The Government of the Punjab, realizing the need to attend to the low social indicators in the education sector and for removing constraints in the provision of quality education, launched the Punjab Education Sector Reforms Programme (PESRP) in partnership with District Governments. The performance of each District Government is evaluated on an annual basis and future financing of the reform program is linked to the fulfillment of obligations under the partnership and on the utilization of funds for the specified activities.

**THE TERMS OF PARTNERSHIP** between the Education Department, Government of the Punjab (hereinafter called the Provincial Government) and the District Government, Lodhran (hereinafter called the District Government) for the execution of the PESRP are specified below:

1. **RESPONSIBILITIES OF THE PROVINCIAL GOVERNMENT.**

   **A) Institutional Arrangements for Programme Implementation**

   The Provincial Government shall transfer funds for infrastructural improvements in schools to the District Government through Account Number IV.

   (ii) The Provincial Government shall arrange for the printing of text books for free distribution to all students studying in government schools from Katchi Class to Class X. These books shall be delivered to the Executive District Officer (Education) for onward distribution to schools before the commencement of the next academic session.

   (iii) Stipend of Rs.200 per month shall be provided to girls studying in class VI to X in the government schools of the already pre-determined fifteen low literacy districts. The Provincial Government shall arrange for the quarterly transfer of funds for stipends to the District Government through Account Number IV. Detailed disbursement procedures in line with Government guidelines are already in place.

   (iv) For the Fiscal Year 2005-2006, the resources allocated for infrastructural improvements in schools are being distributed to the districts on the basis of need plus performance as approved by the Provincial Finance Commission.

   a) Sixty % of the funds are being distributed amongst the districts on the need basis. Need index has been calculated by giving equal weightage to three factors: a) total financial need as per district profile minus allocations for first and second years b) relative enrolment load c) weighted inverse literacy ratio as per 1998 census.

   b) Forty % of funds will be distributed amongst the districts in accordance with a performance index which will be calculated on the basis of following criteria: 15 % on the basis of increase in district’s own education budget for the FY 2005-06; 10% on the basis of realignment of non-salary component of budget towards grants to school councils for the FY 2005-06; 10% on the basis of percentage enrolment increase in the FY 2005-06 over the FY 2004-05; and 5% on the basis of decrease in dropout rate over the last academic year.

   c) While the District Government’s Budgets for the FY 2005-06 are not yet in place, therefore only 60% of the total PESRP funds as per para ‘iv(a)’ above are being allocated to the districts. Rest of the 40% funds, to be distributed on performance basis, will be allocated once the district budgets are approved.
d) Share of District Government Lodhran on the basis of need index (para iv(a)) comes to Rs. 35 Million for the FY 2005-06. Share of District Government Lodhran on the basis of performance would be calculated and communicated once the district budgets are in place.

(v) The Provincial Government has already issued detailed guidelines for the formation/reactivation of School Councils (SCs) specifying the revised categories of members of these councils and their enhanced roles and authorization for making expenditure on the purposes prescribed including minor civil works up to Rs 400,000/-.

(vi) The Provincial Government shall provide upfront funding in six pilot districts already selected in the first year of the Programme for reactivation of School Councils through Account Number IV. These resources would be in addition to the resources provided to them by the district itself through its own budget in the form of an annual school budget.

(vii) The Provincial Government shall execute an awareness campaign to inform households about the components of the Reform Programme to facilitate the realization of the objectives linked with these interventions.

(viii) The Provincial Government shall contract Non-Governmental Organizations/Community-based organizations to build the capacity of SCs and train SC members on auditing, accounting, planning, monitoring requirements, and execution of civil works.

(ix) The Provincial Government shall issue relevant guidelines to the District Government for mitigating any adverse environmental works undertaken during the Programme.

B) Institutional Arrangements for Monitoring and Evaluation

(i) The Provincial Government has established the Programme Monitoring and Implementation Unit (PMIU). The PMIU shall provide technical assistance and capacity support to the District Government.

(ii) District staff in the office of the Executive District Officer (Education) shall be adequately trained to perform its functions including training on financial management. The Provincial Government shall provide the required computing facilities for information collation and database creation with regular updates.

(iii) The Provincial Government shall provide the District Government with a comprehensive list of performance indicators, outcomes and expenditure data that the designated district staff (in the office of the Executive District Officer (Education)) shall monitor and provide to the Provincial Government.

(iv) The Provincial Government shall conduct annual Third Party assessments of Programme effectiveness.

(v) A Third Party review of teacher competencies shall be carried out after each teacher-training Programme to assess its efficacy.

2. RESPONSIBILITIES OF THE DISTRICT GOVERNMENT.

A) Institutional Arrangements for Programme Implementation

(i) The District Government shall not reduce its non-salary and development allocations in education below the allocation for the previous fiscal year; the district would in fact show an incremental increase in its school education budget throughout the Programme duration.

(ii) The responsibility of the District Government shall be to ensure the timely distribution of textbooks to students. The Executive District Officer (Education) shall arrange for the delivery of these books to the schools for distribution among
children before the commencement of the academic session each year, as per documentation already in vogue for the purpose.

(iii) The District Government shall arrange for the distribution of stipends (in the form of money orders). These scholarships shall be distributed among female students as per already circulated guidelines in the fifteen pre-determined low literacy districts.

