Focus On Bangladesh, Nepal, And Sri Lanka*. Asian Development Bank

The key success factors for Gyanshala's model include:

- Low-cost equitable education via rented or donated classrooms in urban slums accessible to students, four-hour school days and lowered restrictions on staff hiring;
- Restructured teacher roles with highly standardised instruction materials and training;
- Innovative curriculum and pedagogy adjusted to meet local context and national/state curriculum standards and tailored for short 20-minute modules

The high dependency on the donor model makes it challenging for Gyanshala to achieve scale. Funding and procurement processes currently vary from state to state. In such cases, harmonised structured and formalised processes will be required to achieve greater scale.[16]

Private Management of Government Schools

Partnership Schools| Kura Hurua, New Zealand - Education Service Delivery

The Partnership School model in New Zealand brings together the education, business, and community sectors to provide new opportunities for underserved students from indigenous and low-income communities.

Private operators apply to establish a Partnership School through a contestable procurement process and, if successful, negotiate a contract with the Crown. The private operators own & govern the schools under the following model:

a. Legislative freedoms: private operators are free to determine their own governance and management structures; use non-registered teachers; use curricula that differ from those compulsories in state schools; and vary hours of instruction and the school year.
b. A contractual relationship with the Crown managed by the Ministry of Education. The contract establishes a quarterly reporting regime, and the school adopts its path towards achieving the agreed objectives.
c. Funding is broadly equivalent to a comparable state school. There is a property component, a base grant, a per-student grant, and a flat per-student rate. Rates differ for primary and secondary schools, and the schools have discretion over the use of funds as long as they meet the contractual obligations.
d. The contract includes a performance management system that targets student achievement, engagement, enrolment, and financial health. If these targets are unmet, one per cent of funding is at risk.

Another unique feature of the model is the board. The Board advises the Minister on the approval of private operators and the educational performance of the schools.[17].

The Malaysia Trust Schools Programme- Education Service Delivery

The Malaysia Trust Schools Programme began with ten pilot schools in 2011 and grew to 90 trust

16 Sathya Sriram, Ramya Venkataraman, and Li-Kai Chen. 2014. *Partnering for Outcomes Public-Private Partnership for School Education in Asia.* McKinsey Center for Government.
17 Adapted from The Partnership School Model and Options for the Future- https://www.education.govt.nz/assets/Documents/Ministry/Information-releases/Partnership-schools-information-release/Round3Release/Round32016/BIM-release-Partnership-Schools-Model-and-Options-for-the-Future.pdf

schools across Malaysia by 2019, benefiting more than 70,000 students and 6,000 teachers.

Trust schools include primary and secondary level institutions, encompassing National and National-type institutions in urban and rural areas. A Trust School is managed jointly by Yayasan AMIR and school principals under the umbrella of the Ministry of Education (MOE). Principals maintain the school's day-to-day operations, and Yayasan AMIR provides operational, management, and educational expertise and additional funds whenever appropriate.

Trust Schools enjoy greater decision-making freedom but with increased accountability for improved student outcomes. The outcome indicators for Trust Schools depend on each school's starting point (baseline). These include student academic performance, a stakeholder satisfaction survey comprising parents, teachers, and students, and non-academic elements such as attendance rate and disciplinary improvements.[18]. The program's four strategic goals include:

i. Development of high-quality leadership,
ii. Enhanced learning and teaching quality,
iii. Maximised student achievement, and
iv. Strengthening parent and community engagement.

A five-year intervention and support program aims to facilitate sustainable progress in each school's transformation journey. The pilot schools have witnessed significant improvements through the up-skilling of school leaders and teachers, the development of school improvement plans, and continuous training in pedagogy. These initiatives have fostered an improved learning environment, with students demonstrating enhanced independence and teamwork.

Implementing Trust School Improvement Plans aligns with these goals, emphasising long-lasting transformation and improvement. Teachers benefit from exposure to the best pedagogical practices, encouraging interactive and stimulating student learning experiences. School leaders undergo ongoing professional development to facilitate sustainable change and enhance leadership skills.

Early evaluations have shown promising changes in teaching practices, including a 25% overall improvement in teachers. Notable improvements include a 33% increase in strategic questioning, a 40% increase in collaborative learning structures, and an 18% increase in positive behaviour management strategies.

Collaborative Models for Private Sector Participation under Corporate Social Responsibility

Corporate Social Responsibility (CSR) emphasises the role of corporations in contributing to economic, social and environmental development, creating a positive impact on society as a whole. PPPs are essential for effectively implementing CSR initiatives, promoting long-term sustainability and achieving measurable social change. Through partnerships involving the public and private sectors, government, entities especially at the local level, and non-profit, CSR initiatives can significantly enhance access to education through both demand-side (e.g., scholarships, awareness programmes) and supply-side measures (e.g., endowments, corporate staff serving as resource persons, research funding and infrastructure support).

A comprehensive global study on education CSR spending, published by the Varkey Foundation in collaboration with UNESCO[19], shows that in

18 Yayasan AMIR Trust Schools Programme, https://www.yayasanamir.org.my/trustschoolsjourney
19 https://www.unesco.org/en/articles/new-report-finds-fortune-500-companies-commit-fraction-csr-spend-education

2013, Fortune Global 500 companies only allocated $2.6bn (13%) of their total $19.9bn CSR budget to education-related activities. Furthermore, less than half of these companies invested in education, with most CSR education spending focused on higher education (33%), while only 16% went to primary education and 14% to secondary education. Globally, corporate contributions to education are considerably lower than in areas like health. Recognising the substantial potential for major companies to increase CSR funding on education, below are some examples of successful interventions that have made an impact.

Tripartite Public-Private Partnerships in South Korea

The H-JUMP school in South Korea exemplifies a successful tripartite PPP involving the Hyundai Motor Group, nonprofit JUMP, and the Seoul Scholarship Foundation (a public sector organisation). Established in 2013, the partnership delivers high-quality education to disadvantaged youth and showcases innovative practices in collaborative governance.

In this unique partnership, JUMP oversees project operations; Hyundai contributes 75% of the budget, offering financial support and strategic guidance through its Corporate Social Responsibility (CSR) activities, while the Seoul Scholarship Foundation funds the remaining budget, oversees teacher recruitment, and monitors operational processes. The funding model leverages Hyundai's CSR budget, reducing the financial burden on the government and creating an efficient blend of PPP and CSR elements. This strategic collaboration ensures a sustainable approach to providing high-quality education to children from disadvantaged families in South Korea.

The tripartite PPP offers a distinctive approach, with each partner playing a specific role. The success of H-JUMP demonstrates the potential of such collaborations in delivering social value, particularly in countries facing fiscal constraints. However, challenges, such as finding the ideal level of CSR expenditure and balancing administrative accountability with operational efficiency, highlight considerations for the broader adoption of tripartite PPPs. The H-JUMP case study provides valuable insights into effective cross-sector partnerships for delivering essential public services.[20]

Partnerships for CSR Projects with EdTech companies have also proven beneficial, as seen in Samsung's collaboration with iDream Education in India. This partnership introduced tablet-based education in 292 schools across Karnataka, aiming to personalise education for over 15,000 students. Through the iPrep Digital Library, each school received 20 tablets, creating what is commonly referred to as the smart ICT Lab.

ICT-in-education in South Africa

Microsoft's involvement in South African education began in 1997, evolving into a transformative partnership marked by a substantial software donation in 2002, which laid the foundation for a strategic alliance with the South African government. Microsoft's Partners in Learning (PiL) program in South Africa launched in 2004 under a 4-year MOU, aiming to enhance digital literacy, encourage innovation, and build a sustainable ICT model for education.

Adopting a top-down approach, Microsoft focused on core competencies like software access and capacity-building for teachers and students. The programme's strategic objectives align with Microsoft's global PIL framework, emphasising skills essential for the digital era.

20 Hong, S. and Kim, T.K. 2018. "Public-private partnership meets corporate social responsibility – the case of H-JUMP school, *Public Money and Management*, Vol. 38 No. 4, pp. 297-304.

Beyond the core competencies, the programme also demonstrated flexibility, customising MOUs and program components to meet South Africa's unique educational needs. Recognising the democratic and participatory nature of South Africa's education policy, Microsoft engaged actively with NGOs and other stakeholders, ensuring alignment with the country's educational landscape. NGOs were hired to adapt the US-based PiL teacher training and ICT curricula to local contexts. As the South African government sought to integrate PiL activities with its policies, Microsoft collaborated closely with NGOs, sharing decision-making authority and acting as an intermediary between the government and NGOs.

Microsoft's engagement in South Africa illustrates effective practices in PPPs. By aligning global strategies with local needs, fostering inclusive engagement, and collaborating strategically with the government, Microsoft has significantly contributed to advancing digital literacy and innovation in South African schools.[21].

Several significant CSR programmes in Pakistan have embraced the Adopt a School (AAS) model, with initiatives supported by companies like Engro and Telenor. The Progressive Education Network (PEN) is a non-profit organisation that plays a prominent role in PPP in education, operating approximately 300 adopted schools with over 70,000 students enrolled. A central element of PEN's PPP model is the "Good Neighbour Program", which encourages and facilitates companies to contribute CSR funds to enhance under-served public schools near their offices or factories. PEN focuses particularly on primary education, which offers a high return on investment in educational outcomes.

An emerging trend in CSR is the establishment of corporate foundations—non-profit bodies designed to execute CSR activities. These foundations often collaborate with organisations engaged in research and implementation, as well as with government departments, to seek alignment with social, environmental, and economic development goals.

Engro Foundation – Access to Education in Remote Areas through CSR

Engro Foundation in Pakistan is part of the Engro Corporation, which is committed to positively impacting the lives of those living in communities around its supply chain by providing improved essential services, including education, and creating shared value for all stakeholders.

Engro Foundation's education program provides free access to good quality education to 8,800+ students through 38 schools in underserved areas in Sindh and Punjab. The program has 18 adopted schools, four The Citizens Foundation (TCF) schools, 15 Katcha schools, and one Sahara (NGO) school.

As per company policy, it can only adopt schools that are within the 2 km radius of the plant. Engro has care villages in the plant's surrounding areas (11 villages) and has adopted all schools in these villages. Engro's adopted public schools are operated under an MoU between the Engro Foundation and the Sindh Education Foundation. The schools are run by the Indus Resource Centre (IRC), responsible for day-to-day school management, hiring of teachers, and quality assurance. At the same time, Engro provides funds for the operational and capital expenditures (missing facilities, construction of infrastructure, labs and teacher salaries) and conducts overall monitoring of the schools. IRC appoints a person in charge at the school, to whom private teachers are reporting and answerable, while the government appoints a head teacher/headmaster.

21 Bhanji, Zahra. 2012. "Private Authority in Education Policy in Jordan and South Africa: The Case of Microsoft Corporation," *Comparative Education Review*, 56(2).

These schools retain and train existing government teachers and hire additional teachers privately to fill the education service delivery gap. All teachers are provided training to enhance pedagogy skills (training provided by the Development in Literacy and Training and Resource Centre).

Key factors driving corporates' engagement and contributions towards educational outcomes through CSR include:

- Establishing a clear strategy highlighting private sector involvement is essential to attract and enable companies to PPPs in education. Corporations value transparency and measurable success indicators, making them more inclined to join PPPs that set clear, achievable goals and define expected outcomes.
- Sustaining an education focused CSR project relies heavily on active community engagement. Although the community may not directly participate in the partnership, its involvement often significantly influences project outcomes and long-term success.
- Effective collaboration between private partners and government representatives is essential for the success of PPPs, with open communication and respect forming the foundation of a productive relationship and an enabling policy environment, legal framework, and incentives.

