



NON-STATE PROVIDERS AND PUBLIC-PRIVATE PARTNERSHIPS IN EDUCATION FOR THE POOR

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Foreword

Effective provision of basic services, such as primary education, health care, clean water supply and sanitation, is key to the socio-economic development of any country, vital to its poverty eradication efforts, and to the achievement of the Millennium Development Goals (MDGs). The United Nations' Universal Declaration of Human Rights and other UN conventions, including the Convention on the Rights of the Child, consider these basic services as rights.

Although states are committed to fulfilling the rights of children to access basic services, many developing countries in East Asia and the Pacific face daunting challenges in service delivery. Public spending on services too often does not reach poor and marginalized children, who suffer from high rates of child mortality and low rates of school attendance. When services do reach those in poverty, facilities and resources are often substandard and per-unit consumption costs higher.

As this paper shows, non-state providers (NSPs) play an important role in the delivery of education services, both generally and to the poor. Indeed, at times, private and non-state schools are the only educational option for disadvantaged and marginalized households and communities. Even where there is public provision of education, NSPs offer a useful complement to their public counterparts as a means of improving the overall quality of education delivered and catering to groups with specific educational or other needs. There is considerable scope for increasing non-state participation in the education sector through a variety of innovative mechanisms, including the many forms of public-private partnership (PPP) highlighted in this paper.

Partnerships between the non-state and public sectors are most successful when the roles of these sectors are clear and when the contributions of the non-state sector are recognized by the state. For example, contracting with non-state actors such as non-government organizations (NGOs), community-based organizations, faith-based organizations, and formal and informal non-state enterprises in the delivery of educational services can improve efficiency in delivery, expand service coverage and mobilize financial resources to meet pressing public service needs. Involving non-state actors in service delivery also allows the state to better fulfil its stewardship role in assuring access to affordable quality educational services and maintaining a rigorous regulatory framework, while leaving the actual delivery of those services to NSPs. This is not an ideological question or a question of favouring one type of provision over another. Rather, it is a question of leveraging the skills and comparative advantage of the public and non-state sectors in a way that enhances the extent and quality of service delivery to the poor.

However, involving NSPs in the delivery of essential services is not without challenges. They may function in a difficult regulatory environment – often without legal or 'political' recognition of their role and contribution to the education sector. As a result, NSPs may operate beyond the purview of government regulation, thus potentially leaving communities vulnerable to inconsistent supply and poor quality services.


The assumption by the state of the role of enabler and regulator should not be seen as an abdication of state responsibility for education. Quite the contrary, as the state will retain the responsibility of regulating and overseeing the proper functioning of the education sector, including ensuring that services are

affordable, non-discriminatory and accessible to all. This implies a more systematic analysis of the broader governance context, with special focus on the accountability frameworks that address multiple relationships within the service delivery chain: between poor people and providers, between poor people and the state, and between the state and providers.

Partnerships for better service delivery are important to both the Asian Development Bank (ADB) and the United Nations Children's Fund (UNICEF). ADB's Strategy 2020 and education sector operations plan include PPPs as an important tool for leveraging resources, enhancing public administration reform, and advancing poverty reduction goals. While UNICEF has long collaborated with NSPs in the implementation of programmes, upstream involvement at the policy level on this issue, especially with the private sector, is a new area.

As the United Nations' principal agency for children, UNICEF works to ensure that policies and processes for delivering services, whether by the public or private sector, are in the best interest of children, that services are of sufficient quality to support their well-being, and that coverage is sufficient to ensure achievement of the MDGs.

As part of a joint initiative to enhance understanding of the political, legal and institutional mechanisms needed for improving state and non-state engagement in basic service delivery, UNICEF's East Asia and Pacific Regional Office (EAPRO) and the ADB organized a regional workshop in April 2010. The workshop aimed to enhance the knowledge, capacity and expertise of practitioners working in health, education, water and sanitation sectors as well as of key government officials (e.g., ministries of health, education, finance) to support processes for engaging NSPs, and developing PPPs in the delivery of basic services. This report came into fruition as part of this collaboration, and it is our hope that it will help inform policy interventions and systems for advancing access to, and the quality of, basic services for the benefit of those children most in need.



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Executive Summary

Access to education is considered a basic human right and the role of the state in delivering this right is legally codified in international rights treaties including the Convention on the Rights of the Child. Yet, states throughout East Asia and the Pacific face persistent budgetary and institutional constraints that plague both the coverage and quality of education services limiting the fulfilment of this right. Capacity constraints coupled with the increasing demand for education have resulted in an increase in the number of private actors (businesses, NGOs, faith-based organizations and civil society) engaged in service delivery. This has largely been in the form of privately-funded and privately-owned schools and the provision of ancillary services such as the provision of food and transport services. Recent years have seen the introduction of more sophisticated forms of private involvement in education.

It is increasingly rare to find education systems funded and provided solely by the state. As a whole, the East Asia and Pacific region has the second highest share of global public expenditure on education, but this is considerably less than their share of global wealth. In contrast, private expenditure on education is estimated to be high in the region, due to various types of user fees, whether direct tuition fees or indirect fees such as the cost of uniforms, textbooks, etc. Private expenditure makes up a large percentage of total expenditure on primary to post-secondary, non-tertiary education in Indonesia and the Lao People's Democratic Republic – higher than relatively affluent countries like Japan. This contradicts the popular notion that private education is not prevalent in low-income countries. While it is generally true that most spending goes toward private education institutions, private financing of public education is also common.

Despite its prevalence, private provision is still a contentious issue in the region. Private funding and delivery of education services are often perceived as a threat to state authority (rather than complementary or agents of government programmes). In the case of for-profit institutions, the profit motive is often viewed as incongruent with the perception of education as a social rather than commercial good. Because of this, governments across the region have been reluctant to recognize explicitly the role played by the private sector in their legislation or in education plans and strategies developed across the region. Some governments have banned the existence of private schools or have limited the number of schools that can be established. Private sector providers serving low-income communities are often not captured in national data, as the incidence of non-registration among private providers, especially small-scale, NGO-type providers, is relatively high compared to urban, large-scale private providers. Others choose to remain unregistered and thus not under the purview of government, due to the existence of legal and regulatory hurdles that may restrict their operations. This raises issues relating to quality, especially for poor communities where children predominantly attend unregistered schools and have no legal or regulatory protection.

Where alternative private providers are engaged in education services, it is the state's responsibility to regulate and monitor these services to ensure appropriate standards and equality of opportunities. Importantly, more countries are recognizing the existence of the non-state sector and the utility of using non-state providers for advancing national education goals and priorities. Public-private partnerships (PPPs) with non-state providers can take many forms and the goal often is the same – expanding quality education for all while reducing costs. In PPPs, the public sector defines the scope of outputs, while the private sector is in charge of delivering on them.

In order to operate effectively, PPPs require a vibrant and dynamic private education sector. Despite the significant role played by private education in the region, there are few PPPs in operation in EAP countries compared to other regions. Overly complex school registration criteria and processes; inconsistent enforcement of regulations, leading to corruption; overlapping jurisdictions; weak legal frameworks; and funding restrictions for private schools restrict further private sector engagement. Providing legal recognition for private providers, both for-profit and not-for-profit, is a first step to building political and public support for private sector involvement in education. Legal recognition is slowly evolving across the region. The People's Republic of China and the Philippines already provide explicit constitutional or legislative recognition of the private sector's role in education. Improvements are also being made in streamlining school registration processes, for instance ensuring that registration is time-bound and that establishment requirements are transparent.

Non-state providers present a significant resource for improving access and quality in education, and they are likely to remain a major force in the overall market for education, with or without state support. The State can foster a dynamic private sector and can harness its strengths by introducing well-designed policy frameworks and by promoting PPPs that improve education provision for the poor. To be successful, PPPs must be effectively designed and implemented.

Building on their respective strengths, the ADB and UNICEF can promote better understanding of non-state providers and the potential for PPPs to leverage resources toward achieving the goals of Education for All. Knowledge generation, policy advocacy and developing capacity and partnerships for PPPs are areas in which ADB and UNICEF can collectively contribute to ensure that services provided fit broader cost, quality, and equity needs.

Introduction

Background

Today, access to education is widely recognized as a basic human right, both an important end in itself and a means to achieving the Millennium Development Goals (MDGs). The role of the State in delivering that right is legally codified in commitments to the international rights treaties. However, governments are constrained in the equitable financing and provision of services of sufficient quality. As a result, there has been an increasing call for a range of non-state providers¹ to play an expanded role in the delivery of education. The growth of non-state providers has been fuelled, on one hand, by conscious policy design and, on the other, by voluntary, demand-driven needs for increased access to better quality education. In particular, non-state providers have come to play a significant role in delivering education to the poor.

Non-state education has a long history, in some cases predating state provision. Although the growth of non-state provision brings new opportunities for governments, it also brings challenges. In particular, governments face questions about the implications of increased non-state provision for the universality, affordability and quality of education. Available evidence suggests there is great potential for the non-state sector to contribute to overall progress in education, which will result in broader coverage and greater efficiency in education delivery, particularly in reaching those groups underserved by public systems. At the same time, however, governments need to ensure that non-state sector engagement promotes provision that is pro-poor and equitable.

The Asian Development Bank (ADB), the United Nations Children's Fund (UNICEF) and development partners have assumed a role in advancing the partnership agenda to ensure the realization of rights of all children, particularly among the poor. The underlying theme and impetus for this paper is the changing role of the State in education – from funder and provider to funder and enabler. The paper presents a discussion of the potential for public-private partnerships (PPPs) to successfully engage and support the non-state sector in expanding educational opportunities for the poor. Although the focus is on the East Asia and Pacific region, the paper also highlights examples of PPPs from other parts of the world.²

Objectives of the Paper

The purpose of this paper is to highlight issues, opportunities and challenges related to non-state providers and their partnerships with the State in fulfilling the rights to education for all in East Asia and the Pacific. While recognizing the State as being ultimately accountable for the equitable provision of education services, the paper looks at the challenges to traditional means of schooling, funded and provided solely by the State. It discusses the potential shifts in the role of the State vis-à-vis that of non-state providers for consideration, by exploring a range of PPP models in education, benefits and risks commonly associated with them, and essential factors for establishing successful partnerships. Considerations for PPPs that contribute to improved opportunities to education for the poor are emphasized.

¹ Non-state providers in education refer to a range of for-profit as well as non-profit actors engaged in the provisions and/or financing of education services, including entrepreneurs, faith-based and community-based organizations, NGOs and philanthropic associations.

² In UNICEF's demarcation, East Asia and the Pacific is represented by one region. Under ADB's demarcation, East Asia and the Pacific includes three regions: (i) East Asia, (ii) Southeast Asia, and (iii) the Pacific.

The Context

Education and the Obligations of the State

In recent decades, basic education has been an area of policy focus for governments because of the widely accepted view that it generates positive externalities. That is, benefits not only accrue to the individuals who undertake education and training, but also to society at large. Although not a pure public good, basic education does exhibit certain neighbourhood effects in the likes of social cohesion, economic growth and law and order, which justify government financing of education. Further, education is considered to have instrumental value as the principal means of achieving other development goals, such as improved maternal and child health.

At the same time, the rights-based view of education has flourished in recognition of the fact that education directly relates to the enjoyment of a quality life, quite apart from its effect on economic productivity. Amartya Sen aptly described:

“It would be a mistake to see the development of education, health care, and other basic achievements only or primarily as expansions of ‘human resources’— the accumulations of ‘human capital’— as if people were just the *means* of production and not its ultimate *end*. The bettering of human life does not have to be justified by showing that a person with a better life is also a better producer.”³

The right to basic education is expressed in Article 26 of the 1948 Universal Declaration of Human Rights, which states:

“Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages.”⁴

Principle 7 of the 1989 Convention on the Rights of the Child (CRC) also upholds the right of the child to education:

“The child is entitled to receive education, which shall be free and compulsory, at least in the early stages.”⁵

Article 28 of the CRC requires States Parties to recognize the right of the child to education and to realize the right on the basis of equal opportunity, including through free and compulsory primary education and “available and accessible” secondary education for every child.

The normative framework for the right to basic education is also contained in Article 4 of the 1960 Convention Against Discrimination in Education. With regards to basic education, the Convention holds States Parties, as signatories to the law, responsible for the obligation:

³ Sen, A. 1997. “Radical needs and moderate reforms,” in *Indian Development: Selected regional perspectives*, edited by J. Dreze and A Sen, Oxford University Press, New Delhi, India, pp. 1-32.

⁴ Universal Declaration of Human Rights. 1948.

⁵ Convention on the Rights of the Child. 1989.

- (a) To make primary education free and compulsory; make secondary education in its different forms generally available and accessible to all; ...assure compliance by all with the obligation to attend school prescribed by law;
- (b) To ensure that the standards of education are equivalent in all public education institutions of the same level, and that the conditions relating to the quality of the education provided are also equivalent.⁶

Since the adoption of these legal treaties, political commitment in reaffirming education as a basic human right was also made through the World Education Forum, in which 155 countries pledged to pursue six goals of Education for All (EFA) [1990, 2000].⁷ The Millennium Declaration (2000) marked a similar political commitment for the right to basic education, as one of six commitments for the promotion of human rights.⁸ Despite certain limitations of these commitments to resolve issues of disparity and quality of outcomes, they represent the political commitment imparted to the normative framework for the right to education as established by the international conventions.⁹ Quantifiable and time-bound, the goals and objectives provide useful guiding points to measure the progress in realizing rights.

Pragmatic approaches to fulfilling the right to education

Together, the international conventions and commitments provide the legitimate legal basis to assert the State as the ultimate guarantor for ensuring the fulfilment of the right to education. In practice, however, the State experiences persistent budgetary and institutional constraints that plague both the coverage and quality of its education services. This, coupled with the increase and diversification of demand for education, has resulted in the entry of a range of non-state providers to complement and/or supplement the State's provision of education services.¹⁰ In effect, education systems funded and provided solely by the State have become rare, and a range of non-state providers now cater to diverse groups of communities and in varying degrees of formality with the State.

Thus, it is useful to consider the role of the State as not only a *provider* but also as an *enabler* of education services in the fulfilment of rights. In this respect, the legal obligation of State signatories to respect, protect and fulfil the enumerated rights in the various treaties is noteworthy:

- The obligation to 'respect' requires States to refrain from direct or indirect interference with the enjoyment of the right. This means the State cannot enact legislation that in any way interferes with a child's learning opportunities.
- The obligation to 'protect' requires States to take measures that prevent third parties, such as non-state providers, from interfering with the right. In other words, the State is accountable to respond to violations of children's right to education incurred by the actions of a third party.
- The obligation to 'fulfil' requires States to progressively realize the enjoyment of all rights. This includes the duties of the State to ensure provision of effective education services to all.¹¹

⁶ Convention Against Discrimination in Education. 1960.

⁷ Education for All, Jomtien (1990) and Dakar (2000).

⁸ Millennium Declaration. 2000.

⁹ Some critics argue that Millennium Development Goals emphasize numerical targets and goals at the expense of quality of outcomes as well as paying limited attention to women and marginalized groups. See United Nations Development Programme. 2007. *Human Rights and the Millennium Development Goals: Making the link*, September, pp. 17-19.

¹⁰ With the advancement of the Education for All agenda, the demand for education has outpaced supply in many developing countries. Quality of education services also varied, and insufficient quality of public systems stimulated the growth of private schools where "differentiated demand" for quality exists, whether for the elite or those with special demands (religious, ethnic, linguistic, etc.). Sosale, S. 2000. *Trends in Private Sector Development in World Bank Education Projects*. World Bank Policy Research Working Paper No. 2452, World Bank, Washington DC, pp. 6-7.

¹¹ United Nations Children's Fund. 2002. "The Private Sector as a Service Provider and Its Role in Implementing Child Rights." Submission to the UN Committee on the Rights of the Child, Day of Discussion, September.

Giving greater emphasis to the role of the State as an enabler rather than a provider of basic education would be consistent with Article 26 of the 1948 Universal Declaration of Human Rights, which states:

“Parents have a prior right to choose the kind of education that shall be given to their children.”¹²

Willmore (2008) notes that this right to school choice is violated, to a greater or lesser extent, in nearly all countries and that progress has been slower toward the right to school choice than it has been toward the right to basic education.¹³ The right to choose a school is particularly constrained for poor families, given their inability to afford tuition and other fees charged by private schools and, to a lesser extent, public schools.

Non-state provision

While the State bears the responsibility to guarantee rights, legal commitments do not necessarily presuppose government provision of education services. Instead, the primary role is to ‘respect’ the right and ‘protect’ it from violation. This can be seen from Principle 7 of the CRC, which expresses the right from the point of view of the child in the form of an entitlement to “receive education, which shall be free and compulsory”. Governments can discharge this obligation to ensure free education either through direct government provision in state schools or through the provision of vouchers, fee subsidies or contracting with private providers that result in education being delivered at no direct cost to the student. For example, in many countries, the State may delegate aspects of the education system, such as inspection, teacher training or school feeding, to non-state providers, either as a cost-efficiency measure or to improve the quality of delivery.

Non-state providers may also exist as responses to market demand for service, with or without formal relationships with the State. Thus, in cases where non-state providers are engaged in providing education services, in accordance with established criteria and standards, the State should not prevent them from delivering these services. Doing so would constitute interference with the enjoyment of the right. Instead, the State’s obligations to ‘protect’ and ‘fulfil’ can be seen as requiring the State to play a role other than providing education – funding, regulating and monitoring the performance of providers from both the state and non-state sectors to ensure that service provisions contribute to equal opportunities for all children to enjoy the right to quality education.

Non-state financing

The issues surrounding the financial obligations of the State are less straightforward, particularly at the primary education level. International human rights conventions explicitly hold the State accountable for free and compulsory primary education, and numerous schemes, such as the World Bank/UNICEF School Fee Abolition Initiative, catapulted the advocacy efforts to help States Parties put this into practice. The failure to provide universal free primary education would constitute a violation of the *immediate and core obligations* for providing primary education free of charge.¹⁴

Nevertheless, user fees in primary education are not only common, but also represent as much as 20 per cent of all education spending in many developing countries.¹⁵ Most States, regardless of how well intentioned they are, resort to some level of cost recovery to fill the revenue gaps resulting from abolition of tuition fees, particularly as they try to expand coverage. In the Lao People’s Democratic Republic

¹² Universal Declaration of Human Rights. 1948.

¹³ Willmore, L. 2002. *Education by the State*, DESA Discussion Paper No. 27, United Nations, New York, p. 2.

¹⁴ General Comment No. 13 (twenty-first session of the Committee on Economic, Social and Cultural Rights, 1999), on the Right to Education (Article 13 of the International Covenant on the Economic, Social and Cultural Rights), Document E/C.12/1999/10. December 1999.

¹⁵ World Bank. 2004. “School Fees: A roadblock to Education for All,” in *Education Notes*, World Bank, Washington, D.C. August.

(Lao PDR), for example, tuition fees are officially banned, but most schools still levy a contribution. And in Indonesia, the fee-free policy is optional, with some incentives provided for schools that eliminate fees.¹⁶ States also grapple with the difficult choice of budget allocation among other basic social services, such as health care and infrastructure, as well as different levels of education from early childhood to university. In effect, whether in the form of direct tuition fees to schools or indirect fees like supplies, uniforms and transport, household contributions have become essential components of overall education financing in most countries.

High levels of user fees raise equity concerns because they inevitably impose a barrier to access for the poor who cannot afford to pay for services, unless strong systems for subsidies and state payments are in place. However, moderate levels of fees targeting the non-poor can be crucial resources for the expansion of education services; the prevalence of fees points to the existence of some level of *private* demand and willingness to pay for education, which may not be surprising because education has private benefits that accrue to individuals. In fact, in a 1996 report prepared in collaboration with the World Bank, UNICEF highlighted the importance of community contributions to education.¹⁷ Community management is essential, and family engagement and support of schools is often a sign of their health. What is clear is that no child should be excluded from education due to an inability of the family to pay fees or make mandatory contributions.

In this respect, the notion that abolition of user fees is the panacea for protecting/fulfilling the right to education is increasingly questioned. Concerns regarding quality of education contribute to this debate, as experience with fee abolition in many countries shows that expansion of coverage without complementary investments in supporting mechanisms has deleterious effects on the overall quality of education due to overcrowding, limited supply of trained teachers, etc.¹⁸ In particular, overall quality can be critically compromised if the resulting decrease in revenue is not offset by increased government investments to maintain sufficient levels of discretionary funding for essential, non-personnel needs, such as school supplies and facilities.

Another related argument is that equity concerns are not unique to user-financed education. The way public education is financed has significant implications for equity; in cases in which services do not reach the poor, public spending can be highly regressive in effect.¹⁹ This is particularly true in higher grades of primary education and in secondary education, where lower participation rates among the poor result in disproportionately higher state spending on the wealthy. Thus it can be argued that a user-fee policy that exempts the poor can, in fact, improve equity by increasing public expenditure to expand coverage without taking away investments to improve overall quality of education to keep children – especially the poor – in school. Also, in cases where the only form of education available to the poor is a fee-based one, a policy that categorically bans operation of schools solely on the basis of fees, however modest, could result in denial of access to services and a violation of the right to education for children.

It is useful, therefore, for the State to consider a pragmatic approach to the *progressive* realization of the right to quality education for all children. Universal coverage in the immediate term remains an unrealistic ideal for governments of most developing countries, and the progressive realization clause allows flexibility in recognizing varying levels of economic status and capabilities. This recognition includes working with

¹⁶ *ibid.*

¹⁷ See Bray, M. 1996. *Counting the Full Cost: Parental and community financing of education in East Asia*. Washington, DC; World Bank in collaboration with UNICEF.

¹⁸ Kattan, R. B. and Burnett, N. 2004. *User Fees in Primary Education*, World Bank, Washington, D.C.

¹⁹ See Colclough, C. 1996. "Education and the Market: Which parts of the neoliberal solution are correct?" in *World Development* 24 (4) and Rose, P. 2003. "Communities, Gender and Education: Evidence from sub-Saharan Africa. Background paper for 2003/4, UNESCO Education for All Global Monitoring Report, Paris.

all available resources to help fill the gap in access and quality that cannot be bridged by state provision, including those of non-state providers but not as permanent substitutes. The International Covenant on Economic, Social and Cultural Rights (ICESCR) calls for “immediate deliberate, concrete and targeted steps toward the effort to meet the various obligations set forth”²⁰

With public resources consistently failing to meet the demands of access to quality basic education, the failure of States to leverage the existing resources of non-state providers can be costly. The participation of non-state providers in education can raise different types of issues and challenges for the State because they require shifts in the roles and responsibilities of the State vis-à-vis non-state providers. However, effective partnerships can maximize the potential rewards from and minimize the risks in advancing the right to education.

Education Trends and Non-State Providers in East Asia and the Pacific

Education for all progress and challenges

Developing countries in the East Asia and Pacific region differ considerably along economic, political, cultural and ethnic lines, both between and within countries. The region encompasses some of the most populous nations in the world, such as the People’s Republic of China (PRC), as well as some of the smallest, such as the Pacific Island states. Economic status also varies considerably, with levels of GDP per capita differing widely across countries such as the Republic of Korea, Malaysia and Thailand and low-income countries such as Cambodia, Timor-Leste and Lao PDR. The Human Development Index (HDI), an aggregate measure of literacy, life expectancy and real gross domestic product (GDP) per capita, spans a wide range across the region, with Thailand (87th), PRC (92nd) and Fiji (108th) ranking much higher than Myanmar (138th) and Timor-Leste (162nd).²¹

Disparities in access

Although countries in the region have made considerable progress toward the Education for All (EFA) goals, large variations exist across countries regarding progress and remaining challenges (Table 1). Under-5 mortality rates stand well below the world average, at around 28 per 1,000 births, but the figures for Cambodia, Myanmar and Timor-Leste are higher than 85.²² Children in those countries also have higher rates of underweight prevalence and stunting. Overall progress toward universal primary education (UPE) has been steady, and since 1999, Cambodia, Myanmar and Lao PDR have made substantial gains in reducing the number of out-of-school children.

However, access remains elusive to more than 9 million primary school-age children across the region, with the out-of-school population concentrated mainly in Cambodia, Indonesia, the Philippines and Thailand. This represents an increase of 3.5 million children when compared with the 1999 figure.²³ The gross enrolment rate (GER) in pre-primary schools has hardly changed since 1999, with consistently low participation of less than 10 per cent estimated in countries such as Cambodia, Myanmar and Timor-Leste. And yet, in some countries, pre-primary enrolment rates have more than doubled since 1999, as in Indonesia. Transition to lower secondary education, including both general and technical and vocational education and training (TVET), has experienced only modest gains and is now at the centre of the EFA agenda in many countries in the region (GMR, 2009).

²⁰ *ibid.*

²¹ United Nations Development Programme. 2010. *The Human Development Report*, New York. Available at: hdr.undp.org

²² For basic statistics, see www.childinfo.org

²³ UNESCO. 2009. *Education for All Global Monitoring Report*, Paris.

Disparities in educational opportunities within countries are generally greater than those between countries, as revealed through the Asia-Pacific EFA Mid-Decade Assessment process (with the theme of Identifying Disparities: Reaching the Unreached), which resulted in 47 national reports prepared with disaggregated data on specific indicators.²⁴ A range of factors, such as poverty, geographical location, language and ethnicity, affect children's access to schools – to different degrees and extent in each country. However, in all countries, the most pervasive of disparities are those linked to poverty, which is consistently rated as one of the major factors for non-attendance at all levels of education.

Table 1: Selected education indicators, East Asia and the Pacific (2008)

	Under-5 mortality rate, 2008 (%)	Total population 2008 (000)	GNI per capita 2008 (\$US)	Primary NER 2003–2008		Secondary GER 2003–2008	
				Male (%)	Female (%)	Male (%)	Female (%)
Brunei Darussalam	7	392	26,740	93	93	96	99
Cambodia	90	14,562	600	91	87	46	38
PRC	21	1,337,411	2,770	100	100	75	76
Indonesia	41	227,345	2,010	97	94	66	66
Kiribati	48	97	2,000	96	98	82	94
Lao PDR	61	6,205	750	86	81	49	38
Malaysia	6	27,014	6,970	99	99	66	72
Myanmar	98	49,563	220	-	-	49	49
Papua New Guinea	69	6,577	1,010	-	-	-	-
Philippines	32	90,348	1,890	91	93	79	88
Solomon Islands	36	511	1,180	62	62	33	27
Thailand	14	67,386	2,840	94	94	79	88
Timor-Leste	93	1,098	2,460	64	62	53	54
Vanuatu	33	234	2,330	88	87	43	37
Viet Nam	14	87,096	890	96	91	69	64
East Asia and Pacific	28	1,996,426	3,136	98	97	73	74

Note: GER = gross enrolment rate; GNI = gross national income; NER = net enrolment rate.

Source: UNESCO Institute for Statistics.

Among populations aged 17–22, people born into the poorest households have a disproportionately greater representation among those in 'education poverty', defined as having fewer than four years of education.²⁵ In Cambodia and Myanmar, for instance, the poorest quintile accounts for more than double their population's share in education poverty.²⁶ In the Philippines and Viet Nam, Grade 5 survival rates of the poorest population group are lower by more than 15 per cent than those of the richest.²⁷ Similarly, as shown in Table 2, the

²⁴ Information Systems, Monitoring and Statistics Unit. 2008. *Education for All Mid-Decade Assessment Technical Guidelines*, UNESCO Institute for Statistics, Bangkok.

²⁵ UNESCO. 2010. *Education for All Global Monitoring Report 2010*, Paris.

²⁶ Ibid. In the absence of established cross-country benchmarks, the *Education for All Global Monitoring Report 2010* introduces three core areas (*education poverty*, *extreme education poverty*, and *the bottom 20%*) to identify groups facing restricted access to educational opportunities.

²⁷ Viet Nam 2002 Demographic and Health Survey; Philippines 2003 Demographic and Health Survey.

poorest income quintile is also disproportionately represented in the bottom 20 per cent of the education distribution (by years in school). In the Philippines, for example, over 55 per cent of those in the bottom quintile of the education distribution are from the poorest wealth quintile.

Table 2: Education poverty in selected East Asia and Pacific countries

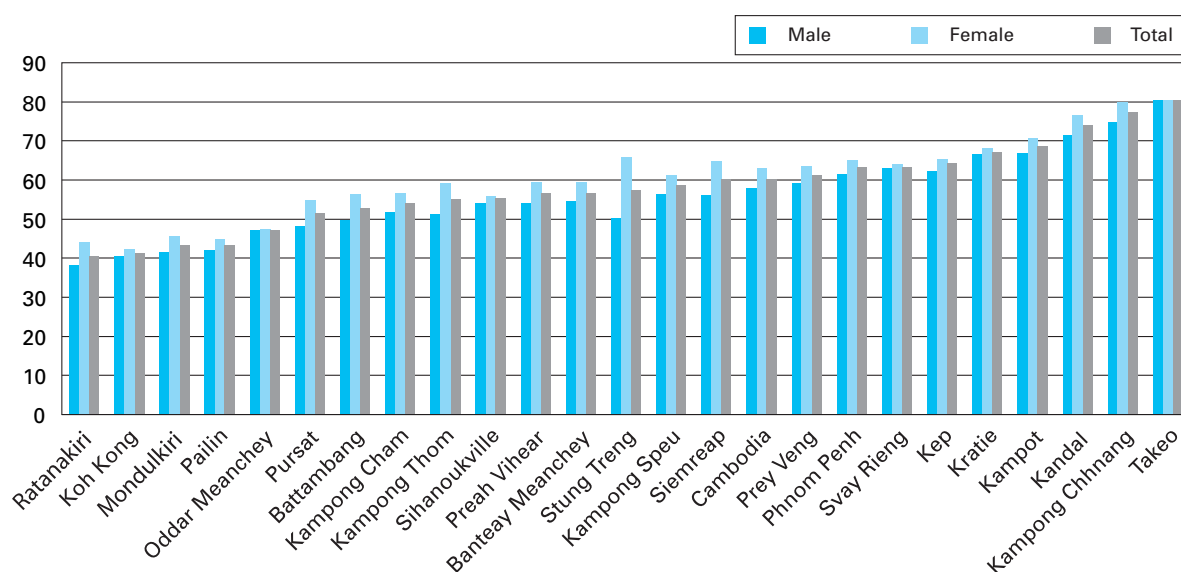
Country	Most deprived region	Share of the poorest wealth quintile in the bottom 20% of the education distribution, by years in school (per cent)
Cambodia	Northeast	36.3
Lao PDR	South	34.6
Indonesia	West Kalimantan	41.1
Philippines	Autonomous Region of Muslim Mindanao	55.4
Viet Nam	Mekong River Delta	51.0

Source: Education for All Global Monitoring Report 2010.

Poverty-based barriers are particularly pronounced at the pre-primary level, with children in Viet Nam’s poorest 20 per cent of households being nine times less likely to participate in pre-primary programmes than children in the wealthiest 20 per cent; the corresponding rate in the Philippines is 12 times.²⁸

In many cases, children from poor families also experience multiple levels of disadvantage that interact to further limit their chances of going to school. In particular, geographical isolation of the poor is prominent in many countries. As shown in Figure 1, the average survival rates to grade 5 for Ratanakiri and Mondulokiri – two of the poorest and most remote provinces in Cambodia – are nearly half those of Kampong Chhnang province. Gender disparities are also evident in the two provinces, with girls averaging just 1.8 years in school, compared with 3.2 years for boys.²⁹

Figure 1: Survival rate to grade 5, by province in Cambodia (2006/2007)



Source: Education Management Information System, Ministry of Education Youth and Sport.

²⁸ UNESCO. 2010. "Regional Overview: East Asia and the Pacific". *Education for All Global Monitoring Report 2010*, Paris.

²⁹ UNESCO. 2010. *Education for All Global Monitoring Report 2010*, Paris.

Disparities in the quality of education

“The notion that private schools are servicing the needs of a small minority of wealthy parents is misplaced.” Oxfam Education Report, 2000

Regarding the overall quality of education, high rates of grade repetition and low rates of grade 5 survival suggest the need for increased investment toward improving inputs and teaching and learning processes. Similarly to access, inequity in the quality of education at all levels remains a major challenge across the region. According to the results of the 2007 Trends in International Mathematics and Science Study, the average test scores for students in the region’s top-performing country, the Republic of Korea, were 1.5 times higher than those in Indonesia, the poorest performer among countries surveyed in the region.³⁰

The quality of the learning environment varies widely within education systems, with marked variations in class size, teacher quality, availability of teaching and learning materials and facility standards. Data on learning achievement assessments suggest inequalities based on socio-economic status, ethnicity and geographical location influence overall learning achievement. In Viet Nam, for instance, a large-scale survey found strong disparities in learning achievement among different groups, with ethnic minority students from predominantly poor, remote communities lagging behind in reading competencies compared with students from middle-class families in urban areas.³¹

Scale and nature of non-state providers

Non-state providers and the poor

Given the persistent challenges of the State in delivering quality education for all children, non-state providers engaged in education services have become important contributors to education systems. For the poor and disadvantaged, non-state providers have become the preferred or, in some cases, the only available providers of services because they are often better at reaching those marginalized by systems of state provision. Indeed, while it is commonly assumed that for-profit institutions comprise the biggest share of non-state education provision, the opposite is true in many developing countries, with non-profit, civil society organizations accounting for the biggest share.³² These include private schools that are operating as non-commercial interests designed to reach underserved communities, as well as those with differentiated needs (linguistic communities, ethnic groups).³³

Several studies have documented the emergence of low-cost private schools serving the poor. Kingdon (1996) reports on a household survey in rural India that found that about 10 per cent of children were enrolled in private, unaided schools.³⁴ Alderman, Orazem and Paterno (2001) find significant enrolment in private schools among poor families in Lahore, Pakistan, with 37 per cent of surveyed children from the lowest-income quintile enrolled in a private school. Only among the poorest families was the proportion of students enrolled in public schools higher than that in private schools.³⁵ Salmi (1998) highlights how the vast majority of private schools in Haiti operate at the bottom of the market, with only a small proportion of (mostly religious) schools operating at the elite end of the education market.³⁶ The *Oxfam Education Report* (2000) notes that private schools serve a much broader group of people than just the elite and that low-cost

³⁰ Seven countries in the East Asia and Pacific region were surveyed in 2007 TIMSS: Australia, Indonesia, Japan, Malaysia, the Republic of Korea, Singapore and Thailand. See *Education for All Global Monitoring Report 2010* for more details.

³¹ Viet Nam Ministry of Education and Training. 2001. *Vietnam Reading and Mathematics Achievement Study*.

³² UNESCO. 2007. *Global Education Digest 2007*, UNESCO Institute of Statistics, p.47.

³³ *ibid.*

³⁴ Kingdon, G. 1996. *Private Schooling in India: Size, nature and equity effects*, London School of Economics STICERD Working Paper 74, London, August.

³⁵ Alderman, H. *et al.* 2001. “School Quality, School Cost, and the Public/Private School Choices of Low-Income Households in Pakistan”, *The Journal of Human Resources*, pp. 311-312.

³⁶ Salmi, J. 1998. *Equity and Quality in Private Education: The Haitian paradox*, Technical Paper 6, World Bank, p. 29.

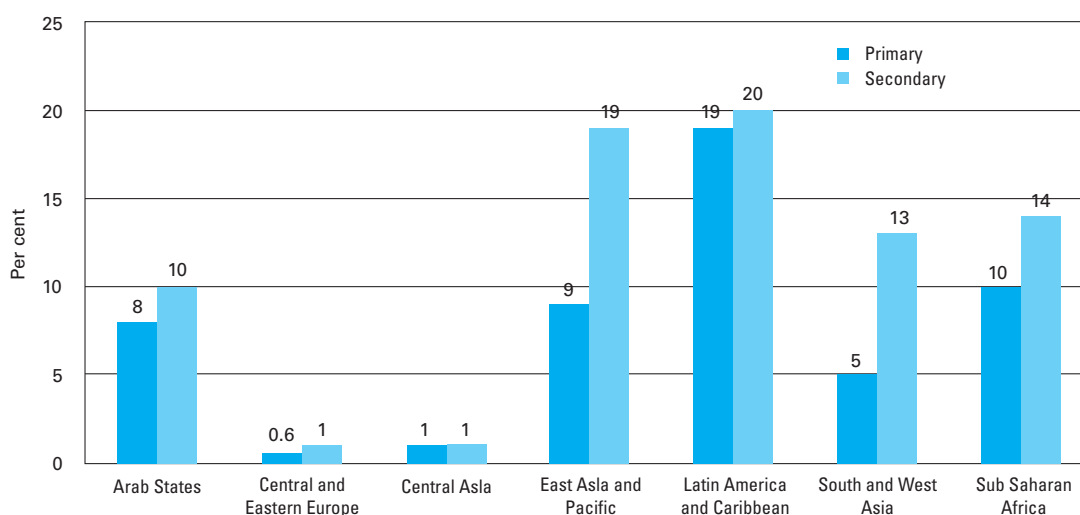
private schools have emerged to meet the demand of poor households.³⁷ According to the World Bank, one quarter of the private schools in Lahore, Pakistan, were charging less than US\$20 per annum, and more than half the families in the lowest income group were choosing private education for their children.³⁸

Postiglione and Tan (2007) report that private schools in Indonesia have provided educational alternatives for the poor and those living in more remote areas and are sometimes the only option for these students. They also note that the overwhelming majority of private institutions provide educational services for those who would otherwise be denied access.³⁹ In a 2005 study, Tooley and Dixon found that private schools made up anywhere from 65.1 per cent to 74.7 per cent of schools serving the poor in the slums of Hyderabad in India, Ga district in Ghana and Lagos state in Nigeria.⁴⁰ A recent report from the Center for Development and Enterprise (2010) documents the significant number of low-fee private schools in six areas in South Africa.⁴¹ Finally, the size and growth of PPPs, such as the Punjab Education Foundation’s (PEF) Foundation-Assisted Schools (FAS) programme that targets children from low-income families attending private schools, is further evidence of the degree to which the private sector serves the poor.⁴²

Enrolment

The significance of the non-state sector in overall education delivery can be determined by the size and nature of its participation as well as the design of the regulatory framework within which it operates. As shown in Figure 2, the median share of non-state enrolment in the East Asia and Pacific region is above all but two regions at the primary education level and above all but one region at the secondary education level.⁴³ For all regions apart from Central Asia, the non-state enrolment share is higher in secondary education than in primary education.

Figure 2: Private enrolment share, primary and secondary education, by region, 2007



Source: Education for All Global Monitoring Report 2010.

³⁷ Watkins, K. 2000. *The Oxfam Education Report*, Oxfam Publishing.

³⁸ World Bank. 1996. *Pakistan: Improving basic education*, South Asia Region, 1996.

³⁹ Postiglione, G and Tan. J. 2007. *Going to School in East Asia*, Greenwood Press, Westport CN, p. 129.

⁴⁰ Tooley, J. and Dixon. P. 2005. *Private Schools are Good for the Poor*, Cato Institute, Washington, DC, p. 8.

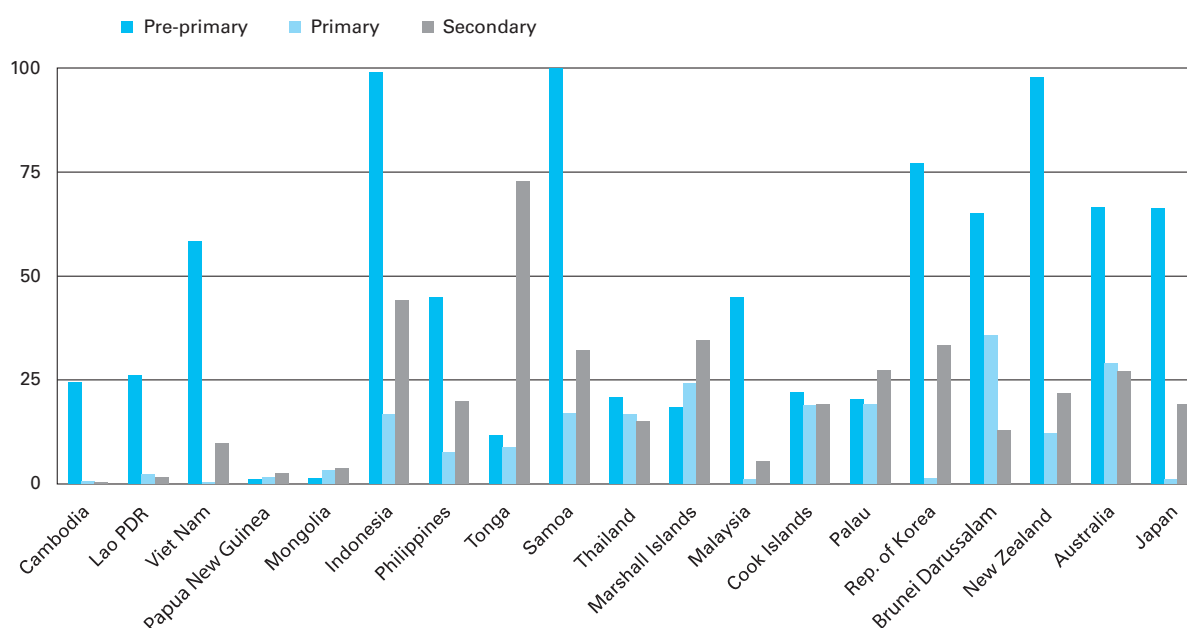
⁴¹ Center for Development and Enterprise. 2010. *Hidden Assets: South Africa’s low-fee private schools*, CDE In-depth Number 10, Johannesburg, p. 15.

⁴² Malik, A. B. 2010. *Public-private partnerships in education: Lessons learned from the Punjab Education Foundation*. ADB. Manila.

⁴³ UNESCO classifies an institution as “private” if it is controlled and managed by a non-state provider. While this definition relies on governance as the criterion, other definitions use financing as the criterion with those receiving more than half of their budget from the State classified as ‘government-dependent’ and others as ‘independent’. See UNESCO. 2003. *Financing Education: Investments and returns*, UNESCO Institute of Statistics, Montreal, p.75. In this paper, the term ‘private’ schools refers to all schools controlled/managed by non-state providers, whether for-profit, non-profit, commercial, non-government, faith-based or community-based organizations.

The relative significance of the non-state sector in education varies across the region, with non-state providers highly active in Indonesia, the Pacific islands and the Philippines compared with the relatively modest levels in Lao PDR and Myanmar. As shown in Figure 3, private enrolment rates are high at the pre-primary and, to a lesser degree, secondary levels in most countries. In comparison, private enrolment at the primary level is low across the region, possibly as a result of the universal primary education effort in recent years. For six countries, the degree of private school enrolment is lowest at the primary level; but even in those countries, the proportion of private enrolment is very high at the pre-primary and secondary levels. In some countries, such as Indonesia and Thailand, private enrolment rates are significant at all levels, including primary.

Figure 3: Private school enrolment as a percentage of total enrolment in East Asia and the Pacific (2007)



Source: Education for All Global Monitoring Report 2008, UNESCO; The State of the World's Children 2008, UNICEF; World Development Report 2008, World Bank; Basic Statistics 2006 – Developing Member Countries, ADB.

Both increasing demand and supply-side interventions have contributed to the growth of non-state provision as well as the remarkable household willingness to pay for education.⁴⁴ Private enrolment rates are high for both high- and low-income countries in the East Asia and Pacific region, as shown in Figure 4.

Expenditure

The East Asia and Pacific region is second only to North America and Western Europe in the share of global public expenditure on education (18 per cent).⁴⁵ While this appears significant, it is considerably less than its share of global wealth (28 per cent of GDP) and the school-age population (29 per cent). As a percentage of GDP, public expenditure on primary education in the region averages approximately 1 per cent, compared with 1.5 per cent in North America and Europe and 1.3 per cent worldwide.⁴⁶

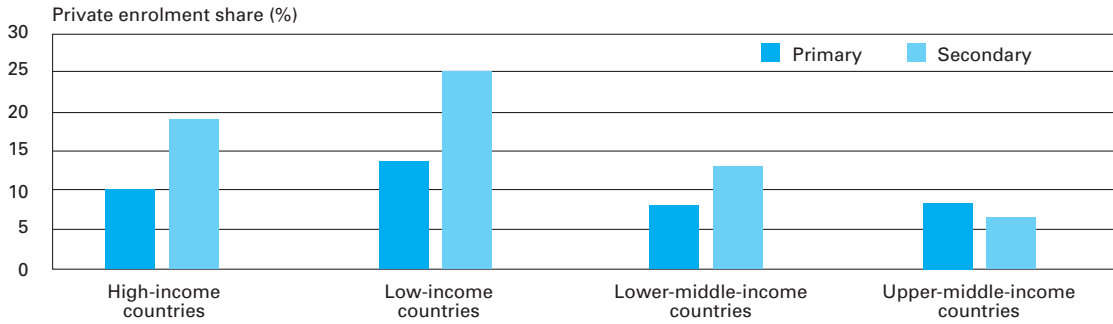
⁴⁴ Numerous empirical studies have shown people of all economic backgrounds are willing to pay for desired service and cost recovery through fees. Psacharopoulos et al. 1997. "Private Education in a Poor Country: The Case of Urban Bolivia," *Economics of Education Review*, 16 (4): 395-406.

⁴⁵ UNESCO Institute for Statistics Database at: www.uis.unesco.org [Accessed 10 March 2010].

⁴⁶ *ibid.*

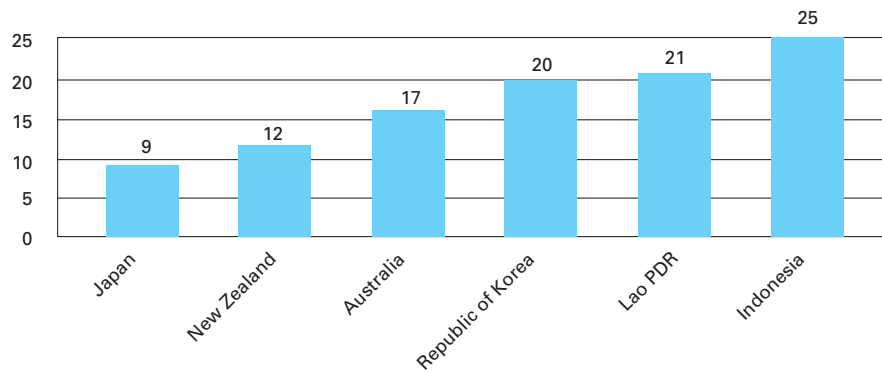
Private expenditure on primary and secondary education is relatively high in the region.⁴⁷ As shown in Figure 5, private expenditure contributes a large proportion of total expenditure on primary to post-secondary, non-tertiary education levels in Indonesia and Lao PDR, higher than in more affluent countries such as Japan.

Figure 4: Private enrolment share, by national income (2006)



Source: *Education for All Global Monitoring Report 2009*. UNESCO; World Bank EdStats.

Figure 5: Private expenditure as a percentage of total expenditure on primary to post-secondary, non-tertiary education institutions for selected East Asia and Pacific countries (2004)



Source: UNESCO Institute for Statistics.

In Indonesia, more than 90 per cent of pre-primary education expenditure and more than 56 per cent of lower secondary expenditure is from private sources.⁴⁸ At the primary level, private expenditure is as high as 44 per cent in Viet Nam and 80 per cent in Cambodia.⁴⁹ Private expenditure at the primary and secondary levels combined constitutes nearly 35 per cent of total expenditure in the Philippines.⁵⁰ Data on private expenditure for East Asia and Pacific countries are not disaggregated by types of spending, but it is generally true that spending goes toward private institutions as direct tuition as well as direct fees related to public education.⁵¹

⁴⁷ World Bank. 2004. Working paper series on *Private Sector Involvement in Education: A review of World Bank Activities in East Asia and Pacific 1996-2002*, Washington, DC, pp. 4-7.

⁴⁸ *ibid.*

⁴⁹ Data also includes household costs for private tutoring and transportation, which may not be included in other definitions of fees but still count as critical costs associated with school attendance. See World Bank. 2004. *User Fees in Primary Education*. World Bank, Washington, D.C. p. 4.

⁵⁰ World Bank. 2009. *Global Monitoring Report*, World Bank, Washington, DC.

⁵¹ For more information on examples of countries in which private financing in a publicly provided system is common see Bray, M. 1996. *Decentralization of Education: Community financing*. Directions in Development Series. World Bank, Washington, DC.

Legislation and regulation

Non-state providers exist as a market response to demands unmet by state provision, whether it is to provide specific educational content or simply by being the only provider within reach (in remote communities unreached by public systems, for example). In some countries, their participation is a result of conscientious policy intervention that recognizes and encourages their contribution through enabling legislation and financial incentives.⁵² Thus, whether it is related to barriers to entry, standards of operation, safety and quality regulations or tax codes, the design and enforcement of the regulatory framework for education can influence the relative size of the non-state sector in education.

In essence, state policies may prohibit, permit or encourage non-state providers, though in practice they vary considerably by types of service and providers, as discussed further below. At the pre-primary level across the East Asia and Pacific region, many countries have specific policies encouraging non-state provision of early childhood education services. In some cases, the government encourages cost sharing and provides support funding. For example, in Indonesia, the Ministry of National Education encourages non-state providers – including for-profit, non-profit and community-based organizations – to expand the provision of early childhood education through a block-grant subsidy system.⁵³ In the Philippines, the Early Childhood Care and Development Law, enacted in 2000, also encourages non-state sector initiatives in early childhood education, with specific guidance and supervision provided through the Department of Social Welfare and Development, which acts as the designated body for setting standards and monitoring provision.

At the primary education level, policies generally permit but do not explicitly encourage non-state providers, with many countries regarding primary education as free and compulsory and the responsibility of the State. In Myanmar, for instance, fully private schools are officially prohibited to act as alternatives to state institutions, though in practice, non-state providers are active.⁵⁴ Policies for non-state providers at the lower secondary and TVET levels are also generally favourable across the region, with many countries considering non-state resources as critical to complementing limited public education spending.

Viet Nam provides an example of specific policy direction that has encouraged participation of non-state providers in education (Box 1). Experience shows that such policies must be complemented by interventions to effectively support and leverage the resources of non-state providers so that they may contribute to the overall quality of education accessible to the poor.

While the exact size and nature of the private sector is not easy to assess, the relative significance of private sector participation in education in the East Asia and Pacific region is undeniable. Also, given the diversity of the forms of non-state provision in education, the number of non-state providers is likely greater than what can be gauged from a simplistic distinction between ‘private’ and ‘public’ education. As shown in Table 3, non-state providers are not only engaged in direct service delivery but also support governments through specific interventions in public schools. However, country data on private education often do not account for the latter, generally resulting in an underestimation of the true scale of impact of non-state providers in education. In addition, the true number of private schools is higher than official estimates suggest, given that many developing countries have large numbers of undocumented or unregistered private schools.⁵⁵

⁵² Bray, M. 1996. *Counting the Full Cost: Parental and community financing of education in East Asia*. World Bank in collaboration with UNICEF. World Bank, Washington, DC.

⁵³ The Ministry of National Education allocates a share of the early childhood education budget for these block grants, which are disbursed to private providers in the form of subsidies. The grant covers a part of the operational and start-up costs, and parents contribute the rest in the form of user fees. See UNESCO. 2009. *Overcoming Inequality: Why governance matters*. Background paper prepared for the *Education for All Global Monitoring Report 2009*. Paris.

⁵⁴ *ibid.*

⁵⁵ Aslam, M. 2007. *The Relative Effectiveness of Government and Private Schools in Pakistan: Are girls worse off?*, Recoup Working Paper 4, University of Oxford, p. 6.

Box 1: 'Socialization' of education in Viet Nam

Despite notable progress, the education system in Viet Nam encountered persistent challenges in resource availability, quality and accountability. With mounting pressure to develop human resources to match its prospects for economic growth, the Government adopted a broad public administrative reform widely known as the 'socialization' of education. The socialization strategy entails a form of de-publicizing public services, promoting the notion that contributions from communities and families are vital to public services, such as education. Generally, socialization is distinguished from 'privatization' in that it purports to mobilize not only financial resources but also contributions of ideas and commitments to education from parents and communities, particularly through its powerful mass organizations (Vietnam Women's Union and Fatherland Front). For instance, it seeks participation of multiple stakeholders in school planning and monitoring as a way of improving the quality of education. Nonetheless, the main impetus of the policy has been to impose user fees to recover costs needed to universalize primary education and full-day schooling.

Since its adoption in the 1990s, the socialization strategy has transformed Viet Nam's education system, with state schools giving way to 'semi-public' or 'people-founded' schools. Additional resources generated through user fees are believed to have contributed to the expansion of access to education, particularly for the poor and disadvantaged. However, concerns have also been raised regarding potential adverse effects on quality and barriers to access for the poorest families. Decreased public funding to schools can result in huge gaps between rich and poor communities in funding non-personnel costs, with the schools in rich communities able to levy higher user fees than the latter to be used towards quality school facilities, essential supplies and other inputs. Without targeted support, children from poor households can also be denied access to education, as evidenced by the low participation rates among the poor, particularly at the pre-primary and secondary levels.

The burgeoning number of non-state institutions, encouraged by the socialization strategy, has highlighted the vital need for established partnerships between state and non-state institutions to ensure the quality and equity of services. A recent survey released by the Ho Chi Minh City Fatherland Front Committee and the Department of Education and Training reports that many of Ho Chi Minh's non-state kindergartens generally lack qualified teachers, particularly in poorer communities. While the socialization strategy targeted at least 58 per cent of the city's children to be enrolled in non-state kindergartens by 2010, quality of services were neither monitored nor supported by the State. One Fatherland Front member lamented, "There are 690 privately run nursery schools, not including household-run nursery classes, while there is no specific division [in the Department of Education and Training] in charge of supervising the non-state establishments. How can we well manage the establishments then?"

Source: 1 April 2009. "HCM City found problems in education socialization," in Vietnam News. Available at www.vietnamnews.com. [Accessed on 25 March 2010].

Table 3: Summary of types and forms of private (non-state) provision in education

Types of providers	Forms of non-state provision
<ul style="list-style-type: none"> • Commercially driven private entrepreneurs operating individual schools • Commercially driven private school chains • NGOs • Faith-based organizations • Philanthropic associations • Spontaneous community-based organizations 	<p>NSP support for government service delivery</p> <ul style="list-style-type: none"> • Supply inputs to government schools (learning materials, school feeding) • Support to infrastructure development of government schools (school buildings) • Support to management of government-run schools • Regulation and quality control of associated services (inspection, teacher training and certification) <p>NSP service delivery</p> <ul style="list-style-type: none"> • Managing and operating government schools • Establishing and operating private schools • Private tuition supplementing government provision • Receiving state funds to provide schooling to specific groups of children

Source: Adapted from Rose, P. 2007. *Supporting Non-State Providers in Basic Education Service Delivery. Research Monograph No.4. UK Department for International Development. p. 5.*

In practice, education institutions are often characterized by a hybrid system in which government and non-state providers cooperate in mixed delivery and financing arrangements (see Figure 6). The extreme case in which schooling is entirely funded and provided either by the government or the private sector is rare.⁵⁶ For instance, in Cambodia, 60 per cent of resources for ‘public’ primary education are direct household contributions rather than indirect contributions through the State. In Indonesia, more than 65 per cent of ‘private’ primary school funding comes from the State.⁵⁷ Thus, even as debates around the relative efficiency of public versus private schools continue, it is more useful to abandon the false dichotomy between public and private schooling to allow a more meaningful assessment of the range of policy options to expand access to quality services for the poor.

Figure 6: Financing and provision of services

		Provision*	
		Private	Public
Finance	Private	Private schools** Home schools Tutoring	User fees Student loans
	Public	Vouchers Charter schools Contracting out	Public schools

Note: *provision includes ownership and management
 **private schools include for-profit, non-profit, formal or informal

Source: Adapted from LaRocque (2008) *Public-Private Partnerships in Basic Education: An international review, CfBT Education Trust, Reading, p. 37.*

⁵⁶ World Bank. 2009. *Global Monitoring Report, Washington, DC, Chapter 3.*

⁵⁷ Bray, M. 2002. *The Cost and Financing of Education: Trends and policy implications.* Asian Development Bank. Comparative Education Research Centre, University of Hong Kong.

