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Education Sector Procurements in Punjab
A Horizontal Accountability Perspective

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Education Procurements In-Sight (EPIS)

Education Sector Procurements
in Punjab
A Horizontal Accountability Perspective

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Acronyms

ACE	Anti-Corruption Establishment
ADP	Annual Development Programme
CAR	Capability, Accountability and Responsiveness
CWD	Communications and Works Department
DAC	Departmental Accounts Committee
DCO	District Coordination Officer
DDC	Divisional Development Committees
DDO	Drawing and Disbursing Officer
DDSC	Departmental Development Sub-Committee
DDWP	Departmental Development Working Party
DFID	Department for International Development
DSD	Directorate of Staff Development
EDO	Executive District Officer
GDP	Gross Domestic Product
I-SAPS	Institute of Social and Policy Sciences
MCQs	Multiple Choice Questions
P&D	Planning and Development
PAC	Public Accounts Committee
PCA	Punjab Curriculum Authority
PCSIR	Pakistan Council of Scientific and Industrial Research
PDWP	Provincial Development Working Party
PEF	Punjab Education Foundation
PESRP	Punjab Education Sector Reforms Programme
PMIU	Programme Management and Implementation Unit
PPRA	Punjab Procurement Regulatory Authority
PTB	Punjab Textbooks Board
SAP	Social Action Programme
SDAC	Special Departmental Accounts Committee
SED	School Education Department
XEN	Executive Engineer

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Executive Summary

Pakistan is struggling to overcome an 'education emergency' which is manifest in the fact that 25 million children aged 5-16 years are not in schools. About half of these out-of-school children are in Punjab alone. In this context, a key challenge is to ensure that the public expenditure on education, however meager, is planned and executed efficiently and effectively to overcome the deficit in school infrastructure, human resource, and supply of inputs such as textbooks for millions of children who are entitled to a quality education.

Out of School Children

▲ **25 Million**
5-16 Years

● About 50% of them in Punjab

Procurement is a vital part of the execution of non-salary recurrent and development budgets. Punjab has the largest scale of education sector procurement inevitably due to highest proportion of school-age population. In 2013-14, the provincial government allocated over Rs. 6 billion for school civil works – equivalent to more than 50 percent of the Annual Development Programme (ADP) for education sector. Development, printing and distribution of textbooks constitute another big procurement budget line as it costs over Rs. 3 billion annually. At school level, school councils are involved in procurement of minor civil works and purchases of stationery and learning materials and receive annual grants worth over Rs. 1.5 billion. In addition to this annual grant, Rs. 3.5 billion were earmarked in 2013-14 as non-salary budget for 9 districts to be utilized through school councils. These are some examples of major procurements.

However, public funds that actually reach the schools are lesser than intended, and fewer children benefit from school supplies, buildings, textbooks and services due to wastage, inefficiencies, delays and cost escalation. These issues cannot be fixed without proactive oversight of procurement process and mutual scrutiny by concerned government agencies for integrity, transparency and efficiency gains in public expenditure on education.

This study discusses the procurement of school civil works, textbooks and purchases by school councils in Punjab from an accountability perspective. Multiple government departments are involved in these procurements with the School Education Department (SED) as the primary client. The role of Communications and Works Department (CWD) is especially important for major civil works involving new school construction, rehabilitation and provision of missing facilities. In the case of textbooks, the role of Punjab Textbook Board (PTB), Punjab Curriculum Authority (PCA) and Programme Monitoring and Implementation Unit of SED (PMIU) are central in manuscript development, printing and distribution. Similarly, Planning and Development (P&D), Finance, Audit, Punjab Procurement Regulatory Authority (PPRA), Punjab Anti-Corruption Establishment (ACE), Public Accounts Committee (PAC), Departmental Account Committee (DAC) and Special Departmental Accounts Committee (SDAC) have the mandate to hold the procurement process to account for transparency and integrity (see Table 2.2 for roles of these departments in procurement).

Budgetary Allocation 2013-14

School Civil Works
Over Rs. 6 Billion

Textbooks
Rs. 3.4 Billion

SC Purchases
Rs. 5 Billion

The study notes that "accountability deficit" is a key feature of education sector procurements. In the case of textbooks, accountability is undermined by duplication of mandate and institutional conflict between PTB and PCA. Overlap in their roles is not resolved, and is causing delays in approval of manuscript development and printing. Moreover, tendering process favours big printing or publishing houses which buy paper in the off-season when the prices are low and then they charge higher prevailing rates to the government. Quality control and compliance with technical parameters especially related to the use of ink and paper are not strictly enforced. PPRA has received complaints regarding the lack of enforcement of standards and violations of rules and specifications. Moreover, cost of textbook production and printing has increased from around a billion rupees in 2007-08 to Rs.3.75 billion in 2014-15. This is mainly due to colour printing. However, SED, Audit, PPRA, ACE and PAC should play their role to ensure integrity, transparency, efficiency and value for money in the procurement of textbooks.

Procurement of civil works is faced with even greater challenges. According to PMIU records, Punjab's government schools had a deficit of 51,951 classrooms, 6,083 schools were without electricity, 466 schools without drinking water, 959 schools without toilets, and 2,978 schools were without boundary walls as in May 2014. Procurement of school civil works to bridge the deficit in infrastructure has been a persistent challenge because the SED, despite being the primary client, has no control over the CWD and Works and Services Department in districts which carry out civil works.

Need of Civil Works in Punjab
(as of May 2014)

Classroom
51,951

Electricity
6,083

Drinking Water
466

Toilets
959

Boundary Walls
2,978

Informal coalitions, collusion and rent-seeking norms dominate the contracting process and pose a challenge to enforcement of formal rules and competition. Key informant interviews for this study validated the prevalent public information about fixed bribe rates, which contractors pay in order to get the contract and seek approvals at different stages. Exceptions notwithstanding, the concerned Executive Engineer (XEN) is the guarantor for the payments to the contractors. The XEN who is the Drawing and Disbursing Officer (DDO) of projects in his jurisdiction ensures that the customary 9-12 percent is received from the contractors on all the running bills. According to a CWD employee, 4 percent out of this money goes to the XEN himself, 2 percent goes to the Sub-Divisional Officer, 1 percent to the Overseer, 1 percent to the accounting and clerical staff and the last 1 percent is kept for entertainment and stationery. The key question is why internal accountability mechanisms have failed to scrap these widely prevalent bribe rates in the procurement process.

Inferior quality of construction materials is another key problem. A number of audit observations have pointed out that the materials used in the construction and rehabilitation of schools is not according to the specified standards. Costs escalation, in connivance with Executive Engineer, is another driver of collusion and profit sharing. According to all insiders interviewed by the research team of this study, frauds, leakages and corruption in the public sector construction works is costing the Government of Punjab millions of rupees every year as they need more budget for repair and maintenance and rehabilitation of inferior quality schools.

In case of school councils, goods and services purchased at varying scales, involves maintenance and repair, small construction works, purchase of stationery and learning materials, etc. The importance of procurement function of school councils has increased tremendously over time as the expectations of the government from school councils have increased. The four most frequent procurements and payments made by the school

councils include payment of electricity bills, repair and maintenance of school building, purchase of school stationery and teaching and learning materials. Out of these three types, repair and maintenance of building involves procurement of masons and local labour and is one of the major expenses.

Poor record keeping is a key issue in procurement by school councils. A survey carried out in Gujrat and Jhelum for this study indicated that 27 school councils did not file and maintain quotations from the service providers and 82 chairpersons of school councils informed that expenditure records were not publicly displayed. In most schools where a procurement committee does not exist, decision-making is dominated by the head teacher or one or two members.

These issues emphasize the need to address "accountability deficit" in education sector procurement. Government departments have the powers and mandate to exercise scrutiny and pressure on other departments to perform their roles in line with policy and rules. If anything goes wrong in procurement, it is because a line department has not performed its role effectively. If the ink and/or paper used in printing of textbooks are of poor quality, it means that SED, PTB, Audit and PAC have not fulfilled their duties properly. If the cost of a school construction scheme is escalated hugely within a few months, SED, CWD and Audit should ensure that the cost escalation is justified on verifiable grounds. These are few examples of accountability issues which can hardly

Issues in SC Procurements

▲ Poor Record Keeping

● Lack of Transparency

■ Lack of Participatory Decision Making

be solved by non-state actors as they sit outside the government and have limited access to information. Mutual scrutiny and oversight by the government departments themselves can be more effective in procurement.

PPRA should take a lead in establishing a coordination forum for all departments involved in procurement of school civil works, textbooks and other areas. The forum should address an important institutional gap as no mechanism exists where horizontal accountability functions of all relevant departments are clarified, discussed and followed-up.

CHAPTER 1

INTRODUCTION

Chapter 1

Introduction

1.1   Context

Pakistan is struggling to overcome an 'education emergency' which is manifest in the fact that 25 million children aged 5-16 years are not in schools. About half of the out-of-school children are in Punjab alone.[1] Learning outcomes are poor. About 50 percent of all children in Grade 5 cannot read text meant for Grade 2 students.[2] Civil society and international community challenged the successive governments to respond to the emergency by improving governance and increasing the education expenditure which has been low at 2 percent of Gross Domestic Product (GDP). While the demand for more resources has to continue, emphasis on the composition and quality of education expenditure is also vital.[3] This is only possible when sustained efforts are made for accountability and transparency in how resources are allocated, planned and executed.

The magnitude of Pakistan's education emergency has thrown up many challenges for the Federal and provincial governments. A key challenge is to ensure that the education expenditure, however meager, has to be made efficiently and effectively if the education system has to bridge the deficit in school infrastructure, human resource, and supply of inputs such as textbooks for millions of children who are entitled to a quality education. The highest proportion of education expenditure – nearly 87 percent – is absorbed in salaries and allowances of teachers and non-teaching staff. The remaining – about 13 percent – is meant for non-salary recurrent expenses and development schemes.[4]

Procurement is a vital stage in the execution of non-salary recurrent and development budget. Scrutiny and oversight of procurement process and mutual scrutiny by concerned agencies are extremely crucial for integrity, transparency and efficiency gains in public expenditure on education. Due to wastage, inefficiencies and delays leading to cost escalation, money that reaches the schools is lesser than intended, and fewer children benefit from school supplies, buildings, textbooks and services. While research reports and media stories often highlight issues of inefficiencies, corruption and lack of transparency in public sector procurements, this aspect has received little attention in education research and debate in Pakistan.[5] This is partly due to the fact that information about procurement process is not easily obtainable due to commercial sensitivities and tendency to hide information in public sector.

Punjab has the largest scale of education sector procurement inevitably due to highest proportion of school-age population. In 2013-14, the provincial government of Punjab allocated over Rs. 6 billion for school civil works – equivalent to more than 50 percent of the Annual Development Programme (ADP) for the education sector.[6] Development, printing and distribution of textbooks constitute another big procurement budget line as it costs over Rs. 3 billion annually.[7] At school level, school councils are involved in procurement of minor

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[1] Alif Ailaan (2014), *25 Million Broken Promises: The Crisis of Pakistan's Out-of-School Children*, Islamabad.
[2] *Idara-i-Taleem-o-Agahi* (2013), *Annual Status of Education Report 2013*, Islamabad.
[3] I-SAPS (2013), *Public Financing of Education in Pakistan,* Islamabad.
[4] Figures quoted from Education Budget 2013-14, Government of Punjab
[5] Corruption in public sector procurement globally results in loss of US $400 billion annually. See Transparency International (2004), *Corruption Perceptions Index 2004*, Germany.
[6] A total of Rs. 14.9 billion were allocated out of which Rs. 14.4 billion were released. See Annual Development Program (ADP) 2013-14, Government of Punjab.

[7] Rs. 3.4 billion were allocated in 2013-14 for free textbooks including disbursement costs. See ADP 2013-14, Government of Punjab.

civil works and purchases of stationery and learning materials, etc. This involves annual grants worth over Rs. 1.5 billion.[8] These are a few examples of major expenditure where improvement in procurement practices can bring about efficiency gains and save resources to benefit more children.

1.2   Education Sector Procurement and Horizontal Accountability

This study discusses the procurement of civil works, textbooks and purchases by school councils in Punjab from an accountability perspective. Multiple government departments and agencies are involved in these procurements with the School Education Department (SED) as the primary client. The role of Communications and Works Department (CWD) and Works and Services Departments of District Governments is especially important because it is responsible to carry out the major civil works involving new school construction, rehabilitation and provision of missing facilities. The Government of Punjab has experimented with alternative outsourcing approaches for school civil construction as well (see chapters 2). In the case of textbooks, the role of Punjab Textbook Board (PTB), Punjab Curriculum Authority (PCA)[9] and Programme Monitoring and Implementation Unit (PMIU) of SED are central in manuscript development, printing and distribution (see chapter 3). School councils fall under the administrative oversight to district education office and PMIU.

Other departments such as Planning and Development (P&D), Finance, Audit, Punjab Procurement Regulatory Authority (PPRA) and Punjab Anti-Corruption Establishment (ACE) also have a role in government's procurement processes across all sectors involving their approvals, complaint management or general oversight at different stages. In addition, parliamentary mechanisms such as Public Accounts Committee (PAC) and Punjab Assembly's Standing Committee on Education have the mandate to hold all these departments to account for their performance in the procurement process and impact.

There are two routes to accountability – vertical and horizontal. Vertical accountability is about non-state actors such as non-governmental organizations, citizen groups, media, and donors questioning the state agencies and government on their performance. Horizontal accountability, on the other hand, is about mutual scrutiny by the state institutions internally. For example, PPRA, ACE, Audit Department and PAC are mandated to ensure that procurement process is in compliance with government rules and free from corruption and hence, they can hold SED, PTB and PCA to account on this matter. Similarly, PTB can raise concerns and exert pressure on PCA if printing and distribution of textbooks is likely to be delayed as a result of slow approvals of textbook manuscripts – a task for which PCA has the primary responsibility. Similarly, if the quality of bricks and concrete used in construction of a school is poor, SED, Audit and PAC should bring the CWD officers and service providers to account for failing to meet the specifications.

This study emphasizes the need to promote horizontal accountability in education sector procurement because its impact is embedded within government and is more likely to be sustainable than vertical accountability. Government departments have the powers and mandate to exercise scrutiny and pressure on other departments to perform their roles in line with policy and rules. If anything goes wrong in procurement, it is most probably because a line department has not performed its role effectively. If the ink and/or or paper used in printing of textbooks are of poor quality, it means that SED, PTB, Audit, DACs and PAC have not

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[8] In 2013-14, Rs. 1.5 billion were apportioned for 27 districts of Punjab and Rs. 3.5 billion were earmarked as non-salary budget for 9 districts to be utilized through School Councils. See ADP 2013-14.
[9] A new law is expected to be enacted by the Government of Punjab soon which will aim to merge the PCA and PTB in order to address the issue of conflicting mandates.

fulfilled their duties properly. If the cost of a school construction scheme was escalated hugely within a few months, SED, CWD, W&S Departments of Districts and Audit should ensure that the cost escalation was justified on verifiable grounds. These are examples of accountability issues which can hardly be solved by non-state actors as they sit outside the government and have limited access to information. Mutual scrutiny and oversight by the government departments themselves can be more effective in procurement.

1.3   Theoretical Approaches to Horizontal Accountability

This discussion can be grounded more explicitly in theoretical frameworks around accountability. The Capability, Accountability and Responsiveness (CAR) provides important theoretical basis. The framework views accountability as a relationship between citizens and state officials in which individuals and groups exercise their voice to claim rights from the state. This relationship can be vertical or horizontal. The state needs to have adequate capability comprising formal and informal institutions, and is expressed in the form of "responsiveness".[10] The World Bank proposed an Accountability Framework in service delivery context.[11] This framework envisages achievement of accountability through a "short route" and a "long route". The short route works through client power and direct relationship, without involving the state agencies. The long route works through the state to hold the service providers to account, and is more akin to the concept of horizontal accountability.

Schillemans has written a seminal paper on horizontal accountability.[12] He defines the concept in terms of "mechanisms of accountability in which agencies account for their behavior toward accountees that are not hierarchically superior, such as boards of stakeholders, boards of commissioners, and visitations". He explains how "accountability deficit" of executive agencies happens. The deficit arises from two related issues. First, demanding accountability is difficult from semi-autonomous agencies because they exert their powers and autonomy. Secondly, public sector is organized along a hierarchy of power; all government agencies and officials are not "horizontal" strictly speaking. This becomes an issue where procedures are not clearly explained and leave more discretion to the decision-making authorities.

Thomas evaluates as to what extent horizontal mechanisms of accountability can remedy both aspects of the accountability deficit. Horizontal accountability mechanisms serve as promising, moderately positive remedies for the insufficiency of vertical accountability by non-state actors. These mechanisms may be valuable as additions to top-down control but cannot be proxies for democratic control. He didn't find horizontal accountability, however, to be an effective way of realizing democratic control via a different route.

Agencies respond differently to different accountees. For example, any agency would tend to give more information when the query is raised by another government agency and try to conceal information when the query is raised by a non-governmental organization. According to a research reported in the paper, horizontal accountability made organizations' operations more transparent and triggered a livelier debate on policy decisions within the agencies though they could not exercise much influence on punitive sanctions.

In another article, Schillemans has discussed the joint impact of vertical accountability of agencies towards

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[10] Moore and Graham (2006),"The CAR Framework: Capability, Accountability, Responsiveness. What Do These Terms Mean, Individually and Collectively?" http://www2.ids.ac.uk/gdr/cfs/pdfs/CARframeworkDRCweb.pdf
[11] World Bank (2004), *Making Services for Poor People, World Development Report*, Washington DC.
[12] Schillemans, Thomas (2011), "Does Horizontal Accountability Work?: Evaluating Potential Remedies for the Accountability Deficit of Agencies", *Administration and Society*, July 12.

parent departments and horizontal accountability to professional evaluations and board of commissioners.[13] He argues that autonomous agencies seem to operate in a redundant accountability regime where they have to provide accounts of the same behavior towards different stakeholders. Redundancy may be problematic and costly, yet it has significant benefit in complex systems that it creates capacity to incorporate different values. The analysis conducted by him on nine Dutch agencies shows that the agencies indeed faced multiple or redundant accountability. Although this did involve costs, in these cases the systems' reliability and predictability improved. Also the redundancy improved information symmetry between agencies and their principals. He found that **"extra investments in horizontal accountability mechanisms outweighed their costs."**[14]

These insights are useful to understand the context in which this study looks at mutual scrutiny by government departments in education sector procurement. Inefficiencies and corruption can be seen as an outcome of "accountability deficit" of government departments, which is more difficult to tackle keeping in view the autonomy of organizations such as PTB, PCA, PAC, Audit and school councils. Opening the debate on this front will provide pathways in which the accountability deficit can be abridged on sustainable basis.

1.4   About the Study

The Institute of Social and Policy Sciences (I-SAPS) has undertaken this study under a special initiative, "Procurements In-Sight". This initiative is part of a wider portfolio of I-SAPS to promote innovative approaches in the education sector by strengthening government's internal mechanisms for accountability and transparency.

The objective of this study is to promote a debate on the need for strengthened internal accountability mechanisms in education sector procurements in Punjab. The study is a first step towards this objective. It has been developed with the intention to bridge the gap in understanding about the role of different government departments in education sector procurement. In doing so, the analysis highlights key issues as well to develop a sense of "accountability deficit" of the concerned government departments. The hope is that it will contribute to the education policy debate and increase attention towards the role of government's internal accountability mechanisms for making the education sector procurement more efficient and transparent.

The study discusses institutional roles and accountability mechanisms in three types of procurements: (1) textbooks, (2) civil works, and (3) purchases and procurement by school councils. The reason for choosing these topics is that they constitute the bulk of non-salary and development expenditure. In addition, procurement of these works has important implications on quality of learning and school safety.

The study is based on a desk-based review of literature, secondary data sources and procurement policy and rules. In addition, interviews and meetings were conducted with senior officials of SED, CWD, Finance, Audit, PPRA and P&D. The meetings and interviews were aimed to map views of government officials regarding procurements of construction works and textbooks in education sector which were helpful in identifying the challenges at system level. The analysis also draws on an earlier study conducted by I-SAPS on civil works and textbooks and includes insights from ex-CED officials and contractors.[15]

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[13] Schillemans, Thomas (2010), "Redundant Accountability: The Joint impact of horizontal and vertical accountability on autonomous agencies", *Public Administration Quarterly*, Vol. 34, No. 3.
[14] Schillemans (2010).
[15] I-SAPS (2014), Procurement of Textbooks and Civil Works in Punjab and Khyber Pakhtunkhwa, Islamabad.

It is important to mention a limitation that information obtained from key informants and departmental officials has been anonymized where it involved an imperative of confidentiality. This has been done to acknowledge the openness and honesty with which the interviewees discussed issues of corruption and accountability deficit, but also raised concerns about risks of being in the spotlight and attracting unnecessary criticism for information disclosure. Some information, though hard to prove empirically, is also included in the analysis because it validates the existing anecdotal public knowledge about how corruption and inefficiencies undermine the procurement processes. It is a common knowledge – for example – that the rates of commission in civil works contracts are informally fixed, but it was important to triangulate this from the interviewees who actually had been involved in the procurement process. This type of common knowledge has to be brought in the mainstream discourse to generate momentum for positive change.

In order to get first-hand knowledge of procurement at school level, the research team carried out a survey of school councils in Gujrat and Jhelum. A representative sample of schools was selected with 95 percent confidence interval and 5 percent margin of error. A total of 265 primary, middle and high schools were selected – 137 in Gujrat and 128 in Jhelum, further stratified on the basis of gender using a systematic sampling technique. The survey respondents included chairpersons of school councils i.e. head teachers. School records and infrastructure were also observed in order to collect the required data. The analysis however also draws secondary data and research studies on school councils.

CHAPTER 2
PROCUREMENT OF TEXTBOOKS

Chapter 2

Procurement of Textbooks

2.1 Introduction

Textbooks are the primary source of teaching and learning in schools to achieve objectives of the national curriculum. Therefore, students are required to possess textbooks for their relevant grade throughout the academic year. While concerns persist about the relevance and quality of curriculum and content of textbooks,[16] affordability and timely availability of textbooks have also been key issues in government schools.[17] The imperative for timely provision of free textbooks is important where poverty and weak parental appetite, especially for girls' education, are keeping a large number of children out of school.[18]

The Government of Punjab initiated the provision of free textbooks in the late 1990s to tackle financial barriers to schooling. This task has remained a big challenge from manuscript development to printing and distribution of textbooks for millions of children in schools every year. A number of institutions – especially Punjab Textbooks Board (PTB), Punjab Curriculum Authority (PCA)[19] and Programme Monitoring and Implementation Unit (PMIU) – are involved at different stages of the process. Pakistan Council of Scientific and Industrial Research (PCSIR) Laboratories Complex Lahore is responsible for verifying samples submitted by the publishers.

A number of other government bodies, especially the School Education Department (SED), Punjab Procurement Regulatory Authority (PPRA), Anti-Corruption Establishment Punjab (ACE), Audit Department and Public Accounts Committee, have a responsibility to ensure integrity, transparency, and efficiency in the procurement process. Accountability and mutual scrutiny by government departments in the whole procurement process is crucial due to the huge scale of textbooks production, and especially the fact that lack of oversight might result in delays and loss of public funds to corruption and inefficiencies.

This chapter discusses the procurement process with a focus on institutional roles of PTB, PCA and PMIU. It provides insights into aspects which drive or hinder mutual scrutiny in the process. The aim of this analysis is to increase understanding on institutional roles and responsibilities in the procurement process for textbooks in Punjab. The chapter provides pointers for debate and actions to strengthen horizontal accountability in the process i.e. mutual scrutiny by government departments. This requires in the first place an informed debate on departmental roles and how political economy and capacity limitations are constraining the fulfillment of those roles.

The chapter provides a brief overview of the trajectory of free provision of textbook reforms in Punjab. This is

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[16] See for example, Nayyar and Salim (2002). *The Subtle Subversion: The State of Curricula and Textbooks in Pakistan. Islamabad*, Sustainable Development Policy Institute, Islamabad.

[17] Delays are frequently reported in national and vernacular press. See, for example, 'Kids Refused Books', The News, April 11, 2014. http://www.thenews.com.pk/Todays-News-5-243459-Kids-refused-free-books.

[18] Poverty is a key driver of dropout before completing primary grade. See *Pakistan Social and Living Standards Measurement Survey* (PSLM) 2011-12, Government of Pakistan.

[19] A new law is expected to be enacted by the Government of Punjab soon which will aim to merge the PCA and PTB in order to address the issue of conflicting mandates.

followed by an explanation of the textbook procurement process and the role of key institutions at each stage. The last section discusses key issues and challenges arising from "accountability deficit" at different stages of the procurement process.

2.2   Provision of Free Textbooks in Punjab

The responsibility for textbooks was originally entrusted to PTB. Established in 1962 as an autonomous body, PTB was responsible for developing syllabi for different classes, get textbooks printed and make them available for sale in the market. It continued to perform these functions till 1998-99 when the Government of Punjab introduced a pilot project to provide free textbooks to boost enrolment under Social Action Programme II. Free textbooks were provided to students of Grades 1, 2 and 3 in six backward districts, including Layyah, Bhakkar, Mianwali, D.G. Khan, Muzaffargarh and Bahawalpur.

The task of distribution of textbooks was entrusted to PMIU in 2003-04 which was set up under Punjab Education Sector Reforms Programme (PESRP) to serve as an incubator for reforms in the education sector. The distribution process was expanded in a phased manner. In the first year of its operations, PMIU distributed free textbooks to the students of Grades 1, 2 and 3. In the second year, the distribution was increased to students of Grades 1-5 and in the third year the coverage was extended up to Grade 8. In 2008-09, free textbooks were distributed to students of up to Grade 10. Table 2.1 provides a summary of total books printed since 2007-08.

Table 2.1:   **Summary of PTB Business (in millions)**

| No.	Year	Supply in Government Schools through PMIU					Open Market			Total	
		No. of jackets	No. of books	Practical Notebooks	Value (Rs.)	% of PTB business	No. of books	Value (Rs.)	% of PTB business	Total no. of books	Total value (Rs.)
1	2007-08	30.24	63.36		993.30	65.10	19.01	532.31	34.89	82.38	1,525.61
2	2008-09	30.72	67.47		1,215.40	67.99	17.58	572.30	32.01	85.05	1,787.70
3	2009-10	35.88	80.44		1,980.32	66.63	18.83	991.73	33.37	99.27	2,972.05
4	2010-11	36.27	69.65	0.00	2,013.24	73.67	15.73	719.55	26.33	85.37	2,732.79
5	2011-12	40.92	77.83	0.00	2,344.83	74.56	18.11	799.97	25.44	95.94	3,144.80
6	2012-13	43.14	82.35	2,664.00	2,841.48	69.98	21.43	1,218.93	30.02	103.78	4,060.41
7	2013-14	43.70	81.69	2,696.54	2,947.76	80.18	11.86	728.75	19.822	93.55	3,676.51
8	2014-15	42.24	82.39	3,444.60	3,769.32	84.84	9.64	673.46	15.16	92.04	4,442.78

Source: Punjab Textbook Board.

 Coverage of all grades however was confined to textbooks for compulsory subjects like Urdu, English, Islamic Studies and Pakistan Studies as well as for optional science subjects like Biology, Science, Mathematics, Physics, Chemistry and Computer Science. However, textbooks for optional subjects like

Punjabi, Arabic, Education, Persian and Home Economics (called Y and Z list of books) were not provided and had to be purchased from the market. Thus provision of free textbooks has an inherent bias against subjects of Arts, and favours students who are capable to study science subjects.

Prior to the introduction of reform for free provision of textbooks, PTB used to print textbooks and release to the open market. Currently, two parallel mechanisms are in place: supply in government schools and open market. Textbooks printed by PTB are distributed through PMIU to all students in government schools free-of-cost for compulsory subjects. The coverage is now extended to private schools as well which opt to use PTB textbooks.

Chart 2.1:　　**Number of Textbooks for Government Schools vis-a-vis Open Market**
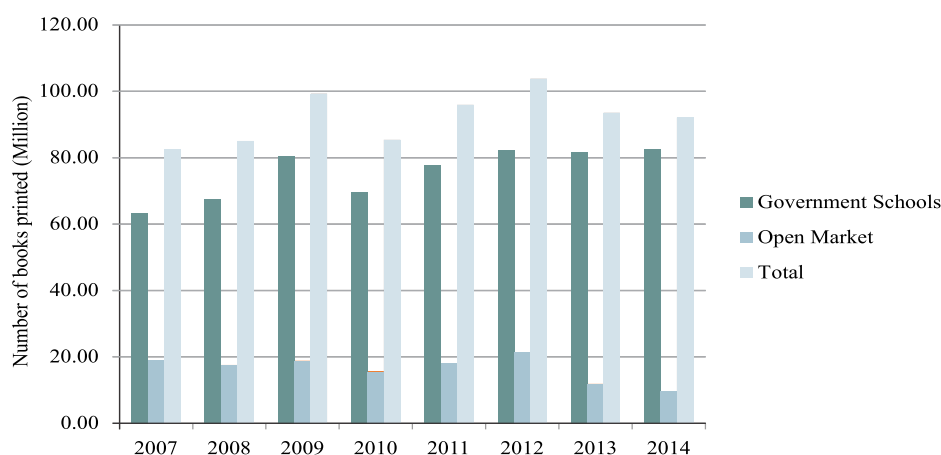
Source: Punjab Textbook Board.

As it is evident from Chart 2.1, number of textbooks sold by the PTB in the open market has gone down. PTB supplied 9.6 million books in the open market in 2014-15. This number was 19 million in 2007-08 – equivalent to 35 percent of total PTB revenues from textbooks. In 2014-15, open market business has gone down to 15 percent of total PTB revenues from textbooks. While it is important to deal with financial barriers to education affecting the poorest and marginalized groups, there is a need to explore sustainable business models in which provision of textbooks becomes possible with minimum subsidies from the government. Savings from use of textbooks for more than one year and mechanisms to incentivize the non-poor to purchase textbooks from open market could possibly provide a basis for efficiency and sustainability in this reform.

