

THE EDUCATION MANAGEMENT ORGANIZATIONS PROGRAM¹

1. **Introduction.** In 2013, the Government of Sindh (GOS) passed the Sindh Right of Children to Free and Compulsory Education Act in compliance with Article 25-A of the Constitution of Pakistan. The passage of this legislation has placed a renewed pressure on the GOS and its School Education and Literacy Department (SELD) to introduce measures to address the weak performance of the province's education sector. The education management organizations (EMO) program, under which public schools are operated by private sector partners, is a key strategy to help achieve that.

2. **EMO program objectives.** The key objectives for the EMO program include: (i) improving the functioning of public sector schools through innovation and modernization of the education system; (ii) reducing inefficiencies and addressing management gaps in public education; (iii) delivering better quality education to the children in the province; (iv) encouraging greater private sector investment in the education sector, especially in rural and less developed areas of the province; and (v) meeting the key performance indicators (KPIs) set out in the EMOs' concession agreements, and manage and operate the public schools in accordance with, *inter alia*, the technical proposal as submitted by the prospective bidders along with the terms of the concession agreement.

3. **Key features of EMO program.** The EMO program is a form of PPP under which private operators are contracted by the government to operate public schools. Admission to EMO-operated schools is strictly non-discriminatory and these schools remain free of charge to students. The GOS retains ownership of the school's land and buildings but contracts out the school's management to the private sector. The SELD's PPP node has overall responsibility for the selection and management of EMOs. EMOs are reputable organizations that have a credible track record of providing a range of quality education services, including management of educational institutions. These organizations can be for-profit or not-for-profit and must have the capacity to provide quality school management.

4. EMOs are hired through a competitive and transparent process involving public advertisements, requests for proposal, and a rigorous bid evaluation process. Bids must include information on experience, proposed methodology and work plan, professional staff qualifications and competence, strategy to meet KPIs, and strategies to address inefficiencies and address management gaps in public education. EMOs are responsible for all aspects of school operation, including activities related to:

- teaching and learning such as the delivery of the curriculum, introduction of innovative teaching methodologies, management of teaching and non-teaching staff, community engagement, and assessment of student progress; and
- facilities management, such as repair, maintenance, and upgrading of school buildings and the provision of ancillary (non-teaching) school services.

5. Schools managed by EMOs must deliver the Pakistan curriculum and students are assessed through the same public examination boards as students in non-EMO managed schools.

¹ For more detail, please see N. LaRocque and V. Sipahimalani-Rao. 2019. *Education Management Organizations Program in Sindh, Pakistan: Public-Private Partnership Profile*. ADB Brief No. 107. Asian Development Bank. Manila.

6. EMOs are paid a management fee for operating the school and are reimbursed for budgeted costs as agreed in their financial proposals. Payments to EMOs are made quarterly and are contingent on them meeting their KPIs. These KPIs cover a range of areas, including school management, teacher attendance, student enrolments, curriculum delivery, staff professional development, student assessment, maintenance of school facilities, community engagement, and health and hygiene. Each KPI is accompanied by measurable progress indicators. The attainment of KPIs is assessed every quarter by the EMO's independent expert, whose role is to independently monitor and evaluate EMO performance. The quarterly management fee payable to the EMO is adjusted based on their assessed performance. For example, an EMO whose quarterly performance is assessed at 95% is paid 95% of the quarterly management fee that is due. Payments to EMOs are only made once they have been authorized by an independent auditor based on the quarterly reports received from the EMO's independent expert.

7. Contracts with EMOs are for ten years, subject to the EMO meeting performance targets. EMOs that do not meet performance targets can have their contracts cancelled. Teaching staff at EMO-operated schools are a mixture of government-service teachers and contractual teachers hired directly by the EMO. There is a significant gap between the pay and benefits of a government-service teacher and one hired directly by the EMO. EMOs cannot fire government-service teachers, but they can be transferred to other schools by the SELD once their non-performance is confirmed by the EMO's independent expert.

8. Initially, concession agreements with EMOs applied only to the operation of one school. Hence, an EMO operating 5 schools would have had five separate concession agreements. However, this has recently been changed so that EMO concession agreements will cover the operation of a number of schools in a district, consisting of all newly-constructed SBEP secondary schools in a district, as well as surrounding 'feeder' primary schools whose students will go on to attend at the EMO-operated secondary school.

9. **Implementation of EMO program.** The EMO program was first implemented in conjunction with the United States Agency for International Development's Sindh Basic Education Program (SBEP), under which 118 state-of-the-art schools are being constructed in selected districts of Sindh and then operated by EMOs. It will be further expanded to cover the operation of the 160 secondary level school blocks constructed under the Asian Development Bank's Sindh Secondary Education Improvement Project.

10. As of March 2019, four EMO school tenders have been conducted and EMOs are operating 43 SBEP schools and managing a further 25 cluster schools. Several organizations operate schools under the EMO program, including the Sukkur Institute of Business Administration, Charter for Compassion, and The Citizens Foundation.

11. **Adapting the EMO model.** The EMO program is continually adapting to new circumstances and lessons learned from early implementation, as evidenced by the shift toward district-wide concession agreements that is being implemented. The EMO program is likely to be adapted further when introduced for the secondary school blocks that will be constructed under the Sindh Secondary Education Improvement Project. The SELD may also update the education PPP framework, including by revising the governance of PPPs, strengthening the SELD PPP node, and streamlining EMO contracting.