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ON EDUCATION FOR ALL
Consultation collective des ONG
SUR L'ÉDUCATION POUR TOUS
Consulta Colectiva de las ONG
SOBRE LA EDUCACIÓN PARA TODOS



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The Implications of the Global Financial Crisis for NGOs Working Towards the Achievement of Education for All

Country case study: Pakistan

Background paper prepared for the
Fifth Meeting of UNESCO's Collective Consultation
of NGOs on Education for All (CCNGO/EFA)

by
The Pakistan Coalition for Education (PCE)
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The study is based on the information collected from different organization and sources do not necessarily reflect the views of all the members of the PCE.

Table of Contents

ACRONYMS	4
Introduction	5
Section I: National Economic & Social Context	6
Impact on Government Finance	8
Section II: Challenge of the global crisis for national education development	9
Summary of Key Indicators.....	9
2.1 Trends in Government allocations and expenditure on education.....	10
2.2 Impact of the Crisis on Education and Government responses	12
2.3 Trends in aid to the education sector.....	13
Section III: Civil Society Organizations in the context of global crisis: impact and response	15
3.1 NGO- Profiles in Pakistan	15
3.2 Alliances & Networking.....	18
3.3 Analysis of CSO Financing Trends 2007 -2010.....	19
3.4 Effects of the crisis on NGOs’ activities and outreach- emerging paradigms of partnerships.....	22
Governance and Accountability :.....	24
Mission Statements:	24
Restricted Access to the Vulnerable:	24
Conclusions & Recommendations.....	25
4.1: Role of National NGOs in times of Crises – How do NGOs respond to the crisis in Pakistan?.....	25
Meeting the EFA Targets through Broader CSO Coalitions.....	25
Bibliography	27
Annex 1: PSLMs 2007-08	29

ACRONYMS

AKRSP	Aga Khan Rural Support Program
ALBBS	Alif Laila Book Bus Society
AJK	Azad Jammu & Kashmir
CBOs	Community Based Organizations
CCNGOs	Collective Consultation of NGOs
CIDA	Canadian International Development Agency
CSOs	Civil Society Organizations
CWIQ	Core Welfare Indicators Questionnaire
DFID	Department For International Development
ECE	Early Childhood Education
EFA	Education for All
EMIS	Education Management Information System
ESR	Education Sector Reforms
FAFEN	Free and Fair Election Network
FATA	Federally Administered Tribal Areas
FY	Fiscal Year
GER	Gross Enrolment Rates
GONGOs	Government Organized Non-Government Organizations
GDP	Gross Domestic Product
GRBI	Gender Responsive Budgeting Initiative
GNI	Gross National Income
IMF	International Monetary Fund
ITA	Idara-e-Taleem-o-Aagahi (ITA) Public Trust
ISAPS	Institute of Social and Policy Sciences
LFPR	Labor Force Participation Rates
LUMS	Lahore University of Management Sciences
MDGs	Millennium Development Goals
MICS	Multiple Indicators Cluster Survey
MOE	Ministry of Education
MTBF	Medium Term Budget Framework
MTDF	Medium Term Development Framework
NDMA	National Disaster Management Authority
NEAS	National Education Assessment System
NEF	National Education Foundation
NER	Net Enrollment Rate
NGO	Non-Government Organization
NORAD	Norwegian Agency for Development and Cooperation
NPA	National Plan of Action
NRSP	National Rural Support Program
NWFP	North West Frontier Pakistan
PACFREL	Pakistan Colaition for Free and Fair Elections
PEF	Punjab Education Foundation
PESRP	Punjab Education Sector Reforms Programme
PMIU	Program Monitoring and Implementation Unit
PNF	Pakistan NGO Forum
PPAF	Pakistan Poverty Alleviation Fund
PRSP	Poverty Reduction Strategy Paper
PRSP	Punjab Rural Support Program
PSLSMS	Pakistan Social and Living Standards Measurement Survey
RCDC	Rural Community Development Council
SAFED	South Asia Forum for Education Development
SAP	Social Action Programme
SPO	Strengthening Participatory Organization
TOP	Terms of Partnership
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fun
UNESCO	United Nation Educational, Scientific and Cultural organization
WWF	World Wildlife Fund

Introduction

As the world begins to recover from the worst ever global economic crisis (2008) since the great depression, there is an urgency to document the impact of the crisis within country specific contexts on EFA goals, as experienced by the civil society organizations (CSO) CSOs perform multiple roles, as innovators, implementers, critics and technical partners of the government. Pakistan, home to over 166 million people is engulfed by complex multi-layered challenges, not just of economics and governance, but of continuing extremism, violence, emergencies, displacement and disenfranchisement, leading inevitably to low social sector indicators. Its Human Development Index ranking slipped three places from 141 to 138 from the previous year, according to the Human Development Report 2009 (UNDP).

The purpose of this country case study from Pakistan is to identify and illustrate the key challenges and opportunities of the current global context for national NGOs working in education. The country case studies would feed into the final synthesis reports being prepared for the next CCNGO/EFA meeting. The case study would highlight the NGO perspectives for UNESCO and UIS on the effects of the crisis on education provision and funding.

The expected outcomes are:

- increased recognition of the role and contribution of local and national NGOs to protect marginalized groups and, more broadly, to safeguard the gains made since 2000 in times of financial and economic crisis
- enhanced knowledge on local and national NGOs' constraints, challenges and opportunities in the current global context
- increased evidence on how local and national NGOs are responding to the crisis in some specific countries
- contribution to the development of recommendations for the NGO community, national governments and other EFA partners

The study comprises four sections:

Section I focuses on the National Economic & Social Context

Section II highlights the Challenge of the global crisis for national education development

Section III is dedicated to Civil Society Organizations: the impact of, and response to the global crisis

Section IV offers some concluding Recommendations

CSOs in Pakistan represent a diaspora of scope and scale, ranging from large Government Organized NGOs (GONGOs) to Community Based Organizations (CBOs). They offer a variety of partnership options for both government and development partners alike at the national, provincial and local/district levels. Many CSOs work closely with the government as service delivery, capacity building and policy support partners. They offer legitimate options to development partners who cooperate with them through partnerships. These are, either directly or through public sector mainstream mechanisms of public private partnerships, a public policy instrument which has been officially institutionalized since 2002, embedded within the national Education Sector Reforms Action (ESR) Plan 2001-2005/6 across the country.

Pakistan has undergone several shocks since 2005. The 2005 earthquake and its unprecedented destruction were particularly devastating for the education sector. The emergency has continued unabated, and since 2007, in the Federally Administered Tribal Areas (FATA) and the North West Frontier Province (NWFP). This is on account of terrorism and insurgency. It has compounded due to continuing political and economic crises, lowest growth rates (2%), increased food in-security, unprecedented inflation of 22% and a mounting escalation in extremist conflicts, destruction and closure of schools with high loss and impairment of human lives, plunging the country into a perpetual emergency mode. Added to this is the virtual collapse of the local government system or devolution installed in 2001 by December 2009, with no clarity or consultation about alternative arrangements for local governance to the school level. The challenge for meeting the EFA goals, addressing the core areas of, access, quality and equity with a focus on gender and the marginalized has become a daunting one indeed.

Section I: National Economic & Social Context

Pakistan has evolved from a mainly agriculture-based economy to a service-based one. The former sector remains under-explored likely to yield higher growth rates. The service sector accounts for 53.8% of the GDP in the 2008/09 fiscal year, with 36% of labor force, while agriculture accounts for less than 22% of the GDP but 44.6% share in employment. The industrial sector accounts for roughly 25% of the GDP. Important industries include textiles (accounting for roughly 55% of total export), food processing, chemicals, manufacturing and iron and steel industries. The Government is committed to a mix which optimizes the highly under-tapped agriculture sector, related industry and services as is visible in the new Poverty Reduction Strategy Paper II (PRSP). Since 2002/03, Pakistan's economy did well in terms of most macroeconomic indicators. Growth increased from the 3-4% range to the 6-7% range; inflation remained relatively low; investment increased significantly; and poverty declined sharply. In 2007/08, Pakistan faced large external shocks to the economy in the form of rapidly rising oil and commodity prices. The government tried to protect the domestic economy from these inflationary pressures by absorbing the price increases into the budget. **Government subsidies, however, caused large increases in the fiscal and current account deficits**, the former being met from large scale borrowing from the central bank. As a result, the economy was seriously destabilized, along with a sharp reduction in growth, acceleration in inflation and a rapid depletion in foreign exchange reserves. GDP growth declined from an annual rate of 6% during the mid-2000s to 2.0% in 2008/09¹. The inflation rate reached around 20%. The rupee has sharply depreciated by almost 30% in 2009 compared with the 2008 level. GDP dipped from 6 percent to 2.5% with some likelihood of edging up to 3% in FY 2010/2011.

Table 1: Pakistani economic outlook (Rs, 2006-2010)

	Fiscal year ending in:				
	2006	2007	2008	2009*	2010**
GDP growth rate (%)	6.18	6.02	5.95	2.50	3.50
GDP, current prices (Billion)	7,623.2	8,723.2	10,478.2	12,969.7	14,229.1
GDP, current prices (Billion USD)	127.49	144.03	167.64	162.63	170.19
GDP per capital, PPP (USD)	2,400	2,572	2,739	2,790	2,857
Inflation, average consumer prices (%)	7.92	7.77	12.00	20.00	6.00
Current account balance, as % of GDP	-3.92	-4.78	-8.37	-5.93	-4.85
Exchange rate (LCU/USD)***	59.80	60.56	62.50	79.75	83.61

Note: * Estimated, ** Projected, ***Exchange rate is used in this study to measure values in US dollars. Source: Based on IMF World Economic Outlook Database, April 2009

- **Highlights**

Since 2002/03, Pakistan did well in most macroeconomic indicators, with 6-7% range of annual GDP growth, relatively low inflation, increasing investment and a sharp decline in poverty. However, in 2007/08, Pakistan faced large external shocks, growing fiscal and current account deficits, reduction in growth, acceleration in inflation and a rapid depletion in foreign exchange reserves and export growth.

Pakistan had to take an aggressive fiscal policy and concluded a Stand-by Arrangement with the IMF. Tight monetary and fiscal policies preclude fiscal packages to mitigate the effects of the global economic crisis. Most expenditure cutbacks were made on government subsidies such as utilities, fuel and essential food items etc.; **The cuts on the federal government's development budget were universal and affected all the sectors, especially the education sector.** The cut in the development budget for education resulted in reducing investments in infrastructure, equipment, furniture and other budget items. In 2009/10, unless major assistance is received for education, development expenditure will have to be curtailed again.

¹ Pakistan Economic Survey 2008-09, p. 195

- **Rising Poverty – Head Count:** The latest Pakistan Economic Survey 2008-9, graphically underscores relapse into poverty from the optimistic head count figures of 2005-06 of 22.3%. This is substantiated by the Report of a UN Inter Agency Assessment Mission fielded during June-July 2008 which found several core household indicators negatively impacted due to price hikes such as: food security likely to affect 7 million households (or 45 million people), increase in households who cannot meet health costs from 6 percent to 30 percent, falling nutrition levels and compromised expenditures/ commitment to education for girls in particular (Ibid. 196).The rural population remains most vulnerable. The Planning Commission’s Panel of Economists has predicted an increase of 6 percentages on the poverty head count of 23.9 percent in 2005-06². Whilst the World Bank estimates point to 36.1 percent from its baseline of 29.22 % (ibid. p. 197). The vulnerable are estimated as another 30% of the population (Economic Survey 2007-8). This creates a specter of approximately 60-65% as poor and vulnerable, which bodes ill for education challenges and EFA targets.
- **Extremism/Violence – Education Emergencies :** The war against terror unleashed by the highly organized extremist/anarchist groups, in the form of “ Operation Rah-e-Rast’ and Operation Rah-e-Nijaat” of the Pakistan armed forces in NWFP, FATA and elsewhere with full backing of the government and that of US government in the form of drone attacks has already cost education dearly. The bombings and destruction of over 500 schools, mostly girls, the repeated closure of schools across the country and more often in the war zone areas has disproportionately impacted gender, access and quality. It has also created an atmosphere of tremendous un-certainty braved by the affected who are displaced more than once (over 4 million), losing precious academic time and withdrawal of girls from schools, often permanently. Trafficking, recruitment of child soldiers, child labor are some of the negative aspects of this unprecedented phase of emergencies triggered in 2005 by a natural disaster, merging into a sustained conflict of the enemy within.

As well documented in the 2010 Global Monitoring Report (GMR) on Education for All, “Reaching the Marginalized”, estimates suggest that more than 25 million out-of-school children live in low-income countries affected by conflict — around 35% of the global total.

The crisis at multiple levels is likely to have a negative impact on school enrolments as well as on the quality of education, particularly in public schools. The drop in enrolment will perhaps be higher for boys than girls in some areas, whilst in other areas this could be the opposite, whereby boys are susceptible to entering the workforce to supplement family incomes or girls are likely to be held back due to continued extremism and displacement. In the 2005-06 Pakistan labor force participation survey, the number of girls aged 10-14 is growing at a higher proportion than boys and also those working in the informal sector, accounting for 73% of economic activities³. The cuts in development expenditure will lead to deteriorating education quality. **Worsening economic conditions are likely to affect private schools**, especially the low cost schools, some of which may close down as costs escalate, leading to falling enrolments making these schools economically unviable.

The government has embarked on PRSP I &II since 2001 to respond to the challenges of MDGs. PRSPs focus on poverty reduction as a major outcome of key strategies backed by budgets. PRSPs have been accompanied by the medium term development and expenditure framework (MTDF & MTEF) adopted at the federal, provincial levels and to some extent at the district level. Gender Responsive Action Program (GRAP) is also an ongoing initiative by the Government of Pakistan to ensure sensitivity and mainstreaming of gender issues within policy, planning and budgets. The process for PRSP I & II has been consultative, evidence based, rigorous in tracking expenditures and outcomes, aligned to the agreed sector strategies, policies and targets of each ministry and department. An efficient methodology of cluster based tracking of core indicators at the household level has been crafted, and mainstreamed within the Federal Bureau of Survey (FBS) in the shape of Core Welfare Indicators Questionnaire(CWIQ) and Pakistan Social and Living Standards Measurement Survey (PSLMs) respectively.

² “Economic Stabilization with a Human Face” October 2008 cited in the Economic Survey 2008-09

³ Pakistan Statistical Division, Federal Bureau of Statistics: Labor Force Survey 2005-06, Islamabad.

The second generation PRSP II has been finalized to cover the period 2008-2011. It has concluded its iterative evolutionary process from 2007 onwards, engaging with research, surveys, consultations, people’s voices, social audits and perceptions about poverty, well being and service delivery. PRSP II is focused on 9 concurrent levers presented in the following sequential order.

Text Box 1

The Poverty Reduction Strategy

(i) Macroeconomic Stability and Real Sector Growth; (ii) Protecting the Poor and the Vulnerable; (iii) Increasing Productivity and Value Addition in Agriculture; (iv) Integrated Energy Development Programme; (v) Making Industry Internationally Competitive; (vi) Human Development for the 21st Century; (vii) Removing Infrastructure Bottlenecks through Public Private Partnerships; (viii) Capital and Finance for Development; and (ix) Governance for a Just and Fair System.

The PRSP II is committed to “placing a stringent results-based system to monitor and evaluate the implementation of the PRSP II and to ensure sensitivity to women’s empowerment, reduction of gender disparities and environmental sustainability, as crosscutting integral themes”. (PRSP II p. 8)

- **Bilateral aid to education has steadily been declining**, but multilateral aid to education has increased over time, owing to long-term commitments to projects and programmes. There has been a growing trend by bilateral agencies in Pakistan due to escalation of costs for security and risks, to shift their funds to multi-lateral agencies, particularly the UN. Some of these bilateral are: AUS-AID, DFID, CIDA, NORAD, Royal Netherlands Embassy, USAID, etc. This trend is on the rise as the bi-lateral agencies do not have presence in decentralized settings whilst multi-laterals tend to have both presence and scale of operations for coping better with security issues and continuity of spending. Strategic bilaterals, which are committed to education as a strategy to ‘war against terror’, such as USAID and DFID have announced enhancement of support to the education sector over the coming five years with mixed aid modalities for effective impact.

It is early to provide concrete and accurate evidence on the impact of the global economic crisis on social indicators. The information that is available points to a sizable impact. An upward adjustment in energy prices, negative growth in the manufacturing sector, double digit inflation, all point towards worsening employment and social conditions.

Impact on Government Finance

In Pakistan, where a bulk of the tax revenue is collected from the manufacturing sector², a negative 6% decline in manufacturing VAT implied a substantial shortfall in revenue in FY2008/09. The overall revenue fell short of the initial target by 4.4%. After annual double-digit increases before the crisis, the government revenue is expected to be depressed in 2008-2009 as in previous years. Both the government revenue and expenditure relative to the GDP are expected to decrease drastically during this period (Table 2).

Table 2: Trends in Government finance (Billion Rs)

	2006	2007	2008	2009**	2010***
Domestic revenues*	1,076	1,298	1,546	1,887	2,163
Total government revenue	1,401.0	1,676.0	2,599.0	2,870.0	2,884.0
Total government revenue (USD)	23.43	27.67	41.58	35.99	34.50
Dom revenues* as % of total gov revenue	76.8	77.4	59.5	65.7	75.0
Total government expenditure (actual)	1,712.47	1,980.15	2,863.22	3,085.48	3,766.40
Of which recurrent	1,296.55	1,453.03	2,013.72	2,240.17	2,361.45
Of which development	415.92	527.12	849.51	845.31	1,404.95
Total government revenue as % of GDP	18.4	19.2	24.8	22.1	20.3
Government expenditure as % of GDP	22.5	22.7	27.3	23.8	26.5

Note: * Excluding both domestic and foreign grants and loans, ** Revised, *** Projected.

Pakistan had opted for absorbing the increase in international commodity and oil prices through government subsidies, which led to a substantial increase in fiscal and trade deficits in 2008. This required tight monetary and fiscal policies which precluded any possibility of receiving fiscal and/or monetary packages to mitigate the effects of the global economic crisis. In order to avoid possible bankruptcy, Pakistan sought more than \$100 billion in aid, which failed. Thus, Pakistan relied on a more aggressive fiscal policy and on large scale borrowing from the central bank, together with an IMF US\$ 11.3 billion Stand-by Arrangement. Before the crisis, the actual expenditure used to be higher than the initial budget allocations, partly as a result of prudent economic and fiscal policy and performance. However, in 2008/09, expenditure cutbacks occurred, especially on government subsidies and the federal government's development budget, which were universal and affected all sectors, particularly the education sector.

