

A Policy Scan of
Official Development Assistance (ODA)
in the Education Sector in Pakistan



Pakistan Coalition for Education (PCE)
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Islamabad, Pakistan

Vision

To ensure free quality education for all, irrespective of gender, religion and class differences, that promotes peace, tolerance, democracy and justice and safeguards diversity

Pakistan Coalition for Education

About us

Pakistan Coalition for Education is a network which by design is a forum for initiating, sharing and exchanging dialogues on different education related issues like: policy, governance and financing. The coalition is working through different civil society stakeholders including: education practitioners, academia, media representatives, organizations, networks, associations and policy makers at all levels across Pakistan. It encourages dialogues on issues in education with a view to promote awareness among people and create a critical mass for facilitating a positive change and improving upon the overall education scenario. The coalition supports the assumption that increased awareness on education issues will translate into awareness on rights, roles and responsibilities of different actors. The strategy employed is research based advocacy and consultations at all levels.

PCE serves as a forum for bringing together various perspectives on education from stakeholders mentioned above. It strives to promote a rights based approach to education where learning processes are centered around the needs of the learner.

Mission

- To achieve PCE's vision through influencing the policy at all levels and with the participation of all stakeholders (District, Provincial, Federal, NGOs/CSOs, Donors)
- To undertake research-based advocacy on education policy and practice and lobby for policy change
- To focus education initiatives on capacity building especially in areas of human resources and organizational processes
- To use networking and collaboration among PCE members and various stakeholders more effectively

Core Objectives

- Promoting the Constitutional Right to education and demanding quality in education
- Educating masses on relevant challenges to education and informing policy makers of citizens' perspectives and desires
- Collectively pursuing State commitments aligned with global commitments towards enhancing quality education at all levels
- Providing an interface between communities and policy makers for improving policy action
- Providing a platform for the civil society to discuss debate and pursue measures for effective and accountable delivery of education especially for girls and the disadvantaged groups
- Enabling civil society to improve the research and advocacy their skills of its workforce through its platform
- Developing and strengthening partnerships with regional and international networks working on education
- Developing a credible and self sustaining coalition for promoting quality education for all
- Continuing the policy advocacy towards neglected goals of EFA and MDGs.

Dedicated to

*All Parents, Learners, Teachers
of Pakistan*

*Who are contributing to achieving
the Education for All*

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1. INTRODUCTION

Overseas Development Assistance (ODA) plays a critical role in improving the environment for private sector activity in developing countries and helping their business enterprises to effectively respond to the emerging challenges. Traditionally, the low-income nations suffer from multiple problems and their limited resources are no match to the daunting issues like poor law and order situation, illiteracy, limited access to health services and poverty.

In the face of problems like organized crime and terrorism, which affect all nations in this age of globalization, it has now become abundantly clear that, without international cooperation and solidarity, the desired objective of peace, security and sustainable development cannot be achieved.

It is, therefore, in the greatest self-interest of all nations that problems like illiteracy, injustice and insecurity are effectively addressed everywhere, and in this regard the ODA can play key role, provided the donors refocus on the areas that can help to resurrect the sinking socio-economic indicators in the poor countries. It is important that the rich nations should be forthcoming to provide funds for important sectors like education, as a future investment for greater regional and global stability and security.

The development assistance is provided across the globe to developing nation and Pakistan is not an exception. The country has been receiving a significant portion of ODA from the developed countries since its independence in 1947, primarily due to its geo-strategic location. Pakistan's joining of anti-Soviet alliances like SEATO and CENTO in 1950s and later on, becoming a frontline nation against the Soviet invasion of Afghanistan in 1979 greatly helped the increased inflow of ODA.

The official assistance started declining after the withdrawal of Soviet Union from Afghanistan in 1989, but the trend reversed after the 9/11 tragedy that dramatically increased Pakistan's relevance in view of the US-led 'war on terrorism'.

The history of external assistance to Pakistan had been through many ups and downs, indicating that the ODA for Pakistan has been closely linked with changing regional geo-strategic scenario, rather than the real commitment to specific objectives related to development and better access to health or education. It also helps to explain why a significant percentage of foreign aid had been dedicated to military purposes and not for socio-economic development.

Article 37 of the Constitutions in the Chapter on Principles of Policy asserts that, "the state shall remove illiteracy and provide free and compulsory secondary education within minimum possible period". Pakistan is also a signatory to a number of relevant international conventions like the UN Convention on Child's Rights 1989, the Millennium Development Goals (MDGs) and Education for All. These commitments require from the government to spend adequate resources on the education sector.

The issue of foreign assistance is rather complicated one and all efforts to understand it are greatly hampered due to lack of systematic studies regarding efficient utilization of the funds and their real contribution towards achieving specific development goals. Researchers not only ignored the broader impact of official development assistance, but also they failed to conduct studies about pumping of ODA into specific social sectors, especially, education and its role in improving literacy rate and educational standards in Pakistan.

This paper aims to bridge the gap and the researcher has tried to trace the relation between the ODA allocation for education in Pakistan and consequent results. In the process the study also explores the broader policy objectives of the ODA and its overall utilization in Pakistan. It also highlights the flaws in the ODA general approach and suggests policy recommendations for greater efficiency in the use of official assistance in the developing countries.

The study has relied mostly on secondary sources available in the form of books, articles, news websites and other printed material. It is a pioneering research in the field and the researchers aims at opening new avenues for more studies about utilization of ODA in general and its specific impact on education.

On average, less than 3 percent is spent on education in the country, which explains why the overall literacy rate is still just a little over 50 percent.

The paper has been divided into four parts including: Introduction, Overview of Education Sectors in Pakistan, Country ODA Policy Scan and Policy Recommendations. The third part has been further divided into sections and sub-section.

2. OVERVIEW OF EDUCATION SECTOR IN

PAKISTAN

The Constitution of Pakistan makes it incumbent on the state to provide compulsory education within the limitations of its resources. Article 37 of the Constitutions in the Chapter on Principles of Policy asserts that, “the state shall remove illiteracy and provide free and compulsory secondary education within minimum possible period”.¹ Pakistan is also a signatory to a number of relevant international conventions like the UN Convention on Child’s Rights 1989, the Millennium Development Goals (MDGs) and Education for All. These commitments require from the government to spend adequate resources on the education sector.

However, this sector has never received the required resources and the successive governments failed to make it a priority focus. On average, less than 3 percent is spent on education in the country, which explains why the overall literacy rate is still just a little over 50 percent. In fact, the resource allocation witnessed a decline from 3 percent of the GDP in 1990 to 2 percent in 2004.²

¹ Constitution of the Islamic Republic of Pakistan 1973.

² World Development Indicators (WDI), 2006.

The Table below provides an overview of annual budgetary allocation for education in five years, (2002-03 to 2006-07), showing that the federal and four provincial governments allocated only Rs 569 billions, an average of Rs 115 billion per year.

Table 1: *Recurring Budget for Education of Federal and Provincial Governments*

			Million (RS)
Year	Federal	Provincial	Total
2002-03	14.3	65.1	79.4
2003-04	17.0	77.3	94.3
2004-05	20.0	86.6	106.6
2005-06	26.0	102.6	128.6
2006-07	28.7	131.2	159.9
Total (2002-07)	106.0	462.8	568.8

Source: Ministry of Education, Government of Pakistan

The budgetary allocations for education sector development for the years 2002-03 to 2006-07 are presented in the Table 2. The total amount allocated in five years was only Rs 172 billions, which means that on average only Rs 34.4 billions were allocated per year. In view of the extensive development needs and the gaps that exist in terms of low enrollment or missing facilities, these allocation were clearly very low.

Table 2: *Federal and Provincial Governments' Development Budget for Education*

			Million (RS)
Year	Federal	Provincial	Total
2002-03	4.8	5.6	10.4
2003-04	10.4	19.5	29.9
2004-05	14.0	19.3	33.3
2005-06	19.5	22.3	41.8
2006-07	25.8	30.8	56.6
Total (2002-07)	74.5	97.5	172

Source: Ministry of Education, Government of Pakistan

One of the major problems with the education sector financing is that the allocated funds, especially for development projects, are not efficiently utilized. In the year 2006-07, for instance, the Education Division of the Federal Government had utilized only 33 percent of the total budget allocated for development projects.³ The reasons identified for the low utilization of allocations for development projects included, among others, the late releases by the Ministry of Finance, delays in site selection and acquiring land, inter-departmental differences, non-availability of technical staff, failures in appointing full-time project directors, delayed consultant reports, late issuance of work orders and late submission of reports or requests for release of funds by the related implementing organizations.⁴

³ Centre for Peace and Development Initiatives (CPDI), *Budget Watch Report 3: Development Budget for the Education Sector and Its Utilization (July 2006 – September 2007)*, Islamabad, 2007. See at <http://www.cpd-pakistan.org/administrator/downloads/budget2.pdf>

⁴ Ibid.