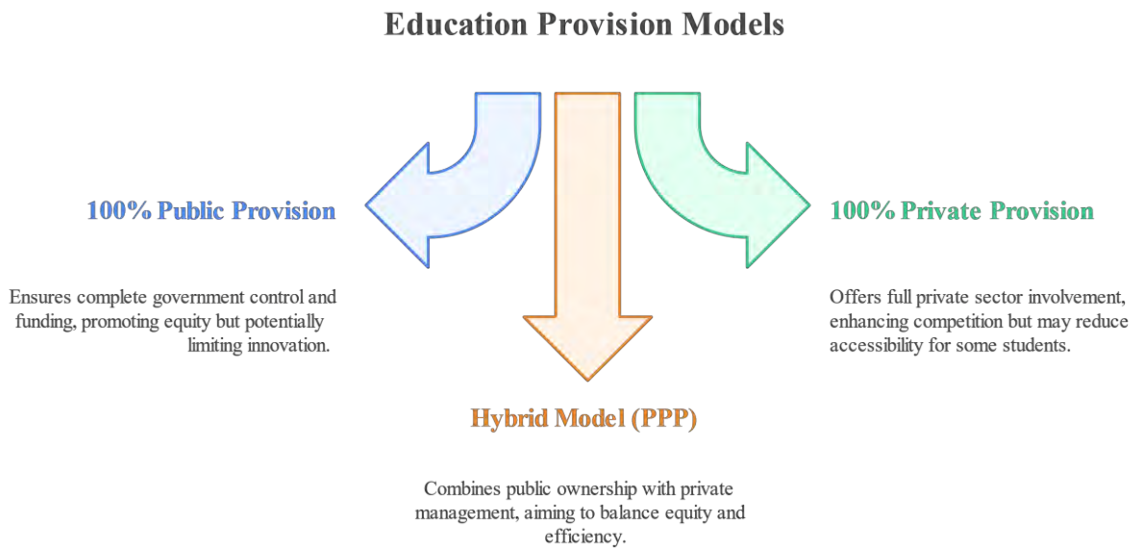
The key takeaway is the importance of stakeholder collaboration, as evidenced by initiatives like the ROSC project in Bangladesh and the Trust Schools Programme in Malaysia. These models underscore the value of active community engagement, public-private synergy, and innovative resource mobilisation. For Punjab and KP, fostering strong multi-stakeholder partnerships can bridge gaps in capacity and ensure that underserved communities benefit from improved education outcomes.

Challenges highlighted across the case studies, such as inconsistent funding, regulatory complexities, and limited institutional autonomy, emphasise the need for robust and context-specific policy and legal frameworks. Addressing these barriers through simplified registration processes, performance-linked funding mechanisms, and capacity-building support can enhance the operational efficiency of PPPs in education. The experiences from New Zealand’s Partnership Schools and India’s Gyanshala provide actionable insights on leveraging autonomy to drive innovation and contextual responsiveness. Another critical aspect is accountability, as illustrated by monitoring frameworks in PEF and Hong Kong’s Direct Subsidy Scheme. Rigorous performance assessments tied to funding and incentives ensure private partners align with public education goals.

Integrating Corporate Social Responsibility (CSR) within PPP frameworks, as seen in the H-JUMP school in South Korea and Engro Foundation in Pakistan, offers a pathway for mobilising resources and enhancing service delivery. These models demonstrate the potential of CSR to complement government efforts in delivering education to marginalised populations.

Innovation in Education Financing and Delivery

The educational spectrum spans from 100% public provision, where the government takes complete responsibility for providing, financing, and regulating educational services, to 100% private provision, where the private sector delivers and finances all education services. The more common educational model in most countries lies between these extremes, characterised by varying degrees of public-private collaboration. Among the most common educational PPPs are voucher schemes, loans and scholarships that provide funding directly to students, expanding school choice. These PPPs are typically viewed as 'hybrid' models, where schools are publicly owned and funded but managed by the private sector.



Impact Investing - Emerging Trend in Education Financing

As corporates and the next generation of business entities in Pakistan increasingly focus on addressing social challenges, impact investing presents a promising way to channel private capital towards equity, access, and inclusion. While traditional debt instruments dominate impact capital, innovative financing mechanisms, including Social Impact Bonds (SIBs) and Development Impact Bonds (DIBs), offer new opportunities for effective investment.

Opportunities for Equity, Access, and Inclusion

Impact Investing

Impact investing allows corporations and private investors to fund social initiatives that align with Sustainable Development Goals (SDGs), including education and healthcare. By prioritising projects that address inequalities, impact investments channel resources to underserved areas, promoting greater access and inclusion. This approach encourages the private sector to adopt a long-term commitment to social impact, with potential returns tied to the success and outcomes of these initiatives.

Results-Based Financing (RBF)

RBF models such as DIBs allocate funding based on performance, ensuring that resources support interventions with measurable outcomes. This approach reduces waste and directs funds towards most needy populations. By linking funds to results, RBF encourages service providers to innovate and improve efficiency, leading to better-targeted services for marginalised communities.

Development Impact Bonds (DIBs)

DIBs represent a “pay for success” model, where socially-driven investors provide upfront capital for social projects and receive returns based on verified outcome improvements. This model relieves the government of performance risk and drives accountability and effectiveness among service providers. By financing education and health services in underserved areas, DIBs can improve access to quality services for disadvantaged groups while helping develop a culture of learning and adaptability through rigorous evaluation.

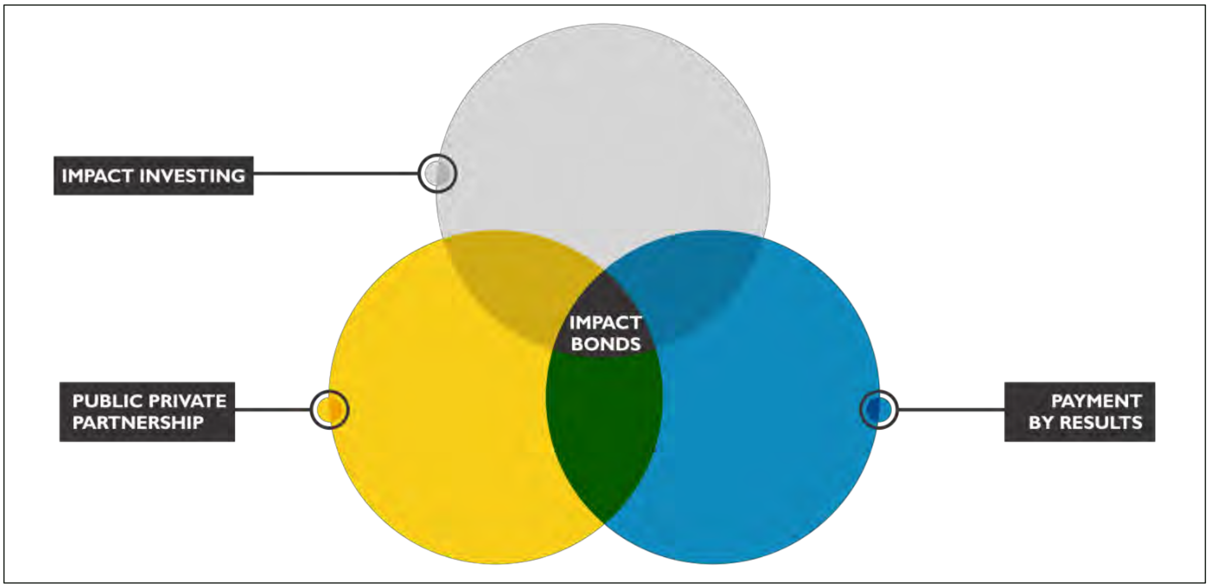
Social Impact Bonds (SIBs)

SIBs involve private investment in social programs, with returns contingent on program success. This financing mechanism incentivises public-private collaboration to tackle systemic issues such as low educational attainment or healthcare access. SIBs enable projects to scale effectively, delivering services to marginalised communities that might otherwise lack adequate support. The focus on outcomes encourages data-driven decision-making and continuous improvement, which is essential for impactful, inclusive interventions.

To harness the potential of these innovative financing models, the provincial governments in Punjab and KP need to:

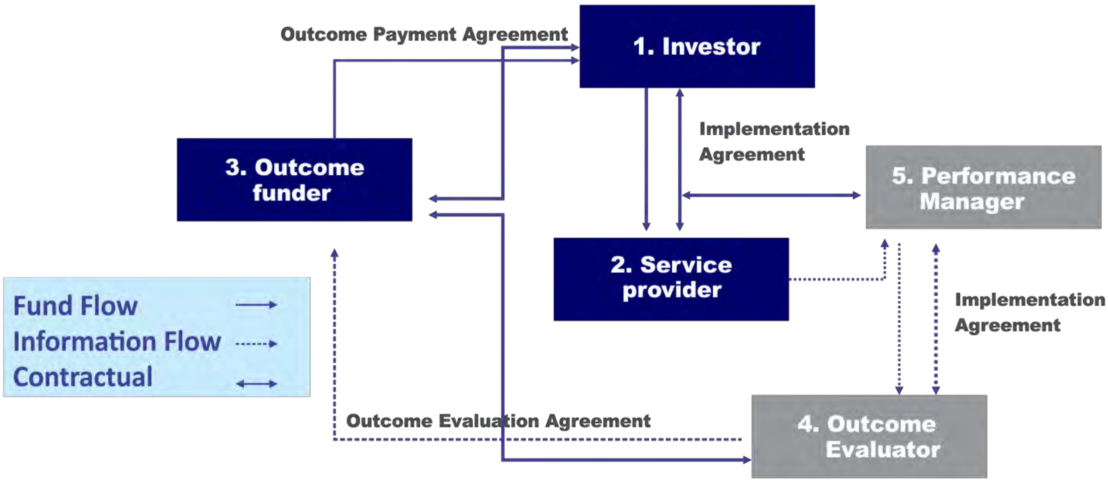
- Develop frameworks to facilitate impact investing, SIBs, and DIBs, with incentives for corporates willing to invest in SDG-aligned projects.
- Establish partnerships with investors to support scalable social projects, particularly in education, healthcare, and climate resilience sectors.
- Foster an environment that supports accountability and transparency, ensuring that investments yield tangible improvements in access, equity, and inclusion.

Impact Bonds - A confluence of Trends



Source: Impact Bonds in Developing Countries - Early Learnings from the Field. Brookings Institution

In the evolving landscape of education development finance, limited public resources can play a catalytic role by complementing other funding sources, such as tapping into the potential of impact investors to drive progress in achieving educational goals. The structure of a typical DIB in the global education sector is presented below and can be customised to fit the specific needs of Pakistan's education sector.



Notes

1. The investor provides upfront capital to the service provider(s) with an expectation to meet target outcomes.
2. The service provider is key in deploying solutions using upfront capital to target beneficiaries. The entire stakeholder structure relies on the SP's quality and proven success rate to reduce project risk to a minimum.
3. The outcome funder repays the investor if the metrics are achieved. Governments and donors usually take this role. If targets are met, Outcome Funders pay investors the principal and a rate of return. If targets are not met, there is no or partial payout.
4. An independent outcome evaluator verifies or assesses the impact of solutions and develops an outcome report for the Outcome Funder.
5. The Performance Manager tracks performance, manages risks, prepares meaningful progress reports to facilitate decision-making on the efficacy of an intervention, and, if it is not working, intimates the stakeholders in a timely manner to avoid waste of resources.

Stakeholders in DIB

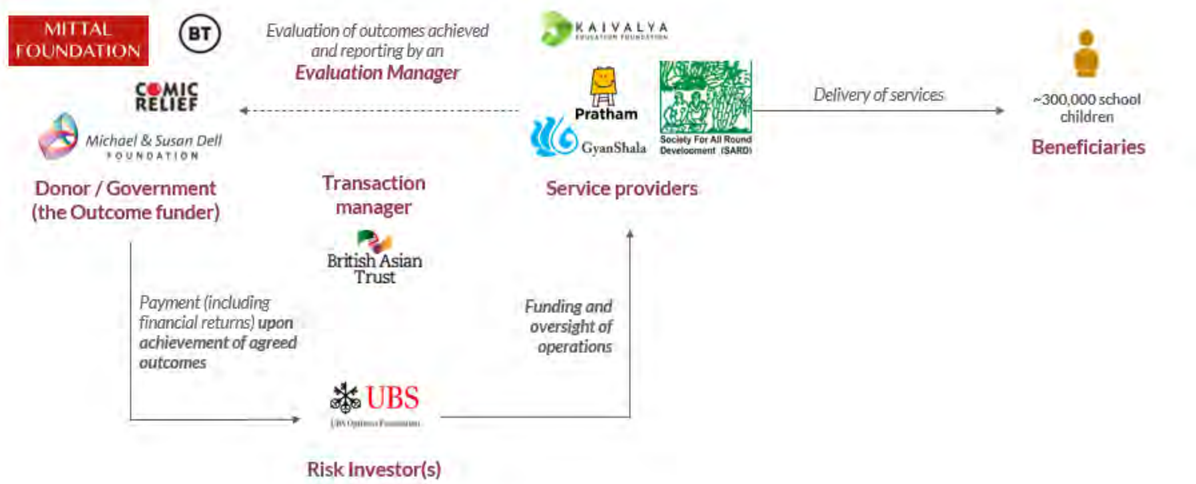
<table>
<tr><th>Stakeholder</th><th>Benefits</th><th>Problems Addressed</th></tr>
<tr><td rowspan="6">Outcome Funder</td><td>Flexibility and Innovation in Service Implementation</td><td rowspan="2">Lack of responsive outcomes-driven project implementation</td></tr>
<tr><td>Increased focus on preventative measures that may not otherwise get funded</td></tr>
<tr><td>Transfer of performance risk to impact investors rising from flexibility-driven uncertainty</td><td>Low access to funding for risky but high impact projects</td></tr>
<tr><td>Reimbursement only upon successful KPI implementation</td><td>Inefficient funds’ disbursement</td></tr>
<tr><td>Knowledge pooling: multiple execution, technical and funding stakeholder collaboration</td><td>Knowledge barriers</td></tr>
<tr><td>Possibility to fund the entire value chain rather than a particular element of the problem statement</td><td>Restricted scope of project interventions</td></tr>
<tr><td rowspan="4">Service Provider</td><td>Focus on projects that prioritise results and not activities</td><td rowspan="2">Focus on standardised delivery rather than outcomes</td></tr>
<tr><td>Execution in flexible and innovative projects while not thoroughly undertaking the underlying risks</td></tr>
<tr><td>Benefits of engaging the private sector and other technical experts</td><td rowspan="2">Limited resources and skills (language, fundraising, reporting requirements of multiple donors)</td></tr>
<tr><td>Administrative benefits from the performance manager and evaluator reporting on monitoring and performance assessment</td></tr>
<tr><td rowspan="3">Impact Investor</td><td>Social and financial return on investment. Offers diverse and viable opportunities for investors to advance social & environmental agendas through investments that also produce financial returns</td><td rowspan="2">Low verifiability of standard ESG investments</td></tr>
<tr><td>Fully quantified and evaluated impact.</td></tr>
<tr><td>Participation in the financial aspects of a project and being part of the design and implementation.</td><td>Limited involvement</td></tr>
</table>

SIBs/DIBs have faced criticism for their limited, short-term focus and relatively high costs. Due to the outcome-based financing structure, DIBs may be perceived as more expensive than other conventional aid programmes and may involve high costs of setting up an investment vehicle and support systems for data collection, monitoring and evaluation. Additionally, under the DIB structure, nearly all implementation risk is borne by the investor, with minimal risk sharing by the outcome funder.

Case study of the Quality Education Impact Bond in India

The Quality Education India impact bond was set up in 2018 to support education providers in India in improving learning outcomes for primary school children aged 5-11. Planned to run until July 2022, the impact bond is the world's largest education impact bond, funding five interventions by four service providers in five districts of India. The key actors involved in the impact bond are outlined in the diagram below:

The primary aim of the impact bond is to address India’s learning crises on a large scale. Despite progress in enrolment rates, many children in India perform low in literacy and numeracy due to the low quality of primary education. The Impact Bond seeks to support this issue by funding a range of innovative service providers to improve grade-level learning outcomes for more than 300,000 children. Additionally, a key aim of the impact



bond is to promote RBF within India's development sector and demonstrate the benefits of private sector involvement in service delivery. The establishment of the Quality Education Impact Bond can potentially transform the funding mechanism for educational initiatives in India. Evaluating the cost-effectiveness of a range of education delivery models builds a robust evidence base to inform future funding decisions in the sector. Equally essential are rigorous outcome measurements, active engagement with the Indian Government, and efforts to standardise procedures and create templates for future RBF contracts. Results so far have been promising. An evaluation by the United Kingdom's Foreign Commonwealth and Development Office highlighted the benefits of the impact bond in executing the Quality Education project. These include increased focus on outcomes, improved accountability, and stronger performance management systems than traditional grant-funded interventions. The impact bond has also led to more effective and efficient service delivery, achieving higher enrolment and better learning outcomes than providers' past performance.

The examination of innovative education financing mechanisms reveals significant insights for governments to expand and diversify their existing PPPs in education programmes to address educational challenges through Impact Investing, Results-Based Financing, and Impact Bonds. Impact investing has proven effective in mobilising private capital for projects that deliver measurable social outcomes, particularly in underserved areas. RBF demonstrates how linking financial disbursements to specific targets, such as foundational literacy and numeracy improvements, ensures resource efficiency. DIBs and SIBs illustrate their potential to mitigate financial risks while enhancing accountability, as evidenced by the Quality Education Impact Bond in India, which successfully improved learning outcomes through targeted, outcome-based approaches.

These mechanisms reflect emerging trends in education financing, aligning accountability, innovation, and inclusivity by integrating public, private, and philanthropic efforts. These highlight the effectiveness of linking funding to measurable results, providing a model governments can explore to align with their unique socio-economic contexts.

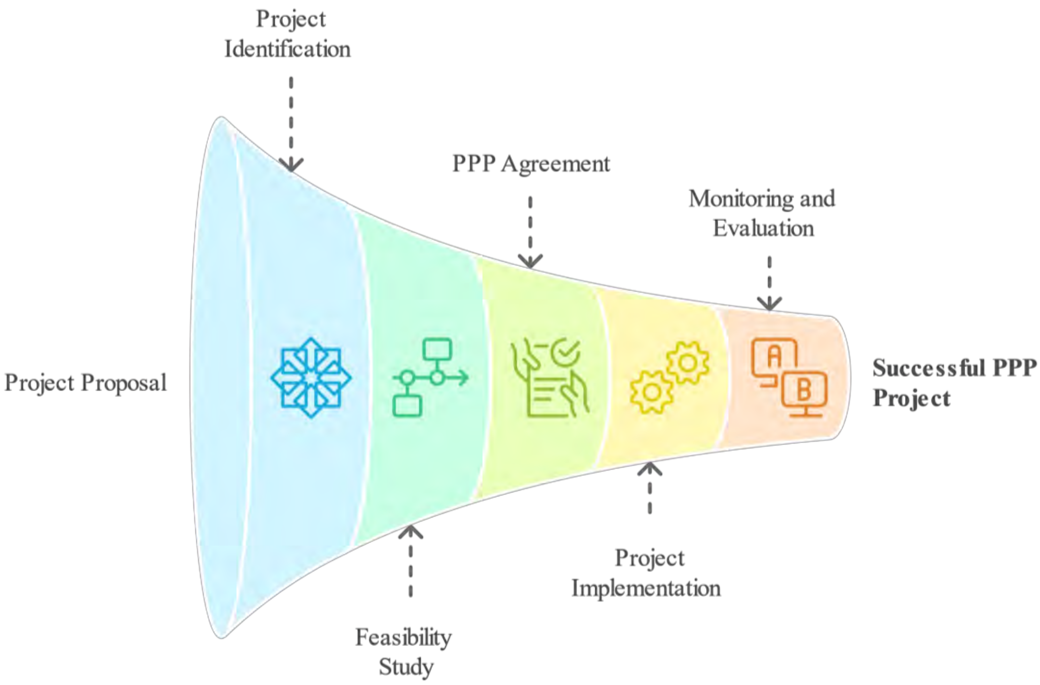
However, the adoption of these approaches requires addressing critical challenges identified in global and national practices. Capacity gaps in financial and outcome monitoring, regulatory complexities, and stakeholder scepticism have emerged as barriers. Strengthening institutional capacity and ensuring transparent governance are critical enablers underpinning such mechanisms' success. Nonetheless, these insights into emerging practices offer governments a foundation to explore financing models that enhance accountability, optimise resource use, and promote equity in education.

PPPs in Education: A Review of the Landscape in Punjab and KP

Framework for PPPs in KP

The government of Khyber Pakhtunkhwa (GoKP) adopted a new framework for public-private investments by enacting the KP Public-Private Partnership Act 2020. This act introduced an institutional setup for operationalising PPP projects in KP, including a PPP Committee and Unit and a Risk Management Unit (RMU). The PPP Committee is headed by the Chief Minister and is responsible for overseeing, monitoring, and evaluating the PPP projects and reviewing the legal, institutional, and regulatory framework of PPPs.

Framework for Public-Private Partnerships in Education



The PPP Unit, housed in the Planning & Development Department, oversees guidelines, supports GoKP departmental PPP node in E&SED for PPPs in education, reviews project progress, liaises with authorities, recommends project approvals and PPP agreements, implements guidelines, procures assistance, provides technical support, and carries out delegated functions under the legislation. The Act also envisions PPP nodes notified by GoKP departments. A PPP Node is responsible for formulating PPP strategy, project identification and prioritisation, project preparation and feasibility studies, selection process execution, PPP agreement enforcement and negotiation, hiring transaction advisors, monitoring implementation, conducting research for performance improvement, and submitting quarterly progress reports to the PPP Unit as mandated by the Committee under relevant legislation and rules.

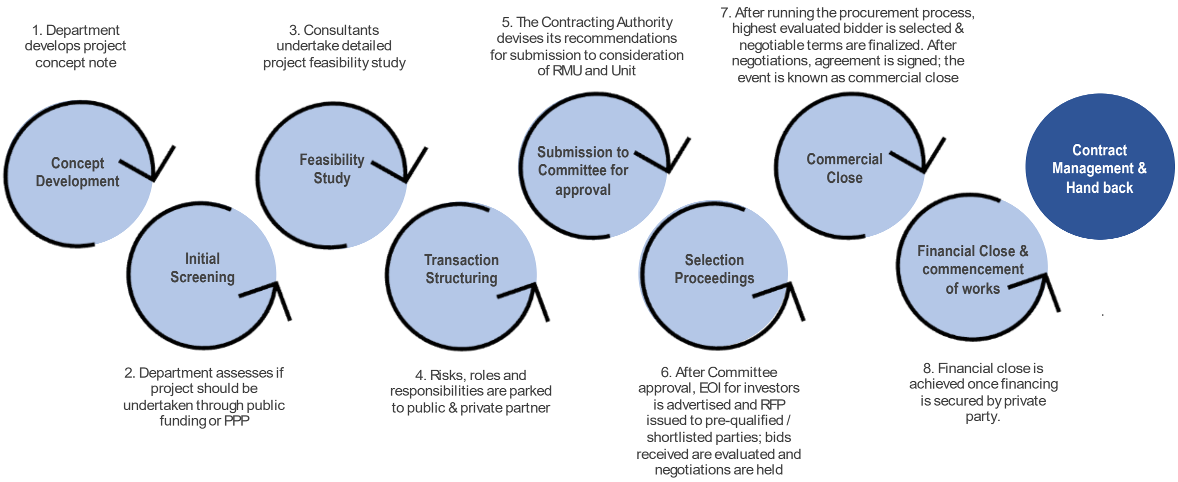
Following the Act, the Viability Gap Fund (VGF) and Project Development Facility (PDF) have also been established along with their corresponding guidelines.[22] In the context of KP, PPPs in education, the Viability Gap Fund (VGF) plays a critical role in ensuring that projects which are socially beneficial but not financially viable for private investors can still be implemented. The VGF is essentially a financial mechanism the government provides to cover a portion of the capital cost of PPP projects. In KP's education sector, where the government aims to expand access to quality education, particularly in underserved areas, PPP projects might not be financially viable due to low-income populations or the lack of sufficient infrastructure. The VGF helps reduce the financial risk for private partners, ensuring that essential educational projects, such as building new schools or providing services in remote areas, are not sidelined due to financial constraints. It also enables private entities to participate in long-term projects that require substantial upfront investment but offer social returns over time. The following figure provides a quick overview of KP’s existing process flow under the PPP framework.

Viability Gap Fund

A Viability Gap Fund (VGF) is a financial mechanism that helps governments bridge the gap between the costs of implementing public projects and their revenues, making Public-Private Partnerships (PPPs) in sectors like education financially viable. VGFs provide upfront grants or subsidies to private entities engaging in PPP projects. This allows governments to attract private investment in essential services, including education, that may otherwise be financially unfeasible due to low returns. This fund ensures that projects focused on social impact—such as education for underserved populations—are not compromised due to budget constraints, thus supporting equitable access to quality education. In the education sector, VGFs are particularly valuable for promoting equitable access. They enable private education providers to establish or upgrade facilities in regions where low returns might otherwise deter investment. This funding approach helps achieve educational goals—such as increasing access and enhancing quality—without diverting limited public resources. Studies affirm that VGFs lower financial risks for private partners and enhance the scale and sustainability of projects, encouraging participation from established educational providers. The available evidence also informs that VGFs improve the cost-efficiency and quality of PPPs in education by covering portions of capital costs through subsidies or grants.

22 Khyber Pakhtunkhwa Public Private Partnership Act 2020 (Act No. XLII of 2020), Government of Khyber Pakhtunkhwa.

Project Processing Flow in KP PPP Framework



Source: PPP Unit, Khyber Pakhtunkhwa

The KP PPP Act establishes a robust framework for facilitating public-private partnerships (PPPs). However, certain provisions restrict private sector participation, particularly Section 19, which preferentially supports public entities. Furthermore, the stringent requirements enforced by the Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA) impose additional approvals and reviews, thereby delaying the procurement process and hindering timely implementation.

Environment for e-PPPs in KP

In KP, the environment for PPP in education has evolved favourably, supporting their use and expansion. Pakistan's education policies have encouraged private sector involvement to complement state efforts in expanding education access. Until the 1990s, policies supported a favourable environment for private institutions, though partnerships for free education at the point of service were not established. By the mid-2000s, three key developments contributed to the emergence of education PPPs:

- Rapid expansion of higher quality private schools, particularly low-fee private schools (LFPS);
- Growth of fund-raising and management organisations focused on schools serving low-income communities and
- Formation of autonomous education foundations across all provinces of Pakistan.

KP strategic frameworks such as the KP Education Blueprint 2018 and the KP Education Sector Plan 2020-25 emphasise the role of PPPs in improving educational outcomes. The KP government has promoted a vibrant private education sector to complement public services and strengthen current PPPs. Elementary and Secondary Education Foundation (ESEF) has been the main conduit for KP to engage with the private sector to expand educational opportunities in underserved areas. KP's ESEF aligns with government policies to advance human development by strengthening private sector involvement in elementary and secondary education.

Currently, over 286,512 students are enrolled in ESEF's 3,582 Girl Community Schools (GCS), which cater to out-of-school children in areas lacking government school facilities. These community-based schools operate in donated spaces, are led by local teachers, are managed by the Village Education Committees, and follow the primary school curriculum. The government provides them with free textbooks, educational resources, and teacher honorariums. Through the New Schools Initiative (NSI), ESEF has formed partnerships with communities that don't have access to public or private schools. ESEF has agreements with 34 private schools, which have collectively enrolled 5,588 students from these underserved Communities. Additionally, ESEF is in partnership with 49 private schools under the Education Support Scheme (ESS) and supports 5,796 children aged 4–16.[23]

ESEF was considerably supported by the Khyber Pakhtunkhwa Education Sector Programme (KESP) I & II, enabling it to expand its reach and impact by providing educational opportunities to marginalised children, especially girls, in the province. KESP support enabled ESEF to expand its flagship programmes, such as the Education Support Scheme (ESS) and Girls Community Schools (GCS), which provide access to education in underserved communities [24]. Mechanisms like the EVS provide financial support to low-income families for private schooling, while the Second-shift school project leverages public school infrastructure for additional private school sessions. Furthermore, KP's commitment to sustainable PPPs is reflected in its plans to introduce innovative financing methods, such as education bonds, and ensure continuous evaluation to enhance accountability and impact.

The Merged Areas Education Foundation (MAEF) KP also plays a pivotal role in advancing Public-Private Partnerships (PPPs) in education within the merged districts of KP (erstwhile FATA). Established as a counterpart to the ESEF operating in the settled districts, MAEF's mandate is to engage with private sector stakeholders to enhance education delivery in these previously marginalised regions. With its focus on creating partnerships, the foundation's current programmes include the Sabawoon School Initiative (SSI), Continuous Professional Development Program (CPDP), Establishment of Middle Community Based Education Centres, and Foundation Excellence Scholarship Program (FESP). Currently, MAEF, in collaboration with the private sector, has established 25 schools, enrolling 3750 students in the merged areas. These efforts are intended to bridge educational gaps and ensure access to quality education in a region historically characterised by low enrolment rates, inadequate infrastructure, and limited teacher availability.

Framework for PPPs in Punjab

Punjab introduced a new Public Private Partnership Act in 2019, replacing the Punjab Public Private Partnership Act of 2014. However, the current Act has several limitations. It primarily focuses on infrastructure rather than on enabling the procurement of management services from the private sector. It outlines the legal and institutional framework for engaging private entities in infrastructure and service delivery projects. It establishes the Punjab Public-Private Partnership Authority (PPPA) as the central body for appraising and approving PPP projects. While it does not explicitly mention PPPs in education, the provisions are broad enough to encompass education initiatives if these align with the Act's objectives. Additionally, the term "PPP" may be less appropriate for education partnerships, as traditional PPPs involve substantial private capital investment, long-term contracts, competitive bidding, and financial risk transfer—all elements not fully applicable in existing PPPs in education.

Environment for e-PPPs in Punjab

In Punjab, the SED currently supports over 2.6 million children enrolled in more than 7,300 LFPs through various schemes administered by the PEF.[25] PEF was established in 1991 and granted autonomy under the Punjab Education

23 Interview with Habib ur Rehman, Director Programs, KP ESEF.
24 DFID. 2019. *Khyber Pakhtunkhwa Education Sector Programme (KESP) Annual Review 2018-19*
25 PEF Annual Report 2022. Punjab Education Foundation. http://www.pef.edu.pk/pdf/PEFreports/ANNUAL%20REPORT%202022.pdf

Foundation Act of 2004; PEF serves as the central institutional mechanism for education PPPs in Punjab, facilitating access to quality private education for low-income households. Through PEF, the Punjab government has institutionalised working with private education providers to support expanding educational access in underserved communities. PEF's flagship programmes, like the Foundation Assisted Schools (FAS) and the New School Programme (NSP), provide financial incentives to private schools in remote areas, boosting enrolment. PEF has witnessed a 121% increase in enrolment in PPP schools since 2012.[26] As of 2022, FAS, the largest programme, enrols 1.8 million children, followed by EVS, which has 0.5 million, and NSP, which has 291,601 children.[27] Punjab Education Support Programme (PESP) I & II supported PEF to expand the scope of these initiatives. PESP I & II, spanning over a decade, provided substantial financial and technical assistance to PEF, enabling it to expand its reach and impact. PESP support facilitated the growth of PEF's flagship programmes, such as the Education Voucher Scheme (EVS) and NSP, which have significantly increased access to education for marginalised children, particularly girls, in Punjab[28].

Emerging from the Punjab Education Foundation (PEF) in 2017, the Punjab Education Innovation Management Authority (PEIMA)'s primary initiative is the Public School Support Program (PSSP), which has outsourced approximately 5,000 underperforming public schools to private partners. This programme is driven by the need to address persistent issues related to low enrolment rates and inadequate educational attainment in many public institutions. These policy frameworks advocate for a robust regulatory environment to maintain quality and fairness in PPP initiatives and call for expanding capacity-building programs and implementing performance-based contracts to drive accountability. Furthermore, the Punjab Education Sector Plan dedicates resources to developing monitoring and evaluation systems for PPPs, supporting long-term sustainability and consistent improvements.

Key Challenges in Optimising PPPs in Education

Structuring PPPs in education is complex, even with the emergence of new models and growing interest from governments and the private sector. Due to their intricate structures, successfully planning, executing, and managing PPPs requires extensive public and private expertise. This can be particularly challenging in KP and Punjab, where PPP frameworks are still developing, are rarely used, and involve considerable risks in ensuring effective partnership initiation. Key challenges in strengthening the education PPP ecosystem include:

Regulatory Bottlenecks

PPPs in education are evolving in Punjab and KP as a means to enhance education delivery by leveraging private sector efficiency. However, these initiatives face several regulatory hurdles that limit their effectiveness. A critical issue is the lack of clear legal and policy frameworks, which leads to overlapping responsibilities, regulatory hurdles, delays, and poor accountability mechanisms.[29] The Punjab PPP Act 2019 establishes a generic framework for all public-private partnerships, including education. The Punjab Public Private Partnership Authority (PPPPA) is the primary body that initiates and regulates PPP projects in the province. The PEF Act 2004 and the PEIMA Act 2018 specifically focus on education, emphasising partnerships

26 School Education Department. 2019. *Punjab Education Sector Plan (2019-20 to 2023-24).* Government of the Punjab.
27 Ibid.
28 Abdullah, N. A., & Akhtar, M. 2019. "A Document Analysis of PESP II: UK Aid Programme for Education in Pakistan." *Journal of Elementary Education*, 29(1), 47–60.
29 ADB. 2019. *School Education in Pakistan: A Sector Assessment*. Asian Development Bank

with private entities to enhance service delivery in the sector.

Both Acts provide for partnerships with private entities to improve educational infrastructure, access, and quality. These provisions inherently overlap with the broader mandate of the PPPPA, which covers similar partnerships at the provincial level across sectors. The PPP Act outlines a centralised governance structure for public-private partnerships, which could potentially conflict with the autonomous structures provided to PEIMA and PEF for their specific educational goals. The PPP Act defines contracting authorities as government departments or entities that engage in public-private partnerships. PEIMA and PEF could technically fall under this definition if they enter into PPP agreements. However, the PEIMA and PEF Acts establish them as independent authorities with their own frameworks for managing public-private partnerships in education. Depending on how the PPP Act is interpreted, this autonomy could shield them from being fully subjected to the PPPPA. [30] Legislative or administrative clarification is needed to explicitly exempt PEIMA and PEF from the generic mandates of the PPPPA. Additionally, developing a policy framework that delineates the specific roles of PPPPA, PEIMA, and PEF in education partnerships is necessary to prevent conflicts and ensure efficient implementation.