Section II: Challenge of the global crisis for national education development

An education fact sheet on access, gender and quality for Pakistan highlights the gaps in achieving EFA goals and the MDGs.

Summary of Key Indicators

The Access Challenge:

- Net Primary Enrolment 55%
- Net Middle Enrolment Rate 19%
- Net Secondary (grade X) Enrolment Rate 11%
- Net Tertiary Enrolment Rate 4.5%
- Almost 50% of all girls never attend schools compared to 22% boys
- 56% Literacy rate (69% for males/ 44% females)⁴
- According to the first National Education Census (NEC) 2005 by the Ministry of Education (MoE), 6,149 out of 26,809 urban blocks and 10,908 out of 50,585 villages exist without any educational institutions ("NEC 2005 Executive Summary" p 2).⁵ These gaps are more acute in the Federally Administered Northern Areas (FANA), the Federally Administered Tribal Areas (FATA) and Azad Jammu and Kashmir (AJK).

Gender & Access Challenge

- Gender Parity Index: Primary = 0.85; Middle=0.77 : Secondary= 0.75; Hi-Secondary= 0.99; Degree-Colleges(grades XIII-XIV) = 1.55 & Universities=0.86
- GPI is promising in grades X-XIV, but needs improvement at school and university levels

Table 3: Literacy Rates and Never Attended School Rates

Indicator	Total %	Rural %	Female%
Literacy Rate 10+	56	49	34
Never attended School	42	49	64

Source: PSLM Survey 2008-09, Federal Bureau of Statistics, Govt. of Pakistan

The overall literacy rate of 56%, is starkly juxtaposed against the female rural literacy of 34% and out of 42% who have never attended school, 64% are women whilst 49% of the rural population has never attended schools. Cumulatively this presents the challenge of the most vulnerable who have been persistently ignored in Pakistan with weak institutional and resourcing mechanisms to reach the unreached.

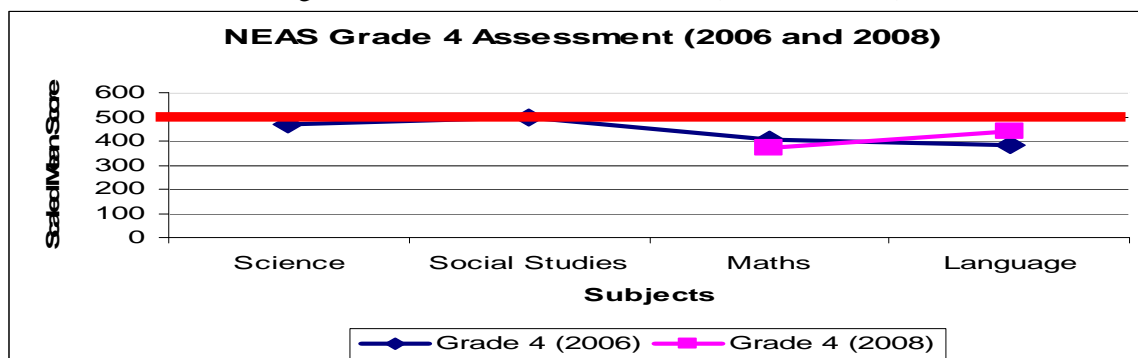
⁴ PSLMs Data, 2007-08, and Pakistan Economic Survey 2008-09

⁵ National Education Census 2005." *Federal Bureau of Statistics*. Ministry of Economic Affairs and Statistics, Government of Pakistan. 3 June 2009, www.statpak.gov.pk/depts/fbs/publications/nec2005/nec2005.html.

Quality Challenge:

National Education Assessment System (NEAS) is a government initiative for measuring children's learning outcomes for Grades 4 and 8 across the country. NEAS assessments in 2006 and 2008 illustrate a depressing scenario with respect to learning outcomes and quality.

Figure:1 NEAS Grade 4 Assessment (2006 and 2008)



Source: NEAS – Ministry of Education 2008- cited at the iSAPs dialogue in Lahore, 2009.

Grade 4 (2006): All the results were below the average score of 500 in 2006. In 2008 tests, the average for Maths has slightly decreased over the 2006 assessment results, whilst for language it has improved but remains below the Mean score of 500. When disaggregated only Punjab has performed above the mean in social studies. .

Text Box 2

Educational system, context and challenges

Education in Pakistan is divided into five levels: primary (grades 0 or Katchi/ECE-1 -5); middle (grades 6-8); high (grades 9-10); intermediate (grades 11-12); and university programs leading to graduate and advanced degrees.

The Government of Pakistan is **constitutionally committed to eradicating illiteracy and providing free and compulsory secondary education**. This is reflected in a number of key documents including the National Education Policy (1998-2010), National Education Policy 2009, the Ten-Year Perspective Development Plan (2001-2011), the National Plan of Action on EFA (2001-2015) and the Poverty Reduction Strategy Paper (PRSP) II.

The critical challenges facing Pakistan for its educational development are as follows: Over 50 million illiterates, of these 20 million are in the age-group of 10-24 years; about 5-6 million school-aged children not enrolled in school; low spending on education (around 2% of GDP); lack of legislation or implementation of the Compulsory Primary Education Act; low literacy rates, with wide gender disparity (65% for males and 40% for females), more pronounced in rural areas; wide gender disparity in enrolment rates at all levels of education; high dropout rates, especially in rural areas; insufficient recognition of the private sector contribution to education; poor learning conditions in public schools (70% of government primary schools have only two rooms to accommodate five/six classes); low quality reflected in the poor levels of learning achievements.

Net Enrolment Rates for Primary 55 %; NER Middle 19% ; NER Secondary 11% remain the critical challenge as does low transition opportunities for each successive level of education beyond primary.

2.1 Trends in Government allocations and expenditure on education

Budget allocations to education in Pakistan have been consistently low and remain the single most powerful indicator to illustrate government's low priority to the education sector, as illustrated by Table 4 below.

Table:4 Education Budget in Pakistan (1995-96 to 2008-09)

Year	% of GD	Year	% of GDP
1995-96	2.00	2002-03	1.86
1996-97	2.62	2003-04	2.20
1997-98	2.34	2004-05	2.15
1998-99	2.40	2005-06	2.24
1999-00	1.7	2006-07	2.50
2000-01	1.82	2007-08	2.47
2001-02	1.79	2008-09	2.10

Source: Economic Survey (2002-2003, 2005-06, and 2008-09, Finance Division, Government of Pakistan)

Historically, the level of government expenditure on education has been very low, with less than 2% of the GDP and 6-8% of total government expenditure. (Economic Survey 2008/9) This is unlikely to improve during the crisis, notwithstanding government’s rhetoric of enhancing GDP to 4%.

Table 35: Government expenditure on education (Federal, provincial and districts), Million Rs

	2006	2007	2008
Actual Gov expenditure on education	141,702	162,084	182,646
Of which recurrent	118,274	130,313	150,337
Of which development	23,428	31,771	32,309
Actual Gov expenditure on education (USD)	2,369.80	2,676.20	2,922.10
Gov expenditure on education as % of GDP	1.86%	1.86%	1.74%
Total Gov expenditure	1,401,900	1,799,968	2,276,549
Education as % of total Gov expenditure	10.10%	9.00%	8.00%
Actual Gov expenditure on education	141,702	162,084	182,646

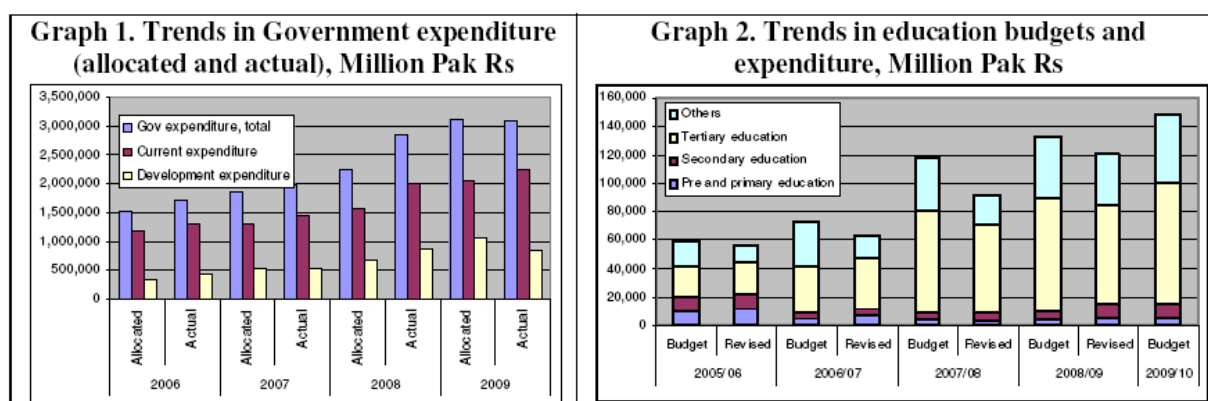
Note: This table is based on actual expenditure data for all three tiers, from the Accountant General of Pakistan Revenue (AGPR)’s Office.

Source: Education expenditure from Government Accounts (AGPR’s Office) and total expenditure from Economic Survey (2008/09)

Table 5 provides “revised estimates” in current prices, used here as a proxy for actual expenditures for the federal and provincial governments only (which represent close to 50% of the financing for the education sector and around 10-20% of primary and secondary education). The expenditures on education appear to have continued increasing, even during the crisis, though marginally in development expenditure after the surge before the crisis.