(iv) The District Government shall ensure that expenditure for the School Councils, infrastructural improvements, stipends and others is accounted for under the same head of accounts as conveyed by the provincial finance department.

(v) The District Government shall undertake recruitment of teachers on facility-specific contracts as per approved criteria / guidelines of the Provincial Government.

(vi) The District Government shall use the funds provided for infrastructural improvements for the provision of missing facilities in its government schools as identified by the District Steering Committee notified by the Provincial Government.

(iv) The District Government shall ensure that all funds received from the Provincial Government are utilized within one year of their release by the Provincial Government.

(vi) The District Government would be responsible for strictly ensuring the quality of construction carried out under the Programme which would be subject to Third Party Validation (TPV).

(vii) The District Government shall be responsible for establishing School Councils in accordance with the guidelines notified by the Provincial Government. The district government would also be responsible for providing adequate funding as already specified by PESRP in the form of a one time transfer. The school budget would be operated by the School Council.

(x) The District Government shall prepare an inventory of all the schools within its jurisdiction and operationalize all viable non-functional institutions.

(xi) The District Government shall support the effort of the Provincial Government to enhance awareness of the interventions being offered to improve enrollment and retention rates.

(xii) Where the District Government fails to comply with the terms of partnership, the Provincial Government shall make appropriate reductions in allocations for the district in the following year.

(xiii) The funds transferred to the District Government for the above referred interventions shall be subject to audit as per existing laws and rules.

(xiv) The District Government shall adhere to environmental guidelines issued by the Provincial Government to safeguard the environment and social characteristics of the area and population likely to be affected.

B) Institutional Arrangements for Monitoring and Evaluation

(i) The District Government through the DCO and the EDOs concerned shall collate and maintain the database of outcomes, performance indicators, achievements of physical targets, the utilization of funds and expenditure data by individual line items as specified in the requirements communicated to the districts by the PMIU or any other institution/agency nominated by the Provincial Government for this purpose and shall provide this information to the Programme Monitoring and Implementation Unit (PMIU).
(ii) The District Government shall be responsible for strengthening the office of EDO(Education) enabling it to implement & monitor the initiatives of the Government under PESRP.

3. PERFORMANCE INDICATORS.

The District Government agrees to the annual Programme targets appended as Annex "A".

For and on behalf of the District Government Lodhran

1. [Signature]
   (Zila Nazim Lodhran)

Dated: [Signature]

For and on behalf of the Government of the Punjab

Minister for Education
Government of the Punjab

Dated: [Signature]

2. [Signature]
   (District Coordination Officer)
   LODHRAN, 2-8-06

Dated: [Signature]

Secretary Education
Government of the Punjab

Dated: [Signature]
# Punjab Education Sector Reform Programme

## Annual & Programme Targets for District Government

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Performance Indicator</th>
<th>Benchmark Academic Year (2005-06)</th>
<th>Targets to be achieved by District Government During 2006-07</th>
<th>Quantification of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Enrolment Class I to V (Male)</td>
<td>49,833</td>
<td>53,321</td>
<td>7%</td>
</tr>
<tr>
<td>2</td>
<td>Enrolment Class I to V (Female)</td>
<td>37,021</td>
<td>39,812</td>
<td>7%</td>
</tr>
<tr>
<td>3</td>
<td>Drop-out rate (Male)</td>
<td>1. Class I to II = -5.82 % 1. Class I to II ≤ 0.00 % 2. Class II to III = 1.35 % 2. Class II to III ≤ 0.00 % 3. Class III to IV = 2.27 % 3. Class III to IV ≤ 0.00 % 4. Class IV to V = 12.03 % 4. Class IV to V ≤ 9.03 %</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Drop-out rate (Female)</td>
<td>1. Class I to II = 8.91 % 1. Class I to II ≤ 5.81 % 2. Class II to III = 2.14 % 2. Class II to III ≤ 0.00 % 3. Class III to IV = 3.49 % 3. Class III to IV ≤ 0.49 % 4. Class IV to V = 11.59 % 4. Class IV to V ≤ 8.59 %</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enrolment Class VI to VIII (Male)</td>
<td>14,387</td>
<td>14,819</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>Enrolment Class VI to VIII (Female)</td>
<td>7,068</td>
<td>7,280</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>No. of school councils operationalized as per calculated guide guidelines</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Table closed / non-functional schools Operationalized</td>
<td>All Schools</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total allocation for elementary education as compared with FY 2004-05</td>
<td>333,861</td>
<td>441,440</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Total expenditure on elementary education as compared with FY 2004-05</td>
<td>349,620</td>
<td>402,063</td>
<td>15%</td>
</tr>
</tbody>
</table>
|         | Allocation of School budget to be operated through school council as per guidelines provided by PESRP | 5,595                            | a) Primary Schools @ Rs.20,000 = 13.38(M)  
 b) Middle Schools @ Rs.50,000 = 6.75(M)  
 Total Rs. 20,13 Millions | 260%                      |
|         | Report disposal of all audit cases pertaining to the Education department in general and PESRP in particular | At least two DAC meetings every month |                          |                          |
|         | Reduction in missing files | 100% Benchmark                   | 100%                                                       | Minus 0%                 |

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Minister for Education  
Government of the Punjab, Lahore.

Secretary Education  
Government of the Punjab  
Dated: