

 Early Warning System

ADB-51126-005

Development of a Program Implementation Plan for the Sindh Education
Impact Bond



Quick Facts

Countries	Pakistan
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2021-12-21
Sectors	Education and Health
Investment Type(s)	Advisory Services, Grant
Investment Amount (USD)	\$ 0.23 million
Grant Amount (USD)	\$ 0.23 million



Project Description

According to ADB documents, the TA will support the Government of Sindh to explore, validate and subsequently operationalise an Impact Bond transaction to address specific challenges to improving the quality of education in Sindh. The TA will bring about improved institutional capacity of the Government of Sindh and its key implementation agencies towards: i) developing an understanding of innovative financing approaches for education sector; ii) exploring mobilisation of additional upfront financing from the private sector for their project deliverables; iii) evaluate options to synchronise efforts under the SEIB with the SSEIP; and iv) internalizing outcome-based contracting for the delivery of development outcomes such as learning outcomes or improved school enrolment gains especially for girls. It is envisaged that upon the preparation of the validation study and the program implementation plan, all relevant stakeholders, including GoS and ADB, will be ready to take necessary decisions and approvals required for the implementation of the proposed SEIB.

The TA will also help provide capacity building support given close collaboration during the validation study and program implementation plan development with all key GoS agencies involved in this initiative, including but not limited to: SELD, SEF and the Ministry of Education (MoE), Government of Sindh.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

1. The ADB TA will support the Government of Sindh (GoS), Pakistan and its key implementation agencies for the education sector, to explore impact bond modalities and develop a business case for using impact bond(s) to accomplish their educational goals. The TA will provide the necessary handholding and capacity building support to the GoS agencies to facilitate an impact bond transaction under the GoS, also referred to as the Sindh Education Impact Bond (SEIB). The TA will also evaluate the operationalization of certain deliverables under the Sindh Secondary Education Improvement Project (SSEIP) through a viable impact bond transaction. The TA shall also develop a validation study, detailed program implementation plan, strategic roadmap for business operations and identifying possible implementation arrangements.
2. Even though Pakistan has recorded significant improvements in overall school participation and educational attainment, it still faces severe challenges in providing high-quality education to children with its primary gross enrolment ratio (GER) increasing from 49.1% in 1980 to 94.0% in 2019. Pakistan's progress towards achieving SDG 4 to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by 2030 has remained stagnant as the sector continues to face challenges, especially for girls education. Economic shocks from Covid-19 have further strained education funding with overall contraction of the economy and competing allocations to health and other relief measures.
3. In particular, the Sindh province in Pakistan faces significant challenges in access to, and the quality of school-level education. Sindh has one of the lowest participation rates in school education, with 25% net enrolment rates (NERs) at the secondary level, mainly due to the high dropout rates at the primary school level, shortages of secondary schools, cultural barriers that limit girls' enrolment, and poor-quality education that hinders continued enrolment.
4. GoS's School Education Sector Plan and Roadmap for Sindh (2019 -2024) places improving access to quality education for out of school children, addressing barriers to accessing education for girls and improving quality of learning and assessment practices in public schools to be their key priorities along with the institutional capacity building of allied institutions of SELD and, seeks formal collaboration with the private sector.
5. In December 2020, ADB commissioned a high-level feasibility study to explore the use of Impact Bonds in Pakistan, primarily to improve the efficiency and effectiveness of development financing in the country. Results of this feasibility study, including proposed recommendations on next steps and identified social sector themes for implementation in Pakistan, were presented at a virtual workshop attended by key stakeholders, including government agencies, donor agencies, global impact investors, and outlined in the final feasibility study report issued on 30 July 2021. Globally, impact bonds have shown that they can unlock new sources of capital and address development challenges; they have not been used in Pakistan to date.



Investment Description

- Asian Development Bank (ADB)



Contact Information

Responsible ADB Officer Hegde, Abhishek Naveen
Responsible ADB Department Central and West Asia Department
Responsible ADB Division Office of the Director General, CWRD
 Asian Development Bank
 6 ADB Avenue,
 Mandaluyong City 1550, Philippines

Executing Agencies School Education and Literacy Department, Government of Sindh
 Tughlaq House (Old Sindh Secretariat
 Building), Karachi

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Bank Documents

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