The increase in current expenditure is due to the increase in salaries of government employees (a 6% overrun in recurrent expenditure, This implies that cuts may have occurred in non-salary recurrent expenditure. The development expenditure₃ was cut by 27% as compared to the initial budget target. In 2009/10, unless some major grant or donor assistance is received for education, the shortfall may be handled in a way similar to 2008/09. For example, the 15%-20% salary increase will have to be given as it occurred in the past 5-6 years, leaving the development expenditure curtailed again.

Figure 2: Trends in Government Expenditure and in education budget

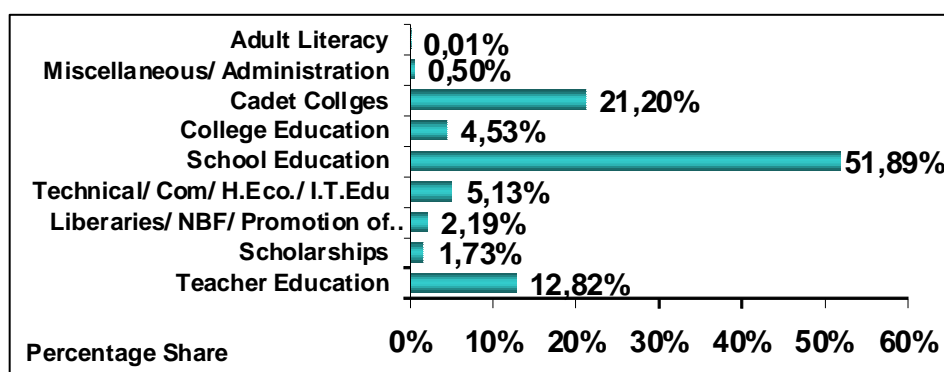


Due to the non-availability of the district governments' fiscal accounts for 2008/09, it is presently impossible to say with any degree of certainty the extent to which the overall expenditure on education and its allocations by subsector fell short of the initial budget target.

In Figure No 2, Graph 2 compares the evolution of education budgets and expenditure. The graph shows that education expenditures fell substantially short of budget allocations in 2007/08 and 2008/09, while total government expenditure (see Graph 1) recorded steady increases over budget allocations during the same period. There was a shortfall of about Rs. 12 billion (9%) in aggregate federal and provincial education expenditure in 2008/09. This is indicative of the vulnerability of the education sector in periods of fiscal austerity.

Looking at the disaggregated profile of the federal education budget for 2008-09, government priorities remain mixed.

Figure 3: Core Areas of the Federal Education Budget 2008-09,



Source: iSAPs Seminar Lahore July 2009

It is reassuring to note that school education is recipient of 52% of the budget. What is alarming is the allocation to cadet colleges (grades VI-XII) schools, comprising 21.20% of the total federal budget for 2008-09. Cadet colleges cater to the elites of Pakistan and that too for males. This remains a heavily critiqued issue, illustrating elite capture by the elected representatives, seeking constituency building through exclusive spending for prized vote banks. This is obviously at the expense of enhancing education opportunities for the poor and girls at school level or additional funding for quality education and compensatory programs for the most marginalized who are yet to be a focus group for policy makers and planners alike.

The World Bank Development Indicators Report 2008 has ranked, Pakistan at 119 out of 127 countries in terms of public expenditures on education (expenditures as percentage of GNI-2006). The World Economic Forum's Global Competitiveness Report 2008-2009 has ranked Pakistan 116 out of 134 countries, in terms of the quality of primary education.⁶ The Pakistan government is currently incapable of fulfilling previous commitments made to increase allocations and utilization of its education budget to improve access and quality of education.

2.2 Impact of the Crisis on Education and Government responses

It is too early to precisely appraise the changes in education provision as a consequence of the crisis, as these have to be assessed through the next school census or household surveys. In times of crisis, the overall drop in enrolment is likely to be more for boys than girls, since boys drop out of school in order to supplement family incomes. This trend may also be strengthened by the policies adopted in the last 6-7 years, whereby three out of four provinces initiated stipend schemes to encourage girls' enrolment, specifically in classes 6 through 10. The federal and provincial governments' expenditure on primary and secondary education, despite their limited role in delivery, exceeded the budget targets both in terms of recurrent and development expenditures. Whilst that is a good trend, the allocations

⁶ Porter, Michael E., and Klaus Schwab. *The Global Competitiveness Report 2008-2009*, World Economic Forum, 2008..

to non-formal and literacy were reduced. The expenditure on tertiary and “other” education fell below the initial budget target by 20% and 58% respectively.

In the conflict ridden areas of NWFP and FATA, girls have been affected adversely across the board but particularly from the most vulnerable segments of the population. Over 300 schools have been destroyed. NGOs which were recognized nationally and internationally, working in these tough areas have ceased operation due to direct threats and misogynistic barbaric actions of the militants targeting women workers.

The economic and militancy crisis will definitely affect quality of education in public schools, as funding for “quality” interventions such as teacher training, delivery of learning materials, support for teachers in clusters, may be curtailed. The development expenditure on education was cut in 2008/09. For example, allocations for the provision of missing facilities in schools, training of teachers, and the provision of better quality textbooks to students may be decreased or their real value may decline.

The crisis is bound to impact the level of remittances from Pakistani working abroad a worsening economy is likely to have an effect on family incomes. Economic crisis, inflation, and falling values of Pakistani currency against foreign exchange may compel some private schools to increase their fees. IN some provinces private sector institutions have been compelled to raise their boundary walls as compulsory security measures, There is a possibility of some of the low cost private schools closing down due to cost escalation (due to inflation) and falling enrolments make these schools economically unviable whilst others are already passing on the burden to households already under economic stress with enhanced fees.

How the future education budgets will be affected is still a matter of uncertainty. In the event of very large shortfalls in fiscal resources, education budgets may become impossible to protect. On the other hand, there are also reasons for optimism that education sector expenditures will be protected. These reasons include increased realization among the planners of aggressive social sector budget tracking trends by civil society, INGOs and UN agencies. Another factor is the conditions of World Bank loans which link disbursement of assistance in Punjab and Sindh on the basis of incurred expenditure on education. This may provide the governments of the two largest provinces leverage to protect education expenditures against possible budgetary cuts.

2.3 Trends in aid to the education sector

Bilateral assistance to education has been steadily declining after 2005, the year when Pakistan was hit by a massive earthquake and all agencies mounted emergency assistance operations, especially for schools in affected areas. Multilateral assistance to education, however, has continued to increase over time, largely due to long-term commitments to projects and programmes (Table 6).

Table 6: Aid to the education sector (USD Million) Fiscal year ending in: 2006 2007 2008 2009

Table 6: Aid to the education sector (USD Million)				
	Fiscal year ending in:			
	2006	2007	2008	2009
Total aid to education	302.46	283.19	372.46	488.61
Bilateral agencies/countries	204.51	197.54	114.75	78.00
Multilateral aid (including UN)	97.94	85.66	257.71	410.61
Total aid as % of Government ed expenditure	12.8%	10.6%	12.7%	na

Source: Directory of Donors' Assistance to Pakistan Education Sector 2008; Policy and Planning Wing; Ministry of Education; Govt of Pakistan.

Source: Directory of Donors' Assistance to Pakistan Education Sector 2008; Policy and Planning Wing; Ministry of Education; Govt of Pakistan.

The worsening fiscal situation and delays in donor assistance for the education sector caused significant shortfall at the federal and provincial level. Donor aid for education was substantially

curtailed in 2007/08, mainly because the World Bank suspended all budget support to Pakistan as the fiscal situation worsened. The budget support was resumed in 2008/09, yet the support to education underwent a structural shift from a budget support mode to “Output-Based Investment Operations.” After the donor commitments were pledged in the Friends of Pakistan meeting in April 2009, it is expected that donor assistance for physical infrastructure would increase substantially. Assistance for education is expected to increase or at least remain at the present level throughout the next 3 to 5 years. Nonetheless, the quantitative and qualitative benefits of international assistance for education may be affected, as some key bilateral donors are not inclined to provide direct budget support to Pakistan. Instead, they prefer to route the assistance through their own institutions and network to directly implement the projects. This approach may politicize assistance for education and can reduce the benefits to public sector education.

In a recently released report by the Pakistan Coalition for Education (2010), titled “A Policy Scan of Official Development Assistance (ODA) to the education sector in Pakistan”, reveals that assistance to education has increased from 6.5 % percent in 1999 to 10. 2% in 2004 (p. 4). This is tracked through the government expenditures on education. The same figure is more or less corroborated by the Ministry of Education as well in table 6 above.

Pakistan remains in the eye of a storm, as a frontline state committed to “war against terror” and a strategic country bordered by China, India, Afghanistan and Iran as its neighbours. USA is a key cold war and now post-cold war ally. The Government of USA is often seen as closely directing the entire domestic political processes and regional strategy for the country, with close influence over its politicians and armed forces. In this alliance, other countries of Europe and Great Britain also play a significant role and provide development aid. Aid to social sectors is seen as a vital arm of foreign policy. Thus resources to education may increase significantly provided its disbursement mechanisms can be sorted out. Pakistan has just witnessed this surge in the recent debates on the Kerry Lugar Bill which was finally passed as The Enhanced Partnership with Pakistan Act 2009 in October 2009. There is currently a preference towards NGOs for direct aid, which have a track record as explicitly stated by the US Government, albeit the Government of Pakistan has strong reservations about this modality. Contentious debates between the two governments (US & Pakistan) have been witnessed over accountability systems for the proposed US\$7.5 Billion dollars to be allocated by the US Government and its people to social sectors over the next five years. The UK government has declared ambitious plans through establishment of a joint task force Pakistan Education Task Force (PETF) in December 2009 with a focus to implementing the recently approved National Education Policy 2009 with clear target setting, increasing the capacity of the federal and provincial governmental ministries and through private and public sector partnerships The PETF is likely to have a mixed approach favouring budgetary support in assured education programs (The Nation 22 January 2010).

The cumulative impact of financial crisis and multiple crises of governance, extremism and conflict are a major source of concern for the achievement of EFA goals. The gains made since 2000 are being jeopardized and remaining challenges towards 2015 are under severe stress. While it is too premature to accurately assess the impact of the crisis on the achievement of EFA, lessons from past crises suggest a number of negative implications for the EFA community, such as reduced national spending on education and health, increased numbers of child labourers and a deepening of inequalities, among others. Additionally, the most vulnerable groups (poor, vulnerable and displaced) will be the hardest hit by the crisis, both in the short-term as well as suffering from more long-term effects. Can the CSOs working in education and poverty reduction offset the sharp impact on the most vulnerable? Do they have the resources to do so?

Section III: Civil Society Organizations in the context of global crisis: impact and response

3.1 NGO- Profiles in Pakistan

Pakistan has a vibrant diaspora of civil society organizations These range from: a) large government organized non-government organizations (GONGOs) at national and provincial levels b) Independent NGOs working at national and provincial levels c) District level NGOs d) small local level registered CSOs and e) Networks and alliances at national, provincial and local levels. In the education sector, the role of CSOs has always been vibrant in Pakistan. It has been expanding consistently since 1980s and exponentially during the 90s, as a response to: a) the poor quantity and quality of public sector provision, b) neglect of, out of school children and youth and the vulnerable with particular focus on girls/women and c) inability of government to respond rapidly to challenges of emergencies and hard to reach. It is also important to add that since, 1990 Dakar Call for Action for Education For All (EFA) the government has been under enormous pressure to explore multiple options for widening its net in partnerships with non-state partners either through direct or indirect platforms. Whilst the development partners are preferring budget based support through public financing systems, there is an underlying preference to engage with CSOs in service delivery options.

Government Response – *Establishing Large Civil Society Platforms for Scaling up Education & other Social Sector Initiatives:* The decade of the 90s witnessed major government activity in establishing community based civil society initiatives in Pakistan for the social sectors. Inspired and convinced by the success of the Aga Khan Rural Support Program (AKRSP) in northern areas, the government has established impressive large scale Rural Support Programs at National and Provincial levels, the Pakistan Poverty Alleviation Fund (PPAF) with substantial government endowments and ‘mixed’ governance structures with government presence. Their mandate was to engage with the communities in multi-sectoral areas including education. Six Education Foundations were established across Pakistan in the 90s mandated to directly engage with NGOs and private sector for implementing innovative education programs in high priority areas of access and equity and quality. In all cases, RSPs, PPAF and Education Foundations, government provided the initial corpus of funds as well as annual budgets to compliment its outreach for education through partners. These government initiated and funded NGOs as well as Foundations have worked directly with communities and CSOs in a scaled up programs.

In 2001 the National Commission for Human Development (NCHD) was also established as a federal statutory body through citizen led effort driven by expatriate Pakistanis. This was to be in partnership with the Government in terms of, location, endowments and recurrent budgets. The NCHD mandate is to support basic education/literacy and health programs along with encouraging youth volunteerism (www.nchd.org.pk) NCHD’s coverage was 84 districts of the country supporting basic education and literacy.

In their governance, such organizations GO NGOs, statutory and semi autonomous bodies, dependent entirely on government goodwill and resources, have a large number of ex-officio members of the government on their Boards as well as representatives from the private sector including CSOs. These GO NGOs and semi autonomous bodies have helped the government enormously with outreach in over 124 out of 132 districts⁷ in addressing the vulnerable and to overcome the ‘trust deficit’ that exists between government and communities, and above all handling large amount of public funds. However, they have also crowded out smaller NGOs both in terms of government and development partners’ preferences. A glance at their annual budgets is quite self-explanatory The perceived economies of scale and out reach far outweigh for both donors and government alike their technical

⁷(The four territories - Azad Jammu and Kashmir (AJK), Federally Administered Northern Areas (FANA), Federally Administered Tribal Areas (FATA) and Islamabad Capital Territory (ICT) - are administered from Islamabad, the national capital. Provinces are divided into districts, sub-districts (tehsils) and union councils. 132 districts with average populations greater than a million present formidable administrative challenges. Compiled by UNICEF Monitoring & Evaluation Unit Pakistan 2007 (annex)

knowledge of specialized education areas/sub-sectors The community mobilization edge for RSPs and widespread presence masks shortage of specialist skills in education .

A glimpse at the Annual Budgets of Government Organized NGOs & Autonomous Bodies /Foundations - at national and provincial level, who have been endowed with a large corpus of public sector Funds, reveals their size. These organizations are working closely with the government in implementing the National Social Protection strategy and education sector plans.

Table 7 : GO-NGO/Autonomous Bodies Annual Budgets

Name of GO NGO	Annual Budgets
National Rural Support Program (NRSP) Annual budgets in 2008	US \$ 18.5 million (@ Rs. 75 per dollar)
Pakistan Poverty Alleviation Fund (PPAF) - Annual budget 2009	US million
Sindh Education Foundation- Annual Budget 2009	US \$ 25.3 million
Punjab Education Foundation(PEF) Annual Report 2007	US \$ 4.2 million

Sources : Websites: (www.nrsp.org; www.sef.org.pk, www.pef.org.pk, www.ppaf.org)

Excluding GO NGOs from the Current Study: For the current study, it was jointly concurred with PCE that these large GONGOs would be excluded from the survey, since this category is more or less protected from crises. They have sufficient financial buffers, both in endowments and annual budgets to weather global economic crises. The Government organized NGOs have been provided additional support by the government at all times to offset governance crises of service delivery through traditional public sector institutions. As an example, the Sindh Education foundation received in FY 2008-09 Rs. 450 million which has now been enhanced to Rs. 1.9 billion in FY 2009/10, a more than three fold increase as government of Sindh is unable to see faster roll out of the education program through normal public sector channels. Instead it seeks to fulfill its obligations to education as a public good through free low cost private education solutions (www.sef.org.pk).

The questionnaire for the country study was sent out to 12 NGOs (national and local) to capture a spread from district to national levels. Only 5 responded and another 4 who requested additional time were unable to finalize their responses. These are times of stress due to escalation in conflict and major dislocations of large groups.

It is also a time when several NGOs are extremely busy, engaged in aggressive projections for mobilization of additional funds for education. Some of the donors particularly the US is seeking enhanced partnerships with NGOs in education and indeed other social sectors.

The 5 organizations that responded are (1) Strengthening Participatory Organization (SPO); (2) Idara-e-Taleem-o-Aagahi (ITA); (3) Sungi; (4) Alif Laila Book Bus Society; (5) Rural Community Development Council (RCDC). These organizations are well represented in terms of the scope and coverage they provide and are respected within the country and local communities.

Whilst Strengthening Participatory Organization (SPO) and Idara-e-Taleem-o-Aagahi (ITA) represent country level presence in terms of their mandate, SPO has a mandated structured, operational and formal presence across the country since its inception. ITA is more evolutionary and pragmatic in approach. SPO works in multiple sectors with a thematic focus, whilst ITA works exclusively in the education sector.

Text Box 3

Profiles of the 5 CSOs that contributed to the CCNGO/EFA country case study in Pakistan

SPO with a mandate for community/people-centered capacity building, has been engaged intensively in that core activity since 1994. It has evolved programs as a response to its partners in the field iteratively. Today it has a country wide presence primarily in rural and also some urban areas, across social sectors and with a dominant focus on the themes of social justice, governance and peace and social harmony. Education is one of its sectors of focus.

ITA has been actively engaged in the education sector since 2000 through a sector wide approach. It is currently working in the sub-sectors of early childhood education to tertiary education highlighting the strategic linkages between higher and basic education, both at the policy and grassroots level. ITA works in the related areas of health, environment, child rights, gender, youth, citizenship education, education in emergencies and public policy/public finance as they all impinge on the education sector.

Sungi began as an embedded response to local contexts in the North West Frontier of Pakistan (NWFP). Sungi was a response to poverty and disenfranchisement of the poor. Over the years it has rapidly grown national in character, its work is represented in 36 Union Councils where sectoral work accompanies advocacy, governance and justice significantly. Sungi too like SPO works along thematic areas and in geographical clusters in various provinces. It has a significant portfolio of resources and strong indigenous programs. Sungi has a growing presence in the education sector.

Alif Laila Book Bus Society began as a Lahore/Punjab based organizations. It has worked in NWFP, AJK and Balochistan for replication of its model of work and also extended valuable services during the earthquake and more recent emergencies. Its products are available across the country. It is a pioneer in promoting reading culture and innovative mechanisms such as a travelling/mobile book bus library for outreach to disadvantaged areas. It has also pioneered work in resource centres, children’s learning clubs reaching out to children and educators.

RCDC is a truly a district based organization located in Gwadar district of Balochistan province focusing more on education and related activities with respect to coastal communities whose livelihood depends upon fisheries and marine life. These communities have undergone recent transformation due to the emergence of a deep sea port in the district and its ancillary potential to human well being, displacement and human. RCDC is engaged in both low cost private sector and public sector schools in the district and some adjacent districts as well. It is part of major education networks of the province.