2.3　　Procurement Process

Procurement of textbooks comprises a long process from manuscript development to printing and distribution to government schools and open market. Three organizations – PTB, PCA, and PMIU – play an important role in the process. Tasks at each stage and relevant institutional roles are briefly described below.

2.3.1　Textbook Development

Before the 18th Constitutional Amendment, the Curriculum Wing (CW) under the administration of PTB was

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[20] Nayyar and Salim (2002), *The Subtle Subversion: The State of Curricula and Textbooks in Pakistan.* Islamabad: Sustainable Development Policy Institute, Islamabad.

responsible for evaluation of manuscripts. According to a research study,[20] the CW laid down criteria for the Provincial Textbook Boards, which had a monopoly on authorising books for use in public schools in their respective province. The monopoly allowed the Textbook Boards to act as ideological gatekeepers, making sure that only what they see as ideologically acceptable gets into classrooms. The frequent re-writing and publishing of textbooks was also a way for the Boards to exercise power over authors and ensure they conform to the guidelines. PTB would get the manuscript reviewed through the review committees and approve the final manuscripts after necessary corrections for onward submission to CW for a No Objection Certificate (NOC) regarding compatibility with the national curriculum.

After the 18th Amendment, the tasks of developing curriculum and manuscripts were devolved to the provinces. Subsequently, the Government of Punjab established the PCA under the Punjab Curriculum Authority Act 2012. The task of manuscript development was outsourced to private publishers. PCA invites publishers to register their interest or intent and specify for which subjects and grades they intend to develop and submit manuscripts. In its initial years of operations, PCA is striving hard to set standard operating procedures (SOPs) for review and evaluation of manuscripts. It has approved timelines for issuance of NOCs to the approved manuscripts; however, they are not being enforced properly. The role of PTB is reduced to reviewing the manuscripts and checking the quality of content, presentation and language.

The time required for PCA to start evaluation of manuscripts and approval of the selected manuscripts is around six months. PTB cannot start printing of books according to the new manuscripts in the same academic year. For instance, if PCA starts evaluation of a manuscript in July 2013, it will issue final approval of that manuscript in January/February 2014. Thus, the PTB can start issuing tenders for printing of these books in August and hence the books will be used in the academic cycle starting from April 1, 2015.

Chart 2.2:   Textbooks Development Process
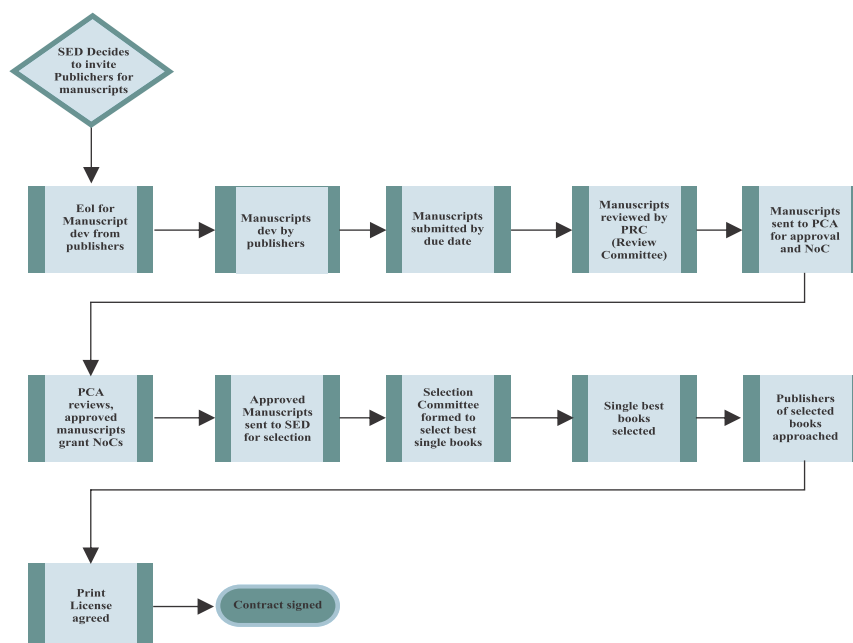

Source: I-SAPS (2014)

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[20] Nayyar and Salim (2002), *The Subtle Subversion: The State of Curricula and Textbooks in Pakistan.* Islamabad: Sustainable Development Policy Institute, Islamabad.

There is an explicit duplication in the functions of PCA and PTB resulting in an institutional conflict over mandate in textbooks production. PCA being a nascent body is constrained by a lack of human as well as physical resources. It is operating at less than 25 percent of its sanctioned strength and due to shortage of staff it is not in a position to perform all the functions as envisaged in the PCA Act.

PCA, apparently in order to establish its writ, approved 50 manuscripts in October 2012.[21] PCA has approved over a 100 manuscripts in a span of less than 2 years. The issuance of NOCs by PCA on such a large scale in first few months of its working reflected undue haste in approval of these manuscripts. Due to the paucity of time, PCA could not minutely examine the manuscripts and ensure that the manuscripts were devoid of mistakes. PTB highlighted quite a few glaring mistakes in these manuscripts to reassert its claim to develop manuscripts. Also there are allegations of plagiarism in development of these books.

Table 2.2: **Institutional Accountabilities for Textbooks**

Institution	Role in Textbooks Process
PTB	· Publication of textbooks for primary, secondary and intermediate education as well as teacher's training courses · Production of reference and research material relating to the problems of curricula and preparation of textbooks · Control of the policy relating to distribution of textbooks and other material · Preparation and publication of reading material on new developments in educational concepts and teaching methods and techniques · Review of textbooks which includes proof reading, identification of areas for review / improvement and feedback analysis · Printing / publication and marketing of books
PCA	· Prepare scheme of studies, curricula and manuscripts of textbooks · Approve standards of education and manuscripts produced by the publishers · Regulate and control printing, publication and sale of textbooks and other supplementary material
PMIU	· Collection of enrolment data · Estimation of total demand · Management of textbook central and tehsil level warehouses · Distribution of textbooks
SED	· Represented on governing bodies of PTB and PCA · Overall responsible for timely availability of books in schools
PCSIR	· Verification of samples submitted by publishers against spec ifications
PPRA	· Review and monitoring of compliance with procurement rules · Receipt of complaints on violation of procurement rules · Provide information and advice about procurement rules
ACE	· Handle complaints about corruption · Conduct inquiry of corruption cases
Audit	· Conduct financial audit of textbooks and indicate irregularities and procedural issues
PAC	· Examine Audit reports and hold the concerned departments to account · Examine the expenditures, administration and policies of departments (in this case SED) and associated bodies (in this case PTB, PCA, DACs/SDACs).

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[21] Daily Dawn, October 17, 2012.

In April 2013, PCA issued another expression of interest for development of around 80 manuscripts for students of Kindergarten to Grade XI.[22] These manuscripts cover a wide range of subjects from Urdu Reader for Kindergarten to Biology, Fine Arts and Psychology for Grade XI. The process of examining such a large number of manuscripts in a short time despite being constrained by shortage of manpower and infrastructure support has created doubts about the quality of review process. PTB has also raised these issues before School Education Department and print media. Thus, conflict between PTB and PCA in establishing a writ over textbook development is leading to a compromise on the quality of textbooks.

2.3.2 Printing and Publishing

The first step in printing of textbooks is to collect enrolment data from all government schools. There are more than 52,000 schools in Punjab.[23] Despite the huge scale, collection of student data is relatively a straightforward process because PMIU has a robust monitoring system in place comprising Monitoring and Evaluation Assistants (MEAs) who visit schools every month. The MEAs submit the data to District Monitoring Officers Education who transmit the data for the whole of district onwards to the PMIU.

Based on the enrolment data, PMIU informs PTB about the estimated number of textbooks required for free supply to government schools. After receipt of demand from PMIU, PTB prepares a procurement plan which covers different stages of procurement activities from advertisement to selection and monitoring of printers and printing process. Tenders are advertised in newspapers and on PTB website to invite bids from publishers. Technical evaluation of bids received is carried out by PTB in accordance with defined criteria, including the following key technical parameters.

- Brand of ink to be used;
- Production capacity;
- Quality control and working standards;
- Quantity and specifications of machine (single colour, two colour, four colour);
- Alternate power facility;
- Binding facility and
- Specification of paper to be used in printing.

Successful bidders submit their print rates in the form of financial proposals, which include rate per jacket/ book, total value of work and bid security. The contract/tender is awarded to the bidders who quote the lowest prices in their respective categories. PTB requires sample books from selected publisher after which final work order is issued to the publishers for printing of textbooks.

2.3.3 Distribution

Publishers begin supply of printed textbooks to the six warehouses of PMIU in Lahore around November. When the warehouses are in receipt of textbooks to fill nearly three fourth of their capacity, PMIU begins dispatching the textbooks to Tehsil Headquarters and completes the distribution process by the end of February. The books are stored in centrally located large schools and are issued by the EDO Education according to the estimated requirement of each school. The head teachers collect the books from the school and distribute among students. A distribution certificate is sent by the head teacher to inform the EDO that the

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[22] Daily Nawai Waqt, April 10, 2013.
[23] Annual School Census 2013

books have been distributed. The EDO collects the information from all schools in his district and sends it to the PMIU which aggregates the information to monitor the overall distribution.

Chart 2.3:   **Textbooks Procurement Process of School Education Department**
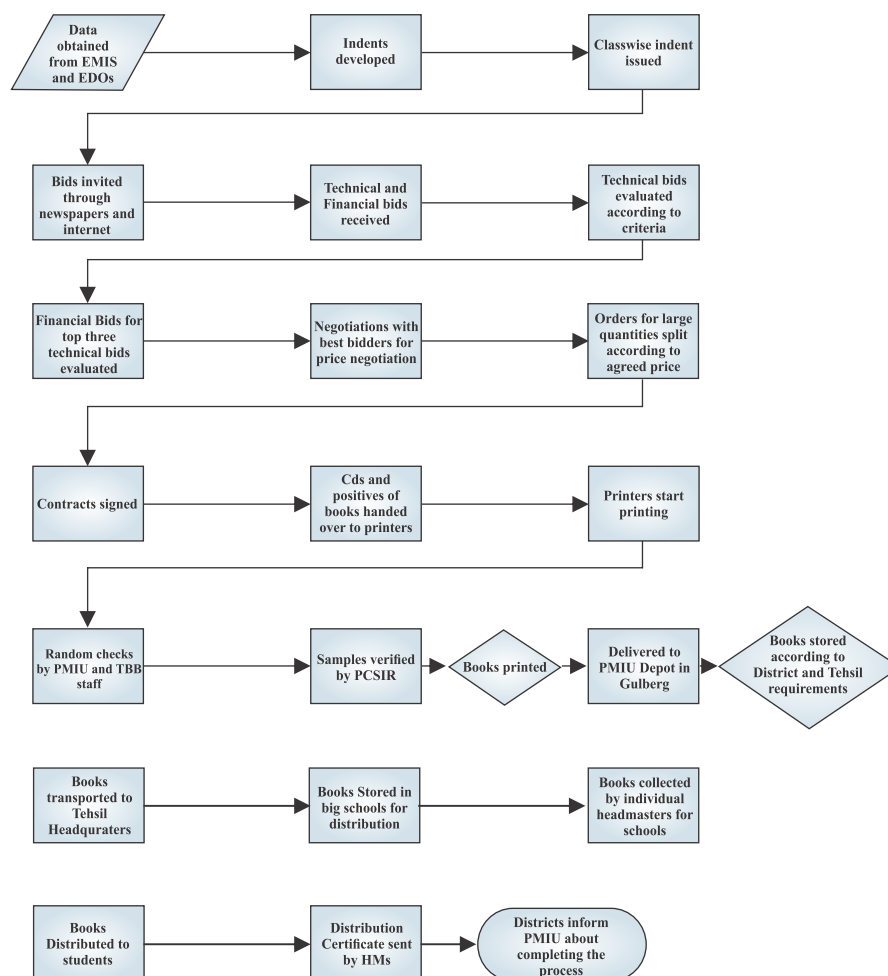
Source: School Education Department (SED)

2.4   Complaint Management

PTB has a formal process for compliant handling. Complaints related to technical subjects like Physics, Chemistry, Biology and Sciences are entertained by Director (Technical) while complaints regarding books of other subjects, such as Ethics and Islamiat are forwarded to Director (Humanities). Disposal of complaints is guided by formal guidelines. However, data on nature and number of complaints received and resolved is not available.

The role of Punjab Procurement Regulatory Authority (PPRA) is also important from a procedural point of view. PPRA was initially established through an Ordinance in 2007. However, the Ordinance lapsed as it was not passed by the Provincial Assembly. PPRA in its present shape was established under an Act of the Punjab Assembly in November 2009. PPRA does not have powers to stop the procurement process. However, if the observations on the procurement process are not satisfactorily addressed, it can report the matter to Chief

Secretary. In case of blatant violation of rules, PPRA can refer the matter to Anti-Corruption Department.

PPRA had received a few complaints against PTB from Transparency International, Secretary of Publishers Association and private companies. Most of these complaints were of minor nature and none of these was forwarded to Chief Secretary or DG Anti-corruption Establishment (ACE) Punjab for action at their end. The perusal of the complaints made by the agencies / entities showed that none of these complaints was lodged by publishers / printers against their competitors.

In order to ascertain if ACE Punjab had initiated enquiries or registered cases against PTB officials or publishers / printers, I-SAPS collected information from ACE Punjab. It was found that no enquiry was pending against PTB. The researchers of this study noted that an active formal process for complaints about textbooks was in place. However, little evidence was available regarding efforts to increase awareness and outreach of this process.

2.5   Key Issues and Challenges

The above analysis indicates that multiple government departments play a role at different stages of the procurement process. This section discusses key issues and challenges which arise when one or more of these departments do not play their role effectively.

2.5.1   Accountability for provision of textbooks is undermined by duplication of mandate and institutional conflict.

Over the last seven years, two developments have undermined the role of PTB regarding textbooks. First, all provincial Textbook Boards were forced to outsource manuscript development to private publishers in compliance with National Textbook Guidelines 2007. Accordingly PTB outsourced the manuscript development but retained the authority to review and approve the manuscripts. Secondly, the establishment of PCA further eroded its authority when the responsibility of reviewing and approving manuscripts was entrusted to the newly established PCA. These two developments eroded all key powers and control of PTB and reduced it to the status of a printing house or a supervising agency.

PTB was not comfortable with its reduced role and wanted to compete with other publishers in development of textbooks. The staff union of PTB went to the Lahore High Court seeking permission to develop textbooks. However, its petition was rejected. The staff union contested the case in the Supreme Court. The appeal was accepted after which the PTB would be able to compete with other publishers in developing textbooks. PTB had started to develop Practical Notebooks (PNBs) for Physics, Chemistry and Biology for higher classes (See Table 2.1). Lastly, PTB was in the process of developing "Readers" for pre-Grade 1 students.

The mandate over textbooks is divided between these two organizations. This has led to diffusion of accountability for timely production of quality textbooks. Duplication and overlap in the roles of PTB and PCA has affected working of these institutions and led to negative press. There is a need for SED to get more proactively involved to sort out the overlap in the roles of PCA and PTB. A proposal is already in the pipeline for a joint governing body for PCA and PTB to resolve the issue.[24]

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[24] Interview with Mr. Jabbar Shaheen, Secretary SED, Government of Punjab.

2.5.2   Cost of textbook production and printing has increased immensely due to colour printing, addition of MCQs, and lack of consistency in negotiating rates.

The total budget for textbooks has increased from around a billion rupees in 2007-08 to Rs 3.75 billion in 2014-15. A key reason for the increased price is the printing of books in double colour or four colours which is according to the PTB specifications. Also the publishers have increased the number of pages by including more multiple choice questions (MCQs) which require more blank spaces. The addition of MCQs is according to the government policy of including more objective type questions in the textbooks.[25]

It is important to note that PTB has been incurring losses since 2010-11. In 2014-15, however, PTB had projected a profit of Rs. 245 million. This projection is primarily due to two reasons. Firstly, PTB has started negotiating rates with the publishers and in many cases persuaded them to reduce the rate voluntarily. Secondly, the PTB is purchasing paper for its sale to smaller publishers during October-December period. In the case of Practical Notebooks, PTB was successful in bringing per page cost down by Rs 0.15 which resulted in saving of Rs. 67.8 million in a tender of Rs. 207 million.[26] The fact that PTB was successful in bringing rates of PNBs down by around 25 percent is appreciable. However, it also reflects that the rates awarded in 2013-14 were high and there was possibility to negotiate the rates and cut down the costs.

2.5.3   Procurement and use of printing paper needs greater oversight and transparency.

Before the outsourcing of procurement process to private publishers, PTB used to procure and store the paper beforehand. Since 2011-12, the responsibility of paper procurement has been handed over to the publishers who are awarded contracts. The policy decision was taken in consultation with the donors and other stakeholders to keep the process transparent and competitive. Apparently, this decision favoured big printing or publishing houses who could afford to buy paper in off-season (February-August) when the prices are low enabling them to get higher profit margins. Also these publishers, in most cases, have their own printing presses which enable them to pace their activities according to the timelines given by the PTB. If PTB procures the paper, it might be possible to negotiate the lower rates for purchases in bulk, control the paper quality, and support small printers and publishers as well to promote competition and cut down the overall costs.

2.5.4   Unavailability of basic data is a key source of concern about lack of transparency, and requires robust monitoring systems within PTB.

As part of data collection for this study, the research team requested PTB to provide details of contracts awarded to each publisher. However, they were informed that PTB had no such information available. Only details of contracts awarded for printing of Practical Notebooks were available (See Annexure Table A.1). A breakdown of complaints by their nature was also not readily available.

Although procedures for information disclosure in procurement process are defined, monitoring systems within PTB and PCA need to have robustness and a set of clear monitoring objectives. This is essential to generate and publish information in public domain to allay concerns about secrecy and corruption. Such information can be used to analyze the tendering process. It can help, for example, to see if the process is competitive enough or if one publishing house is operating under different names to avoid tax issues.

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[25] Interview with Mr. Iftikhar Ahmed, Additional Secretary PTB.
[26] Interview with Mr. Nawazish Ali, Chairman PTB.

Similarly, unit cost analysis can be applied to assess the efficiency and value for money, especially because the increasing cost can make the provision of free textbooks financially unsustainable in the absence of cost effective measures.

2.5.5 Majority of the students get most textbooks in time, but some students do suffer due to delays every year.

The fact that Government of Punjab ensured availability of textbooks to over 90 percent students within first month of academic year 2014-15 indicates a positive outcome.[27] Most students get the free textbooks by April before the academic year starts in April. Delays in distribution occur in some districts and are frequently reported in media. In 2014-15, for example, many of the schools of Lahore refused to provide free textbooks to students unless they paid the *Farogh-e-Taleem* Fund (FTF), including a lump sum of Rs. 240 each student (FTF is Rs 20 per student/ per month).[28]

Delays occur at other stages of the procurement process as well, including approval of manuscripts and tendering. In particular, PCA is struggling to set up SOPs for review and evaluation and time required for review and approval of manuscripts affects the printing and dissemination of textbooks. The time required for PCA to start evaluation of manuscripts and approval of the selected manuscripts is around six months. PTB cannot start printing of books according to the new manuscripts in the same academic year.

In addition, procedural delays result in failures to update the textbooks regularly. The research team for this study asked officials at PTB and PCA as to what procedure would be adopted if a chapter has to be added in the Economics syllabus on World Economic Crisis of 2008 or on Arab Spring. The research team did not find any evidence of thinking and process for updating the textbooks with topics of current importance.

2.5.6 Quality control and compliance with technical parameters especially related to the use of ink and paper need to be strictly enforced.

PTB needs to ensure strict enforcement of technical parameters for quality of textbooks. PPRA has received many complaints regarding the lack of enforcement of standards and violations of PPRA rules and specifications. The most common complaints pertain to the quality of ink and paper used by the publishers. Quality of textbooks is often inferior to the samples which are submitted at the time of tendering. The role of PCSIR is critical in this regard to produce accurate verification reports of manuscripts. A strong quality assurance system is needed to ensure compliance with technical parameters.

2.5.7 Oversight role of SED, audit and public accounts committee is less visible, and needs a sustained strengthening.

Three organizations, namely PCA, PTB, and PMIU are responsible to deliver the tasks of manuscript development and approval, printing and distribution respectively. SED, audit, PPRA, ACE and public accounts committee have important oversight role to ensure integrity, transparency, efficiency and value for money in the procurement of textbooks. There is a need to bolster this role by clarifying the institutional mandate (especially between PCA and PTB), putting in place strong monitoring and evaluation system,

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[27] School Education Department (SED)
[28] Khalid Khattak, 'Kids refused free books'. The News, April 14, 2014. http://www.thenews.com.pk/Todays-News-5-243459-Kids-refused-free-books

disclosure of information proactively in the public domain, establishing routines to scrutinize the process and information.

CHAPTER 3

PROCUREMENT OF SCHOOL CIVIL WORKS

<div align="center">**Chapter 3**</div>

Procurement of School Civil Works

3.1   Introduction

Recent estimates indicate that in Punjab 13.1 million children aged 5-16 years are out of school.[29] Those who are in schools are not learning well.[30] The key challenge for education system therefore is to bring the out-of-school children into schools and retain them longer so that they learn more and better. Since early 1990s, the Government of Punjab introduced a number of reforms to tackle this challenge and invested huge resources in school infrastructure. This has involved procurement of small and large civil works which draw on expertise, monitoring and scrutiny of multiple government departments, especially the School Education Department (SED), Communications and Works Department (CWD) and Audit Department.

The fact that 11 million children are enrolled in over 52,715 government schools with almost as many who are out-of-school, the unmet need for new construction, up-gradation, rehabilitation, maintenance and repair, and provision of missing facilities continues to pose a daunting challenge.[31] In May 2014, Punjab's government schools had a deficit of 51,951 classrooms, 6083 schools were without electricity, 466 schools without drinking water, 959 schools without toilets, and 2,978 schools were without boundary walls (see Annexure C for district-wise breakdown). Nevertheless Punjab has witnessed a phenomenal growth of low-cost private schools. While this has some impact in terms of reduction in the need for establishment of new government schools, the shortfall in existing school infrastructure persists in the form of dysfunctional or missing physical facilities (e.g. classrooms, boundary wall, toilets, drinking water, and electricity) and requirements of upgrading primary and middle schools where access to private schools is limited.

A high proportion of development schemes in the Annual Development Programme (ADP) of Punjab are meant to expand physical capacity of the public education system every year. In 2014-15, for school education, Rs. 28.1 billion were allocated for this purpose.[32] Recurrent expenditure also includes non-salary budget and grants to school councils, part of which are used on repair and maintenance and minor civil works. In addition, off-budget infrastructure projects financed by donors are also important to bridge the shortfall.[33] Due to huge amounts of public funds involved and perceptions about corruption and inefficiencies in civil works,[34] emphasis on integrity of the procurement process is vital to increase efficiency and savings in the system. This cannot be done in a sustained manner unless relevant government departments proactively engage in oversight and mutual scrutiny of the procurement process.

This chapter discusses the procurement process for school civil works with a focus on institutional roles of SED, CWD and Audit Department. The objective is to highlight key aspects at different stages of procurement which are important from the viewpoint of scrutiny by government's internal mechanisms for monitoring and transparency. The analysis draws on secondary data but the research team also held detailed meetings with the

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[29] Alif Ailaan (2014). *25 million Broken Promises: The Crisis of Pakistan's Out-of-School Children,* Islamabad. However, these estimates vary from source to source as National Institute of Population Studies (NIPS) estimates the figure at 8.5 million.
[30] ITA (2013), *Annual Status of Education Report*, Islamabad.
[31] Annual School Census 2014
[32] Annual Development Programme (ADP) 2014-15, Government of Punjab.
[33] DFID, for example, is implementing an off-budget School Reconstruction and Rehabilitation Programme to construct additional classrooms.
[34] See Transparency International (2011), National Corruption Perception Survey, Karachi.
http://www.transparency.org.pk/report/ncps2011/ncps2011.pdf

Secretary School Education Department, Additional Secretary College Education and Special Secretary of C&W Department in Punjab. A case study has been prepared on procurement of missing facilities in Gujranwala district to explain the process with real examples. The analysis is expected to increase understanding of institutional roles and responsibilities and to provide entry points for debate and actions to strengthen mutual scrutiny by government departments in school civil works.

The next section of this chapter provides a brief snapshot of Punjab's experience in school civil works. This is followed by a detailed description of different stages of civil works procurement and the role of CED, SED and other departments. The last section sheds light on key issues and challenges which arise due to lack of proper oversight and internal accountability.

3.2   Punjab's Experience in School Civil Works

Procurement of school civil works has been a persistent challenge because the SED, despite being the primary client and budget holder for school construction works, has no control over the CWD which has been entrusted to execute civil works for all government departments. Concerns about limited space for SED to hold the CWD to account for high costs, lack of transparency and gaps in quality of construction have driven reforms and experimentation with different approaches to procurement, contracting and monitoring of school construction works. A key reform was the establishment of the SED Engineering Cell in 1987. Under this Cell, one Sub-Divisional Officer Education Works was posted in each district to execute works related to shelter-less school buildings, repair and rehabilitation, Punjab Middle Schooling Project and Community Model Schools. The Engineering Cell was however abolished in 1998 and the staff of the Cell was sent back to C&W Department or placed in surplus pool.

Due to quality issues with CWD-managed civil works, SED entered into contract with National Logistic Cell (NLC) – a corporate outfit of the armed forced – for provision of missing facilities in 2006. It undertook construction, renovation and extension work of 36,000 schools in Punjab under the Education Sector Reform Programme (ESRP).[35] The World Bank noted that initial success of NLC in the process notwithstanding, the experience was not a phenomenal success. "The issue of civil works in the education sector - how school construction and improvement is managed and procured, requires a comprehensive review in order to identify alternative options for both design and management."[36]

The role of school councils has also been leveraged to overcome the issues of high cost and quality gaps in CWD-managed school civil works. Their role gained prominence during the two phases of Social Action Programme in the 1990s in planning and oversight. Gradually, they have received greater attention both from the Government and donors and have been entrusted the responsibility to carry out minor civil works (see Chapter 4 for details). School councils are well placed to carry out minor civil works at a cost which is substantially lower than the rates charged by CWD,[37] and are within the administrative control of SED. The use of school councils has proved to be a viable alternative to CWD, though the Government is still skeptical of school councils' capacity to carry out major civil works.

In a bid to control the process and ensure integrity and transparency, SED is placing emphasis on the monitoring of schemes at the district level by the District Coordination Officers (DCOs). Utilization of funds

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[35] Daily Times, '36,000 schools built, renovated in Punjab', January 16, 2008. http://archives.dailytimes.com.pk/national/16-Jan-2008/36-000-schools-built-renovated-in-punjab

[36] World Bank, Assessment of Procurements in the Education Sector, Project Appraisal Document PESP, Paragraph 224, May 2009.

[37] I-SAPS (2014), Procurement of Textbooks and Civil Works in Punjab and Khyber Pakhtunkhwa, Islamabad.

and quality of work is under constant scrutiny of the monitoring committees headed by the DCO. Moreover, these works are also monitored by the Monitoring and Evaluation Cell in Chief Minister's Secretariat.[38]

The Government of Punjab has accelerated efforts to improve school infrastructure under the Punjab Education Sector Reforms Programme. A Third Party Validation (TPV) conducted in 2011 however raised concerns about quality of civil works. The report stated that "it is important to have a realistic assessment of the district and provincial capability to implement reforms as there are unrealistic expectations about the capacity of the School Education Department (SED) and the districts to undertake civil works for missing school facilities and school up-gradation."[39] While Punjab has learnt some lessons from experimentation with procurement of school civil works, it needs much stronger internal controls and mutual scrutiny to ensure integrity and quality in school construction works.

3.3 Procurement Process

Procurement process for civil works is identical across the public sector, though criteria for identification of schemes and monitoring might differ in some aspects because multiple sector-specific interest groups and organizations are involved. While the process is non-linear and complicated, a typified description is given below to develop a sense of key stages and institutional roles.

3.3.1 Identification and Preparation of Schemes

SED identifies the criteria for selection of sites and schools.[40] However, the criteria are also influenced by elected representatives especially when grants for schemes are tied to them in the budget. After a project is identified, the Chief Architect of the Punjab Government with the help of his team develops the architectural design of the building to be constructed and sends to CWD along with drawings for developing an estimate of the work to be done. In case of new construction, CWD staff accordingly undertakes visits of the area and selects the site for construction of a new school and prepares cost estimates which are shared with SED. Once these estimates are approved by the Planning and Development Board, then the scheme is included in the ADP[41]. The estimates are developed and vetted by the Chief Engineer of the CWD based on a formula and sent to the client department i.e. SED. On receipt of the estimates, SED prepares the PC-1 after which the approval process begins.

3.3.2 Three-stage Approval of PC-1

There are three key stages of approval of the scheme. The first stage is approval of the PC-1 (i.e. project proposal) by the Planning and Development (P&D) Department. In School Education Department (SED), most of the schemes are below Rs. 50 million and are approved at district level in Departmental

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[38] Telephonic Interview with Mian Azmat Amin, Ex-Deputy Secretary, Chief Minister's Secretariat Monitoring Cell, August 21 2014.
[39] World Bank, ICR Punjab Education Sector Project, December 2012.
[40] Prioritized lists of schools are generated on yearly basis (for next 3 years) based on the School Census of that specific year. These lists are prepared on the basis of enrolment of the schools. During selection of schools, gender parity is also considered. It is pertinent to mention here that sites are selected and finalized on the basis of joint surveys conducted jointly by Monitoring and Evaluation Assistants (MEAs) and Sub-Engineers in fields.
[41] For SED, various block allocations reflecting missing facilities, IT Labs, Science Labs, up-gradation of schools, establishment of schools etc. are earmarked and reflected in the Annual Development Program (ADP) developed by P&D and Finance Department on annual basis. Funds (pro-rata share) of each district are then released to the district governments on quarterly basis in Account-IV (non-lapsable) and Special Disbursement Account (SDA) (time bound accounts-lapsable) for execution of schemes. All estimates are prepared by EDO (W&S). PC-Is are prepared by EDO (Education) of each district and approved at district levels in Departmental Development Committee (DDC) meetings. Tendering is done by EDO (W&S) of each district.

Developmental Sub Committee (DDSC) chaired by DCOs. Schemes worth Rs. 50-100 million are placed in Divisional Development Committees (DDCs) headed by Divisional Commissioners at divisional level. If the total budget of PC-1 is up to Rs.200 million, it is approved by the Secretary Schools who is the head of the Departmental Development Sub-Committee (DDSC). Schemes between Rs. 100-200 million are placed in the Departmental Development Working Party (DDWP) meetings headed by the Secretary SED. If the PC-1 is over Rs. 200 million, then it goes to the Provincial Development Working Party (PDWP) of the Government of Punjab which is headed by the Secretary P&D, with Secretary Finance and Secretary Schools as members. The PC-1, after discussion by the PDWP, is either approved or sent to the client department for modifications. The second stage is about "administrative" approval, which is granted by the Secretary of the client department, i.e. SED. At the third stage, the Finance Department grants "financial" approval to confirm the availability and release of funds.

3.3.3 Tendering and Procurement of Service Providers

After the three stages of approval are cleared, the Executive Engineer (XEN) issues the technical sanctions for the project if the amount is up to Rs.7.5 million. For schemes of higher value but up to Rs.30 million, this task is performed by the Superintending Engineer. The Chief Engineer has full sanctioning powers. After the issuance of technical sanctions, tendering process is initiated. All works above Rs.50 million are awarded through pre-qualification of contractors through the committee of the Chief Engineers. For pre-qualification, firms apply on prescribed forms and are evaluated according to agreed criteria prescribed by the Pakistan Engineering Council (PEC). All firms that apply for pre-qualification are evaluated on a date announced by the CWD. The qualified firms are informed of successful outcome. All works below Rs.50 million are awarded through open tender.

Chart 3.1:   **Civil Works Procurement and Execution Diagram**
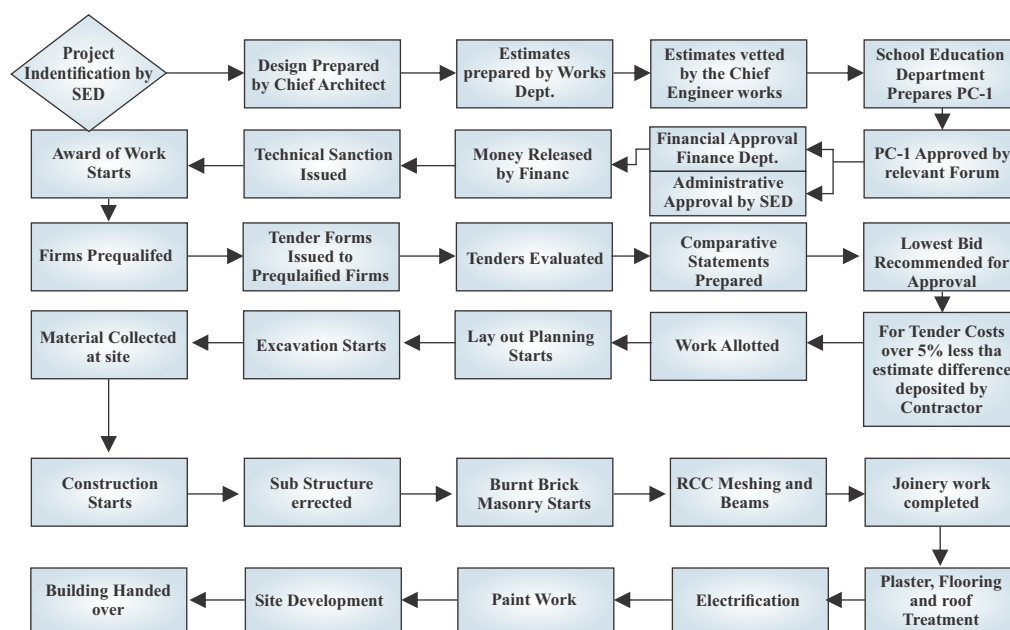
Source: I-SAPS (2014)

Tender forms are issued to the prequalified firms for completion. The pre-qualified firms complete the tender

forms and submit them on or before the closing date. The tenders are opened and evaluated on fixed dates already communicated to the bidders in the bidding document. The Superintendent Engineer in the office of the commissioner opens the tenders in presence of the bidders. Comparative statements are prepared on the basis of costs received in the bidding documents. The lowest bidder is recommended for approval. If the tender costs are more than 5 percent lower than the estimated costs, the contractor is asked to furnish a guarantee for the difference between his costs and the base price worked out by the CWD. The work is allotted to the lowest bidder and a contract is signed between the contractor and CWD for completing the work on agreed costs in agreed time frames.

Box 1
Monitoring of Missing Facilities in Gujranwala

In 2012-13, there were 59 schemes of missing facilities with a total cost of Rs.110 million in Gujranwala district. The average cost of each scheme was around Rs.1.86 million. The entire amount of these schemes was released and utilized in one year. In 2013-14, the total number of schemes was 73 at a cost of Rs.65.8 million. Thus the average cost of each scheme was around Rs.0.9 million and around 85% of the funds for these schemes were released in one year.

These schemes were monitored by a committee headed by DCO. The site inspections for these small schemes however were rare and the committee invariably relied on the report of engineering staff. The line department often disregarded the concerns of education officers and this situation was prevalent in the whole province.

The Superintending Engineer CWD acknowledged the beneficial role of DCO's committee. According to the CWD staff, monitoring was more important for larger schemes such as construction of computer labs. Such labs are not properly used and the equipment provided under these schemes is often stolen or damaged due to lack of maintenance. While the monitoring of large schemes has been quite satisfactory, the same cannot be said with confidence about smaller schemes.

The role of Punjab Procurement Regulatory Authority (PPRA) is crucial to ensure that the award of works is according to procedures described under the PPRA Rules. Whilst PPRA is facing teething problems and needs more capacity and human resource to monitor the implementation of laws, rules and regulations, it has been viewed as a key agency to ensure integrity in procurement process. In case of non-compliance or irregularities, PPRA submits written observations to the tendering agency and if irregularities are not removed, then the Managing Director PPRA refers the case to the Chief Secretary.[42] If the violation from PPRA Rules is of serious nature, then Anti-Corruption Establishment (ACE) initiates action under Punjab ACE Rules. The enforcement of PPRA rules has resulted in reduction in number of complaints of minor nature received by ACE Punjab. However, ACE initiates enquiries after receiving complaints and in serious matters, criminal cases are registered against the responsible persons.

3.3.4   Execution of Construction Works

The contractor commences the work by planning the layout of the project under the supervision of EDO (W&S) of the relevant district. The excavation work is started after the layout is complete. The contractor stores material for the ongoing work on site so that work moves on uninterruptedly. Construction is started according to the approved work plan and contract. Payments are made to the contractor in the form of running bills at different stages of the construction process.

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[42] Interview with Mr. Shahid Hussain, Managing Director PPRA, August 20, 2014, Lahore.

3.4 Oversight, Monitoring and Accountability

The Government of Punjab has adopted a multipronged strategy of delegation of monitoring by committees at the district level. A monitoring cell has been established in the Chief Minister's Secretariat which periodically reviews the release of funds and their utilization. The Finance Departments and the Planning and Development Departments have little role to play once the money is released or the PC-1s are approved. Only in the case of construction projects where escalation in costs is involved, the cases are processed by Finance Departments.

Box 2

Schemes Identified by SED for 2014-15

For the year 2014-15, following schemes have been identified, tendered and are being executed in the districts:

Upgradation of schools – 205 schemes

IT Labs in High Schools – 620 schemes

IT Labs in Elementary Schools – 440 schemes

Furniture for High Schools – 1,169 schemes

Re-Construction of Dangerous School Buildings – 1,043 schemes

Re-habilitation of Flood affected Schools – 96 schemes

Missing Facilities – 9,028 schemes

For all the above schemes, Rs 15.7 billion have been allocated and being released in two equal installments in the districts.

Monitoring of school civil works schemes is primarily a responsibility of SED.[43] As the size and number of development schemes increased, need for delegation and involvement of other departments became more evident. The progress of civil works schemes is monitored by the committee headed by the District Coordination Officer (DCO) with elected public representatives of the area as members of the committee. These committees have proved successful because of the powers given to them to initiate disciplinary action against irregularities. The expenditure and progress are regularly reviewed and monitored at the provincial level by the Secretary School Education.

Table 3.1:   **Institutional Accountabilities for School Civil Works**

Institution	Role in Procurement of School Civil Works
SED	· Preparation of Umbrella PC-1 · Identification of schemes and preparation of district wise PC-1 · District monitoring committees to oversee progress and quality · Repair and maintenance of school buildings · Provision of missing facilities · Construction of new schools
CWD	· Preparation of cost estimates and architectural design · Tendering and procurement of service providers · Execution of construction work · Engineering supervision

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[43] School Education Department (SED), through its Planning Wing, closely monitors the identification, execution and utilization of funds of all development schemes of the districts.

Chief Minister's Secretariat	· Review of development expenditure and progress of schemes
PPRA	· Compliance with PPRA rules · Written observations on tendering
Finance Department	· Sectoral Allocation to confirm the availability and release of funds · Approval of cost escalation cases submitted by CWD
P&D Board	· Technical evaluation by Technical Committee · Approval of Umbrella PC1 by Provincial Development Working Party in some cases
District Audit Department	· Internal Audit of district government provides a quick check on routine operations. · The Audit team of Auditor General performs audit and submits report which is examined by the Departmental Accounts Committee headed by Principal Accounting Officer · The items not cleared by DAC are sent to Public Accounts Committee
Public Accounts Committee	· Action on Audit's observations[44] · Strategic oversight of financial controls and integrity in the process

The role of internal and external audit is extremely crucial to hold the procurement process to account. The focus of internal audits is more on compliance with procedures. Due to lack of specialism, it is generally not capable of highlighting serious fraud and corruption issues in procurement.

The Auditor General of Pakistan conducts the external audit of public works schemes. It is statutory audit focusing mostly on procedural issues; it does report cases of fraud and corruption but these are mostly not properly documented and normally get dropped in the Departmental Accounts Committee meetings (DACs) or get dropped by the Provincial Accounts Committee. The Auditor General needs to have better capacity to find out the loopholes in the procurement process and how backdoor channels are used to subvert the legal frameworks and to bend rules. Currently, their main focus is on compliance with rules and regulations. The Auditor General does not conduct performance audits and does not have the necessary wherewithal to comment on the legal frameworks and the rules that dominate the procurement of goods and services. The Auditor General may consider hiring engineers and specialized people for such audits as the current staff in the Auditor General's Department are mostly generalists and have no proper trainings for conducting complicated audits.

3.5   Key Issues and Challenges

Key stages in the procurement process are similar for all public works and represent a fairly straightforward process. However, a number of issues pose a serious challenge to compliance with government's specifications for construction and procurement rules. A brief description of key issues is given below.

3.5.1   *Informal coalitions, collusion and rent-seeking norms dominate the contracting process and pose a challenge to enforcement of the formal rules.*

Interviews with a number of retired CWD officials reinforced the existing perceptions about political

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[44] All Audit cases do not go directly to Public Accounts Committees (PACs). Primary Audit observations are placed in DACs, then SDACs and finally if not settled, these are printed in Annual Audit Report by Auditor General Office and then placed before PAC in the form of Working Papers (WPs) to be prepared by SED. These WPs are duly vetted by Auditor General Office/Accountant General Office prior to discussion in PAC.

economy and informal coalitions of procurement. It is important to note that it is extremely difficult to get verifiable documentary evidence of this process because decisions and transactions are based on strong norms and mutual trust and hardly involve written documentation.

Insiders to the procurement process are adamant that whilst the bidding process is done according to the PPRA rules, the contractors might get into an informal agreement for bid rigging or "pooling" as it is known in the language of civil works. Exceptions notwithstanding, the contractors would form a ring to agree that only one contractor would run for the contract, all others would stand back. All the bids are filled by a single contractor, keeping his firm the lowest while padding up the costs for other companies which are part of the "pooling" arrangement. Payments that have been agreed upon with the colluding contractors are paid to them at the award of contract. The concerned XEN is the guarantor for the payments to the contractors.

According to information provided by key informant interviews, the XEN who is the Drawing and Disbursing Officer (DDO) of projects in his jurisdiction ensures that the customary 9-12 percent is received from the contractors on all the running bills. According to a CWD employee, 4 percent out of this money goes to the XEN himself, 2 percent goes to the Sub-Divisional Officer, 1 percent to the Overseer, 1 percent to the accounting and clerical staff and the last 1 percent is kept for entertainment and stationery. For works that are within the powers of the Superintending Engineers and Chief Engineer, they get their share accordingly.

Interviewees also believed that corrupt officials in the Audit Department are also involved in rent-seeking. An interviewee from the Audit Department pointed out that during the annual audit planning, departments to be audited are allocated to the highest bidders, which means that the Audit Officers have to pay an advance rent within their own department for getting a department allocated which will bring them bigger financial gains and CWD is one such department which commands a higher value for the nature and size of the transactions involved. Honesty and full transparency in the process are exceptions, not the rules.

3.5.2   Use of sub-standard materials in construction work is a key driver of profit making.

A key area of graft and corruption in the construction works is the use of sub-standard and defective material. Many audit observations have pointed this out that the materials used in the construction and rehabilitation of schools and other public buildings construction works are not according to the specified standards. The materials used are sent to the laboratories for tests but actually these materials are different from the ones used on the site. The laboratory reports for all the material sent are often according to the agreed specifications, whereas the actual material used is quite different from the ones sent to the laboratory.

A contractor who was interviewed to discuss the fraud and corruption in construction works pointed out that in some cases, they wittingly use sub-standard materials and compromise on the quality of concrete and curing as they are under severe pressure from the politicians and engineers for paying kickbacks. It is not possible without the collusion of these officers to use sub-standard materials. In some cases, availability of specified material becomes a genuine issue. For example, brick kilns cannot provide "A" grade bricks and suppliers of sand compromise the quality despite that they are paid the full cost of the material. In such a situation, the contractors change the material for laboratory tests because they cannot afford the material to be rejected.