The government is also criticized for having questionable priorities for new development projects. In the year 2007-08, for instance, the Education Division allocated Rs 772 millions for establishment of 24 new cadet colleges.⁵ In the annual development budget of the Division for the year 2008-09, funds were allocated for 25 cadet colleges. Total allocation for these projects was Rs 910 million, which was significantly higher than the Rs 772 millions allocated for cadet colleges in 2007-08.⁶ Many analysts, however, argue against this approach, as cadet colleges involved high costs, catered mostly to the needs of middle or upper middle classes and were generally not accessible to large populations, especially the poor.

3. COUNTRY ODA POLICY SCAN

In view of the low domestic savings and the public sector resource gap, Pakistan has been making frequent efforts to mobilize resources from external sources including through multilateral and bilateral donors. The result is that Pakistan has received significant ODA over the years, although there is no consistent pattern in view of ups and downs in the ODA inflows. In 1999, Pakistan was meeting 6.5% of government expenditures through aid and this percentage had increased to 10.2 percent in 2004.

In the annual development budget of the Division for the year 2008-09, funds were allocated for 25 cadet colleges. Total allocation for these projects was Rs 910 million, which was significantly higher than the Rs 772 millions allocated for cadet colleges in 2007-08. Many analysts, however, argue against this approach, as cadet colleges involved high costs, catered mostly to the needs of middle or upper middle classes and were generally not accessible to large populations, especially the poor.

Table 3: Aid as Percentage of Total Government Expenditures

Country	1999	2004
Ghana	-	73.2
India	2.2	0.6
Kenya	13.4	-
Pakistan	6.5	10.2
Senegal	91	-

Source: World Development Report, 2006.

In general, relatively higher dependence of Pakistan on foreign aid is due to a variety of reasons. These include:

- Low domestic savings
- Need of large investments for infrastructure development, especially where private sector is not interested or efficient
- Budgetary deficit
- Balance of payment problems
- Investments in social sector where returns are expected in long terms
- Capacity building needs

⁵ Ibid.

⁶ Press release issued by CPDI on June 15, 2009. See www.cpd-pakistan.org

3.1. Total ODA: Country Profile and Trends

3.1.1 Focus on Infrastructure

In the case of Pakistan, a very high percentage of ODA is meant for infrastructure development projects, while social development or human development sectors remain low on the priority. For instance, in the years 2000-01 to 2004-05 (July – March), the total commitment by the ADB, IBRD and IDA for infrastructure development was US\$1275 millions, as opposed to US\$343 millions for human development and US\$ 220 for good governance and US\$ 250 for social development.

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Table 4: Project Aid – Sector Wise Commitments [2000-01 to 2004-05 (July – March)]

Major Heads	(US\$ Million)			
	ADB	IBRD	IDA	Total
Infrastructure Development	901.2	174.9	198.6	1,274.7
Human Resource Development	93.7	-	249.7	343.4
Good Governance	57.2	24.4	138.4	220.0
Social Sector Development	153.4	-	97.0	250.4
Agriculture	92.6	-	81.4	174.0
Others	220.7	-	28.3	249.0
Total	1,518.8	199.3	793.4	2,511.5 *

Source: Economic Affairs Division (EAD), Government of Pakistan

*Excluding Program Loans

3.1.2 Commitments and Disbursements of Loans

In general, there is a significant difference between the ODA committed, and its actually disbursement. The following Table about the loans from ADB and WB shows that out of the total US\$6492 millions committed during 2001-05, US\$ 4319 millions were actually disbursed in the same period. Hence, the total disbursement was 66.5% of the total loan committed.