The Role of Public-Private Partnerships in Education

Defining Public-Private Partnerships

One such innovation involves the use of PPPs, under which the public and non-state sectors work together to achieve desirable economic, social and educational goals. Definitions of PPPs vary, as explained in Box 2, but they generally share several features – a formal relationship between partners, most often in the form of contracts, with defined outcomes for a specific period of time. It does not matter whether the non-state sector partner is profit oriented, philanthropic, faith-based or community-based; but in all PPPs, an element of risk sharing between the public and non-state sectors exists in the arrangement. The public sector defines the scope of business, targets and outputs, and the non-state sector delivers them, based on built-in incentives.⁵⁸ PPPs can be distinguished from privatization, with the latter involving a permanent transfer of control from the public sector to the private sector, while the main aim of PPPs is to promote improvements in the financing and provision of services without altering the balance of control of one over the other.⁵⁹

Box 2: Public-private partnership defined

“A risk-sharing relationship based upon an agreed aspiration between the public and private (including voluntary) sectors to bring about a desired public policy outcome. More often than not this takes the form of a long-term and flexible relationship, usually underpinned by contract, for the delivery of a publicly funded service.” Commission on UK Public-Private Partnerships

“A cooperative venture between the public and private sectors, built on the expertise of each partner, that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards.” Canadian Council for Public-Private Partnerships

“Arrangements whereby the private sector provides infrastructure assets and services that traditionally have been provided by government, such as hospitals, schools, prisons, roads, bridges, ...” Organisation for Economic Co-operation and Development

Given the significant educational challenges confronting developing countries and the potential for increased access, quality, efficiency and accountability offered by increased private participation in education, it is incumbent upon policy makers to explore innovative ways of financing and delivering quality education efficiently.

This report discusses, for the most part, PPPs involving contracting-type arrangements that bring together governments and non-state providers, broadly defined to include both the commercial and non-profit sectors. However, such a definition of PPP is by no means exclusive. PPPs can be defined more narrowly

⁵⁸ LaRocque, N. 2008. *Public-Private Partnerships in Basic Education: An International Review*. CfBT Education Trust, Reading, p. 8.

⁵⁹ Wang, Y. 1999. *Public-Private Partnerships in Health and Education: Conceptual issues and options*, paper prepared for Manila Social Policy Forum: The New Social Agenda for East, Southeast and Central Asia, Joint ADB-World Bank Conference, November 9-12.

to include only arrangements involving government and the commercial sector. In other cases, PPPs are sometimes even more narrowly defined to include only infrastructure partnerships such as the UK's Private Finance Initiative.⁶⁰ To others, these narrow, contract-oriented PPPs do not constitute partnerships in the true sense of the word.⁶¹ Also, some broader partnerships are more formal and systemic in nature, as in the case of faith-based organizations (Box 3). Multi-stakeholder partnerships for education are a different form of partnership, bringing together many actors – government, the private sector, civil society, academic institutions and other organizations – to increase access to and improve the quality of education.⁶² These can vary considerably in terms of purpose, scope, complexity, level of engagement, size and diversity of partners.

Box 3: Faith-based organizations in education

In some countries, non-state providers are based on systemic alliances formed with the government, whereby a large share of education is provided by the private sector but remains under public financing and/or ownership. Such alliances are prominent in several countries in the East Asia and Pacific region with dominant religious traditions. Indonesia is one example where madrasahs (Islamic institutions) account for approximately 6 million school-age children, or about 20 per cent of primary enrolments. Madrasahs are managed by private, non-government providers but are under the public oversight of the Ministry of Religious Affairs. Similarly, in Papua New Guinea, the proportion of schools managed by churches is estimated to be around 50 per cent at the primary level and 30 per cent at the secondary level, although the degree of state engagement, in terms of funding and regulation, is not as strong as in Indonesia.

Sources: Indonesia Education Strategy 2007-2012. Ministry of Religious Affairs; Gibbs, P. 2002. "Religion and religious institutions as defining factors in Papua New Guinea politics," in Development Bulletin 59.

Public-Private Partnerships: Potential Benefits and Risks

Potential benefits of PPPs

There are many potential benefits to PPPs in education, the most significant of which is that they can help to widen access to education. The public sector experiences considerable resource constraints in financing and providing education services to all. PPPs can play a complementary role to the State by providing additional finance to the education sector through, for example, adopt-a-school type programmes and other forms of philanthropy, thus filling the gaps left by the State. PPPs can also increase access by making use of private schools to absorb the excess demand for schooling in particular geographical areas. This directly increases access for those attending private schools and reduces class sizes for students in overburdened public schools. The Education Service Contracting scheme in the Philippines does exactly that by targeting areas where public high schools are overcrowded.

PPPs may also help to lift the quality of education delivered by incorporating the knowledge, skills and innovations available in the non-state sector, whether pedagogical or technical. PPPs, by increasing choice in education and linking educational subsidies to demand, may also lead to increased accountability

⁶⁰ *ibid.*, p. 23.

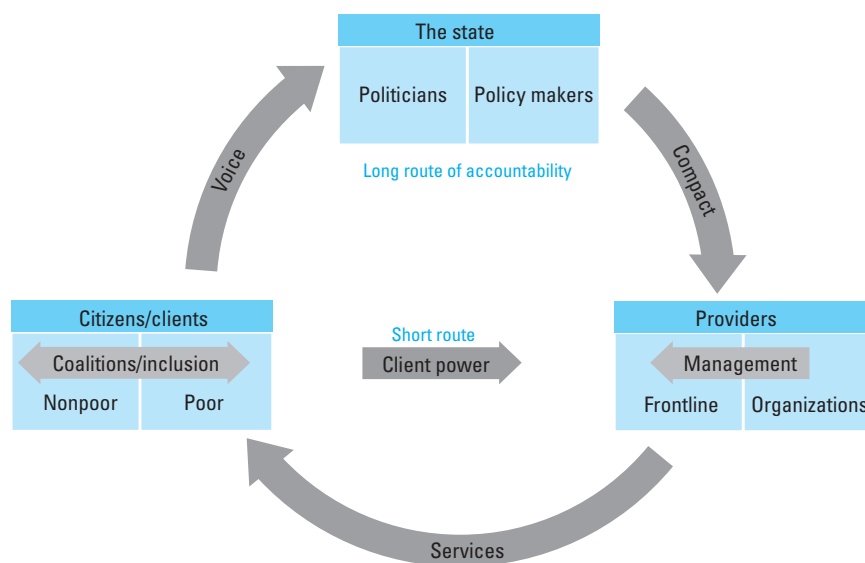
⁶¹ Draxler, A. 2008. *New Partnerships for EFA: Building on experience*, UNESCO-IIEP and World Economic Forum, Paris and Geneva, p. 32.

⁶² www.pfore.org/about.

for educational results. This is because under PPPs, parents can hold educational providers directly accountable for the quality of service provision (short-route accountability) rather than having to hold providers accountable through the political process (long-route accountability), as described in Figure 7.⁶³

Proponents of PPPs argue that not only is short-route accountability good for increasing quality, it is also advantageous in its own right because strengthening local accountability offers a way of influencing the demand for education as well as ensuring its relevance to those being served. Indeed, emphasis on local-level accountability is an approach embraced by many international NGOs and development agencies alike, including UNICEF, in basic social services.⁶⁴ The overall benefits of short-route accountability are particularly evident in areas underserved by governments that are too fragile or unable or unwilling to respond to the demand for education.⁶⁵

Figure 7: Short and long routes of accountability



Source: World Bank. 2004. *World Development Report 2004: Making services work for the poor*, World Bank and Oxford University Press: Washington. D.C.

PPPs can also help to increase the efficiency of education delivery. This can occur in a variety of ways. First, use of non-state education providers may lead to the introduction of innovations in areas such as school and teacher management. Second, PPPs allow governments to overcome the rigid regulatory frameworks that govern state schools in many countries, including outdated pay and employment arrangements. Finally, partnerships allow governments to transfer responsibility for certain functions such as delivery to the private sector, while the government focuses on areas of comparative advantage, such as policy, planning and quality assurance.

Potential risks of PPPs

The arguments in favour of PPPs are by no means universally accepted, and PPPs have been subject to criticism. A primary concern with PPPs is that the contracting that underlies them may be complex and require considerable government design, implementation and monitoring capacity in order for the benefits

⁶³ World Bank. 2004. *World Development Report 2004: Making services work for the poor*, World Bank and Oxford University Press, Washington. D.C.

⁶⁴ Rose, P. 2007. *NGO Provision of Basic Education: Alternative or complementary service delivery to support access to the excluded?*, CREATE Research Monograph No.3, Brighton: University of Sussex.

⁶⁵ *ibid.*

to be realized. This is of particular concern in countries in which the State has relatively limited experience working with the private sector and with contracting, which may leave it exposed to financial and quality risks.

A second criticism is that the non-state sector is not sufficiently developed or sufficiently large to allow for PPPs in education – particularly in poorer areas. Clearly, sufficient capacity in the non-state sector is required if the government is to contract for the delivery of education services. Inadequate regulatory and policy frameworks and administrative systems in developing countries may also hinder the effective implementation of PPPs and the delivery of quality education.

Critics argue that limited government capacity and a weak policy framework also mean that PPPs can result in a loss of accountability to the public in its role as the duty-bearer of education. Ministries of education are traditionally among the most conservative, regarding control over curriculum, language policies and politicization of content – and thus may be reluctant to relinquish control to non-state provider partners.

What role for PPPs in the education sector?

At this stage, debates over the appropriateness of PPPs in the education sector are largely theoretical. Despite a growing number of PPPs in education around the world, rigorous evidence on the impact of these programmes is limited except for vouchers, for which there is more extensive literature. This is due in part to inherent difficulties in defining what is meant by ‘quality’ education and to the lack of studies carried out using rigorous evaluation techniques.⁶⁶ Regarding interventions such as non-state management, subsidies and non-state finance initiatives, empirical information is less abundant. Evidence on the Colombian voucher programme indicates it had positive effects on several outcomes over both the short and long terms, including school attendance, years of schooling, repetition rates and standardized test scores. On the other hand, evidence on the national Chilean voucher scheme is mixed and controversial. Voucher programmes in Denmark, the Netherlands and Sweden appear to have increased competition and, in the case of the latter two, have had a positive effect on student achievement.⁶⁷ An independent evaluation of the Punjab Education Foundation’s Foundation-Assisted Schools programme in Pakistan found that it led to a marked improvement in school administration and management, lower teacher attrition, regular teacher attendance, better learning outcomes and increased teacher salaries and working conditions.⁶⁸ More and better evidence is required to assess the potential for PPPs in the education sector.

These arguments provide a useful starting point for considering the potential for introducing education PPPs in any given country context. Rigorous empirical evidence of the impact of PPPs in a developing country context remains inconclusive, but available studies do show promising trends of PPPs and, more importantly, some of the essential elements to implementing successful PPPs, particularly for the benefit of the poor. While there are legitimate concerns about the use of PPPs, some are unlikely to be relevant in practice. Clearly, PPPs – like any other education reform – should not be seen as a panacea for improving education performance in developing countries. A variety of factors, both internal and external to the education system, will influence the extent to which PPPs (or any other school reform) can deliver successful outcomes for children. Despite this, it seems that PPPs do have some advantages as policy tools and can play a role in broadening access and lifting the quality of education in developing countries.

As discussed in the next section, a range of PPP models can be explored, and the degree of benefits and risks associated with PPPs with respect to equity cannot be generalized for all populations and across different levels of education. The range of PPPs in place across both developed and developing countries

⁶⁶ Quality of education is defined in different ways in the context of education, and efforts to measure quality are equally varied, from teacher quality to learning outcomes to perceived quality of beneficiaries. See Rose (2007) and Patrinos, H. 2005. *Education Contracting: Scope of Future Research*, Program on Education, Policy and Governance Report 05-23, Harvard University, Cambridge, MA: Harvard University Press.

⁶⁷ World Bank. 2009. *The Role and Impact of Public-Private Partnerships in Education*, Washington, DC, pp. 31-41.

⁶⁸ Innovative Development Strategies. 2009. *Third Party Evaluation of Punjab Education Foundation Foundation-Assisted Schools (PEF – FAS) programme*, Islamabad, p. 61.

suggests they offer a flexible model that can be adapted to differing local circumstances. To be sure, moving toward the establishment of effective partnerships is a gradual process that can only be achieved in incremental and deliberate steps, beginning with no less than the State’s recognition of the private sector as a potential partner in the goal to achieve educating all children. A key to progress in the implementation of PPPs in the education sector is to overcome concerns among both policy makers and the wider public about the potential for private sector involvement in education and the potential for PPPs to assist developing countries in meeting their economic, social and educational objectives.

Public-Private Partnership Models with a Focus on Targeting the Poor

Although many East Asia and Pacific countries have significant non-state education sectors – one of the prerequisites to development of PPPs – there are comparatively few PPPs operating in the region. There is a range of education PPP models around the world, including a small number of countries in the region, such as Indonesia and the Philippines. This section outlines some of the models that exist in the education sector across the East Asia and Pacific region and elsewhere. The section begins with a classification of education PPPs according to different types. For the purposes of this paper, PPPs are categorized as follows: (i) education service-delivery initiatives, (ii) non-state management of public schools, (iii) voucher and voucher-like initiatives, (iv) professional and support services, (v) infrastructure initiatives and (vi) philanthropic initiatives (Table 4).⁶⁹

Table 4: Classification of PPPs in education

PPP type	Examples
Education service delivery initiatives	<ul style="list-style-type: none"> Contracting with private schools for delivery of education services Contracting with private providers for delivery of specialist curricula Provision of tutoring services
Non-state management of public schools	<ul style="list-style-type: none"> Private management of public schools
Voucher and voucher-like initiatives	<ul style="list-style-type: none"> Publicly and privately financed voucher programmes Targeted scholarship programmes Payment of subsidies to students at private schools Education tax credits/tax assistance
Professional and support services	<ul style="list-style-type: none"> Teacher training Curriculum design School review/evaluation services Ancillary services, such as meals and transportation Educational testing and school rating services
Infrastructure initiatives	<ul style="list-style-type: none"> Private finance initiatives – finance, construction and maintenance of core and non-core educational assets Private leasing of public school facilities Equipping and maintenance of IT laboratories
Philanthropic initiatives	<ul style="list-style-type: none"> Scholarships, private voucher programmes School sponsorships Adopt-a-school programmes School construction

Source: Adapted from LaRocque, N. 2008. *Public-Private Partnerships in Basic Education: An international review*. CfBT Education Trust, Reading, and World Bank. 2009. *The Role and Impact of Public-Private Partnerships in Education*, Washington, DC.

⁶⁹ This classification is similar to that outlined in LaRocque, N. 2008. *Public-Private Partnerships in Basic Education: An International Review*, CfBT Education Services, and LaRocque, N. 2005. *Contracting for the delivery of education services: a typology and international examples*. Program on Education Policy and Governance. Working Paper 05-07, Cambridge, MA: Harvard University Press.

Educational service-delivery initiatives

These generally involve programmes under which a government agency, such as the ministry of education, purchases places for students in private schools. These arrangements are often used in cases in which there is insufficient, or a complete lack of, space for students in the local public schools – particularly in poor areas. Thus governments may see the use of contracting with the private sector as a cheaper option than either expanding existing schools or building new ones. These PPP programmes generally share several design features:

- A formal contractual arrangement between the government and the school. Contracts may be either short and simple or lengthy and complex.
- Payments are demand driven, with the school paid for each student they enrol. The per-student payment may be a fixed amount or the amount may differ depending on the student's grade level or other factors, such as gender (schools may be paid more for each girl they enrol. Schools cannot charge fees above the level of subsidy provided, so the education is free to the student.
- Schools must meet certain criteria to enter the programme; for example, they must be registered or meet other minimum standards relating to teachers and infrastructure.
- Schools are generally held accountable for student performance. Those that do not meet the required standard of instruction (as determined by test scores or some measure of quality) may be removed from the programme.
- Other programmes are open to for-profit and non-profit schools.

There are numerous examples of such programmes in East Asia and the Pacific and elsewhere. The Philippines Education Service Contracting (ESC) scheme, which was introduced in the 1980s, is one of the largest educational service-delivery programmes in the world (Box 4).

Box 4: Education service contracting, Philippines

Under the ESC programme, the Government contracts with private schools to enroll students in areas where there is a shortage of places in public high schools. The per-student payment to private schools can be up to 5,000 pesos (US\$115) for students outside the national capital region and 10,000 pesos (US\$230) for students within the national capital region. ESC is one of several schemes that come under the Government Assistance to Students and Teachers in Private Education programme. Subsidies under the ESC are generally restricted to students at schools that charge low fees, and preference is given to students from low-income families. ESC is administered by the Fund for Assistance to Private Education, a private non-profit organization.

The programme has grown significantly in recent years – in terms of both the number of grantees and participating private schools. In 2008/2009, there were almost 477,000 ESC grantees in more than 2,000 participating private schools. Since 2003/2004, the number of ESC grantees has grown at an average annual rate of 12 per cent, three times the rate of growth over the 1997/1998 to 2003/2004 period. In 2008/2009, nearly one half of all private secondary schools in the Philippines had ESC grantees enrolled in their school. These figures compare with just 4,300 grantees and 158 participating schools in 1986/1987.

Source: Updated from LaRocque (2008).

The Foundation-Assisted Schools (FAS) programme is operated by the Punjab Education Foundation (PEF) in Pakistan. The FAS pays participating schools 350 rupees (US\$4) per month per student enrolled. Schools are located in poor urban and rural areas in Punjab province and cannot charge tuition fees. Continued participation in the programme requires that students meet performance standards. The programme was introduced in late 2005 and has expanded rapidly – from 54 schools and 20,000 students in late 2005 to 1,157 schools and 500,000 students in early 2008. Pakistan’s Sindh Education Foundation (SEF) is introducing the Promoting Private Schooling in Rural Sindh (PPRS) programme, which will use a PPP model to increase access to basic education in rural areas of Sindh province. The PPRS will operate like the FAS model and is being supported by a World Bank loan. The SEF expected to establish 100 schools under the programme in 2010. The Baluchistan Education Foundation also introduced a PPP programme under which it selected private school operators to set up 300 low-fee schools over the project period in rural and semi-urban areas of the province.

In February 2007, the Government of Uganda introduced its universal secondary education (USE) policy, through which it pays a subsidy for each student enrolled in eligible non-state secondary schools. Participation in the USE programme is limited to non-state secondary schools in counties that are not served by government-aided or public schools. Only schools charging no more than 75,000 Ugandan shillings (US\$32) per student per term can participate. Participating schools are chosen by the Ministry of Education and Sports and receive a subsidy of 47,000 shillings (US\$20) per student per term – well below what participating government-aided schools receive. A memorandum of understanding is signed with individual private schools to ensure compliance with the policy’s implementation guidelines. In 2008, there were some 430 private secondary schools – serving approximately 56,000 students – participating in the USE programme.

The Venezuelan Association of Catholic Education (AVEC) operates more than 700 Catholic schools, most of which deliver education to poor children. In 1990, the Ministry of Education, Culture and Sport (MECD) struck an agreement with AVEC to provide subsidies to private schools located in low-income urban and rural areas, indigenous communities, vocational schools and those schools that were only able to cover up to 85 per cent of operational costs. In 2005, government subsidies to AVEC schools amounted to almost US\$49 million, covering 483,000 students.

The agreement between the MECD and AVEC holds AVEC schools to a higher degree of accountability for performance than public schools.⁷⁰ Whereas there are no conditions imposed on public schools, AVEC schools must provide financial statements to the MECD regarding the use of funds and present an annual management report. Supervision is also a large part of the AVEC model: Supervisors visit the schools twice a year to assess the academic and operational situation.

Private management of public schools

Under these programmes, the government contracts directly with non-state providers to manage and operate public schools. Although these schools are privately managed, they remain publicly owned and the government remains ultimately responsible for their performance. Contract schools can be run by for-profit, non-profit or community organizations.

Schools are paid a fixed amount per student or are paid a management fee. Privately managed schools are subject to performance benchmarks. Unlike education service delivery PPPs, the infrastructure used to teach students is also publicly owned. Privately managed schools are generally used in poor and disadvantaged areas. Teachers may be subject to centralized government contracts or may work under more flexible contracts.

⁷⁰ Mora, J.G. 2005. *Public-Private Partnerships in Latin America: A review based on four case studies*, Paper presented at the Conference on Mobilizing the Private Sector for Public Education, October 5-6, Harvard University, Cambridge, MA.

One example of a privately managed public school programme is the concession schools model in Bogota, Colombia. In this scheme, newly constructed public schools are managed by non-state providers. To be eligible, non-state providers must be organizations with a good track record, and are chosen by a competitive selection process. Contracts are 15 years in length, and schools have considerable management autonomy, including being exempted from inflexible pay and employment legislation. Schools are paid US\$500 per student per year – about what public schools are paid, although they operate for a full day rather than a half day as do their public counterparts. Schools are located in disadvantaged areas. Concession schools are subject to formal contracts that specify delivery standards, including educational outcome targets. There are some 25 concession schools serving over 26,000 students, and there are plans for additional schools.

One example is the Fe y Alegría programme that operates in South America (see Box 5).

Box 5: Fe y Alegría, South America

Fe y Alegría (FyA) is a Jesuit-controlled NGO that operates formal pre-school, primary, secondary and technical education programmes in the poorest communities in Latin America and Spain. The programme began in 1955 and has since spread to 14 other countries. FyA's primary mission is to provide quality education to poor people, to ensure that students complete at least the basic cycle of schooling and to establish schools that operate on behalf of community development. Under the FyA model:

- ministries of education pay the salaries of teachers and the principal;
- foundations, international agencies and voluntary fees from the local community pay for the land, construction and maintenance of schools;
- the community invites FyA to open a school and builds it;
- FyA trains and supervises teachers, manages the school and assists it in its operation as a community development centre.

A national office coordinates the network of FyA schools in each country, while overall coordination is provided by its headquarters in Venezuela. Most FyA schools are located in rural areas, but some are found in or near urban slums. FyA schools can be either public or private, although a majority are public. Schools generally enjoy considerable autonomy – they can appoint school directors and teachers without state or teacher union interference. The central curriculum is supplemented with locally developed materials. FyA schools do not charge compulsory fees. The main indicator of school performance is student retention. In 2005, there were more than 1.2 million students in the FyA network – up from just 220,000 in 1980. Over 500,000 of these FyA participants were in formal education programmes.

Source: Patrinos, H. et al. 2009. The Role and Impact of Public-Private Partnerships in Education, World Bank, Washington DC.

A second example is a programme under which a local NGO in Pakistan – Cooperation for Advancement, Rehabilitation and Education (CARE) – manages more than 170 public schools on behalf of the City District Government of Lahore (CDGL). Unlike most private management models, CARE does not receive any compensation from the CDGL. Instead, it raises philanthropic funds to increase schools' budgets to pay

for extra teachers, books, pedagogical aids, etc. CARE schools operate with a mix of publicly funded regular teaching staff, publicly funded contract teachers and teachers hired by CARE using its philanthropic funds. Some CARE schools also participate in the FAS programme operated by the Punjab Education Foundation. Developments in Learning (DIL) is another NGO in Pakistan that operates a mixed school adoption/private management model. Under that model, the DIL provides additional funding for its 'adopted' public schools and contracts with private providers to manage those schools.

Voucher and voucher-like programmes

School vouchers are a certificate or entitlement that parents can use to pay for the education of their children at a public or non-state school of their choice rather than the public school that is closest to them or to which they have been assigned. Vouchers are paid directly from a public entity to parents or to schools directly on parents' behalf. Voucher programmes are in many ways similar to the educational contracting models described previously – fixed payment per student – although they differ in that, with vouchers, the government does not 'bulk buy' places at a particular school as they do under school-contracting schemes. In both cases, however, the decision to attend a particular school is made by the parents rather than the government. It can be argued that the voucher model reduces the single-buyer risk (the significant revenue loss if the contracting agency decides not to renew a school's contract). But schools that participate in a voucher scheme are likely to experience similar risks in that they generally need to meet certain preconditions to remain in the programme.

Voucher programmes may have quite different design features and associated rules and regulations relating to eligibility, fee charges, school registration and student admissions. For example, some programmes may allow schools to charge fees on top of the value of the voucher, while others may not. In essence, governments use vouchers to 'contract out' enrolment of students or buy outputs, which allow expansion of access more quickly through existing schools rather than building and equipping new schools. Another important reason for using vouchers is that they can promote competition and choice, which in turn can lead to improvements in innovation and efficiency in both public and private schools. Vouchers can also be much better targeted to the poor and disadvantaged students and give them a range of educational choices because they can attend public or private schools. Governments can use vouchers to target low-income students, and hence, publicly funded vouchers could provide a higher quality of education at a lower cost than would be possible through only public provision. In addition, many non-profit, private schools subsidize publicly funded students, in which case vouchers allow them to benefit from the higher fees paid by privately funded students.⁷¹

Voucher programmes are more common than either school-contracting or school-management programmes discussed above and exist in many developed and developing countries, including Chile, Colombia (Box 6), the Netherlands, New Zealand, Pakistan and the United States. These include programmes with national coverage and those with subnational coverage.

There are many examples of voucher programmes. Chile and the Netherlands operate national voucher programmes, for example. The Chilean voucher programme was introduced in 1980 and covers public and non-state (secular and religious) schools. Schools receive monthly payments based on the number of students enrolled. Initially, subsidized schools could not charge fees, but this has been changed. Nonetheless, vouchers do cover most or all of the tuition cost at eligible schools. Voucher schools must follow certain operating guidelines relating to basic facilities, employment of certified teachers, class sizes and so forth.

⁷¹ World Bank. 2006. *Colombia Contracting Education Services*, Report 31841-CO, Washington, DC.

Box 6: Plan de Ampliación de Cobertura de la Educación Secundaria (PACES), Colombia

In the 1990s, Colombia experimented with a targeted voucher programme whose objective was to increase access to secondary schooling for children from poor families. PACES provided 125,000 vouchers during its six years in operation, from 1992 to 1997. The programme offered vouchers to students entering the sixth grade, the start of Colombian secondary school. Elements of the programme included:

- vouchers were available to children from low-income families who had attended a public primary school and who had been accepted at a private school;
- voucher renewal was linked to satisfactory academic performance;
- the value of the voucher was US\$190 – about half the cost of attending a private secondary school;
- the voucher was deposited by the student, and the school received funds directly from the bank rather than an intermediary;
- schools were allowed to charge top-up fees; and there was minimal regulation of private schools.

As noted by Patrinos (2005), the programme led to considerable enrolment increases, especially for the disadvantaged, at a low cost to the Government. The quality of education provided under the programme was at least comparable to that provided in public schools, yet the per-beneficiary cost was about 77 per cent of the unit cost of public secondary education.

Source: LaRocque, N. 2008. Public-Private Partnerships in Basic Education: An International Review, CfBT Education Services, Reading.

The voucher programme in the Netherlands applies to both public and independent schools. Non-profit organizations and parents can set up schools if they meet certain minimum requirements. Funding follows the student, and schools receive the equivalent of the per capita cost of public schooling for each student enrolled. The number of teachers to which each school is entitled is determined by student numbers. Schools are free to supplement their government funding, but this is severely limited. The Ministry of Culture, Education and Science places requirements on schools in relation to the quality of education delivered. Schools serving disadvantaged students receive higher per-student subsidies.⁷²

Several other examples of voucher programmes exist, including the Swedish school choice programme, the voucher scheme operated by the PEF in Pakistan and several American city and state-level programmes, such as the Milwaukee Parental Choice programme. New Zealand operated a voucher scheme – the Targeted Individual Entitlement – in the 1990s that provided non-state school vouchers to students from low-income families.

There are also several examples of voucher-like programmes operating in countries as diverse as Australia, Bangladesh, Canada, New Zealand and Senegal. Although such programmes are not vouchers in name, they are similar to vouchers in that they provide subsidies (full or partial) to private schools

⁷² Patrinos, H. 2010. *Private Education Provision and Public Finance*, Policy Working Paper 5185, World Bank, Washington, DC, pp. 5-8.

or to students attending non-state schools. In some cases, assistance may involve a per-capita subsidy, while in other cases assistance may be in-kind (teachers). The difference between vouchers and some voucher-like programmes is marginal at best – often the only difference is whether the voucher is full or partial. While voucher-like programmes may involve payments directly to schools (as opposed to certificates to be redeemed by families), many are, for all intents and purposes, vouchers in that they involve demand-based financing triggered by student enrolment.