3.5.3   Cost escalation is another driver of collusion and profit sharing.

A number of audit observations sent to the Public Accounts Committee were about escalation of costs. Price

escalation is permitted after the price of construction material escalates in the open market. The contractors buy the necessary materials in advance and as soon as the price escalates, they put up a claim to the concerned XEN for paying them the escalation. A case for escalation is prepared by the XEN and sent to the Finance Department for approval. It was reported that the concerned staff of the XENs office, CWD and Finance Department receive kickbacks in lieu for approval of the escalation. The contractor and the XEN benefit the most out of it. In some cases, the scope of work is also changed after giving the contract, which inflates the value of the contract.

A genuine reason for cost escalation is the procedure for release of funds. Funds for new construction, especially for large projects, are released in tranches over 3-4 years which results in cost overrun. On the other hand, all funds are mostly released for small schemes, or for those pertaining to repairs or provision of missing facilities, within one fiscal year.

3.5.4 *Lack of coordination between SED and CWD poses a constant challenge in ensuring quality of civil works.*

SED, despite being the primary client and budget holder for school construction works, has no control over the CWD which has been entrusted to execute civil works for all government departments. Concerns about limited space for SED to hold the CWD to account for high costs, lack of transparency and gaps in quality of construction have driven reforms and experimentation with different approaches to procurement, contracting and monitoring of school construction works. SED, being the primary client, is inherently interested in good quality of school construction, but lacks capacity and powers to scrutinize the process at every stage.

3.5.5 **Effectiveness of monitoring mechanisms varies for large and small schemes.**

SED and CWD are the two main line agencies which work from a distance, but both under the supervision of Chief Secretary and Chief Minister's Secretariat. The fact that small schemes and revenue expenditures are thinly spread over the province makes monitoring of these expenditures especially challenging. The DCO is responsible for monitoring of progress on civil works in the district through a committee. However, major projects get his attention most and it is very rare for him to go for site inspection of small schemes.

3.5.6 *Failure of government departments to indulge in mutual scrutiny is costing the public millions of rupees.*

According to all insiders interviewed by the research team, frauds, leakages and corruption in the public sector construction works is costing the Government of Punjab millions of rupees every year as it needs more budget for repair and maintenance and rehabilitation. A Superintendent Engineer from the Punjab CWD stated that the schools constructed during the colonial times were still in good shape, whereas the ones constructed ten years back were in need of major repairs. The reason was that the colonial administration ensured that the materials used were of the right specifications and the supervisory officers observed due diligence in the construction process.

SED, CWD, Audit, PPRA and PAC are responsible to ensure that costs are reasonable and materials used in construction meet the specifications. Given the amounts of money involved every year, a special study should be undertaken which should assess the reasonableness of costs and quality of materials used in schools. Additional funds required for maintenance due to use of poor quality materials should be quantified. This step is likely to provide a basis for stronger internal checks on the whole procurement process.

CHAPTER 4

SCHOOL COUNCILS AND PROCUREMENT

Chapter 4

School Councils and Procurement

4.1   Introduction

School councils are important institutional structures for citizen participation, voice and accountability in school management. Parents and community members, as members of school councils, are given legitimate powers and authority to participate in school improvement planning and execution of non-salary budget. They have a broad set of responsibilities to increase enrolment, monitor teacher absenteeism, and make contributions for school development. The Government of Punjab has been continually experimenting with these structures since 1994.[45] Composition, membership criteria and expenditure procedures have been changed many times. The current policy framework for formation and management of school councils is governed by the School Councils Policy 2007. In 2013, the School Councils Policy was amended under Punjab Education Sector Programme II to improve composition, fund utilization and procurement rules.[46]

Punjab has made significant progress in terms of formation and capacity building of school councils. School councils exist in all primary and middle schools and comprise the head teacher as the chairperson and elected members from parents and community. The procedure for their election is laid down in the School Councils Policy 2007.[47] Under the Punjab Education Sector Reforms Programme II funded by World Bank and DFID, the provincial government is implementing an innovative model of school council mobilization by using call centers. Previously, the Government of Punjab implemented a capacity building programme in partnership with National Rural Support Programme and Punjab Rural Support Programme. These efforts have debunked the myth that school councils only exist on paper. Punjab has invested resources diligently in developing these institutional structures to play an active role in school development. They are entrusted with important roles to improve access and school infrastructure.

While the school councils operate at school level, the policy framework is within the control of Programme Monitoring and Implementation Unit (PMIU) of School Education Department. This means that all school councils operate within the same centralized policy environment. The role of Executive District Officer (EDO) Education is to provide administrative oversight of their functions with the support of Assistant Education Officers (AEOs). The role of AEOs is particularly important to ensure that their composition and functions are in line with the School Councils' Policy. Although school councils are supposed to exercise autonomy in planning and utilization of funds, written or verbal instructions from EDOs and AEOs are viewed as interference. They are responsible to ensure that school councils follow the procedures and spend the funds in a prudent manner. The head teacher, as the chairperson of school council, reports to AEO or EDO on school council expenditure and related issues as and when required.

This chapter discusses the role of school councils in relation to procurement of goods and services. This is particularly important because their decisions have important bearing on school management and transparency in utilization of funds which are meant to benefit children. From another perspective, their organizational structure and capability to carry out procurement effectively have remained in question in considering them as an alternative option to procure large scale school civil works. This chapter discusses their experience with procurement with a focus on mechanisms for accountability of what they do and how.

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[45] First major attempts to organize parent teacher committees were made under the Social Action Programme (SAP) which started in 1992-93. The World Bank, Department for International Development and other donors have consistently supported this reform since then.
[46] World Bank (2012), Pakistan: Second Punjab Education Sector Project, Project Appraisal Document, Islamabad.
[47] The School Councils Policy 2007 was amended in 2013.

For this purpose, the research team carried out a survey of school councils in Gujrat and Jhelum to examine different aspects of their procurement practices.

4.2   Procurement Policy for School Councils

School councils are viewed as an important mechanism for school development in which parents and community members have a voice. The Government of Punjab provides an annual grant of Rs. 20,000 and Rs. 50,000 to primary and middle schools respectively for operational expenses, minor civil works and other needs of the school. The total budget allocated for this purpose is around 1.5 billion annually. This grant goes to bank account of respective school council which is responsible for identifying priorities and procuring necessary goods and services. Thus procurement is inevitably an essential function of all school councils. In addition, schools collect *Farogh-i-Taleem Fund* of Rs.20 per student per month which is also meant to be spent by school councils for welfare of students and school improvement.

The importance of procurement function has increased tremendously over time as the expectations of the government from school councils have increased. Under the Punjab Education Sector Reforms Programme II, they have been entrusted with the responsibility to execute non-salary budget in selected districts in place of the annual grant. The purpose of this reform is to allow the schools to prepare need-based budgets to improve school infrastructure and non-salary expenses.[48] This may involve procurement of service providers

> **Box 3**
> **PESRP II Non-Salary Budget**
> In 2013-14, Rs. 3.5 billion non-salary budget was released for 9 districts of the Punjab province under PESRP II. For the current year 2014-15, a sum of Rs. 7 billion has been allocated for 18 districts of Punjab. Subsequently, during 2015-16, all the 36 districts will come under the purview of this non-salary budget provision. School councils (SCs) can spend this money on any component that is approved by SC except for procurement of vehicle or land.

for civil works or purchases such as furniture at substantial scale.

Upon successful implementation of this reform in selected districts, it is intended to be rolled out to all schools. As a result, the annual grant will be phased out and replaced with non-salary budget.

The School Councils Policy 2007 has laid down a clear policy for procurement to spend funds at the disposal of school councils. They are authorized to spend up to one million rupees per year. This limit has been fixed keeping in view their capacity to procure and manage funds. They are required to obtain quotations for large procurements, maintain records to an acceptable standard, and are subject to third party verification of their records and accounts. However, they are exempted from standard financial audit procedures of the government because it has deterred the school councils from spending funds in the past.

Key features of the procurement policy are given in Box 4.

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[48] Non-salary budget programme is not covered in more details in this chapter. For details, see World Bank (2012), Pakistan: Second Punjab Education Sector Project, Project Appraisal Document, Islamabad.

Box 4
Procurement Rules for School Councils

· School council will ensure that the procurement process is transparent in order to ensure efficiency of funds spent.

· All documents related to school council purchases must be in English or Urdu.

· The head teacher will ensure the formulation of an annual development/purchase plan with the help of school council members and the community. A copy of the prepared plan has to be sent to the AEO for information purposes.

· All members of the school council will monitor the development work in the given school and ensure timely delivery and quality of the work done.

· School council will procure items on or less than the market rates.

· All purchases between Rs. 25,000 and Rs. 100,000 will be done by seeking quotations. Any purchases between Rs. 100,000 and Rs. 400,000 will be tendered.

· All records related to the purchases will be maintained by the school council and the head teacher will ensure its presence till 2 years of the purchase.

· All cash transactions will be noted on the cash book.

· School council funds will be kept in a bank account having dual signatories (head teacher and any other member of the school council).

· Authorised member of the education department is expected to verify the purchase records of the school councils. The validity and responsiveness of the school council purchases can also be sought through a third party.

4.3   Findings from the Survey of School Councils

The research team for this study undertook a survey of school councils to assess their capacity and practices regarding procurement of goods and services. The survey was done in Gujrat and Jhelum districts. A random sample of 265 schools was selected. The sample included 94 boys schools, 118 girls schools and 53 co-education schools. Interviews were held with chairpersons (i.e. head teachers) of the councils. Key findings of the survey are described below.

4.3.1   Organizational Awareness and Preparedness for Procurement

While considering more autonomy and powers for school councils to manage funds, a key policy question pertains to maturity of their organizational structure and preparedness to make decisions and manage procurements. The composition, knowledge and skills of members and their ability to manage records are some of the most important pre-requisites for efficient and transparent purchases of goods and services. A number of questions were asked about these aspects from head teachers of school councils in Gujrat and Jhelum.

The criterion for election of members is clearly laid out in the School Councils Policy 2007. The survey asked questions to ascertain whether the members were "chosen" or were elected as per the policy. About 87 percent of the total number of surveyed school councils' chairpersons reported that members of their school councils were elected through a proper process. But it is revealing that composition of 13 percent school councils was against the policy because members were selected without an election process. The school councils which were not elected had most of their members selected in a way that the people of the community (including local politicians) who were showing interest in the school affairs were named as part of the school council. This is an indication of a tendency on the part of head teacher to bypass the government policy, and might lead

to neglect of procurement rules as well.

Chart 4.1:   Number of School Councils Formed through Elections
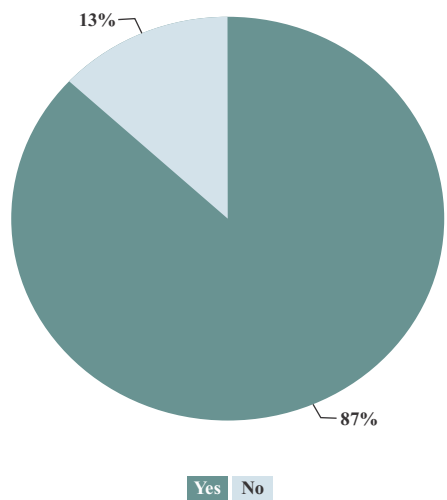
Source: I-SAPS School Councils Survey 2014

Most of the school council members are aware of their responsibilities. This is essential to perform their mandated roles. 43 percent of school council chairpersons informed that all the members of their respective school councils were aware of their responsibilities whereas in others most or some members had knowledge of their roles. The survey also collected information about the types of responsibilities in which members were involved to any extent. The responses of head teachers indicated that members in a high majority of school councils did play some role in areas of teacher attendance, enrolment, awareness, record keeping, monthly meetings, procurement, books distribution and utilization of funds (see chart 4.2).

Chart 4.2:   Types of Responsibilities in which School Council Members are Involved
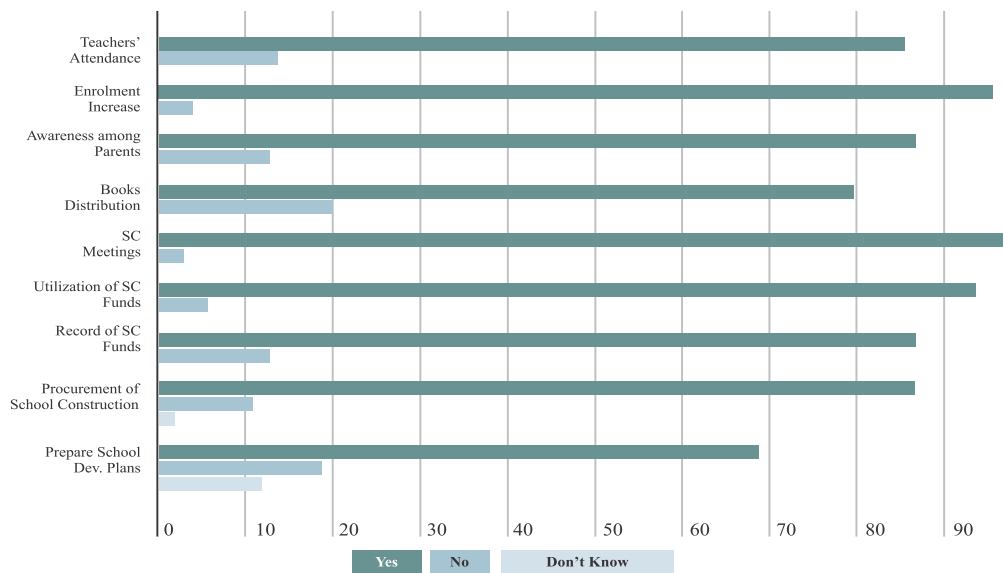
Source: I-SAPS School Councils Survey 2014

Given the high level of illiteracy and low level of skills in households which send their children to government schools, it is highly likely that members of school councils will lack education and competencies to perform their responsibilities. Therefore, capacity development is very significant in developing understanding and skills of school council members and guiding them to better utilize and manage the funds. The respondents were also asked if they or other members of their school council received any training in the last two years. As Table 4.1 shows, the picture is very uneven. Broadly, about 35-50 percent of chairpersons and co-chairpersons received training on key aspects such as financial management and record keeping and procurement rules and process.

Table 4.1   Training Received by Members of School Councils in Past 2 Years (%)

Areas	Chairperson		Co-Chairperson		Parent Members		General Members	
	Yes	No	Yes	No	Yes	No	Yes	No
Leadership / planning	49	37	23	48	17	53	16	54
Using EMIS data for planning and financing	27	53	16	54	13	55	14	56
Financial management and record keeping	51	33	28	43	21	49	17	51
Procurement rules and process	35	45	19	52	18	51	17	53
Construction / civil works	35	45	21	49	18	51	15	53
Water, sanitation and hygiene	29	50	17	53	18	52	15	53
School Improvement Plans	35	45	19	49	16	52	15	53

Source: I-SAPS School Councils Survey 2014

Despite the uneven capacity, most of the surveyed schools were maintaining financial records in the form of cash books, financial expenditure plans, expenditure record and quotations from the service providers. However, it is revealing that 27 percent of the respondents informed that their schools council did not file and maintain quotations from the service providers.

Transparency in terms of information disclosure is uneven across the board. About 15 percent of the chairpersons of the school councils reported that they do not allow the parents of the enrolled children to view the financial records. 65 percent of the school councils were found to have an open policy for the community to view the financial documents if they demanded. 82 percent of the respondents informed that these records were not publicly displayed.

The school councils are exempt from audit, but are subject to a third party verification of their records and accounts. 52 percent school councils reported that their accounts were audited by the government during the last 3 years. This is not clear whether the audit in this case was indeed a third party verification or proper government audit.

Chart 4.3: **Financial Records Maintained by School Councils**
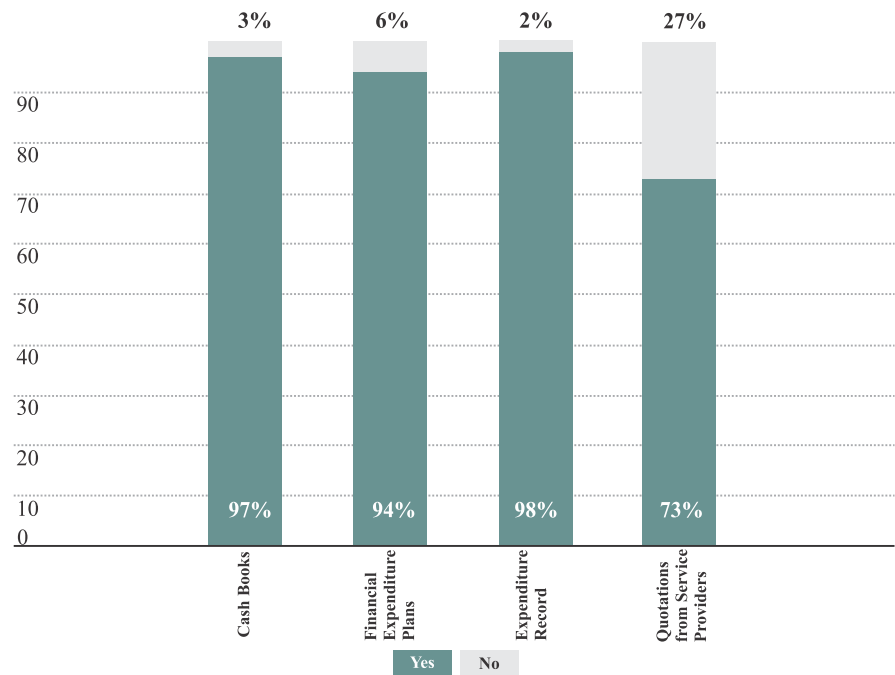
Source: I-SAPS School Councils Survey 2014

It is evident from the above analysis that there is a great deal of variation in capacity and preparedness of school councils to undertake procurements. While composition, awareness and record keeping practices are generally good for majority of the school councils, compliance with policy and procurement procedures is not universal, and poses risks in terms of abuse of powers and lack of transparency in how funds are utilized.

4.3.2   School Councils' Experience in Procurement

All school councils procure services and goods for schools. In most cases, this involves procurement of local contractors and labour for whitewash, minor construction works related to classrooms and physical facilities, and repair and maintenance. The survey conducted for this study in Gujrat and Jhelum asked questions about their experience in procurement. The following four aspects were covered:

·   Procurement committees
·   Major types of procurement
·   Risk management and fiduciary controls
·   Support required for procurement by school councils

a)   Procurement Committees

The survey found that many schools had formed procurement committees comprising school council members. On average, a functional committee would have 2-3 members. Some procurement committees had more than 5 members. Most school councils (59 percent) carried out purchases without a dedicated procurement committee. The chairpersons of the school councils having no procurement committees were also asked about how procurement decisions were made in the absence of a committee. Key responses were as follows:

· All procurements are done individually by the head teacher;
· All procurements are done by the head teacher in consultation with some senior teachers;
· All procurements are done by the chairperson and co-chair of the school council; and
· All procurements are done after consultation with members of the school council.

It is evident from these responses that in most cases where a procurement committee does not exist, decision-making is dominated by the head teacher or one or two members.

b)   Major Types of Procurements and Payments

The chairpersons were asked about the types of procurements and payments that their school councils had made in 2013-14. They were also asked to recall the average spending on each type of procurement. Table 4.2 below summarizes the responses.

Table 4.2:   Types of Procurements and Payments made by School Councils in 2013-14

Purchase head	% school councils which spent funds on the purchase head in 2013-14	Average spend in rupees per school (approximate)	Purchase head	% school councils which spent funds on the purchase head in 2013-14	Average spend in rupees per school (approximate)
Payment of electricity bills	77	n.a	Security equipment	8	n.a
Repair and maintenance of school building	65	100,000	Water connections	7	n.a
School stationery	61	n.a	Hazard protection and damp proofing	20	10,000
Teaching and learning materials	35	n.a	Electricity connection	8	n.a
Construction of additional classrooms	12	100,000	Purchase of water pump	17	10,000
Construction of boundary wall	15	10,000-100,000	Payment of water bills	9	n.a

Appointment of temporary teachers	12	25000	Drainage, sewers and solid waste management	5	n.a
Purchase of new furniture	17	25000	Sports goods	17	n.a
Repair of furniture	29		WASH facilities	22	25,000

Source: I-SAPS School Councils Survey 2014
Note: n.a. indicates that estimates of the average spend is not available.

The four most frequent procurements and payments made by the school councils include payment of electricity bills, repair and maintenance of school building, purchase of school stationery and teaching and learning materials. Out of these three types, repair and maintenance of building involves procurement of masons and local labour and is one of the major expenses. As it is evident from Table 4.2, maximum amount spent in a year is up to Rs. 100,000.

c)   Risk Management and Fiduciary Controls

School councils are authorized to collect and spend funds and hence are vulnerable to abuse of resources. They are required to exercise prudence and transparency and put in place effective safeguards. In this regard, the head teachers were asked if their respective school councils had put in place some anti-corruption safeguards such as expenditure plans, sharing of expenditure details with members, ratification of expenditure by members and availability of records for scrutiny and record checking by AEO. Chart 4.4 highlights the responses of head teachers.

A high majority of the school councils reported to have put in place the above said measures for transparency. In over 90 percent schools, expenditure plans are prepared in consultation with members, details are shared and ratified by members, and records are made available for scrutiny. 85 percent head teachers confirmed that AEOs had checked the school councils' records, but it is evident from the chart that AEOs do not look at records in 10 percent schools.

**Chart 4.4:   Transparency and Anti-Corruption Safeguards Adopted by School Councils**
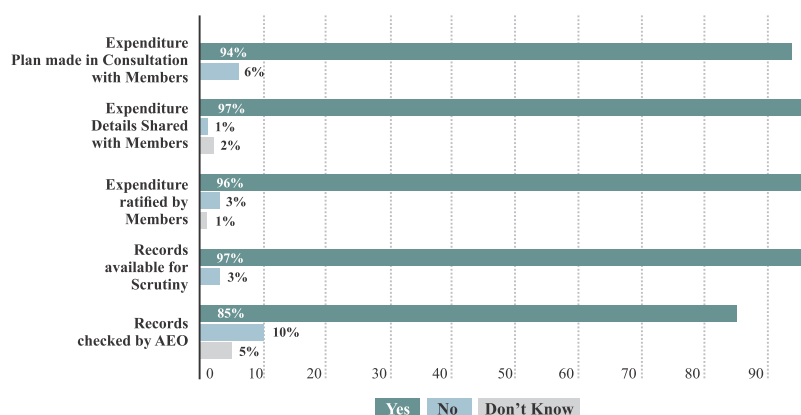
Source: I-SAPS School Councils Survey 2014

d)   Support Required for Procurement by School Councils

The survey explored the need for further support required by school councils to improve their procurement practices. The chairpersons of the school councils were asked about the measures which should be taken in order to facilitate the procurement done by school councils. Majority of the respondents said that the school councils should be provided additional funds and related guidance/training; work plans should be made and that the Government should admire the good work done by them and create sense of responsibility among the school councils. The respondents also stressed the need for more information to improve the procurement of works. Chart 4.5 shows that members require information regarding procurement rules, record keeping and government's plinth area unit rates.

Chart 4.5:   Information Needed to Improve Procurement by School Councils
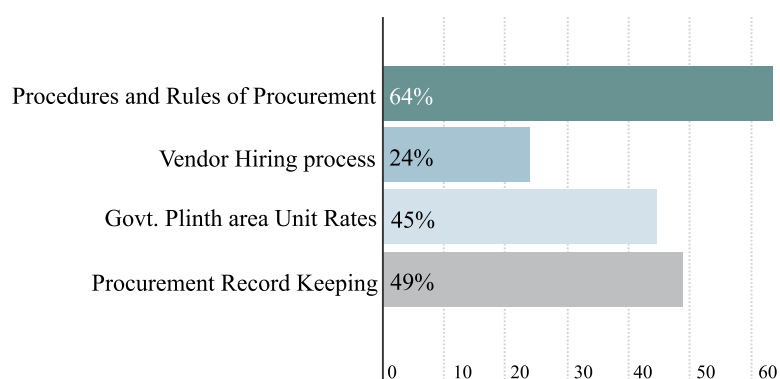
Source: I-SAPS School Councils Survey 2014

The chairpersons were also asked about the areas in which they would need further training. As Chart 4.6 shows, the four biggest training needs are leadership, use of information and data, financial management, and procurement rules. Most of the respondents were of the view that such training is very essential and suggested that these should be held in future also.

Chart 4.6:   Capacity Gaps in Relation to Procurement by School Councils
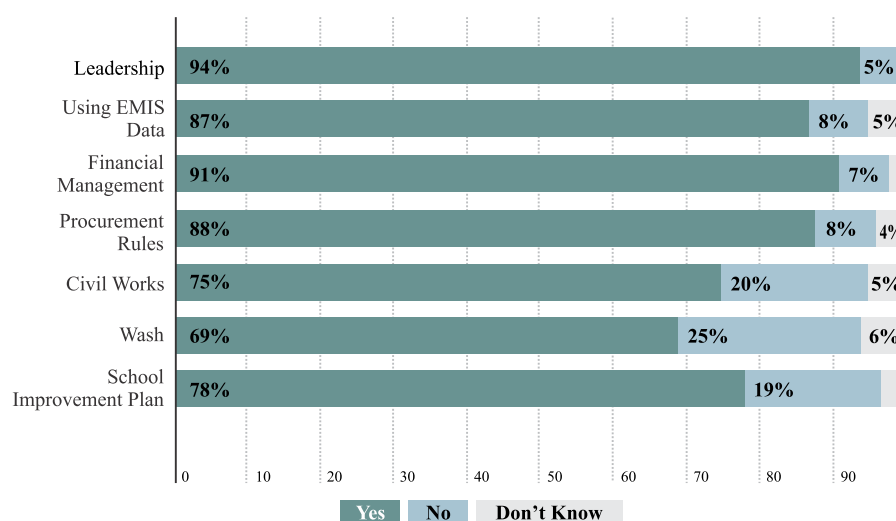
Source: I-SAPS School Councils Survey 2014

Out of all school councils surveyed, 14 percent explicitly mentioned a number of problems they faced in relation to procurement. Key problems included: (1) deficiency of funds, (2) lack of interest from community, (3) lack of training, and (4) gender-related issues e.g. restricted mobility of women makes it difficult to interact with contractors and procure goods and services from the market.

4.4   Institutional Roles and Accountability in Procurements

The analysis presented above indicates that school councils procure goods and services at varying scales, involving maintenance and repair, small construction works, purchase of stationery and learning materials, etc. While a majority of councils are reportedly doing well on key aspects of preparedness and practices of procurement, a number of issues are important from an accountability point of view. Examples include:

- Composition of 13 percent school councils was against the policy because members were selected without an election process. This is an indication of tendency on the part of head teachers to bypass the government policy, and might lead to neglect of procurement rules as well.
- 27 percent respondents of survey in Gujrat and Jhelum informed that their school councils do not file and maintain quotations from the service providers.
- 82 percent respondents informed that expenditure records are not publicly displayed.
- 15 percent of the chairpersons of the school councils reported that they do not allow the parents to view financial records.
- In most schools where a procurement committee does not exist, decision-making is dominated by the head teacher or one or two members.
- AEOs do not check records of school councils in 10 percent schools.
- A majority of chairpersons and co-chairpersons have not received any training on key aspects such as financial management and record keeping and procurement rules and process during the past two years. Gap in information and capacity is high.

These examples highlight some issues in transparency and accountability of the procurements made by school councils. The extent to which the councils should be exposed to scrutiny by PMIU, EDOs or AEOs to solve these issues is a tricky question. Parents and community members who opt to serve on school councils do it on voluntary basis and do not get any monetary benefits. Moreover, the very idea of school councils is premised on trust on people and their inherent stake in ensuring development of school in their area. Strict scrutiny and questioning may deter the parents and community members to give up their interest in school affairs. Fear of audit in the past prevented them to spend money and as a result they had to be exempted from standard audit requirements. Therefore, efforts to ensure integrity, efficiency, and transparency in procurement need to strike a fine balance between administrative monitoring and guidance, as strict monitoring might be viewed as interference and deterrence by the voluntary members. More guidance, capacity, motivation and information disclosure can bring about significant improvements in the way school councils plan and spend resources.

CHAPTER 5
CONCLUSIONS AND RECOMMENDATIONS

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Chapter 5

Conclusions and Recommendations

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5.1 Background

Punjab has the largest scale of education sector procurement inevitably due to highest proportion of school-age population. In 2013-14, the provincial government of Punjab allocated over Rs. 6 billion for school civil works – equivalent to more than 50 percent of the Annual Development Programme (ADP) for education sector. Development, printing and distribution of textbooks constitute another big procurement budget line as it costs over Rs.3 billion annually. At school level, school councils are involved in procurement of minor civil works and purchases of stationery and learning materials, etc. This involves annual grants worth over Rs.1.5 billion. These are a few examples of major expenditures where improvement in procurement practices can bring about efficiency gains and save resources to benefit more children.

Procurement is a vital strand in the execution of non-salary recurrent and development budget. Scrutiny and oversight of procurement process and mutual scrutiny by concerned agencies is extremely crucial for integrity, transparency and efficiency gains in public expenditure on education. Due to wastage, inefficiencies and delays leading to cost escalation, money that reaches the schools is lesser than intended, and fewer children benefit from school supplies, buildings, textbooks and services.

The study has discussed the process and key challenges in procurement of textbooks, school civil works, and goods and services procured by school councils. It emphasizes the need to promote horizontal accountability in education sector procurement i.e. mutual scrutiny by the state institutions internally. For example, Punjab Procurement Regulatory Authority (PPRA), Anti-Corruption Establishment (ACE), Audit Department and Public Accounts Committee (PAC) are mandated to ensure that procurement process is in compliance with government rules and free from corruption and hence, they can hold School Education Department (SED), Punjab Textbook Board (PTB) and Punjab Curriculum Authority (PCA) to account in this matter. Similarly, if the quality of bricks and concrete used in construction of a schools is poor, SED, Audit and PAC should bring the Communications and Works Department's (CWD) officers and service providers to account for failing to meet the specifications.

Key conclusions and recommendations from the analysis presented in chapters 2, 3 and 4 are summarized below.