Table : 8 Organizational Profiles of Civil Society Organizations

Name	Head Office Province	Coverage	Affected By Global Economic Crisis Yes/No
Sungi	NWFP – Abbotabad	NWFP - & National	Yes
Strengthening Participatory Organization (SPO)	Islamabad	National	No
ITA	Punjab – Lahore	Punjab & National	No
Alif Laila Book Bus Society	Punjab – Lahore	Punjab & National	Yes
Rural Community Development Council (RCDC)	Balochistan	Gwadar District	No

CSOs represented above work at the national, provincial and district levels respectively. Only one represents a district based organization, viz. RCDC. Some like Sungi and Alif Laila emerged at the provincial level (NWFP & Punjab respectively) and have expanded nationally

The scope of work for the CSOs varies. For some of them Education is but one sub-sector of their

work whilst for others it is the main area of focus.

All five organizations have been engaged in many programs to assist in access, equity and quality including government interventions or Compensatory Programs for the Poor:

- a) Free schooling up to Grade X
- b) Free Vegetable Oil: As a part of promoting of primary education for girls in Balochistan, NWFP, Punjab for students and teachers
- c) School Nutrition Programs- Tawana program – national in scope
- d) Scholarships for Rural Girls (SRG): and for girls in middle and secondary schools
- e) Free Distribution of Textbooks (FDT) up to matriculation (GradeX)
- f) School libraries & supplementary books
- g) Training of school councils and teachers in clusters
- h) Rescheduling School Calendar:
- i) Abolition of uniform requirements
- j) Automatic promotion in class 1-3 was seen as incentives.
- k) Fellowship Schools: Assistance to poor families per child basis for attending schools especially girls' focused
- l) Community Schools: were to be provided on the request of the community and have a local teacher appointed through the Village Education Committee (VEC).
- m) Scholarships for Working Children: (SWC).and education/life skills programs for worst forms of child labor
- n) Education in emergencies
- o) Linkage to social safety net programs

The interventions above have been tried and tested with success. By and large NGO involvement has been robust and has created significant capacity reservoirs within the country to assist the government and local communities. All organizations have been innovative, testing new approaches, influencing policies on the basis of evidence gathered, committed to implementation and alliance building for maximum impact and voice.

3.2 Alliances & Networking

CSOs in Pakistan have been gravitating towards alliance building for a greater voice in policy and to represent the voice of the vulnerable and the poor in times of political and economic stress since the 80s. The historical trends in alliance building across civil society organizations have been in a movement mode to restore democracy, pluralism, overcome authoritarian regimes and extremism. In education, this level of energy is perhaps still not visible, but the movement is certainly gaining momentum as witnessed during the closure of girls schools in Malakand in January 2009, anti-extremist protests etc. during 2009.

The Pakistan Coalition for Education (PCE) was **established in** April 2004, supported initially by the Commonwealth Education Fund (CEF). It is a platform for mobilizing CSOs for evidence based advocacy. PCE's secretariat is housed in SPO, committed to advocacy and policy influence in education, both nationally and internationally. It is a member of the Global Campaign for Education (GCE). PCE has over 130 partners and presence across the country. Its constraints include modest funding and human resources. **Three out of five organizations in the survey are part of PCE.**

ITA has also formed two alliances for education, viz. the Alliance for Education Development (AFED) and the South Asia Forum For Education Development (SAFED) to forge a voice and learning corridor across the country and the region.

SPO, SUNGI, ITA, Alif Laila and RCDC are members of other alliances as well on child rights, gender, human rights as vibrant platforms for public action.

Whilst memberships to networks are important, coalitions and alliance building can be very strategic and purposeful in times of crisis. However, all alliances depend upon limited resources of their own organization, their members or wait for dedicated resources mobilized for public action. Active and full time coordination mechanisms if not in place, tend to undermine the energy and working of alliances. This has been experienced time and again in Pakistan and also with PCE itself

3.3 Analysis of CSO Financing Trends 2007 -2010

The 5 CSOs' financing trends for four years reveal the following.

Table 9: Financing Trends of CSOs In US \$ (Millions) 2007-2010

Total REVENUES in US \$	2007	2008	2009	2010 (expected)
Sungi	8.8	9.5	7.0	7.3
Alif Laila	0.3	0.1	0.2	0.2
SPO	2.8	2.2	3.7	11.3
ITA	0.7	0.7	1.0	1.2
RCDC	0.06	0.06	0.08	0.06
Funds Trend Analysis (Total)	12.7	12.6	12.0	20.1

Table 9 above on financing of CSOs illustrates by and large a positive trend for the period 2007-2010. Some organizations have experienced a decline in funds but that could be the result of the winding down of support related to emergency response programs for the 2005 earthquake. Organizations such as Sungi, SPO, Alif Laila and ITA were all involved in the Azad Jammu & Kashmir (AJK) and NWFP emergency programs. Some of these ended in 2007 and some continued until 2008.

In the cumulative trend analysis of funds annually (2007-2009), there is a slight dip in 2009 compared to 2007 and 2008. However, this trend is disproportionately skewed due to SUNGI, representing the largest volume of funds compared to other organizations. A reduction from US\$9.5 million to US\$ 7 million represents a loss to Sungi of 20% of its total income. From 2008 to 2009 Sungi has seen US \$ 2 million reduced from its resources. This may have been due to the earthquake response work coming to an end in 2008.

The resources are mobilized through various streams. These have been classified as:

Sale of goods and services:	CSOs are inclined towards these for sustainability
Private donations:	Indicating public goodwill, citizen and corporate mobilization through CSR
National government:	Funding from public sector, recipient of budgetary support from donors
Membership dues:	From members
Development Partners/Donors:	Bi-lateral, Multi-lateral and INGOs

In times of global and national economic crises, funds from development partners and national governments are likely to be adversely affected.

Table 10: Income Sources as a Percentage of the total : Trends in CSO Financing

Sungi	2007	2008	2009	2010 (expected)
Sale of goods and services	1.0%	0.1%	1.3%	1.4%
Private donations	0.0%	0.0%	0.4%	0.0%
National governments	0.0%	0.0%	0.0%	0.0%
Membership dues/Others	3.8%	2.6%	3.2%	3.3%
Development partners/ international institutions	95.2%	97.3%	95.2%	95.3%
Total	100.0%	100.0%	100.0%	100.0%

SPO	2007	2008	2009	2010 (expected)
Sale of goods and services	0.0%	0.0%	0.0%	0.0%
Private donations	0.0%	0.0%	0.0%	0.0%
National governments	0.0%	0.0%	0.0%	0.0%
Membership dues/Others	0.0%	0.0%	0.0%	0.0%
Development partners/ international institutions	100.0%	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%	100.0%

ITA	2007	2008	2009	2010 (expected)
Sale of goods and services	0.2%	0.2%	0.3%	0.2%
Private donations	14.9%	14.8%	12.8%	12.8%
National governments	29.6%	29.4%	25.8%	24.8%
Membership dues/Others	0.7%	1.1%	0.3%	1.3%
Development partners/ international institutions	54.6%	54.4%	60.8%	60.9%
Total	100.0%	100.0%	100.0%	100.0%

Alif Laila	2007	2008	2009	2010 (expected)
Sale of goods and services	5.6%	4.7%	10.9%	10.9%
Private donations	22.6%	11.9%	0.3%	0.3%
National governments	0.0%	0.0%	0.0%	0.0%
Membership dues/Others	71.8%	68.9%	80.4%	80.4%
Development partners/ international institutions	0.0%	14.5%	8.5%	8.5%
Total	100.0%	100.0%	100.0%	100.0%

RCDC	2007	2008	2009	2010 (expected)
Sale of goods and services	42.5%	53.8%	33.2%	44.0%
Private donations	8.3%	5.4%	4.6%	7.0%
National governments	0.0%	0.0%	0.0%	0.0%
Membership dues/Others	4.5%	5.0%	3.7%	4.9%
Development partners/ international institutions	44.7%	35.8%	58.4%	44.0%
Total	100.0%	100.0%	100.0%	100.0%

Other than one organization, all CSOs depend largely upon support from development partners. The two largest organizations SUNGI and SPO have a 95-100% dependence on Development partners, whilst ITA's commensurate figure is 61%, Alif Laila 8.5% and RCDC 44%.

ITA has the largest share of public sector financing through its programs. These may not be easy to manage due to delays in releases and frequent changes in public sector leadership at the departmental/ministerial levels. In case of private sector donations including corporate social responsibility ITA has been committed to expanding partnerships with industry for education and thus illustrates the largest mobilization from both philanthropy and CSR at 13%. This has been marginally reduced in 2009 by one percent. .

Alif Laila has the largest share of membership dues as its core business is membership to its libraries and clubs, illustrating 'buy in' from the public both within public sector and private sector schools.

Sale of goods and services is highest for RCDC offering its services in the education sector to non-elite private sector clients. This is followed by Alif Laila which is engaged in production and sales of library books and learning materials across Pakistan. Sungi has an impressive

and organized program in place, promoting crafts and livelihoods of, and for their beneficiaries. However, in the larger scheme of funding, the relative size hovers around 1% of the total financial portfolio.

The above tables give a good insight into the mix of resourcing for CSOs at the national, provincial and district levels. It also highlights the over dependence on donors by most organizations which may need to be countered by other practices.

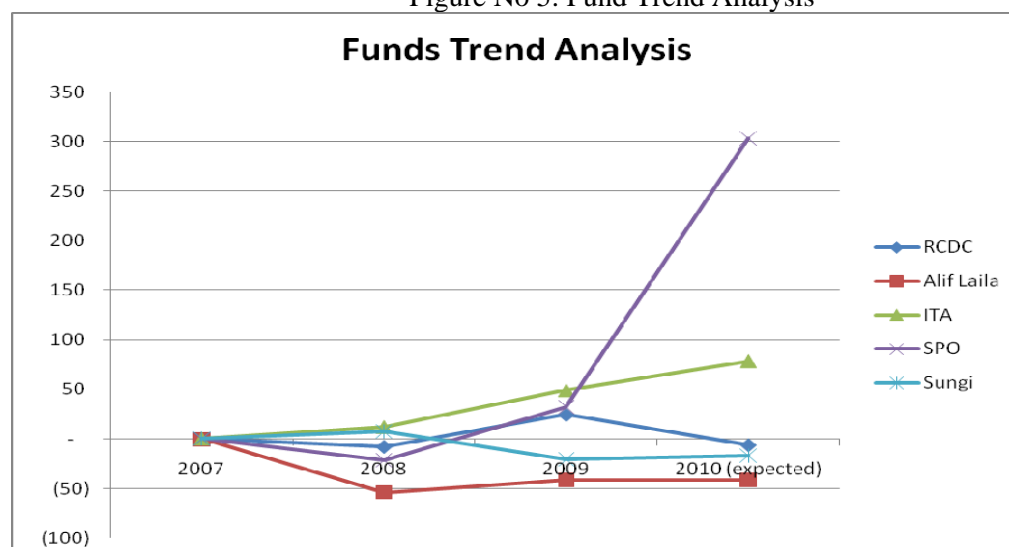
CSOs need to have a more proactive approach to the mix of financing in order to ensure continuity of resources in routine strategic planning.

Table 11: Financial Trends – Reduction/Increase in Resources (in %) Over 2007 as baseline (2007 – 2010)

Increase (%)	2007	2008	2009	2010 (expected)
RCDC	-	(8)	25	(6)
Alif Laila	-	(54)	(41)	(41)
ITA	-	12	49	79
SPO	-	(21)	32	304
Sungi	-	7	(20)	(17)

RCDC, Alif Laila, SPO and Sungi have all suffered decline from 8% to 20% in 2008 and 2009 over 2007 baseline year resources. In the case of RCDC and Alif Laila this is likely to continue until 2010. In the case of SPO there is an expectation of increase by 304% over the 2007 baseline! Sungi expects an increase but over 2007 baseline. It is still a 17% decrease and ITA expects an increase of 79% enhancement in 2010 over 2007 figures.

Figure No 5: Fund Trend Analysis



SPO is very optimistic of a huge increase in 2010, whilst other organizations are realistic about enhancement and/or leveling off of resources to meet their EFA targets.

The projection for 2010 is optimistically expected to be much higher than 2009, but the exact amounts are yet to be realised. Projects and funding may be in the pipeline at a time when some development partners are likely to fund CSOs with a track record more confidently than the government due to the unstable political climate. This preference to NGOs as aid conduits has been articulated explicitly by the US Government during the finalization process of the Kerry Lugar Bill and its subsequent passing as The Enhanced Partnership with Pakistan Act 2009 in October 2009. The proposed modality of US\$7.5 Billion dollars to social sectors over the next five years is to be finalized, but NGOs will feature prominently as they have done so in the past. It is likely that GO NGOs may be the principal recipients, who in turn

will mobilize and finance smaller CSOs based on a criteria through public call outs for projects/programs in education.

The comparison of NGOs and GONGOs is vital here in terms of their financial profile:.

As mentioned in the section above, the GONGOs budgets are :

Name of the organization	Annual Budget/Report Year	Budget in US\$*
National Rural Support Program (NRSP)	Annual budgets in 2008	US \$ 18.5 million
Pakistan Poverty Alleviation Fund (PPAF)	Annual budget 2009	US 2.2 million
Sindh Education Foundation	Annual Budget 2009	US \$ 25.3 million
Punjab education Foundation(PEF)	Annual Report 2007	US \$ 4.2 million

* Exchange rate: US\$1 = Rs. 75

Sources : Websites:(www.nrsp.org; www.sef.org.pk, www.pef.org.pk, www.pfaf.org)

The above annual budget spread of GONGOs contrasts with the sample NGOs in this study. The range of annual budgets as seen in table No. is from US \$.08 to US\$ 7 million. It is commensurate with the the classification of the NGOs/CSOs, from national to local and from multi-sectoral to sector specific. .

3.4 Effects of the crisis on NGOs' activities and outreach- emerging paradigms of partnerships

The global economic crisis converged with national crises in Pakistan as highlighted in the introduction and section I of the study. The responses of the government and development partners are well tracked by NGOs. The government is seeking enhanced support through public private partnerships as outlined in PRSP II more for infrastructure but also for all social sectors to offset its governance and financial crisis. However, whilst the comfort level with GONGOs is significant to manage public sector funds, the same cannot be ascribed to other CSOs. The government is exploring ways and means to overcome this trust deficit through legal and policy mechanisms that will ensure accountability, transparency and well tracked outcomes.

The two major bilateral donors, USAID & DFID after intense debate on aid effectiveness have more or less resolved on a mixed approach with preference to budgetary support backed by stringent monitoring collaborative mechanisms of the donors and government. There will be support to NGOs through publicly announced contracts but the preference tends to be for larger NGOs with track record of handling substantial budgets, audits and compliance with wider coverage rather than smaller ones. The larger NGOs in turn can contract smaller CSOs where needed as long as compliance can be ensured.

The World Bank similarly engaged in multiple programs in education through budgetary support, and closely work with GO NGOs, who in turn work with partner NGOs illustrative of a wide spectrum of CSOs in Pakistan. The latter do not have see themselves as competitive but in complementary roles, as bridges to face the severe challenges for meeting EFA goals in Pakistan.

As the government and CSOs upgrade their respective understanding of public private partnerships (3Ps), a public sector strategy to offset both governance and financial constraints there are hopes that perceptions about CSOs will undergo change. According to the new strategy as articulated in the PRSP II and also in emerging legal documents on 3Ps the

defining features are:

- **Involve public and private sectors (two or more parties)**
 - **Formal arrangement with formal contracts/agreements**
 - **Contracting through multi-stage transparent processes**
 - **Involves a transfer of funds for provision of quantified service from govt. to private partners**
 - **Outcomes focused – agree on key indicators to monitor**
 - **Sharing of risks/rewards between public & private sectors**
 - **Complementary role of public and private sectors.**
 - **An organized system for contracting services /partnerships for higher efficiency of outreach, quality of outcomes and utilization of funds.**
- (Jamil 2010, Patrinos 2009, Budding et.al 2009, LaRocque 2008, and GoPunjab 2009)

This may be the new paradigm of partnerships as the state structures in Pakistan continue to remain under stress. The paradigm suggests a shift; moving from purely philanthropic partnerships, where the non-state partners provide one sided resources through a formal or non-formal mode, to partnerships which are budget and/or revenue based for education promotion. The paradigm is contentious due to the asymmetrical relationships of public and private sector objectives. But this is where the non-profit CSOs may be able to play a positive role as not for profit entities engaged in promoting education as a public good through public sector financing (Patrinos 2009)

As mentioned earlier in times of economic and governance crises, CSOs are sometimes seen as buffers to reach to the most marginalized communities in stress. This view is held by both governments and donors. Whilst the former are likely to support GO NGOs, the latter tend to have a mixed approach particularly supporting CSOs with a robust compliance systems and outreach.

In case of Sungi and ALBBS the impact of economic crisis and reduced funding after the 2005 earthquake funding period (2005-2007), has been negative. Their outreach has been restricted. The funds for ALBBS were reduced by 54% from 2007 to 2008 and for Sungi by 20% from 2007 to 2009. Adjustments thus needed to be made.

Text Box 4

Decreased Funding due to Financial Crisis: Voices of Sungi and Alif Laila

Sungi decided not to expand in new areas, as was planned earlier. New fund raising strategy is being developed and new donors are approached. There is however very poor response from the international donors. Individual donor is approached and efforts are made to diversify donorship. Income generation initiatives have also been undertaken particularly to earn from Sungi's services like training, microfinance services and investments etc. Expansion is being curtailed.

Alif Laila at the moment has mainly responded by cutting costs. "Our permanent staff shrank by 10 %. We have trimmed purchase of materials for various departments. Transportation cost because of the nature of our programme constitutes a major chunk of our running cost we have cut this cost as well. The major challenge has been to cut expenditures without compromising the quality of the programme and activities. We have tried our best to keep the damage as minimum as possible by being more innovative and creative in our activities but over a longer period this strategy can not remain effective.

The current crisis has enabled us to refocus the importance of books and libraries in poor countries. The access to information is vital for growth, for change, for strengthening literacy, and libraries/books are cost-effective tool in this regard. We emphasise the significance of books and libraries in our advocacy strategy to meet the education challenges of our country".

organizations' agenda. All organizations had worked with local governments and will continue to advocate for local government strengthening so that decisions can be based on the principle of subsidiarity. The focus is also on girls' education, advocacy within local communities and governments to expand demand for education at local levels.