Professional and support services

Governments also make considerable use of PPPs for the delivery of professional and support services such as school evaluation/school review, teacher training and textbook publication. Examples include CfBT Education Trust, which undertakes school evaluations for public schools in Dubai on a regular basis. Non-instructional services, such as transportation and school meals can also be contracted out through PPPs. One example is Mongolia's primary school lunch programme (Box 7). Generally, PPPs for professional and support services allow governments to utilize private expertise and efficiency on particular services as well as economies of scale to increase cost-effectiveness and release schools and education officials to focus on teaching. The relative ease with which the quality of inputs can be specified and monitored through contracts makes this type of PPP one of the least risky partnerships. Some form of professional and support service contracts exists virtually in every public education system around the world.⁷³ Innovative use of targeted support and pro-poor criteria also enables governments to use these types of PPPs to address disparities and reduce inequality in enrolments and completion, especially among the poor.

Educational infrastructure partnerships

PPPs are an increasingly common form of procurement for large infrastructure projects in the education sector. Infrastructure PPPs can be structured in a variety of ways (Table 5). Under the most common type of PPP arrangement – build-operate-transfer – a private operator is granted a franchise (concession) to finance, build and operate an educational facility such as a public school, university building or hostel. The government, in effect, leases the facility from the private sector for a specified period, after which the facility is transferred to the government.

Although arrangements can differ widely, infrastructure PPPs have many characteristics in common. Non-state sector partners invest in school infrastructure and provide related non-core services (building maintenance); the government retains responsibility for the delivery of core services, such as teaching; arrangements between the government and its private sector partner are governed by long-term contracts – usually 25–30 years. Contracts specify the services the private sector has to deliver and the standards that must be met; service contracts are often bundled, with the private sector taking on several functions such as design, building, maintenance and employment of non-core staff; and payments under the contract are contingent upon the private operator delivering services to an agreed standard.

Infrastructure PPPs differ from traditional procurement methods in several ways. First, the non-state sector provides the capital required to finance the project. Second, the government specifies the contract in terms of 'outputs' or service requirements rather than in terms of 'inputs'. Third, the newly constructed facility is not turned over to the government upon completion. As noted above, it is operated by the non-state sector until the end of the contract period.

⁷³ *ibid.*

Box 7: Primary school lunch programme, Mongolia

In Mongolia, approximately one third of primary school children are reportedly undernourished, especially during springtime following the long winter months. A daily intake of 200 ml of milk is recognized as providing children with a sufficient amount of protein, energy, micronutrients and vitamins, improving their overall nutritional status.

In 2006, the Government launched a school lunch scheme for primary school children, under a PPP arrangement. As a result of intense lobbying by the Mongolian Food Industry Association, only domestic produce is used, with 80 per cent of meals provided by local dairy enterprises. Also known as the 'milk scheme', the programme aimed to provide children with nutritious snacks to improve their health and learning capacity and overall school attendance, particularly among poor families. Policy was developed to allow local governments and school administrators to select private providers through the bidding of contracts. In the 2007/2008 school year, an estimated 9.7 billion tugrik (US\$8.1 million) was spent for about 187,600 children in grades 1–4.

A few years after the launch of the programme, reports of its impact were mixed. Some noted modest reductions in truancy and improvements in study habits. However, many raised concerns of poor quality products as well as high levels of corruption and nepotism among school officials engaged in the contracting processes. In 2007, an audit of the programme conducted by the National Audit Office found evidence of widespread misuse of funds and limited transparency in schools regarding budgeting, planning and the selection of suppliers. The experience reveals the critical importance of effective monitoring and oversight to ensure adherence to appropriate standards and practices to realize the full benefits of PPPs.

Source: Bolortuya, B. July 2008. "Lunch Programme Implementation is Insufficient." In Mongolian National News Agency: www.montsame.mn/; Joint UN Food Security Assessment Mission to Mongolia. FAO/UNICEF/UNDP, April 2007; and Mongolia: Project Completion Report. Government of Mongolia-Japan-FAO Dairy Food Security Project. FAO. 2007.

Education philanthropy

One of the most common forms of partnership at the basic education level between the public and private sectors is educational philanthropy. There are many examples of individuals and private sector firms donating goods, services or cash to schools in either an ad hoc fashion or as part of an organized corporate social responsibility initiative. Educational philanthropy can also involve broader programmes to improve education through the development of new forms of educational provision, policy advocacy, financing of scholarships/vouchers and other initiatives. For example, India's Bharti Foundation committed US\$50 million to the creation of strictly non-profit, non-state schools in the nation's poor rural areas. Corporate foundations in the Philippines are well organized and donate considerable amounts to schools, both through the country's adopt-a-school (AAS) programme and other initiatives. This work is coordinated by an umbrella group, the League of Corporate Foundations, which has developed a road map of corporate giving to the education sector. Corporate foundations in the Philippines donated 543 million pesos (US\$452,500) in 2007 – up from 189 million pesos (US\$157,500) in 2002 (Figure 8). This assistance covered infrastructure/facilities, teacher training, TVET, information and communications technology integration, tertiary education, curriculum support and health and social services.

One form of education philanthropy that is common in the basic education sector is AAS programmes. While they may have different objectives, broadly they seek to encourage the non-state sector (individuals, corporations and NGOs) to partner with the government to redress problems in public schools, such as shortages of classrooms, desks and textbooks, to improve quality or to broaden educational access.

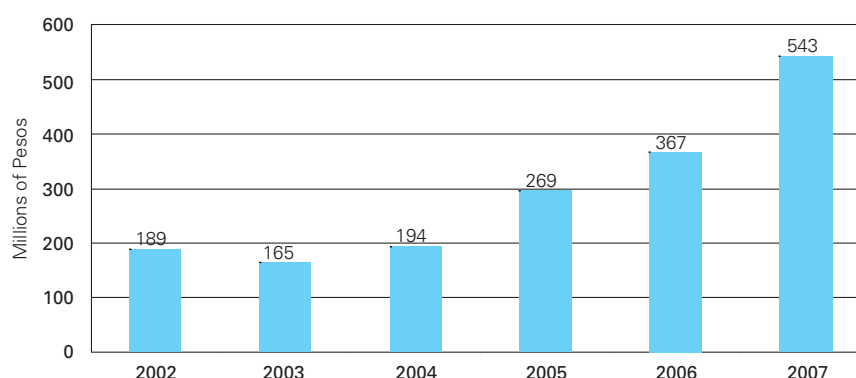
The Sindh Education Foundation (SEF) operates an AAS programme in the Pakistan province of Sindh. Under the programme, which was launched in 1997, government schools are adopted by private individuals, companies or organizations. The programme aims to improve government schools in the area of quality, access, infrastructure and community participation. The SEF acts as a liaison between the school and the adopting body and provides ongoing technical support and monitoring of processes and outcomes. Other AAS programmes exist in Pakistan, including one operated by the Pakistan Center for Philanthropy.

Table 5: The range of options for PPPs in infrastructure

Type of partnerships	Features
Traditional design and build	The government contracts with a private partner to design and build a facility to specific requirements.
Operations and maintenance	The government contracts with a private partner to operate a publicly owned facility.
Turn-key operation	The government provides financing and the private partner designs, constructs and operates the facility for a specified time period; the public partner retains ownership of the facility.
Lease-purchase	The private partner leases a facility to the government for a specified time period, after which ownership is vested with the government.
Lease or own-develop-operate	The private partner leases or buys a facility from the government and develops and operates the facility under contract to the government for a specified time period.
Build-operate-transfer	The private partner obtains an exclusive contract to finance, build, operate, maintain, manage and collect user fees for a facility for a fixed period to amortize its investment, and at the end of the franchise, the title reverts to the government.
Build-own-operate	The government either transfers ownership and responsibility for an existing facility or contracts with a private partner to build, own and operate a new facility in perpetuity.

Source: World Bank. 2006. Colombia; Contracting Education Services, Report 31841-CO, Washington, DC.

Figure 8: Total amount of philanthropic investments in education, Philippines, 2002–2007



Source: Investing in Education, League of Corporate Foundations.

The AAS programme in the Philippines was established in 1997, although it did not come into effect until 2003 when the implementing rules and regulations authorizing the tax incentives associated with the programme were approved. Private entities are allowed to assist a public school or tertiary institution, preferably located in the 20 poorest provinces. This assistance can involve any number of activities, including staff and faculty development for training and further education, construction and upgrading of facilities, provision of books and other instructional materials and modernizing of instructional technologies. Donors are eligible for tax breaks. By 2006, some 22,000 schools had benefited from more than US\$50 million provided by 300 donors.

PPPs and pro-poor policies

As the previous sections indicate, there are many PPP models in use in both developed and developing countries, the bulk of which target the poor or disadvantaged. These models include educational service-delivery programmes, private management programmes, voucher and voucher-like programmes, professional support services, infrastructure PPPs and AAS models.

Philanthropic initiatives, such as the AAS programmes, generally involve non-state financing (rather than delivery) of education. Infrastructure initiatives are a hybrid – involving elements of both financing of school buildings and delivery of ancillary services, such as building maintenance. In all cases, there is ample scope to design these models to resolve inequities in access and quality and to leverage the non-state sector to help overcome inequities in existing school systems, rather than reinforcing them.

The categories of PPP differ in other ways as well. In the case of voucher and educational service delivery PPPs, both involve ‘core’ educational services – teaching-related activities. In contrast, infrastructure initiatives involve the financing and delivery of services that are not part of the core mission of schools, namely building management. In that sense, the latter’s impact on educational outcomes is likely to be less direct than the impact of educational contracting or vouchers. Professional and support services are also a hybrid, with some services involving core educational services, such as teacher training and curriculum design, while others, such as ancillary services, involve non-core services such as meals and transport.

Many East Asia and Pacific countries experience significant educational challenges related to access and quality of delivery. Several countries also have a large and growing private education sector – an important prerequisite for introducing PPPs. Despite this, there is comparatively little use of PPPs in East Asia and Pacific countries. Regions such as South Asia and Latin America seem to be the regions making the most use of the private education sector.

The non-state education sector has not traditionally been seen as a vehicle for helping the poor or disadvantaged communities. Rather, it has commonly been regarded as a preserve of the rich. But that is a misconception, as this paper has illustrated. Indeed, non-state providers serve large and growing numbers of poor children. Well-designed PPPs offer developing country governments another potential policy tool for harnessing the skills and talent in the private sector to help improve access and quality for children who are poorly served or not served at all by the public school system. This paper has highlighted many examples of PPPs, that either have operated or are currently operating that focus on serving the needs of the poor – including the Concession Schools and PACES voucher programmes in Colombia, the ESC in the Philippines, the FAS programme in the Punjab province of Pakistan and the AAS programmes in Pakistan and the Philippines.

PPPs provide governments with an additional mechanism for increasing educational access among disadvantaged groups, including the poor and those in remote regions who are underserved or not served at all by the existing school system. PPPs can be targeted toward particular groups of beneficiaries, whether based on geography, gender or other factors. In addition, it is often easier to implement a targeted policy instrument using private schools because the non-state sector operates within a more flexible regulatory environment that allows increased scope for innovation. In addition, as Lewin and Sayed (2005) note, contracts with non-state providers increase the government's ability to influence non-government provision in a pro-poor way through conditions attached to a subsidy.⁷⁴

⁷⁴ Lewin, K. and Sayed, Y. 2005. *Non-Government Secondary Schooling in Sub-Saharan Africa: Exploring the evidence in South Africa and Malawi*, Department for International Development, London, p. xii.

Making Public-Private Partnerships Work

Common weaknesses in the regulatory framework

PPPs involve agreements between the public and non-state sectors on agreed targets, outputs and goals, sometimes through formal contracts with a specified timeframe. Partnerships require partners. To operate effectively, PPPs require a vibrant and dynamic non-state education sector. Governments can promote the use of PPPs for the poor by taking steps toward involving non-state providers in education. One of the most important ways it can do that is to create an enabling policy and regulatory environment that encourages non-state involvement in education, allows private providers to operate effectively and efficiently, and promotes the delivery of quality education. Whether engaged in direct service delivery or in broader policy advocacy for education, the non-state sector requires a sound policy and regulatory framework if it is to assist governments to meet their educational and broader objectives.

However, throughout the region and elsewhere, several common weaknesses are found in the overall policy and regulatory environment for non-state providers in education.⁷⁵ Underlying those weaknesses are the prevailing historical, social and political realities of many countries in which popular views of the roles of public and non-state sectors heavily favour the former in defining the public interest and, thus, delivery of basic goods and services and policy formation.⁷⁶ Non-state funding and delivery of education services may be perceived with particular suspicion, with actions of non-state providers regarded as possible threats to state authority (rather than complementary or as agents of government programmes); in the case of for-profit institutions, the profit motive may be seen as incongruent with the perception of education as a social rather than commercial good.

While non-state providers with relatively limited scope of mainly charitable mandates are generally accepted, those engaging in policy advocacy and social service delivery are often marginalized from legitimate means to participate in their endeavours. This is most evident at the primary education level, where, unlike pre-primary and secondary education, political commitments to free and compulsory education seem to create greater political sensitivities to engaging with the non-state sector due to either political factors or the association of private education with user fees and increased inequity. These weaknesses are discussed briefly below.

First, governments across the region are often reluctant to recognize explicitly the role played by the non-state sector, whether in legislation or in education plans and strategies developed. In some cases, governments may place an outright ban on the existence of non-state schools or may limit the number that can be established. This is not always the case; some countries, including PRC and the Philippines, provide explicit constitutional or legislative recognition of the private sector's role in education. In addition, some countries with dominant religious affiliations (Indonesia, the Philippines and Pacific island states) explicitly mention the contribution of the church to education development. In the case of the Philippines, the role of NGOs is also institutionalized in its Constitution of 1987 as well as in relevant development strategies.

⁷⁵ For more detailed discussion, see Fielden, J. and LaRocque, N. 2009. *The Evolving Regulatory Context for Private Education in Emerging Economies*, World Bank, Washington, DC; LaRocque, N. 2008. *Public-Private Partnerships in Basic Education: An International Review*, CfBT Education Services, pp. 38-47; and Patrinos, H. et al. 2009. *The Role and Impact of Public-Private Partnerships in Education*, World Bank, Washington, DC, pp. 43-58.

⁷⁶ For more on the historical accounts of the role of central governments and the private sector, see Yamamoto, T. (ed). 1995. *Emerging Civil Society in the Asia Pacific Region*, Singapore: Institute of Southeast Asia Studies.

Second, government school registration criteria and processes often limit the scope for new private providers to establish themselves. These regulations include minimum requirements for a school's land area or minimum requirements for building space, onerous approval processes or high registration fees. The objective of many of these regulations is laudable – to protect consumers from substandard education services. However, this objective must be balanced against the adverse impact that overly restrictive establishment criteria can have on schools' ability to set up, especially in underserved or poorly served areas. The administration of regulations pertaining to non-state providers can often be inconsistent, subjective and non-transparent, all of which provide opportunities for corruption.

Overlapping jurisdictions – across ministries and between different levels of government – can result in rules and regulations that are contradictory and difficult to implement.⁷⁷ Limits on the entry of new schools, due to inappropriate criteria or cumbersome or non-transparent processes, can raise the costs of provision to such a degree that potential providers are deterred from setting up or newly created schools must charge such high fees that children from poor families cannot afford to attend. They may also push schools to operate as unregistered or clandestine providers, meaning that the poor who attend these schools have no legal or regulatory protection. The costs of such regulation will fall disproportionately on the poor, who have fewer education options than others.

Third, the ability of the non-state sector to flourish is further limited by weaknesses in the legal framework for non-profits. In some countries, there is simply no legal form for NGOs, while in others, it is typically more difficult to register 'associations', such as NGOs, than to register commercial institutions and charitable foundations.⁷⁸

Finally, education policies in the region generally restrict funding to public schools, irrespective of whether particular schools serve the rich or poor. Limiting funding only to public schools does little to encourage the entry of non-state schools or to promote quality in private education, especially those that might serve poorer populations. Over the longer term, this is likely to reduce both the quality and sustainability of the private school sector in developing countries.

Fostering a vibrant non-state sector in education

Governments can do several things to tackle these issues. They can provide legal recognition for non-state providers, both for-profit and non-profit, which offers a platform for building political and public support for non-state sector involvement in education. Governments can also ensure there is a legal framework in place for non-profits and encourage the creation of new non-state schools by implementing establishment criteria that are attuned to the local context, objective, measurable, open to all prospective non-state school entrants and focused on outputs and outcomes rather than inputs. Improvements can also be made to streamline school registration processes, including ensuring that such processes are time bound and that all establishment requirements are transparent, set out in advance and applicable to all potential school operators.

Governments can promote investment in non-state education by following the lead of countries as diverse as Australia, Bangladesh, Canada, Pakistan, the Philippines and Senegal and opening up government funding to non-state schools. Such funding can be provided either in cash (subsidies, vouchers, contracting) or in-kind (free or discounted land, building materials or water pumps). Funding should be open to both for-profit and non-profit providers and should be targeted at poor students and schools serving low-income populations.

⁷⁷ *ibid.*

⁷⁸ NGOs can be distinguished between 'foundations', a collection of assets, and 'associations', a collection of people. See: Baron, B. "The Legal Framework for Civil Society in East and Southeast Asia." Opening remarks for a workshop held at the Catholic University of America, Washington, April 12, 2002. Available at: www.icnl.org/journal/vol4iss4/ar_baron1.htm. [Accessed on 15 March 2010].

Finally, policy makers can also improve the functioning of the education system by ensuring that families are well informed about the performance of schools, either through public dissemination of school test scores or introducing independent school review systems to provide information on schools' performance.

Governments can also promote PPPs by offering tax breaks and incentives to businesses that adopt a school or make contributions to school systems and provide funding to private and faith-based institutions to carry out teacher training or other technical support activities, with supporting policies and clear financial viability.

Designing and implementing public-private partnerships

To be successful, PPPs must be well designed and well implemented. The design of PPPs should be based on an assessment of the appropriate role of government in education and the specific context in which they are proposed. PPPs that offer vouchers, contracting and private management of public schools all involve government financing of education delivered in non-state schools or by the non-state sector. In this way, they recognize the range of policy instruments available to the government, the need to distinguish between the financing and provision roles of government and that there are strong arguments to support a role for government in education that is limited to finance and regulation.⁷⁹

PPP design should reflect several factors, including:

- the objectives sought (better access, quality and efficiency of delivery);
- the nature of targeting and the target group to be assisted (girls, ethnic groups, remote geographic areas);
- 'market' factors, such as the extent of the existing private school network, the potential for new education providers to establish themselves and the extent of the existing non-profit delivery network.

For example, voucher programmes are more likely to be successful in situations in which there are large numbers of private schools that can accept publicly financed students. Contracting arrangements may be more sensible in rural areas that are underserved by the public sector system. Vouchers or scholarships may be better suited than contracting arrangements for targeting access for disadvantaged girls or ethnic groups, while contracting arrangements may be better suited for targeting access for a particular geographic area. The equity impact should be a consideration in the design and selection of education PPPs if the objective is to address the causes of poverty. PPPs may also reflect 'social responsibility' factors, such as the ethos of charity and corporate social responsibility trends in the private sector, civil society and self-help groups to augment government provision of education to disadvantaged groups.

Good PPP design, while critical, is not sufficient to ensure the success of a PPP in education. To be successful, education PPPs must also be well implemented.⁸⁰ An important factor in the successful design and implementation of education PPPs is the need to ensure that the government agency responsible for these partnerships has the resources, information and skills needed to design, develop and manage the contracting processes that underlie them. PPPs require a significant mindset change among public sector officials, from seeing their role as managers of inputs to seeing themselves as contract managers with a focus on outputs delivered and on programme outcomes achieved.

To be effective and build support for PPP programmes, it is essential that bidding processes be seen as fair, transparent and competitive. Bidding for service delivery contracts, such as school management initiatives or private finance initiative contracts, should be open to all private organizations, including both for-profit and non-profit providers. A well-run bidding process is likely to have positive effects in both the

⁷⁹ Poterba, J. 1996. "Government Intervention in the Markets for Education and Health Care: How and Why?," in Fuchs, V. (ed.) *Individual and Social Responsibility: Child care, education, medical care and long-term care in America*, National Bureau of Economic Research, University of Chicago Press.

⁸⁰ For a more detailed discussion, see LaRocque, N. 2008. *Public-Private Partnerships in Basic Education: An International Review*, CfBT Education Services, pp. 38-47; and Patrinos, H. et al. 2009. *The Role and Impact of Public-Private Partnerships in Education*, World Bank, Washington, DC, pp. 43-58.

short and long terms, yielding bids that offer value for money, minimizing the potential for corruption in contract awards and building market confidence in PPPs, thereby encouraging growth in the private education market. A crucial component of any PPP in education is an effective communications plan. Such a plan can help to overcome opposition to private involvement in education and highlight the benefits of the programmes introduced.

Ultimately, the state and non-state providers can maximize benefits to the overall education system by recognizing that partnerships in which skills and resources are shared, based on comparative advantages, can yield mutual benefits. As Table 6 highlights, enabling policies and programmatic partnerships can be a 'give-and-take' approach. Whether it is in the sharing of teacher training resources or collaborating on materials development, the state and non-state providers can build on each other's strengths while mitigating the risks of engaging in areas with limited knowledge and skills.

Table 6: Give and take: Approaches to partnership

Partner supports the State	Partner supported by the State
<ul style="list-style-type: none"> • Deliver teacher training • Develop curriculum, textbooks and reading materials • Assist in inspection and monitoring of schools • Non-state schools provide a proportion of free seats to disadvantaged children • Contractors provide repair and construction of school facilities, such as toilet and water facilities 	<ul style="list-style-type: none"> • Receive teaching training • Receive textbooks and reading materials from the State • Special policies to govern standards and registration of non-state schools targeting the poor and disadvantaged • Non-state schools receive a stipend from the State per poor and disadvantaged children enrolled • Non-state schools eligible for free water and toilet facilities if 50% of students are from disadvantaged groups

UNICEF/ADB and Public-Private Partnerships in Education

In recent years, the ADB has made a strong commitment to the expansion of private involvement in education and to the use of PPPs in the sector. For example, the ADB Education Policy (2002) states that the ADB “will actively support private sector education institutions and education-related industries and services ... when this is clearly the more cost-effective alternative.”⁸¹ The ADB’s long-term framework *Strategy 2020* (2008) made a further commitment to “explore opportunities for new approaches and instruments involving public-private partnerships” across all education levels.⁸² The ADB’s *Education and Skills: Strategies for Accelerated Development in Asia and the Pacific* report (2008) identifies scope for innovative partnerships at both the technical vocational education and training and higher education levels.⁸³ Most recently, the ADB’s education sector operations plan, approved in July 2010, highlights its intention to help Developing Member Countries (DMCs) to formulate policies that encourage consideration of a broad range of alternative or nontraditional strategies for education service delivery, and develop regulatory frameworks that effectively guide PPPs and private funding in education. The education sector plan also notes that the ADB will:

- assist education ministries to design innovative PPPs and demonstration interventions that attract private investment;
- assist DMCs to incorporate PPPs into their education sector plans, concretize procedures for setting up PPPs, identify the roles and responsibilities of PPP partners, and set easily monitored performance targets for PPPs;
- contribute to the capacity development of partners to effectively carry out their agreed upon roles and responsibilities; and
- explore new and innovative types of PPPs such as those pursued by the Global Partnership on Output-Based Aid.⁸⁴

A recent ADB study examined all its education projects from 2000 to 2009 and found that just under 40 per cent of them included some kind of a PPP component, including voucher or voucher-type programmes, capacity-building initiatives, government purchase arrangements and private management of public institutions. About one quarter of the projects that included PPPs involved voucher or voucher-type arrangements or private management. The bulk involved capacity building or similar initiatives. Education PPPs were most common in South Asia and in Bangladesh in particular.⁸⁵ There are few examples in the region, however, of PPP projects in education that explicitly take on the educational needs of the poor and other disadvantaged communities.

⁸¹ Asian Development Bank. 2002. *Education Policy*, Manila, p. 40.

⁸² Asian Development Bank. 2008. *Strategy 2020 The Long-Term Strategic Framework of the Asian Development Bank 2008-2020*, Manila, p. 20.

⁸³ Asian Development Bank. 2008. *Education and Skills: Strategies for Accelerated Development in Asia and the Pacific*, Manila.

⁸⁴ Asian Development Bank. 2010. *Education by 2020: A Sector Operations Plan*, Manila, pp. 15-16.

⁸⁵ Asian Development Bank. 2010. *Public Private Partnerships in ADB Education Lending, 2000-2009*, Manila.

The ADB is currently undertaking other initiatives aimed at promoting the use of PPPs in ADB projects, including development of a strategy study to support the implementation of education PPPs, a draft assessment instrument for PPPs in education, case studies of lessons learned from the international experience with PPPs in education and development of a tool kit for implementing PPPs in education.

UNICEF's efforts to support PPPs have not been at an operational level through specific project activities. Rather, emphasis has been made in policy-level support through advocacy, policy reform and improved coordination. For example, in countries where UNICEF coordinates the education sector working group (ESWG), efforts are being made to bring NGOs, faith-based organizations and private sector associations into the ESWG as members. In Cambodia, UNICEF provides funds for the administrative expenses of KAPE, a consortium of NGOs and civil society partners active in education, which has an official seat at the government table to guide the country's Education Sector Plan. Similarly, EFA National Committees, which have varying degrees of functionality in the region, consist of representatives from government, NGOs and private sector partners and are responsible for developing and monitoring EFA National Plans. As part of this, UNICEF continues to advocate with ministries to ensure that the Education Management Information System include data on private schools (both registered and unregistered) as well as schools run by faith-based organizations and NGOs.

UNICEF is also active in broadening the scope of corporate social responsibility in education. In addition to partnering with large private sector companies, such as IKEA or AEON, to provide resources for education projects, UNICEF also encourages the private sector to take a seat at the policy table. In early 2010, CISCO agreed to become a full member of the UN Girls' Education Initiative Global Advisory Committee, the first private sector company to do so. A concept note and technical paper on the role of PPPs in promoting children's rights is also being planned and will certainly benefit from the lessons learned in the current and future collaboration with ADB.

Moving Forward

Non-state providers present a significant resource for improving access and quality in education. In most countries in the East Asia and Pacific region, a range of non-state providers exists to meet the demand for education. Non-state education will remain a major force in the overall market for education, with or without state support. The State can foster a dynamic private sector and can harness its strengths by introducing well-designed policy frameworks and by promoting PPPs that improve education provision for the poor. To be successful, PPPs must be effectively designed and implemented.

Building on their respective strengths, the ADB and UNICEF can promote better understanding of non-state providers and the potential for PPPs to leverage resources toward achieving the goals of EFA. Several critical areas can be supported as part of existing efforts:

- **Building the evidence-base:** Country-level situational analyses are critical first steps to understanding the scale and nature of non-state sector providers as well as the legal, political and regulatory frameworks that affect their ability to reach the disadvantaged. Piloting of successful PPP models, particularly those based on lessons available from ADB and UNICEF programmes worldwide, can also be a way to build evidence of effective, sustainable measures to design and implement PPPs.
- **Policy advocacy:** ADB and UNICEF can also collectively advocate for PPP policies that ensure equal treatment for private sector providers serving the poor. Again, the evidence base from existing programmes, at both the programmatic and policy levels, can be great resources for policy advocacy. The CRC and EFA commitments provide legal and political basis to hold governments accountable to action.
- **Capacity building of governments and private sector providers:** In general, governments have relatively limited experience working with the private sector, and the human resource capacity to develop and manage PPPs is often weak. Non-state providers also need to develop their skills and capabilities to ensure delivery of quality services. ADB and UNICEF have long engaged in capacity development of governments as well as private and community actors; such support should also be extended for PPPs.
- **Building partnerships:** Governments and the private sector traditionally do not have a common platform whereby they come together for policy dialogue. Non-state providers are also likely to be very diverse and unorganized, particularly small-scale actors, rendering it difficult to voice their common issues and concerns during policy development processes. Coordination among various types of non-state providers as well as with government is an important area ADB and UNICEF can support.

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