Similarly, in KP, the PPP Act is designed with infrastructure projects in mind and does not cater specifically to education-sector requirements. This misalignment complicates the adoption of PPPs in education. Compulsory registration with the KP Public Procurement Regulatory Authority (KPPRA) for private entities, including external participants, limits flexibility and creates administrative delays. Section 19 of the PPP Act allows preferential treatment for state-owned enterprises in PPP projects, discouraging private-sector participation. Overlapping mandates among the PPP Committee, PPP Unit, and PPP Node result in unclear responsibilities, leading to delays in decision-making and implementation. ESEF and MAEF operate under different legislative acts, resulting in inconsistencies in their mandates, procedures, and operational structures. Without a clear understanding of PPP processes for education, both foundations depend on the PPP Unit for technical support, which is primarily geared toward infrastructure projects. The preferential treatment for state-owned enterprises under Section 19 conflicts with the broader inclusion goals of ESEF and MAEF, restricting their ability to engage effectively with private entities.

Institutional Impediments

The challenges in the institutional frameworks hinder the effective implementation of PPPs in education across Punjab and KP. Overlapping institutional roles and responsibilities tend to contribute to inefficiencies. For instance, in KP, the overlapping mandates of the PPP Node within E&SED, the Elementary and Secondary Education Foundation (ESEF), and the Merged Areas Education Foundation (MAEF) in the context of PPPs in education create a fragmented governance landscape, further complicated by the challenges in coordinating their respective activities—the fragmentation characterised by weak intra-departmental collaboration results in delayed decision making. In the case of Punjab, a major structural issue is the absence of a dedicated PPP unit or wing within SED. This gap inhibits effective coordination between SED, PEF, PEIMA, and the Punjab PPP Authority. Parallel functions and the lack of a centralised body also hamper the ability to create and implement a cohesive strategy for PPPs in education.

30 For details, please see the Punjab Public Private Partnership Act 2019, the Punjab Education Foundation Act 2004, and the *Punjab Education Initiatives Management Authority (PEIMA) Act 2018.*

Equity Concerns

Reviewing existing PPPs in education programmes informs that significant equity challenges remain, primarily affecting marginalised and disadvantaged groups. A major concern is the inequitable access to education that disproportionately benefits urban communities. Private education providers tend to favour urban and peri-urban areas with higher profitability while leaving rural and underserved populations behind.[31] Compounding this issue is the need for local customisation to accommodate the diverse cultural, linguistic, and geographic variations, especially in rural and remote areas. Without such customisation, the unique needs of these communities remain unmet, further entrenching disparities. Similarly, the current programmes in Punjab and KP prioritise enrolment targets without addressing structural barriers that prevent girls from accessing education. The Low-fee private schools tend to exclude the poorest students, particularly girls and children with disabilities. Another challenge associated with market-oriented initiatives is that this risk undermines the right to education by prioritising efficiency over equity.[32]

Limitations in Institutional Expertise, Capacity Gaps and Resource Constraints

Insufficient expertise and human resource capacity within key institutions often hampered the management of PPPs in education. Technical expertise is essential for managing PPP contracts, financial oversight, and ensuring the quality of services delivered by private partners. Both Punjab and KP face acute shortages of skilled personnel in these areas, with limited capacity within the public sector to effectively leverage private sector capabilities. This gap is due to underdeveloped skills for structuring partnerships in education with private firms, making it challenging to maximise the potential benefits of these collaborations. The PPP Node faces challenges in evaluating proposals and ensuring compliance with performance benchmarks due to inadequate institutional knowledge. Similarly, in Punjab, PEIMA's initiative to outsource 4,726 schools did not achieve its intended objectives, such as improved enrolment and learning outcomes. The shortcomings were primarily due to insufficient technical capacity for outcome-based planning and quality assurance.

Additionally, most PPP models rely on gap funding, which accounts for donor and government contributions. Delays in government payments exacerbate financial challenges, leading to additional capital shortages and further straining already limited resources. The foundations in Punjab and KP also struggle with these resource constraints, limiting their ability to effectively manage PPP portfolios.[33]

Accountability Mechanisms

Effective monitoring and evaluation (M&E) systems are essential for ensuring that private partners deliver on agreed outcomes. However, both provinces face significant challenges in this regard. Punjab’s PEF relies heavily on independent evaluations, but the absence of real-time data monitoring weakens its ability to respond promptly to underperformance. In KP, the lack of a centralised M&E framework for PPPs leaves performance oversight fragmented and inconsistent. A key challenge in assessing the performance of PPP schools, particularly in underserved areas of Punjab and KP, is the lack

31 Aslam, M., & Kingdon, G. G. 2021. Public-private Partnerships in Education: Do they offer an Equitable Solution to Education in India and Pakistan? In P. Rose, M. Arnot, R. Jeffery, & N. Singal (Eds.), *Reforming education and challenging inequalities in southern contexts: Research and policy in international development* (pp. 79-97). Routledge.
32 Malouf Bous, K., & Farr, J. (2019). *False Promises: How Delivering Education through Public-Private Partnerships Risks Inequality*. Oxfam
33 Bakhtawar, B., Thaheem, M.J., Arshad, H. 2022. “Sustainable Public–Private Partnership Delivery in Pakistan; Evolution, Barriers, and Way Forward.” In: Zahra, A., Bouckaert, G., Zafar Iqbal Jadoon, M., Jabeen, N. (eds) *Public Sector Reforms in Pakistan. Public Sector Organizations*. Palgrave Macmillan

of robust and standardised M&E mechanisms across different institutions. This inconsistency in M&E frameworks and tools hinders effective performance measurement and limits the ability to identify areas for improvement and ensure accountability.

Conceptual Framework for Engaging the Private Sector

Establishing a PPP framework is essential to build strategic collaborations with the private sector to enhance existing and future public education programs. Towards this purpose, it is crucial to align complementary incentives, ensuring that the private sector can add value by filling gaps cost-effectively without bureaucracy. Private sector involvement can bring innovative solutions, streamline operations, and improve efficiency. A PPP framework should thus clearly define objectives related to access, learning outcomes, and management or governance. Equally important is specifying the roles and responsibilities of all stakeholders involved. Failing to do so can result in reduced accountability and missed opportunities for innovation and development in the education sector. Conversely, a well-structured e-PPP can promote wider access, better retention, and improved learning. When designing a PPP program in education, it is proposed to include the following elements:

Risk Sharing with the Private Sector

Under the PPP model, private sector partners should be engaged in service provision and shared accountability for education outcomes such as retention and learning. For example, private partners could share financial and operational risks in school infrastructure projects and risks related to meeting specific learning targets.

Innovative, Evidence-Based Solutions

Focus on data-driven and technology-enabled solutions tailored to underserved communities. For instance, mobile learning platforms and edtech innovations can significantly improve access and outcomes in rural areas. Innovation should prioritise cost-effectiveness while addressing equity gaps, ensuring solutions are adaptable to local contexts.

Outcome-Based Funding

Funding should be aligned with equity-focused, measurable outcomes. Performance-linked payments could incentivise private operators to achieve enrolment and learning gains among marginalised groups, such as girls, minorities, and students in rural areas. By embedding equity metrics into funding mechanisms, sustainability and inclusiveness can be ensured.

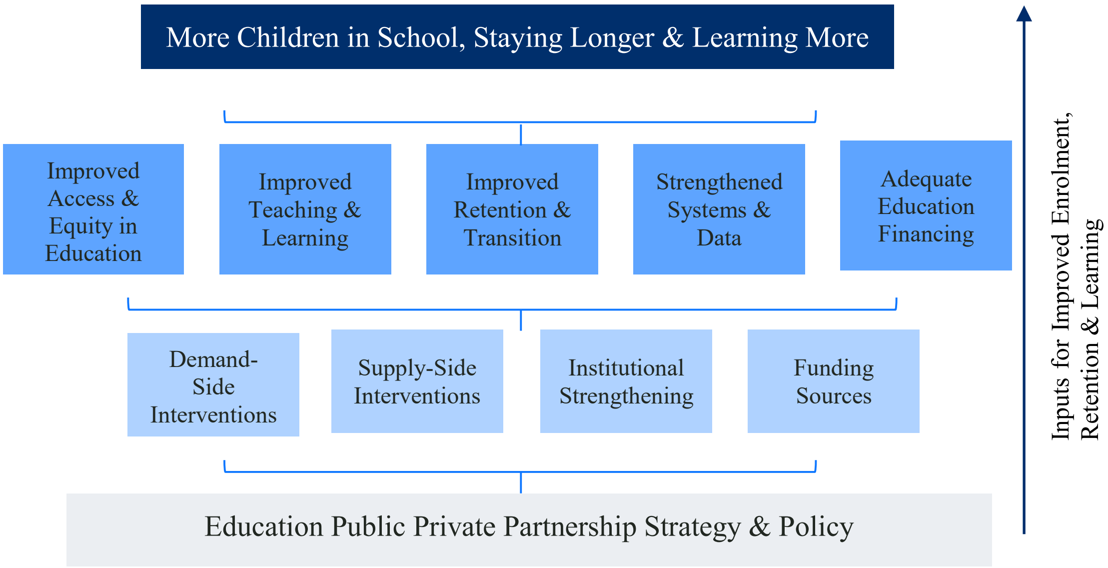
Resource Mobilisation for Innovation

Leverage private investments and cross-sector partnerships to complement government budgets and donor funding. Partnerships with mission-driven entrepreneurs, non-profits, and edtech startups can introduce digital learning resources and innovative pedagogies, driving improvements in education quality. Collaborative funding models, where public and private partners share costs and benefits, can create a vibrant ecosystem of education innovators.

Coordination and Capacity Building

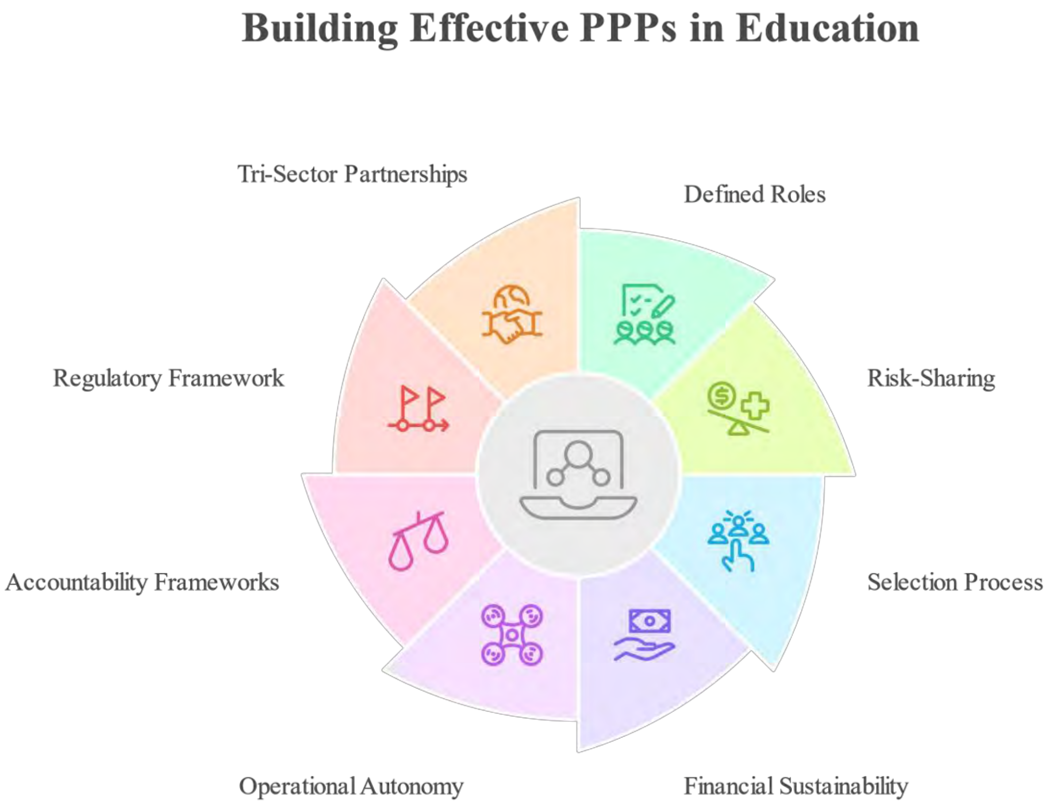
Strengthen the operational capacity of public institutions managing PPPs through targeted training and knowledge-sharing initiatives. Enhancing coordination between stakeholders, such as provincial PPP authorities and education foundations, can streamline decision-making and prevent duplicative efforts.

These principles create a sustainable, accountable, and impactful PPP framework in education. Drawing on the latest education sector plans for Punjab and KP and the findings from this report, the study's recommendations are organised within a conceptual framework illustrated in the figure below. This conceptual framework emphasises the interconnectedness of policy objectives—such as increased access to quality education and equity responsiveness — with the overarching goal of better learning outcomes. Simply increasing enrolment or retention may not lead to improved outcomes unless accompanied by deliberate efforts to ensure learning quality and equity. Thus, the framework advocates for integrated monitoring and evaluation systems that connect policy goals to tangible education outcomes.



Conclusion and Way Forward

Public-Private Partnerships (PPPs) offer a viable solution to address the persistent challenges in education, including access, quality, and equity. Drawing on global best practices, successful PPPs rely on well-defined roles, balanced risk-sharing, innovative localised solutions, and sustained collaboration among stakeholders. These elements can help KP and Punjab establish robust and scalable PPP frameworks that meet educational needs while ensuring sustainability.



A high-quality and transparent selection process is foundational to effective PPPs. This involves rigorous evaluation criteria to attract capable private providers. For example, in the UK, government agencies manage partner selection to maintain accountability, whereas some US states allow multiple authorisers, which, while promoting diversity, risks inconsistencies in provider quality. A structured approach in KP and Punjab can ensure that only the most qualified providers deliver services, strengthening the overall effectiveness of educational partnerships. Financial sustainability is another critical factor. Successful PPPs feature stable funding models, such as escrow accounts for timely payments and voucher systems like PEF, which target resources to underserved students. Additionally, in-kind support, such as government land for school construction, enhances cost efficiency. A value-for-money analysis ensures that resources from both public and private partners are optimised for long-term viability.

Operational autonomy is essential for private partners to foster innovation and adapt to local needs. Models such as New Zealand's Partnership Schools and Hong Kong's Direct Subsidy Scheme grant providers the flexibility to manage hiring, training, and curriculum design. Such autonomy enables schools to attract high-quality educators, implement tailored professional development, and respond effectively to challenges, thereby improving student outcomes.

Accountability frameworks are indispensable for ensuring high standards in PPPs. Mechanisms like performance-linked funding and regular assessments hold private providers accountable for delivering measurable results. For example, the PEF links financial incentives to school performance metrics, while charter schools in the US face contract termination if they fail to meet standards. Similar systems in KP and Punjab can incentivise partners to maintain quality and align with public education goals. Tri-sector partnerships involving public, private, and non-profit actors further enhance PPP impact. As seen in India's Bharti Foundation and the Philippines' Adopt-A-School programme, philanthropic contributions and corporate social responsibility initiatives can mobilise additional resources. These collaborations expand the reach and effectiveness of educational reforms.

A supportive regulatory framework underpins successful PPPs by streamlining processes and providing clear operational guidelines. Simplified school registration procedures and policies defining institutional autonomy encourage private sector participation while maintaining accountability. For instance, Vietnam and the Philippines have introduced policies that attract private investment while safeguarding quality standards. KP and Punjab can adopt similar measures to create an enabling environment for PPPs. By integrating these success factors, KP and Punjab can leverage PPPs to address systemic challenges in education, ensuring inclusive, high-quality, and sustainable reforms. These elements provide a foundation for the way forward, guiding future implementation and policymaking strategies.

Recommendations

Establishing Institutional Coherence and Unified Policy Framework for Effective Public-Private Partnerships in Education

The current landscape of Public-Private Partnerships (PPPs) in education across Punjab and KP faces the challenge of multiple institutions mandated with PPPs in education and having the status of statutory bodies, such as PEF, and PEIMA in Punjab and PPP Node, ESEF and MAEF in KP. This leads to overlapping mandates, legal ambiguities, and fragmented governance mechanisms, creating barriers to achieving cohesive and effective PPP implementation. The entities such as the PEF and PEIMA, in the case of Punjab, ESEF, and the MAEF, operate independently, often without streamlined coordination with respective administrative departments. This lack of coherence hampers resource efficiency and restricts the ability of PPPs to deliver equitable and quality education, particularly in underserved areas. Addressing these systemic inefficiencies requires the establishment of institutional coherence through realigned governance structures and a unified PPP Policy Framework for Education. By clearly defining roles, responsibilities, and operational mandates across entities, this framework will improve inter-institutional collaboration, reduce redundancies, and align PPP initiatives with provincial education priorities. A unified framework will enable a more effective allocation of resources, enhancing efficiency and ensuring that PPPs contribute meaningfully to the broader goals of equitable and quality education delivery. Therefore, the following is recommended:

Development of PPPs in Education Policy Framework

It is recommended that Punjab and KP develop a provincial PPP Policy Framework for Education in consultation with relevant government departments, statutory bodies, and private sector partners. This framework should address existing legal and institutional gaps while standardising processes for procurement, monitoring, and reporting.

Institutional Realignment

To ensure effective coordination and governance, institutional realignment and strategic recalibration are essential.

i. In Punjab, a dedicated PPP Unit is recommended to be established within the School Education Department to serve as a central hub, harmonising efforts across PEF, PEIMA, and the Punjab PPP Authority and engagement with private education providers. This unit would streamline operations, clarify institutional roles, and align PPP initiatives with provincial education strategies.

ii. In KP, the existing PPP Wing, established with the technical support of B-TAG, should be strengthened to expand its scope. This involves integrating ESEF, MAEF, and the KP PPP Node into a cohesive policy framework that is fully aligned with provincial priorities. The PPP Wing should also incorporate mechanisms for monitoring and evaluation to ensure accountability and strategic alignment.

Strengthening Accountability and Performance Monitoring

Accountability and performance monitoring are critical to the success of PPPs in education. While institutions such as the PEF, PEIMA, ESEF, and MAEF have implemented monitoring mechanisms, these systems are not uniformly robust or aligned. The emerging PPP Node in KP has yet to develop a well-defined accountability structure. PEF links financial incentives to school performance metrics, showcasing a local model that could be expanded and strengthened across provinces.

To address these gaps, it is recommended that Punjab and KP develop a comprehensive accountability and performance monitoring framework for PPPs in education. This framework must integrate existing mechanisms while introducing more rigorous practices such as annual audits, performance-linked funding, and stakeholder feedback systems. Aligning these measures across institutions like PEF, PEIMA, ESEF, and MAEF will promote consistency and ensure that PPPs deliver quality education in line with public sector priorities.

Establishing a high-quality and Transparent Evaluation and Selection Process:

A high-quality selection and evaluation process for private providers is essential to ensuring the success of Public-Private Partnerships (PPPs) in education. The absence of a rigorous evaluation criterion and a structured approach risks onboarding providers who lack the capacity to deliver equitable and quality education. It is recommended that Punjab and KP should establish a high-quality and transparent selection framework underpinned by rigorous evaluation criteria. This framework should ensure that only qualified and capable partners are engaged in PPP initiatives, aligning their efforts with provincial education priorities and quality standards.

Promoting Equity and Inclusivity

PPPs in education offer immense potential to bridge equity gaps in access to quality education. However, without deliberate efforts, PPP models can unintentionally perpetuate or exacerbate inequities, leaving marginalised groups such as girls, students from disadvantaged socio-economic backgrounds, and learners with disabilities underserved. Existing PPP contracts in Punjab and Khyber Pakhtunkhwa (KP) lack comprehensive equity provisions, limiting their ability to address systemic disparities effectively. It is therefore recommended that to ensure equitable access to quality education, Punjab and KP should embed equity and inclusivity mandates into PPP contracts. These provisions must include gender balance targets, scholarships for disadvantaged students, and specific measures to enhance accessibility for learners with disabilities.

Leveraging Impact Investments and Development Bonds for Education

While PPPs in education have been evolving, a substantial funding gap remains to achieve educational priorities such as SDG 4. Traditional funding mechanisms often fail to address systemic issues, especially in underserved areas and for the marginalised section of society. Innovative financing tools, such as Impact Investments and Development Bonds, can bridge this gap by mobilising private capital to achieve measurable educational outcomes while generating returns for investors. It is recommended that Punjab and KP should adopt Impact Investments and Education Development Bonds as innovative financing mechanisms. These tools can attract private and philanthropic funding to support education initiatives that align with provincial priorities, such as improving learning outcomes, increasing female enrolment, and expanding access to underserved communities. By linking financial returns to measurable social outcomes, these mechanisms can ensure accountability and drive sustainable improvements in education.

Institutionalising Corporate Social Responsibility (CSR) Partnerships for Educational Development

CSR presents a significant yet under-utilised opportunity to mobilise resources to improve education services. While some private sector contributions support education initiatives, the absence of a formalised framework limits the scale, sustainability, and alignment of these efforts with provincial education priorities. Leveraging CSR as a dedicated stream can enhance infrastructure, support operational improvements, and address equity challenges, particularly in underserved and remote areas of Punjab and Khyber Pakhtunkhwa (KP). Provincial governments in Punjab and KP should institutionalise CSR partnerships by creating structured frameworks that align private sector contributions with education priorities.

Enhancing PPP Efficiency with Digital Platforms in Education

PPPs in education programmes in Punjab and Khyber Pakhtunkhwa (KP) often face inefficiencies in accessing and managing specialised services such as EdTech solutions, teacher training, and assessment tools. Traditional procurement processes can be cumbersome, lack transparency, and limit competition, hindering the delivery of quality education. A digital platform can streamline these processes, foster competition, and ensure schools can access high-quality, specialised service providers. It is, therefore, recommended that Punjab and KP should establish digital marketplaces for educational services designed to connect PPP schools with specialised providers for EdTech, assessments, teacher training, and other educational services. Such platforms will promote transparency, enhance efficiency in procurement, and encourage innovation by fostering competition among service providers.

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Annexure 1: Comparison of Provincial PPP Frameworks in KP and Punjab

Apex Approval Body

Feature	Khyber Pakhtunkhwa	Punjab
Title	PPP Committee	The Board
Head of the Committee	Chief Minister	Chief Minister
Permanent Members	12	19
Private Sector Members	03 + Sectoral experts may be coopted	03 + 01 member of Chamber of Commerce and Industries
Quorum size	08 members, including the chairman	½ of the members present
Powers to form sub-committees	Yes	Yes

Secretariat / Appraisal Body

Feature	Khyber Pakhtunkhwa	Punjab
Title	PPP Unit	PPP Cell
Head	Secretary P & D Department	Head / Member /Project Director
Composition	• Secretary P&DD • Chief PPP (member cum secretary) • Secretary Department concerned. • Additional Secretary Law • Additional Secretary Finance • Experts: Infrastructure, Legal, Financial, Business Development, Environmental, Gender inclusion (may act as coopted members of the Unit) • Quorum size = 04	(not mentioned in the Act) • Head PPP Cell • Advisory Team (Legal & Financial Expert) • Compliance Team (Environmental, Gender, Social safeguard expert) + DD (Monitoring) • Operations Team (DD Admin & DD Procurement) • Project Appraisal Team (Chief, 2 DDs, 2 Planning Officers) • Finance Team (DD, Manager, Internal Auditor)
Functions	• Assist Committee and Contracting Authorities in performing their functions • Make recommendations to the Committee • Establish and manage PDF • Promote PPPs • Maintain PPP pipeline	• Makes recommendations to the Board • Appraises Projects and requests for VGF • Monitor PPP Projects

Project Custodian

Feature	Khyber Pakhtunkhwa	Punjab
Title	PPP Node (housed in the Department Concerned)	PPP Authority (a separate body for carrying out PPPs)
Head of the Committee	Principal Accounting Officer of the Contracting Authority	Chief Executive Officer
Composition	As may be prescribed in the notification by the Head of Node. May include members having financial, technical, procurement or legal background	Executive Committee of the PPP Authority consists of: • Minister (P&D) • Chairman (P&D) Board • Secretary P&D • Secretary Finance • Member (Planning) • Member (PPP) • Nominee of the Board • CEO, PPP Authority • COO, PPP Authority

Risk Management

Feature	Khyber Pakhtunkhwa	Punjab
Body responsible	Risk Management Unit (Finance Department)	Risk Management Unit (Finance Department)
Head of the Committee	Secretary Finance	Secretary Finance
Composition	Discretion of the Head of RMU	Discretion of the head of RMU
Functions	• Suggest size of Government support (through ADP/VGF) for a project • Establishment and manage VGF • Manage and monitor the Government's direct and contingent liabilities related to Projects • Monitor financial performance of the projects	• Develop risk management guidelines and advise Authority on risk management • Examine requests for government support in consultation with PPP Cell • Monitor contingent liabilities of the Government

Project Implementation Unit

Feature	Khyber Pakhtunkhwa	Punjab
Host Department	Department Concerned	PPP Authority
Composition	• Project Director (head) • Such other experts as deemed appropriate by the administrative head of the Contracting Authority	At the discretion of the PPP Authority
Function	• Liaising between the Government, the Special Purpose Vehicle (SPV) • overseeing day to day implementation of the PPP Agreement • contract management of the PPP Agreement • reporting monthly and quarterly progress of the Public PPP Agreement to the PPP Node and the PPP Unit.	• As deemed appropriate by the PPP Authority

Bid Evaluation Committee

Feature	Khyber Pakhtunkhwa	Punjab
Host Department	Department Concerned	PPP Authority
Composition	Such experts as deemed appropriate by the administrative head of the Contracting Authority	Discretion of the PPP Authority
Functions	• Approval of tender documents • Evaluation of the qualification of the bidders • Issuance of final evaluation report • Issuance of recommendations regarding private partner • Ensuring quality and compliance of documents	Discretion of the PPP Authority

Annexure 2: Detailed Policy Interventions & Recommendations for e-PPPs in KP & Punjab

Enhancing Access and Equity in Education

While Punjab and KP have shown progress in school participation over the last few years, disparities based on gender, location and socio-economic status still remain, with many children dropping out after primary school. Expanding school access and addressing barriers related to gender, poverty, geography and disability should be prioritized.

Objectives

- Increase the availability of functional, adequate school facilities, including disability-friendly infrastructure.
- Improve access for girls and marginalized children, including those with special needs.
- Promote access to education from pre-primary through secondary levels using both formal and non-formal approaches.

Recommended Policy & Interventions

<table>
<tr><th>Recommended Policy</th><th colspan="2">Interventions</th></tr>
<tr><td rowspan="9">Targeted outreach</td><td colspan="2">Conduct a comprehensive review of policies and programs to ensure equity considerations are integrated into the PPP model, particularly regarding access for marginalized groups like girls, children with disabilities, and marginalized children.</td></tr>
<tr><td colspan="2">PPP legal and regulatory processes and policies to reflect gender issues in education service delivery</td></tr>
<tr><td rowspan="5">Punjab</td><td>Review targeting methods under PEF and PEIMA programs and enhance capacity for beneficiary identification, along with introducing initiatives like separate campuses, female teacher recruitment, dedicated toilet facilities, and anti-harassment policies to promote girls' enrollment.</td></tr>
<tr><td>Undertake assessments to verify that PEF partner schools predominantly serve impoverished communities and conduct district-wise analyses to evaluate effectiveness in addressing access issues for girls and children with disabilities.</td></tr>
<tr><td>Use of household surveys for new partner schools’ admissions to gauge reasons for girls not attending schools.</td></tr>
<tr><td>Encourage targeted voucher initiatives like the "Voucher Scheme for Inclusive Education” at PEF Schools, which aim to broaden access and address inequities by ensuring schools meet inclusive standards for teacher training, infrastructure, and enrolment practices.</td></tr>
<tr><td>Periodically collect information on the socio-economic status of beneficiaries of PPP programs.</td></tr>
<tr><td rowspan="2">KP</td><td>Develop PPP programs for children who have never been enrolled in schools and who can no longer be enrolled in mainstream schools due to age.</td></tr>
<tr><td>Focused PPP programs across six districts (including 4 in NMDs) where OOSC percentage exceeds 50%.</td></tr>
</table>

Recommended Policy	Interventions	
		Develop and design programs for fee subsidies through Student Vouchers scheme.
Maintaining and adding vital school infrastructure	Incentivize the private sector's engagement via VGF to invest in constructing, renovating, and maintaining vital school infrastructure. This encompasses new schools, additional classrooms, laboratories, libraries, and sports facilities, while private partners recoup investments via long-term agreements with the government.	
	Punjab	PPPs in education programs should address the overall shortage of classrooms across primary public schools.
		Address missing facilities at public sector schools e.g. and improving school infrastructure (additional classrooms, drinking water, electricity, toilet, boundary wall, furniture, IT/science labs, libraries and playground) under PEIMA program (PSSP).
	KP	Address the critical issue of inadequate school supply at the Katchi level. To improve school readiness and subsequent improvement in learning outcomes in primary education, KP ESEF can approach programs that train young adults and provide materials to set up and manage childhood centers as potential school owners.
		Improve school capacity to absorb new students at the Katchi level.
		Construct new schools in underserved areas, ensuring adequate facilities.
		Handover a small number of low-performing schools to the private sector on an experimental basis. To begin with the management of a small number of selected low-performing schools should be outsourced to the private sector for assessment against IMU-monitored performance metrics. Insights gained will guide future strategies for integrating IMU-monitored and privately managed schools.
Leveraging LFPS and private sector schooling network	Support Low-Cost Private Schooling system, through vouchers and subsidies with KPIs around quality of education being imparted	
	Facilitate access to finance for LFPS to establish new schools and expand existing facilities.	
Promoting non-formal education	Develop and support Accelerated Learning Programs and establish community schools.	

Enhancing Teaching, Learning, and Education Relevance

Policy interventions are essential to ensure that learning objectives and goals are clearly defined, with PPPs in education projects designed inclusively. Tailored infrastructure, curriculum, and support services help address diverse learning needs, reducing educational disparities. The government collaborates with the private sector for services like teacher training, management, and curriculum development, leading to benefits such as cost-effectiveness, increased accountability, encouragement of educational services in underserved areas, and the potential for improved learning outcomes beyond those typically achieved in public schools.

Objectives

- Strengthen teacher training and quality teaching materials.
- Promote critical thinking and sustainable development in the curriculum.
- Create a safe, inclusive, and supportive learning environment for all children, including those with special needs.
- Establish pathways for skills development and better employability.

Recommended Policy & Interventions

Recommended Policy	Interventions
Addressing teachers' shortages	Improving learning at public schools through placement of trained private sector teachers and providing accredited trainings to in-service public sector teachers by specialized NGOs/private sector.
Teacher Training and Professional Development	e-PPPs with private organizations specializing in teacher training and professional development to; • Integrate modern teaching methodologies and digital technologies to enhance learning outcomes. • Develop and implement standardized teaching and learning mechanisms/materials to develop critical thinking and life skills in students. • Establish a mentorship program to support new teachers in teaching and learning methodologies. • Introduce ongoing teacher evaluations to ensure continuous improvement and professional growth. • Enhance teaching skills through delivery of professional development programs. • Introduce inclusive education practices to accommodate diverse learning needs.
Emphasis on empowering girls and women	PPPs in education projects to incorporate measures to create a safe and conducive learning environment, encouraging female enrollment and retention.
Enhance digital literacy	Enhance digital literacy, foster innovation, and establish a sustainable ICT model for education. CSR projects with EdTech companies to enhance digital learning to underprivileged children.
Addressing disparities in educational quality across different regions	Outsourcing public sector schools to private education providers to utilize innovative expertise of private entities, aiming to elevate the quality of education and enhance student outcomes in public schools.
Education solutions and content development	Education solutions and content designed under PPPs in education to supplement regular instruction at school in primary level to develop literacy and numeracy skills. PEF and ESEF to identify and connect partner schools in its network with providers of such interventions.
	Incorporating STEM learning in schools – to introduce STEM education in schools through sessions during or after school timings. Many low-cost solutions and products are available in the market.
Focus on skills development	Vocational Training and Skill Development programs in collaboration with private entities to offer vocational training programs in alignment with industry requirements. By imparting practical skills, internships, and employment prospects, this model bridges the gap between education and workforce readiness, preparing students. This also leads to realizing the relevance of education for future employability of young adults.
	Focus on skills education for girls at the secondary level. It is essential to make education more relevant for girls, especially as they transition into post-secondary levels. This will increase parental motivation and ensure that the girls have the relevant skills and tools to transition from school to work life if needed.
Community Engagement and Ownership	Strengthen Parent-Teacher Councils (PTCs) to involve parents in educational decisions. Inculcate and enhance community engagement to showcase student achievements, gather feedback and ensure that local needs are addressed.

Enhancing Retention and Transition in Education

Targeted policy measures are needed to address the supply gap at all educational levels, particularly from middle school onwards. Expanding the availability of schools, classrooms, and safe spaces is essential to supporting children at risk of dropping out after primary school.

Objectives

- Reduce high dropout rates in both provinces, with a particular focus on girls.
- Expanding access to primary, middle and secondary education through innovative and cost-effective solutions.

Recommended Policy & Interventions

Recommended Policy	Interventions	
Addressing high drop-out rates by developing retention policies and programs	Design and develop retention policies under PPP programs tailored to each distinct group of out-of-school children in both provinces.	
	Development partners and donors to promote best practices and evidence on what works. Bilateral and multilateral partners have made major contributions to improve the transition and retention of girls in Pakistan. The learnings from these programs must documented and used to design retention policies and PPP programs.	
	Punjab	Detailed assessment of girls' participation at district, union council, program and partner school level.
		Nearly 20% of Union Council in Punjab are deprived of post-primary schools. Select geographies where transition rates are lowest, specifically Union Council level analysis which are deprived of post-primary schools.
		Conduct review of capacity versus enrolment at middle-level and above in all PEF and PEIMA programs. Assess gap in classrooms supply at middle and secondary levels in public sector schooling system against pre-primary and primary enrolments to see demand in next 5 years.
Mitigate school space shortages at the middle and high level for children graduating from primary schools.	**Punjab**	Strengthen existing portfolio of PEF and PEIMA partner schools by policy measures to encourage minimum elementary schooling by introducing an admission policy for partner schools. Provide incentives, free loans, increased subsidy to partner schools that can promise expansion into higher grades.
		Introduce targeted vouchers for middle and secondary education in EVS program under PEF and expand EVS vertically within current partner schools to accommodate middle and secondary classes, with a focus on girls' education.
		Transition older NSP schools (5 years or more) to FAS for quality improvement and upgradation.
		Repurposing existing government premises for private management contracts, primarily at the middle school level. Use existing government school premises through private sector management contracts to overcome the shortage of school spaces in middle and secondary schools.
	KP	Collaboration with education management organizations, both private companies and nonprofit organizations. While the GoKP should contract out only a small number of primary schools to private providers on an experimental basis, it can be more ambitious at the middle school level. The physical premises of existing primary schools should be used as middle schools operated by private providers through PPPs in education contracts.