Organizations like Sungi, SPO and ITA are engaged in capacity building of local organizations. Alif Laila works with a network of organizations as the provincial focal agency for the Pakistan Coalition of Education (PCE).

The overall objective of SPO's Programme 2009 – 2013 is to strengthen and support community and public institutions for achieving and protecting basic human rights especially of the marginalized segments of the society. It is further elaborating its activities in the following areas.

Governance and Accountability :

None of the organizations claim any impact of the crisis on how they manage governance systems which are extremely transparent and sensitive to the challenges of a very unstable external environment. By and large the existing financial control and audit mechanisms are sufficient to ensure financial transparency and procedures are well in place to ensure accountability. In some cases institutions are also members of the Humanitarian Accountability Partnership (Sungi) where communities have access to complaint mechanisms.

Mission Statements:

To date there has been no impact on vision or mission statements. Organizations have become more conscious of their vision and how to achieve it in times of severe constraints and stress. Some organizations have undertaken strategic reviews of their programs to ensure alignment to current times for the next five years (SPO/SUNGI) others have undertaken reviews of programs and strategies annually for refinement and context alignments.

Restricted Access to the Vulnerable:

Almost all organizations have worked in emergencies and are in some ways engaged in disaster management programs exposed to the highly vulnerable. This is a critical capability in times of crises. However, whilst some have squeezed their programs, others continue to be engaged with the most vulnerable as per their mandates and preference.

In the case of Sungi & Alif Laila the shortage of resources have led to curtailment of expansion plans and in some cases work to the most marginalized difficult (Alif Laila).

The attribute of CSOs to be members of networks nationally, locally and internationally across all national and provincial organizations has positioned them to take on work which will create multipliers both in capacity and outreach. It is also possible that the coalition and consortium may be the best option to negotiate with, GO NGOs, government and development partners alike.

Conclusions & Recommendations

4.1: Role of National NGOs in times of Crises – How do NGOs respond to the crisis in Pakistan?

There are clearly different strategic roles for national CSOs in times of such crises in which their accumulated capabilities will have to be taken into consideration. They cover all their tested roles of : Service Delivery, Capacity Building, Research and Policy/Advocacy. They can take an aggressive and lead role through time tested skills in mobilizing smaller organizations through powerful networks.

- a) Organizing and empowering the poor strategically for demand generation and knowledge of rights backed by easily accessible facts and tools (in emergency and non-emergency areas)
- b) Building capacity of local communities and CBOs with wider program outreach
- c) Ensuring a rights based focus – through concrete programs
- d) Delivery of difficult programs in the sector under difficult circumstances including emergencies
- e) Working through alliances for advocacy in policy and resource mobilization
- f) Leveraging networks and partnerships built over the years for wider program outreach as scale is a critical requirement by donors for creating strategic depth in programs and impact on key indicators of education
- g) Exploring, testing creative options and innovation testing with limited resources
- h) Gender and empowerment within mainstream approaches of: Planning, budgets and implementation
- i) Diversifying services in times of crises and emergencies/conflict and post conflict
- j) Undertaking rigorous research and evidence based work for influencing policy and crises management
- k) Working closely with the media (all forms) in a media rich country
- l) Negotiating programs with donors with optimum outreach and working through alliances
- m) Ensuring improved mechanisms for accountability and transparency in times of crises

Meeting the EFA Targets through Broader CSO Coalitions

The impact of the financial crisis on CSOs in Pakistan working for the education sector does not point towards a dismal scenario. This is based on the following trends as chartered in the Pakistan case study.

1. Pakistan is well poised today to leverage the decades of work undertaken by CSOs in innovations, service delivery, policy influence and coalition building. Whilst there may be cases of tension between large GO NGOs / Foundations and there is also a tremendous experience of working collaboratively as implementation partners. This is very visible in terms of portfolios of PPAF, NRSP, PEF and SEF.
2. There is a need to clinch this niche by CSOs working in education for efficient access to public sector/donor funds . For this capacity on compliance may have to be built rigorously and rapidly.
3. CSOs need to become more informed about new mechanisms of PPPs and engage regularly in dialogue with government as potential partners for formal partnerships which are budget based and performance based.

They also need to ensure that the ideology and spirit of CSOs as a reform and citizens' movement needs to be maintained so that they are not accused of, or being downgraded as 'contractors' for profit/income, but working for citizens' empowerment in a rights based gender sensitive framework.

4. There is a major role for PCE as a coalition partner for education in the country with a strong membership base in terms of engaging with CSOs, GONGOs and the government on the new role for meeting the EFA goals through constructive and sustainable partnerships which can be scaled up as well with public sector/ODA financing
5. The Government is still the most sustainable partner for financing of education as is illustrated through merely 10% of ODA to education in recent years . Access to mainstream budgets through GO NGOs or large scale NGOs may be the most sustainable mechanisms for CSOs to work consistently for meeting EFA goals through PPPs and /o r working with umbrella organizations.
6. CSR remains under exploited in Pakistan by CSOs and this area can be further tapped wherever the production units exist for industry that is committed to CSR. As can be seen from the budget analysis of the 5 CSOs, CSR is only a preference for one of the 5 NGOs. The climate for CSR is very positive and this needs a serious engagement to reach to the poorest and marginalized for achieving of EFA goals in hard to reach areas.
7. ODA support for CSOs is particularly strong for testing and documenting innovations with strong possibilities of scaling up. This may be further expanded with particular focus on the marginalized and their rights to quality education.

Inclusions are always more productive than exclusions. Pakistan presents a case study whereby a Grand Alliance for EFA can emerge with CSOs in the forefront to help rescue one of the nine high population countries of the world meet its challenges for Quality Education up to Secondary level as a fundamental right.

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ANNEXES

PSLM

Pakistan Social & Living Standards Measurement Survey

SUMMARY OF KEY INDICATORS

KEY INDICATORS: BASIC EDUCATION									
	2005-06 PSLM			2006-07 PSLM			2007-08 PSLM		
	M	F	T	M	F	T	M	F	T
PRIMARY GER(CLASS 1-5 & AGE 5-9)									
OVERALL	94	80	87	99	81	91	97	83	91
Punjab	98	89	94	106	95	100	102	92	97
Sindh	88	71	80	88	68	79	87	72	80
NWFP	93	70	83	96	67	82	94	71	83
Balochistan	79	50	65	89	52	72	88	59	75
PRIMARY NER(CLASS 1-5 & AGE 5-9)									
OVERALL	56	48	53	60	51	56	59	52	55
Punjab	60	53	57	64	59	62	62	59	61
Sindh	54	47	50	56	43	50	55	46	51
NWFP	54	42	49	56	41	49	55	41	49
Balochistan	39	27	34	49	32	41	47	35	41
GOVT ENROLMENT - PRIMARY (% TOTAL ENROLMENT)									
OVERALL	65	65	65	69	68	69	65	64	65
Punjab	60	62	61	75	76	76	57	58	58
Sindh	71	62	67	95	95	95	74	73	73
NWFP	66	76	70	78	80	79	72	80	75
Balochistan	89	89	89	93	95	94	89	93	90
DROP-OUT RATES (%)									
CLASS1	0.4	0.2	0.3				0.3	0.3	0.3
CLASS2	1.1	0.9	1.0				0.5	1.2	0.9
CLASS3	3.7	3.3	3.6				1.5	3.5	2.7
CLASS4	6.2	6.9	6.4				3.9	6.4	5.4
CLASS5	10.0	11.0	10.3				6.1	10.6	8.8
CLASS6	21.5	29.0	24.5				16.0	26.3	22.1
LITERACY RATES (10 YRS AND OLDER)									
OVERALL	65	42	54	67	42	55	69	44	56
Punjab	66	47	56	67	48	58	70	48	59
Sindh	67	42	55	67	42	55	69	42	56
NWFP	64	30	46	67	28	47	68	33	49
Balochistan	54	20	38	58	22	42	66	23	46
MIDDLE GER (CLASSES 6-8 & age 10-12)									
OVERALL	55	42	49	57	44	51	59	48	53
Punjab	58	48	53	59	51	55	61	57	59
Sindh	51	37	44	49	36	43	54	37	46
NWFP	64	40	52	68	35	53	66	37	52
Balochistan	34	18	27	44	20	34	44	23	35
MIDDLE NER (CLASSES 6-8 & age 10-12)									
OVERALL	19	16	18	20	16	18	18	17	18
Punjab	21	19	20	21	19	20	18	20	19
Sindh	18	16	17	19	14	17	21	16	18
NWFP	15	12	14	20	11	16	18	11	14
Balochistan	8	6	7	11	7	9	14	10	12

KEY INDICATORS: BASIC EDUCATION									
	2005-06 PSLM			2006-07 PSLM			2007-08 PSLM		
	M	F	T	M	F	T	M	F	T
MATRIC GER (CLASSES 9-10 age 13-14)									
OVERALL	54	35	44	57	35	48	59	41	50
Punjab	55	40	47	57	44	51	61	47	54
Sindh	55	34	44	53	36	45	51	38	44
NWFP	53	22	38	64	24	45	66	30	49
Balochistan	45	18	33	42	21	33	49	18	34
MATRIC NER (CLASSES 9-10 age 13-14)									
OVERALL	10	9	10	10	9	10	11	10	11
Punjab	9	11	10	11	11	11	13	12	13
Sindh	11	10	11	11	9	10	11	10	11
NWFP	10	4	7	8	4	6	6	6	6
Balochistan	5	5	5	4	5	5	6	4	5