



September 3, 2010

The Honorable Richard Holbrooke
Special Representative for Afghanistan and Pakistan
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Subject: Open letter #5, U.S. development assistance to Pakistan's education sector¹

Dear Ambassador Holbrooke:

This is the fifth in our series of open letters, through which we aim to provide constructive commentary and practical recommendations on the U.S. foreign assistance and development program in Pakistan. At the fourth meeting of the [CGD Study Group on a U.S. Development Strategy in Pakistan](#), we focused on what U.S. policies and aid programs would be most effective in strengthening Pakistan's education sector.

Our meeting was held before Pakistan was hit by the devastating floods. The four points set out below are guided by input from our study group members, and take into account the new challenges and constraints the Government of Pakistan face, and the United States faces in managing its assistance to that government.

1. **Improving Pakistan's education system and learning outcomes depends on *how well* aid money is spent more than on *how much* the United States spends.** The USAID education program in Pakistan is its largest in the world, with more than \$330 million budgeted for FY 2010. The security considerations alone justify this U.S. priority on Pakistan's education sector. With 37 percent of Pakistan's population under the age of 15, Pakistan is unusually young even in South Asia. Investing in education is critical to reducing the risks of internal insecurity and ensuring inclusive and thus sustainable growth and development, which has thus far eluded Pakistan. While education investments can be risky and can take longer to show returns than other aid investments, they are nonetheless fundamental.

Money alone won't solve these problems, however. Despite large donor investments in the sector,² Pakistan ranks at the bottom of South Asian countries for educational

¹ This open letter will be published on the Center for Global Development website (www.cgdev.org) and disseminated to relevant officials in the administration and Congress.

² In the five years from 2004-2008, traditional aid donors disbursed over \$1.1 billion for education programs and projects in Pakistan.

outcomes.³ Problems abound. Teacher absenteeism, corruption in school site selection and construction, and wasteful patronage in teacher assignments plague the public school system. A big push on innovation, transparency, and accountability is key, especially as some portion of the education budget is likely to be redirected for school reconstruction in the flood-affected communities.

2. I argued in my [first open letter](#) that it would be a good idea for U.S. and Pakistani policymakers to agree upon a small set of simple indicators to serve as the benchmarks for the success of development programs. As part of this exercise, **U.S. and Pakistani leaders could identify and organize a sustained initiative to track a single, simple measure of national educational attainment**, such as the primary school completion rate or the percentage of children that enter secondary school, or to best capture actual learning the annual average score of all 12 year-olds on a standard test, regardless of whether or not they are in school.
3. While the focus should be on outcomes, there are many different ways to achieve them. To build on the positive energy and efforts of Pakistani parents seeking a good education for their children, U.S. support for the education sector in Pakistan should promote the “market” parents face for schooling, in the form of dramatic growth in the number of secular private schools. To empower parents to hold schools accountable for learning results, **the United States could consider financing a massive effort to provide information to parents about the availability and quality of both private and public schools**. For instance, U.S. assistance could help the federal government of Pakistan finance nationwide student testing, as well as other accountability and transparency initiatives that would increase access of parents to information on such school characteristics as the attendance of teachers, school funding, and learning outcomes.
4. Lasting improvements in this sector requires mobilizing significant political will at all levels of government. USAID could build on the successful efforts of other donors in this area, including through the trilateral [Pakistan Education Taskforce](#)⁴, co-chaired by the United Kingdom and the Government of Pakistan and with participation of the United States, and by co-financing the World Bank’s provincial-level education programs in Punjab and beyond.⁵ **We encourage the United States to announce a major U.S.-U.K partnership on education over the next five years**. In addition to the [provincial-level scorecards](#) that the Taskforce has already introduced, this partnership could introduce *outcome-based* assessments, at the district and provincial levels, with an emphasis on school quality and learning results. Given that implementation—not competent plans—is the bottleneck to education performance in

³ Pakistan has a net primary enrollment rate of just 66 percent, compared to 88 percent in poorer Bangladesh and 90 percent in India.

⁴ The Pakistan Education Task Force is co-chaired by the Government of Pakistan (Advisor to the Prime Minister Shahnaz Wazir Ali) and U.K.’s DFID (Sir Michael Barber). The Task Force focuses on the prioritization of policy direction and the implementation of the National Education Policy and the reform agenda.

⁵ At the provincial level in Punjab and beyond, the World Bank has collaborated with provincial ministries to craft effective sector reform programs.

Pakistan, some portion of this aid could be used to provide incentives for governments that are willing to make these issues a priority. One such aid model that the United States and other donors could consider is a “cash on delivery” arrangement, whereby a provincial-level government would be given a flexible stream of aid based on its incremental progress on a fundamental education indicator.⁶ Including such an incentive for government action could help to make other investments by the United States, the World Bank, and other donors more effective. The United States could also consider contributing \$50 million to a new innovation fund that the U.K.’s Department for International Development is creating, to which provinces can apply for additional funds. As in [the Race to the Top model](#) in the United States, this fund could provide financial incentives, with U.S. support, to districts or provinces that administer tests and publicize the results.⁷

5. Finally, the United States should **leverage its comparative advantage in higher education to finance investments in advanced training and science and technology education** that equip Pakistanis with the skills needed to put the country on a more stable economic path. The United States could work out with the government of Pakistan the priorities within these kinds of programs, whether they be an expansion of the Fulbright scholarship, a signature project such as a women’s college, or helping to transfer the community college model to Pakistan.

I hope our letters are and will be helpful to you and your colleagues, and I welcome any comments from you or any of those working with you.

Sincerely,



Nancy Birdsall
President, Center for Global Development

Attachment: CGD Study Group on a U.S. Development Strategy in Pakistan

⁶ http://www.cgdev.org/section/initiatives/_active/codaaid

⁷The Race for the Top program provides competitive grants to encourage and reward states that are creating the conditions for education innovation and reform

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** Study group members serve in their individual capacity; their affiliations are shown for identification purposes only. While the open letter draws heavily on the views expressed in the working group meeting, individual members do not necessarily endorse all policy recommendations contained in the open letter.*