Table 5: ADB and WB - Commitments/ Disbursements of Loans (2001-05*)

					(\$ Million)
Donors	2001-02	2002-03	2003-04	2004-05	Total
I. ADB					
Commitments	876	1193	886	736	3691
Disbursements	351	538	476	539	1904
II. IBRD					
Commitments	0	0	50	349	399
Disbursements	38	40	12	200	290
III. IDA					
Commitments	839	269	691	603	2402
Disbursements	825	317	291	692	2125
Total (I+II+III)					
Commitments	1715	1462	1627	1688	6492
Disbursements	1214	895	779	1431	4319

Source: Economic Affairs Division (EAD), Government of Pakistan

The Table below further illustrates the difference between the commitments and disbursements. It may be noted that the ratio of disbursement of non-project loans was 60 percent, 100 percent and 100 percent in the years 2001-02, 2002-03 and 2003-04 respectively, while it was 38 percent, 45 percent and 63 percent in the same years in relation to project loans. It means that delays in disbursement or difference in commitments and disbursements are more common in the context of project loans.

Table 6: Loan Commitments and Disbursements

(US \$ Million)						
Year	ADB		IBRD		IDA	
	Commitment	Disbursement	Commitment	Disbursement	Commitment	Disbursement
2001-02						
Project	185	166		38	24	128
Non-Project	691	185	-	-	815	697
Sub-Total:	876	351	-	38	839	825
2002-03						
Project	433	130	-	40	70	104
Non-Project	760	408	-	-	199	213
Sub-Total:	1193	538	-	40	269	317
2003-04						
Project	310	128	50	12	495	99
Non-Project	576	348	-	-	196	192
Sub-Total:	886	476	50	12	691	291
2004-05						
Project	149	102	149	-	201	167
Non-Project	287	437	200	200	401	525
Sub-Total:	736	539	349	200	602	692
Grand Total						
Project	1377	526	199	90	790	498
Non-Project	2314	1378	200	200	1611	1627

Source: Economic Affairs Division (EAD), Government of Pakistan

Some of the reasons for the difference between the commitments and disbursements are as follows:

-
- Attached conditionality or so called ‘policy actions’ are not met, which cause the donors to delay disbursements
- Progress on the related projects or programs is slow
- Administrative reasons relating to required paper work and approvals
- Technical reasons

3.1.3 ODA Disbursement and Debt Servicing

The disbursement of ODA needs to be understood in relation to the debt servicing commitments of Pakistan. On the one hand, ODA is needed to meet the resource gap and, on the other hand, it seems to be creating the problem of indebtedness. It happens when the ODA and other public sector investments are not appropriately handled and do not lead to increase in productivity. As a result, the country’s capacity to pay back loans remains limited. The following Table shows that between 1999 and 2008, on average,

75% of ODA was consumed in servicing the loans that the country had already accumulated.

Table 7: ODA – Disbursement and Debt-Servicing

\$ Millions			
Year	Total ODA Disbursed	Debt Servicing	Debt Servicing as %age of Total ODA Disbursed
1999-00	2,241.1	1,803.7	80
2000-01	2,409.6	2,099.5	87
2001-02	3,238.5	1,783.0	55
2002-03	2,392.1	1,826.8	76
2003-04	2,075.2	3,459.8	167
2004-05	3,436.3	1,746.9	51
2005-06	3,966.7	2,162.7	55
2006-07	4,046.9	2,025.4	50
2007-08	3,991.1	2,024.1	51

Source: Economic Affairs Division (EAD), Government of Pakistan

3.1.4 Grants vs. Loans

Most of the ODA provided to Pakistan is in the form of loans and not grants. This partly explains the fact that Pakistan is increasingly becoming a heavily indebted country, and may not be able to sustain it in the long run. It needs to be recalled that, in late 1990s, Pakistan was facing severe difficulties in meeting its external liabilities including debt servicing. Later on, this pressure decreased due to rescheduling of loans. The country will face similar situation if adequate measures were not taken.

The Table below shows that between 1999 and 2008, only 20 percent of the ODA was in the form of grants, while 80 percent was loan. However, the percentage of grants varied from 09 percent to 41 percent in these years.

Table 8: Disbursement - Grants and Loans

				\$ Million
Year	Grants Disbursed	Loans Disbursed	Total	Grant as %age of Total ODA
1999-00	922.1	1,319.0	2,241.1	41
2000-01	206.1	2,203.5	2,409.6	9
2001-02	1,002.3	2,236.2	3,238.5	31
2002-03	400.8	1,991.3	2,392.1	17
2003-04	286.7	1,788.5	2,075.2	14
2004-05	467.6	2,968.7	3,436.3	14
2005-06	917.0	3,049.7	3,966.7	23
2006-07	627.8	3,419.1	4,046.9	16
2007-08	484.0	3,507.1	3,991.1	12

Source: Economic Affairs Division (EAD), Government of Pakistan

The Table below shows that the average grants as percentage of total were only 14 percent from 1990 and 2005. It may also be noted the share of grants was higher in 2000-05, as compared to 1995-2000. Such fluctuations may be attributed to various factors including political considerations on the part of bilateral and multilateral donors.

Table 9: *Loan and Grants Disbursed*

(\$ Million)			
Particulars	Loan	Grant	Total
1990-95	10,243	1,704	11,947
1995-00	10,567	885	11,452
2000-05	6,641	1,773	8,414
Total	27,451	4,362	31,813
% Share	86%	14%	100%

Source: Economic Affairs Division (EAD), Government of Pakistan

3.2. ODA in the Education Sector

The data about ODA shows that most of the aid goes into infrastructure development, and the percentage for education is generally very small. It is only in some years after 2001 that the percentage seems to be going up, showing the realization that the problem of terrorism cannot be addressed without combating illiteracy and improving regular education system.

3.2.1 Total ODA for the Education Sector

It is difficult to have a complete picture about the total ODA for the education sector since 1947 due to constraints in accessing relevant data. However, the information available for the years 2007 and 2008 shows that, in these years, the total ODA disbursed was US\$ 652 millions. It means that per year average for these years was US\$326 millions. It should be understood that these figures are significantly on the higher side, as compared to pre-2001 situation, where there was little focus on the education sector.

In some years after 2001 the percentage seems to be going up, showing the realization that the problem of terrorism cannot be addressed without combating illiteracy and improving regular education system.

Table 10: *ODA for Education Sector*

Year	Disbursed (USD)
Year 2007	411,281,176
Year 2008	241,080,018
Total	652,361,194

Source: Development Assistance Database Pakistan

3.2.2 Area-wise Disbursement of ODA for Education Sector

Relevant data shows that education sector ODA was disbursed for projects in almost all the regions and provinces of the country. For example in 2007, 35.5 percent of the total aid was disbursed for countrywide projects, but Punjab and Sindh were the major recipients with 28.5 percent and 24.8 percent of the total ODA disbursement respectively. It shows that 88.8 percent of total ODA was disbursed to either for countrywide projects or to the bigger provinces, including Punjab and Sindh. Only the remaining 11.2 percent of the total ODA was disbursed to other areas like NWFP, FATA, FANA, AJK and Balochistan. For further details, see the Table 11 below.

Table 11: Area-wise Disbursement of Education Sector Foreign Aid in 2007-08

Province or Area	Disbursed 2007 (USD)	Disbursed 2008 (USD)
Country Wide	146,033,896	86,148,370
Punjab	117,051,566	30,795,345
Sindh	102,189,508	18,997,850
FATA (Federally Administrated Tribal Areas)	13,741,917	3,190,215
NWFP (North-West Frontier Province)	12,275,581	43,754,430
AJK (Azad Jammu and Kashmir)	12,135,022	15,511,569
Balochistan	6,266,224	28,665,493
Federal Capital Territory	1,587,463	13,724,745
FANA (Federally Administered Northern Areas)		292,000
Total	411,281,177	241,080,017

Source: Development Assistance Database Pakistan

3.2.3 ODA for the Education Sector: Main Donors

The Table below provides information about the major donors in terms of ODA disbursed for the education sector for the years 2007 and 2008. It is evident from the data that the main donors for the education sector include World Bank, USA, ADB, UK,

The disbursements for education sector vary significantly over the years, which may be indicative of changing priorities or lack of long-term commitment to support the education sector.

Canada and Japan, while many other donors made relatively smaller contributions. The disbursements for education sector vary significantly over the years, which may be indicative of changing priorities or lack of long-term commitment to support the education sector. It may be noted that, while bilateral donors mostly provide grants, the aid provided by multilateral institutions for the education sector is largely in the form of loans.

Table 12: Sources of Foreign Aid in 2007-08 in Education Sector

Funding Source	Disbursed 2007 (USD)			Disbursed 2008 (USD)		
	Total	Grant	Loan	Total	Grant	Loan
World Bank	200,767,247	--	200,767,247	300,588	--	300,588
USA	144,206,260	144,206,260	--	82,122,404	82,122,404	--
Asian Development Bank	13,090,965	5,850,000	7,240,965	6,648,372	1,710,000	4,938,372
UK	12,425,522	12,425,522	--	2,051,226	2,051,226	--
Canada	10,358,575	10,358,575	--	61,135,402	61,135,402	--
Australia	9,797,548	9,797,548	--	26,057,335	26,057,335	--
Finland	7,758,954	7,758,954	--			--
Japan	7,228,824	7,228,824	--	3,000,000	3,000,000	--
Norway	2,162,988	2,162,988	--	677,966	677,966	--
United Nations	2,009,681	2,009,681	--	26,271,165	26,271,165	--
Nordic Development Fund	980,000	980,000	--	--	--	--
Switzerland	494,612	494,612	--	--	--	--
Islamic Development Bank	--	--	--	18,476,560		18,476,560
European Commission	--	--	--	14,338,999	14,338,999	--
Grand Total	411,281,176	203,272,964	208,008,212	241,080,017	217,364,497	23,715,520

Source: Development Assistance Database Pakistan

3.2.4 ODA for the Education Sector: Grants vs. Loans

Total ODA disbursed for the years 2007 and 2008 was US\$652 millions. The share of loans in the ODA for the education sector was 35.4 percent, as compared to 64.6 percent provided as grants. All bilateral donors provided assistance in the form of grants; while multilateral institutions (i.e. WB, ADB and IDB) disbursed assistance in the form of loans. For further specific information, see the Table 12 above.

3.2.5 Sector-wise Disbursement of ODA for Education

In 2007, about 74 percent of the total ODA was disbursed for the category titled as 'Others'. Other main categories involved: 13.7 percent of total aid for primary and basic education and 7 percent for higher education. Remaining amount was meant for a range of sub-sectors including training and capacity building, secondary education, science and technology, vocational education, special education, administration and adult education. On the other hand, in 2008, 51 percent of total ODA was disbursed for primary and basic education, 31.8 percent for the category 'other' and 10 percent for higher education. The

remaining disbursement of about 7 percent of the total ODA was meant for other sub-sectors like secondary education, science and technology and special education.

It is evident from the Table 13 below that most of the ODA disbursed is meant for primary and basic education, higher education or miscellaneous projects included under the head of ‘Others’. Adult education, special education, secondary education and vocational education are not the priority.

Table 13: Sub-Sectors Disbursement of Education Sector ODA in 2007-2008

Sub-Sector	Disbursed 2007 (USD)	Disbursed 2008 (USD)
Other	304,082,667	76,578,363
Primary and Basic Education	56,447,077	123,114,707
Higher Education	29,162,648	24,355,463
Unallocated	7,758,954	14,338,998
Training and Capacity Building	2,981,108	89,281
Secondary Education	2,727,281	170,786
Science and Technology	2,302,034	
Tertiary Education	2,146,471	192,960
Vocational/Technical Education	1,932,000	2,191,221
Special Education	1,680,142	
Administration - Education	56,661	
Adult Education	4,133	48,240
Total	411,281,176	241,080,019

Source: Development Assistance Database Pakistan

3.2.6 Major ODA Funded Education Sector Projects

Major ODA funded projects for the education sector are listed in the Table 14 and Table 15 for the years 2007 and 2008 respectively. In 2007, World Bank disbursed USD100 million each for two projects, including one in Punjab and the other in the Sindh province. USA also provided budgetary support of USD 72 million. World Bank, USA, UK or the ADB funded all major 10 projects listed in the Table 14 below.

In 2008, the largest ODA funded project by Canada was meant for primary education. Different donors including Australia, Islamic Development Bank (IDB), USA, AUSTRALIA, EC and the UN funded other projects.

The ODA disbursed in 2008 for the education sector was considerably less than the year 2007, which indicates the major fluctuations in the disbursement of funds. This fluctuation may be for a variety of reasons, including lack of long term commitment by donors, conclusion of an ongoing project but delays in the start up of the next one or challenges faced in implementation that delays the disbursement.

Table 14: Major ODA Funded Education Sector Projects in 2007

Project	Funding Source	Disbursed (USD)
IDA Credit 4317-PAK (Punjab Education Development Policy Credit IV)	World Bank	100,000,000
IDA Credit 4318-PAK (Sindh Education Development Policy Credit)	World Bank	100,000,000
Budgetary Support	USA	71,999,994
Fulbright Scholarship Program	USA	19,500,000
Earthquake Reconstruction Project	USA	13,091,386
Education Support to Pakistan (ED-LINKS)	USA	10,000,000
ED-LINKS	USA	10,000,000
SD 171027001 Punjab Devolved Social Service Programme (Budget Support) (PDSSPBS)	UK	9,934,170
Pakistan education Sector Reform assistance (ESRA)	USA	8,619,623
Earthquake Emergency Assistance Project: Loan 2213-PAK(SF)	Asian Development Bank	8,190,000

Source: Development Assistance Database Pakistan

Table 15: Top 10 Foreign Funded Education Sector Projects in 2008

Project	Funding Source	Disbursed (USD)
Primary Education Support Program [A-032943]	Canada	45,998,428
Earthquake Reconstruction Project	USA	26,392,739
Pre Service Teacher Education	USA	23,200,000
Australian Govt. Contribution to UNICEF Education Program in AJK	Australia	22,457,335
Fulbright Scholarship Program	USA	19,500,000
Expansion of Facilities/Infrastructure of National University Science & Technology	Islamic Development Bank	18,476,560
Sindh Education Plan - Support Programme (SEP - SP)	European Commission	14,338,997
Canada Pakistan Basic Education Project [A-030979]	Canada	14,048,079
Primary Education (Regular)	United Nations	14,026,741
Primary Education (Earthquake)	United Nations	11,436,269

Source: Development Assistance Database Pakistan

3.3. Issues and Concerns

Main issues and concern in relation to the ODA are as follows:

- i. A small percentage of total ODA is allocated for the education sector, and the major focus of ODA remains on infrastructure development and other sectors.
- ii. In general, there is a significant difference between the ODA committed and ODA actually disbursed. This happens due to a variety of reasons that include lack of donor's commitment, delays in meeting technical or reporting requirements, and slow pace of implementation of work on the ground.
- iii. The ODA with strings attached to it causes difficulties for the recipient government. The disbursement is delayed when the conditions, especially the ones that are unrealistic or arbitrary, are not fully implemented.
- iv. In general, even for the education sector, where investments do not produce returns in the short-run, the share of grants is very small, as most of the ODA is provided as loans. Study of selected years, however, show better trends but it is due to short-term political considerations and not really a result of a genuine and long-term commitment for education sector.
- v. The over ODA, its total size, sector-wise distribution, commitments vs. disbursements and utilization lacks transparency. Neither the government nor the donors have established a transparent system to track the ODA.
- vi. Participation of local civil society or other stakeholders is either non-existent or ineffective. Though occasionally efforts are made to consult stakeholders on upfront country assistance strategies, Poverty Reduction Strategy Paper, Medium Term Development Framework, National Sectoral Policies, and Annual Development Plans but such consultations are generally cosmetic.

4. POLICY RECOMMENDATIONS

In the context of ODA, following recommendations may be considered to ensure that the goal of ‘education for all’ could be achieved:

- i. There is a need to substantially increase ODA for the education sector. Specifically, the donors should make good on their pledges and commitments. They must also implement Paris Declaration and AAA reforms in letter and spirit.
- ii. Donors must ensure that they are paying for outcomes and not inputs. The outcomes may be determined through a consultative process involving all stakeholders including the relevant ministries, civil society groups and parliamentarians. This approach would be far more beneficial as it would make aid more effective. Furthermore, in a situation where the bureaucracy and political leaders are still not sensitized to a degree that corresponds to the level of current crisis in education, it becomes obligatory for governments to seriously focus on education.
- iii. The share of grants in the ODA, especially for the education sector, should be at least 50 percent. For least developed countries, facing serious challenges like internal violent conflicts, all ODA for education sector may be in the form of grants
- iv. Government must ensure that, while ODA goes up, it also shows commitment to increased budgetary allocations for education from its own resources. Maximum transparency about ODA committed and disbursed as well as about allocations and expenditures from government’s own kitty would help civil society, media and electorates in monitoring the trends and holding the relevant authorities accountable.
- v. Government must establish effective mechanisms for efficient implementation of ODA supported projects and programs. Donors should provide technical assistance and financial support in the form of grants for establishing such mechanisms. The implementation mechanisms must ensure timely release of funds, transparent tendering and procurement processes, quality controls and appropriate accountability systems.
- vi. The causes of the gap between ODA commitments and disbursements should be effectively addressed. This gap may be due to certain inefficiencies on the part of the donors or capacity constraints on the part of recipient countries in terms of meeting procedural and reporting requirements or ensuring efficient utilization of funds already disbursed.
- vii. In view of serious challenges related to corruption, government and donors must ensure transparency in all education related matters, especially by disclosing all relevant information to the public.
- viii. Aid needs to be made more predictable in order to make the assistance more useful for education. All mechanisms for financing development including debt swaps should follow the criteria of predictability and sustainability. Hiring

- thousands of new teachers when funds might dry up after three years or so is a risky proposition.
- ix. As committed by the donors to recognize important role of civil society, the donors must maximize opportunities in Pakistan through roundtables and seminars to highlight the role of advocacy in country. Donors need local knowledge and a capacity for learning about issues and ignoring such issues will seriously involve risks like wrong priorities or inefficient implementation of projects and programs.
 - x. Donors must not go for an approach of “political correctness” but constructively engage more with policy agendas and with the processes underpinning political change. It is important to recognise that aid is not a money business but a relationship business – it is institutions that matter.
 - xi. Currently many creditor-countries actively use debt swaps as a mechanism to improve their levels of Official Development Assistance. Debt swaps must be strictly additional to ODA funding and not an instrument of inflating ODA figures through a simple accounting operation. The amount swapped must be additional to the national budget to ensure that swap investments are on top of already budgeted financing of the education sector. To guarantee greater additional funding, swaps must be as concessional as possible. The swaps for education must be integrated into the national education plan, with a proper involvement of education ministry.
 - xii. The donors are more responsive to the needs and demands as articulated by officers and policy leaders. In rural areas, improving roads or transportation system might increase access more than building additional schools. Students who are hungry or suffering from infections cannot concentrate. These factors are outside the control of education officials. While donors must not narrowly direct their aid programme, a broad-based and coherent consultation should be part of planning.
 - xiii. Donors must invest in independent and rigorous evaluation of programmes. These studies are necessary to answer questions about what works in education and how a given programme can be improved. In part, because of the lack of hard evidence, aid is notoriously driven by fads.

SOURCES

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Asia South Pacific Association for Basic and Adult Education

About ASPBAE

ASPBAE, established in 1964, is a regional association of over 200 member organizations across 30 countries in the Asia South Pacific region. ASPBAE is committed to building an Asia South Pacific network dedicated to advancing equitable access to relevant, quality and empowering education and learning opportunities for all people, especially the most marginalized groups. Its members include NGOs, national education campaign coalitions, community groups, university departments, trade unions, indigenous people's, women's organizations and popular education groups promoting the right to education and life-long learning that is transformative and empowering. There are very few CSO networks with the same depth and reach as ASPBAE, in terms of geographic spread, the range of sectors involved, the diversity of perspectives and contexts it represents and the education issues / themes pursued.

<http://www.aspbae.org/>.

Vision

ASPBAE's fundamental purpose is to advance and defend the right of all people to learn and have equitable access to relevant and quality education and learning opportunities throughout their lives, enabling them to cope, survive and transform their conditions and define their own destiny.

ASPBAE seeks to build a global order that empowers people, promotes equitable sustainable human development and a just peace.

Mission

ASPBAE seeks to build and strengthen an Asia-Pacific movement dedicated to advancing the right to relevant, quality and empowering basic education and learning opportunities for all.