Recommended Policy		Interventions
		Voucher schemes for primary to middle specifically.
		Expand the provision of middle and high schools through afternoon schools. There are not enough middle and secondary schools for intake of all girls who complete primary education. Where middle and high schools are not available or are at a large distance, existing primary schools can be used as the afternoon schools to serve the same objective at a much lower cost.
Reducing travel time to school, especially for girls	Provision of transport for girls, other means to reducing travel time to school. Girls who have completed primary education and now must go to secondary schools may require special transport arrangements to reach the nearest secondary school. Parents who are concerned about the safety of girls should be supported to find local solutions to make the journey to school safer. Community-managed, private sector funded transport or provision of bicycles could solve this issue.	
Community engagement	**KP**	Recognize the diverse sociocultural context of KP. PPPs in education projects to be developed in consultation with local communities, ensuring cultural sensitivity and relevance. Girls who are vulnerable to the practices of early marriage will benefit from targeted community-level behaviour change campaigns.

Strengthening Systems and Data for Education Reforms

Effective PPPs address foundational challenges, such as underperforming schools or institutional limitations like HR constraints and curriculum standards. A critical component in managing PPPs in education successfully and minimizing political influence is the establishment of strong systems and data to drive accountable education reforms. This involves making accurate, reliable data on key goals accessible for monitoring progress and assessing interventions aimed at improving educational outcomes. It is not only about what is measured but also about the quality of measurement, who uses the data and how it informs action. This focus on data quality supports the development of evidence needed to design future reforms and interventions.

Objectives

- Strengthening planning, monitoring, and evaluation processes to support evidence-based decisions.
- Improving financial planning and management practices.
- Empowering and enabling local bodies, district officials, and school communities to improve service delivery.

Recommended Policy & Interventions

Recommended Policy	Interventions
Data driven decision making, accountability and transparency	Generate robust evidence-based information and context to inform PPPs in education policy and projects design and ensure accurate, credible information on key goals is available, is used for monitoring progress on goals and for evaluating interventions aimed at improving outcomes.
	Assess the impact of public per-student subsidies and program structures on student enrolment and academic achievement. Identify measures to improve access, quality, and equity, especially for socioeconomically disadvantaged students. Adjust program design and policies based on the assessment to meet desired outcomes and objectives.

Recommended Policy	Interventions	
	Conduct regular assessments to evaluate PPP programs' effectiveness and workflow efficiency.	
	Promote innovation in monitoring and evaluation practices to ensure sustained PPPs in education impact, integrating M&E controls with existing information systems for informed decision-making.	
	Develop research capacities within organizations like ESEF and PEF, evolving M&E units into fully functional research and development entities. Publish annual reports showcasing progress, challenges, and achievements of the PPPs in education initiatives.	
	A comprehensive evaluation of the education system conducted in collaboration with private partners, pinpointing areas for enhancement, capacity building, and innovative solutions.	
	Include inclusive metrics in monitoring by incorporating equity indicators into performance assessment frameworks. These metrics will help track the participation, performance, and well-being of marginalized and vulnerable students under PPPs in education.	
Capacity building	Capacity building within the government as well as within the private education sector. Capacity must be built on both sides, with governments improving their human resources engaged in developing and managing PPPs as well as non-state providers developing their skills to ensure high-quality and true-to-form service delivery. To be effective, the government must have the capacity required to carry out the accountability measures set forward in the contracts.	
Institutional strengthening	**Punjab**	Effective quality assurance and monitoring mechanisms are vital to ensure the ongoing quality, accountability, and success PPPs in education. These mechanisms provide the means to gauge the performance of education services, uphold transparency, and drive continuous improvement. SED to develop strategies in collaboration with PEF and PEIMA and private sector to develop comprehensive evaluation methods to measure student outcomes, teaching effectiveness, infrastructure maintenance, and overall service satisfaction; and develop well-defined gender sensitive performance indicators and benchmarks that align with the goals of PPPs in education projects.
	KP	The existing institutional mechanism of ESEF is suitable for only direct education (EVS/subsidies) and management services by private agents. To implement a comprehensive PPPs in education strategy, E&SED should revitalize its PPP node and develop the capacity of its attached directorates to identify, design, and implement PPPs in education.
		E&SED to develop PPPs in education policy guideline and toolkit to be used by potential private partners as well as the government. The toolkit developed by the Government of Sindh can be suitably adapted for this purpose due to the similarity in the legal and institutional arrangements provisioned by the PPP Acts in both provinces.
		The PPP Node's organizational structure needs strengthening as a top priority to enable it to perform its functions as outlined in the PPP Act. It currently lacks the human, technical and financial resources to appropriately perform its functions.
		The PPP Node tasked to develop new PPPs in education projects that fall within the framework of the PPP Act. The PPP Node will work collaboratively with the associated directorates to develop viable PPPs in education.
		Resolve challenges in terms of procurement under Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA) or PPP Act and provide clarity on processes to be followed for PPPs in education and procurement of private sector services.

Recommended Policy	Interventions
	PPP Node to work with PPP Unit to develop competencies such as project appraisal, value for money assessments, business case development, alternative procurement options, contracting and negotiation and deal making skills.
Clarifying role of private providers	Clarifying the role of private providers in the provincial educational strategies to facilitate successful PPP arrangements and strengthen governments' ability to govern and deliver services effectively.
	Conduct mapping research to identify suitable partners in private sector, NGOs, and foundations aligned with objectives. Identify specifics gaps that private sector can contribute to such as private sector suppliers for ICT interventions, establishment of computer labs in selected schools, IT teacher training, science labs, teacher placements etc.
Promoting competition by creating a marketplace for education through wholesale reforms	Stimulating education markets for the poor where the public sector is struggling to deliver, e.g. early childhood education, youth training. Create a marketplace for education service providers with the ultimate vision to improve access and learning outcomes. Introduce wholesale market reforms for the public and private sector stakeholders to supplement each other in service delivery; public and private schools who need specific expertise can access service providers in the private sector, engage the private sector as a starting point to develop a repository of services and respective providers based on merit.
	Foster competitive bidding processes for private sector participation in education initiatives, as seen in Sindh's EMO initiative, to ensure fair selection of partners.
	Greater access to information on schools leading to a competitive landscape and addressing the barriers to the effective participation of the poor in the market.
Autonomy to private partners	More autonomy to private sector providers and localized management of resources to encourage innovation in education to achieve desired outcomes. Meanwhile, holding schools accountable by setting standards and government's role in ensuring quality by connecting performance standards with incentives.

Adequate education financing

Non-traditional financing instruments generally do not make a significant impact in closing the education sectors funding gap. However, their potential can be maximized by leveraging their unique strengths, such as prioritizing learning outcomes, enhancing access or promoting innovation to address specific educational challenges. These forms of finance is particularly effective in addressing gaps in public services, especially in rural and underserved areas.

Objective

- Diversify Funding Sources for PPPs in education.
- Ensure financing for reforms, policy actions, and implementation is mobilized, allocated and spent in alignment with equity principles.
- Align incentives of key stakeholders and funding sources closely with the achievement of strategic goals and objectives.

Recommended Policy & Interventions

Recommended Policy	Interventions	
Supplement public sector education financing through available financing windows within government budgets	**KP**	Government will continue to allocate a dedicated budget either through the recurrent stream or the Public Sector Development Program (PSDP) for education projects to support PPPs in education initiatives. However, the PPP Act additionally allows the Viability Gap Fund (VGF) to bridge the financial gap in economically viable projects to attract private sector participation. The government may consider other sources of funding from time to time. Government funding will focus on ensuring the availability of essential infrastructure, resources, and facilities.
Introduce blended finance and impact investing concept	Develop project for private partners to contribute financially through direct investment, leveraging their resources to enhance educational facilities, technologies, and services.	
	Introduce Development Impact Bonds/Impact Investing/Venture Fund concept (details provided in the report). Leverage education impact bonds within PPP frameworks to maximize the effectiveness of public resources. Governments can catalyze and complement limited public funds with private investment, driving significant progress towards education objectives while ensuring accountability and efficiency in service delivery.	
	Blended finance for education businesses serving low-income communities that need initial subsidization to reach the scale to attract social impact investment.	
	Socially motivated investors to provide working capital to service providers, allowing them to scale up high-impact, education programs driving innovation and stimulating education markets for the poor, that could potentially lead to public sector adopting some innovations.	
Grants and Donations	Additional funding can be obtained through grants, donations, and philanthropic contributions from local and international stakeholders (donors), enhancing the financial capacity of PPPs in education projects.	
Engage corporates for CSR initiatives	Collaborate with private sector companies, leveraging CSR initiatives to establish programs aimed at providing equitable access to education, reducing the financial burden on the government and creating an efficient blend of PPP and CSR elements.	
	Partner with private entities to address infrastructure gaps in public schools. Through collaboration with local authorities, identify areas lacking essential facilities, utilize CSR initiatives to improve buildings and water and sanitation. This can be achieved by facilitating collaboration between corporate sector and NGOs etc.	
Collaborate with financial institutions	Engage with large national and provincial banks for products such as subsidized loans for financing of solar solutions for public and private schools and other infrastructure improvements.	
	Additional funds, through an arrangement with microfinance/lending institution, at school level to growing LFPSs could improve learning outcomes or efficiencies if training on improving quality or school management is provided.	
Promoting and adopting technology	Collaborative endeavors with private enterprises and technology companies focusing on seamless integration of technology solutions. Embracing elements such as computer labs, digital learning platforms, educational software, internet connectivity, virtual classrooms, mobile learning,	
	Biometric technologies introduced with private sector partners for student attendance, vouchers and stipend schemes to reduce transactional costs and infuse transparency and efficiency.	

Annex 3: Context and Evolution of e-PPPs in Pakistan

In Pakistan, various PPP models have emerged over the years to engage the private sector's capacity, skills, and resources to bring much-needed improvement in enrollment numbers and learning outcomes. Initiatives like conditional cash transfer schemes, education voucher programmes and other educational entrepreneurship subsidy models are being implemented to improve the access and quality of education. Most of these programmes work through donor agencies and semi-autonomous/government bodies, such as the Punjab Education Foundation (PEF), PEIMA, Sindh Education Foundation (SEF), Balochistan Education Foundation, Elementary & Secondary Education Foundation (ESEF) KP, and Merged Areas Education Foundation (MAEF). In addition, the government also contracts the private sector to provide education-related services, such as teacher training, management or curriculum design, and private management of public schools.

Existing PPP structures in the education sector in Pakistan are summarised below:

PPP Structures	Key Features
Privately managed government schools/Adopt-a-School (AAS) programmes	• Public schools managed by private sector/adopters • Largely philanthropic motives by the private sector, including foundations, individuals, and corporations under corporate social responsibility activities • Generally, partnerships in three areas: infrastructure, teaching/pedagogy, and management • Private sector financing and expertise invested in infrastructure, teaching resources, management and decision-making at the school level • Variations in this model at the provincial level and within provinces
Purchase of educational services from private schools	• The government sponsors students to attend private institutions • It pays a subsidy for each student enrolled in eligible private schools • Through education foundations
Voucher programmes	• Government gives vouchers to parents to pay for a space at the private school of their choice • Education Voucher Scheme (EVS) by education foundations
Capacity building programmes/ Education service providers	• Teacher training by the government to the private sector and private teachers' placement at public schools • E.g. private schools engaged in teacher training. Teach for Pakistan placed graduates at public schools.

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