5.2 Textbooks

The Government of Punjab initiated the provision of free textbooks in the late 1990s to tackle financial barriers to schooling. A number of institutions – especially PTB, PCA and Programme Monitoring and Implementation Unit (PMIU) – are involved in different stages of the process. Pakistan Council of Scientific and Industrial Research (PCSIR) Laboratories Complex Lahore is responsible for verifying samples submitted by the publishers. The role of PTB and PCA especially is fundamental but accountability for provision of textbooks is undermined by duplication of mandate and institutional conflict between these two institutions. PAC is a newly established body which has taken over the role of textbook development from

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[49] Budget figures in this paragraph are drawn from I-SAPS (2013), *Public Financing of Education in Pakistan,* Islamabad.

PTB. Overlap in their roles is leading to delays in manuscript approval and printing. SED should get more proactively involved to sort out this issue.

Cost of textbook production and printing has increased immensely. The total budget for textbooks has increased from around a billion rupees in 2007-08 to Rs. 3.75 billion in 2014-15. A key reason for the increased cost is the printing of books in double colour or four colours which is according to the PTB specifications. Also the publishers have increased the number of pages by including more multiple choice questions (MCQs) which requires more blank spaces.

Procurement and use of printing paper needs greater oversight and transparency. Big printing or publishing houses buy paper in off-season (February-August) when the prices are low and then charge the government higher prevailing rates subsequently. If PTB procures the paper, it might be possible to negotiate the lower rates for purchases in bulk, control the paper quality, and support small printers and publishers as well to promote competition and lower the overall costs.

Unavailability of basic data is a key source of concern about lack of transparency and requires robust monitoring systems within PTB. Although procedures for information disclosure in procurement process are defined, monitoring systems within PTB and PCA need to have robustness and a set of clear monitoring objectives. This is essential to generate and publish information in public domain to dispel concerns about secrecy and corruption.

Majority of the students get most textbooks in time, but some students do suffer due to delays every year. The fact that Government of Punjab ensured availability of textbooks to over 96 percent students within first month of academic year 2014-15 indicates a positive outcome. However delays do occur in distribution, approval of manuscripts and tendering, resulting in delayed availability of textbooks in some schools.

Quality control and compliance with technical parameters need to be strictly enforced, especially related to the use of ink and paper. PPRA has received many complaints regarding the lack of enforcement of standards and violations of PPRA rules and specifications. The most common complaints pertain to the quality of ink and paper used by the publishers. Quality of textbooks is often inferior than the samples which are submitted at the time of tendering.

The number of textbooks sold by the PTB in the open market has gone down. PTB supplied 9.6 million books in the open market in 2014-15. This number was 19 million in 2007-08 – equivalent to 35 percent of total PTB revenues from textbooks. In 2014-15, open market business has gone down to 15 percent. Savings from use of textbooks for more than one year and mechanisms to incentivize the non-poor to purchase textbooks from open market could possibly provide a basis for efficiency and sustainability in this reform.

Three organizations, namely PCA, PTB, and PMIU are responsible to deliver the tasks of manuscript development and approval, printing and distribution respectively. SED, Audit, PPRA, ACE and PAC have important oversight role to ensure integrity, transparency, efficiency and value for money in the procurement of textbooks. There is a need to bolster this role by clarifying the institutional mandate (especially between PCA and PTB), putting in place strong monitoring and evaluation system, disclosure of information proactively in the public domain and establishing routines to scrutinize the process and information.

Recommendations

a. Duplication of mandate and conflict between PCA and PTB should be resolved on priority basis, and SED should play a proactive role in this regard. Roles and accountabilities will not be clear unless the mandates of these two institutions are clarified as far as textbooks are concerned.

b. Procurement and use of printing paper should receive greater oversight and monitoring attention. Outsourcing and procurement procedures should be reformed to curtail the use of low quality paper and increased costs to the government. In this regard, PCSIR should play an effective role. SED should triangulate the reports of PCSIR on sample basis from other laboraties as well to ensure there is no collusion between the PCSIR and contractors.

c. Delays in distribution, approval of manuscripts and tendering should be curtailed through strict monitoring and accountability procedures. This requires strengthening the horizontal accountability functions i.e. all relevant departments complete their tasks on time and are held accountable to each other for this purpose.

d. Quality control and compliance with technical parameters should be strictly enforced, especially related to the use of ink and paper. In this regard, PCSIR reports need greater scrutiny and action. SED as well as Audit need to ensure that these reports accurately reflect the gaps between ink used by publishers and SED specifications. Publishers violating the specifications should be held accountable and dealt in accordance with government rules.

e. SED should publish an annual report showing key details about the procurement process, costs, timelines, observations and complaints, the roles played by PCA, PTB, PMIU, Finance, P&D, SED, PCSIR, Audit, PPRA, ACE and PAC.

f. PPRA should take a lead in establishing a coordination forum for all respective departments involved in procurement of textbooks. The forum should address an important institutional gap as no mechanism exists where horizontal accountability functions of all relevant departments are clarified, discussed and followed-up.

5.3   School Civil Works

The unmet need for new construction, up-gradation, rehabilitation, maintenance and repair, and provision of missing facilities continue to pose a daunting challenge. In May 2014, Punjab's government schools had a deficit of 51,951 classrooms, 6083 schools were without electricity, 466 schools without drinking water, 959 schools without toilets, and 2,978 schools were without boundary walls.

Procurement of school civil works has been a persistent challenge because the SED, despite being the primary client and budget holder for school construction works, has no control over the CWD which has been entrusted to execute civil works for all government departments. Informal coalitions, collusion and rent-seeking norms dominate the contracting process and pose a challenge to enforcement of the formal rules. Exceptions notwithstanding, the contractors would form a ring to agree that only one contractor would run for the contract, all others would stand back. The normative rates are prevalent across the public sector. The XEN who is the Drawing and Disbursing Officer (DDO) of projects in his jurisdiction ensures that the customary 9-12 percent is received from the contractors on all the running bills. According to a CWD employee, 4 percent out of this money goes to the XEN, 2 percent goes to the Sub-Divisional Officer, 1 percent to the Overseer, 1 percent to the accounting and clerical staff and the last 1 percent is kept for entertainment and stationery.

Use of sub-standard materials in construction work is a key driver of profit making. Many audit observations have pointed out that the materials used in the construction and rehabilitation of schools and other public

buildings construction works is not according to the specified standards. The materials used are sent to the laboratories for tests but these materials are different from the ones used on the site. The laboratory reports for all the material sent are often according to the agreed specifications, whereas the actual material used is quite different from the ones sent to the laboratory.

Costs escalation is another driver of collusion and profit sharing. The contractors buy the necessary materials in advance and as soon as the price escalates, they put up a claim to the concerned XEN for paying them the escalation. The contractor and the XEN benefit the most out of it. In some cases, the scope of work is also changed after giving the contract, which inflates the value of the contract.

Lack of coordination between SED and CWD poses a constant challenge in ensuring quality of civil works. SED, despite being the primary client and budget holder for school construction works, has no control over the CWD which has been entrusted to execute civil works for all government departments. Concerns about limited space for SED to hold the CWD to account for high costs, lack of transparency and gaps in quality of construction have driven reforms and experimentation with different approaches to procurement, contracting and monitoring of school construction works.

Effectiveness of monitoring mechanisms varies for large and small schemes. SED and CWD are the two main line agencies which work from a distance, but both under the supervision of Chief Secretary and Chief Minister's Secretariat. The fact that small schemes and revenue expenditures are thinly spread over the province makes monitoring of these expenditures especially challenging. The DCO is responsible for monitoring of progress on civil works in districts through a committee. However, major projects get his attention most and it is very rare for him to go for site inspection of small schemes

Failure of government departments to indulge in mutual scrutiny is costing the public millions of rupees. According to all insiders interviewed by the research team, frauds, leakages and corruption in the public sector construction works is costing the Government of Punjab millions of rupees every year as they need more budget for repair and maintenance and rehabilitation.

Recommendations

a. SED, as the primary client, should be given more powers to hold the CWD accountable for costs and quality of school infrastructure delivered by CWD. It is important to break the monopoly of CWD in public sector construction. Rules should allow more freedom to the client departments such as SED to procure civil works in a competitive manner.

b. Transparency, monitoring and scrutiny of contracting needs greater attention and practical actions to eliminate the prevalent informal rules and bribe rates. Clear rules should be enforced to publish information at all key stages of a procurement cycle, and not just tender advertisements.

c. Special measures should be taken to control cost escalation, and officials involved should be brought to account. Justifications for cost escalation exceeding a certain threshold should be published on SED and PPRA website to deter the abuse of powers conferred on XEN in this matter.

d. SED, CWD, Audit, PPRA and PAC are responsible to ensure that costs are reasonable and materials used in construction meet the specifications. Given the amounts of money involved every year, a special study should be undertaken which should assess the reasonableness of costs and quality of materials used in schools. Additional funds required for maintenance due to use of poor quality materials should be quantified. This step is likely to provide a basis for stronger internal checks on the whole procurement process.

e. The mandate of the monitoring cell in the Chief Minister's Secretariat should be enhanced to review the release of all the funds and the respective utilization. The monitoring cell should commission special reports to assess quality of infrastructure built and the extent to which each respective department performed their horizontal accountability functions.

f. SED should publish an annual report showing key details about the procurement process, costs, timelines, observations and complaints, the roles played by SED, CWD, Finance, P&D, PCSIR, Audit, PPRA, ACE and PAC.

g. PPRA should take a lead in establishing a coordination forum for all respective departments involved in procurement of school civil works. The forum should address an important institutional gap as no mechanism exists where horizontal accountability functions of all relevant departments are clarified, discussed and followed-up.

5.4 School Councils

School councils are important institutional structures for citizen participation, voice and accountability in school management. Parents and community members, as members of school councils, are given legitimate powers and authority to participate in school improvement planning and execution of non-salary budget. Punjab has made significant progress in terms of formation and capacity building of school councils. School councils exist in all primary and middle schools and comprise the head teacher as the chairperson and elected members from parents and community.

The Government of Punjab provides an annual grant of Rs.20,000 and Rs.50,000 to primary and middle schools respectively for operational expenses, minor civil works and other needs of the school. This grant goes to bank account of respective school council which is responsible for identifying priorities and procuring necessary goods and services. Thus procurement is inevitably an essential function of all school councils. In addition, schools collect *Farogh-i-Taleem Fund* of Rs.20 per student per month which is also meant to be spent by school councils for welfare of students and school improvement.

School councils procure goods and services at varying scales, involving maintenance and repair, small construction works, purchase of stationery and learning materials, etc. The importance of procurement function of school councils has increased tremendously over time as the expectations of the government from school councils have increased. The four most frequent procurements and payments made by the school councils include payment of electricity bills, repair and maintenance of school building, purchase of school stationery and teaching and learning materials. Of these three types, repair and maintenance of building involves procurement of masons and local labour and is one of the major expenses.

According to a survey conducted for this study in Gujrat and Jehlum, a majority of councils are reportedly doing well on key aspects of preparedness and practices of procurement, but a number of issues emerge from an accountability point of view. Examples include:

· Composition of 13 percent school councils was against the policy because members were selected without an election process. This is an indication of tendency on the part of head teacher to bypass the government policy, and might lead to neglect of procurement rules as well.

· 27 percent respondents of survey in Gujrat and Jhelum informed that their school councils do not file and maintain quotations from the service providers.

· 82 percent respondents informed that expenditure records are not publicly displayed.

· 15 percent of the chairpersons of the school councils reported that they do not allow the parents to

> view financial records.
> · In most schools where a procurement committee does not exist, decision-making is dominated by the head teacher or one or two members.
> · AEOs do not check records of school councils in 10 percent schools.
> · A majority of chairpersons and co-chairpersons have not received any training on key aspects such as financial management and record keeping and procurement rules and process during the past two years. Gap in information and capacity is high.

Recommendations

The extent to which the councils should be exposed to scrutiny by PMIU, EDOs or AEOs to solve these issues is a tricky question. Parents and community members who opt to serve on school councils do it on voluntary basis and do not get any monetary benefits. Therefore, government rules cannot be applied on them in the manner as they apply to teachers and other government servants. Moreover, the very idea of school councils is premised on trust on people and their inherent stake in ensuring development of school in their area. Strict scrutiny and questioning may deter the parents and community members to give up their interest in school affairs. Fear of audit in the past prevented them to spend money and as a result they had to be exempted from standard audit requirements. Therefore, efforts to ensure integrity, efficiency, and transparency in procurement need to strike a fine balance between administrative monitoring and guidance, as strict monitoring might be viewed as interference and deterrence by the voluntary members. More guidance, capacity, motivation and information disclosure can bring about significant improvements in the way school councils plan and spend resources.

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Interviews

Mr. Jabbar Shaheen, Secretary School Education, Government of Punjab

Mr. Amir Riaz, Deputy Director, Punjab Curriculum Authority (PCA)

Mr. Khalid Mehmood, Special Secretary, Communications and Works Department (CWD)

Ms. Afshan Kiran Imtiaz, Additional Secretary, School Education Department (SED)

Mr. Shahid Hussain, Managing Director, Punjab Procurement Regulatory Authority (PPRA)

Mr. Anwar Rashid, Director General, Anti-Corruption Establishment (ACE) Punjab

Mr. Kanwar Khalid, Deputy Director General (Head Quarters) ACE, Punjab
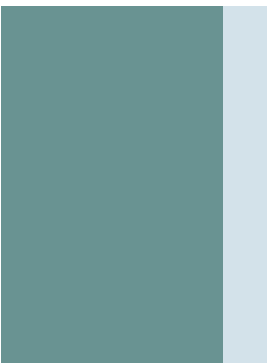
Mr. Nawazish Ali, Punjab Textbook Board (PTB)

Mr. Iftikhar Ahmed, Punjab Textbook Board (PTB)

Mian Azmat Amin, Ex-Deputy Secretary, Chief Minister's Secretariat Monitoring Cell

Mr. Shahid Zaman, Additional Secretary, Higher Education Department

Dr. Pervez Khan, Ex-DCO Gujranwala District

ANNEXURES

Annexures

Annexure A: PTB's Five Year Budget Income Statement (Rs. Million)

Account ID	Particulars	Actual Receipt 2009-10	Actual Receipt 2010-11	Actual Receipt 2011-12	Actual Receipt 2012-13	Revised Estimates 2013-14	Revised Estimates 2014-15
011-0201-001	Management & Manuscripts Cost from Publishers	111.286	149.535	154.392	144.261	138.976	150
011-0201-002	Management & Manuscripts Cost from PMIU	125.669	---	---	847.019	339.135	320
012-0202-001	Rounding off Price	6.363	6.864	7.076	4.366	4.5	5
013-0203-001	Sale Proceeds of Board's Publications & Receipts.	72.676	8.151	14.407	58.251	117.85	80
013-0203-003	Sale of Security Labels for Single Textbooks	5.826	8.564	12.131	8.057	7.579	10
013-0203-004	Sale of Title Covers for Single Textbooks	69.328	90.789	81.843	59.188	63.1	70
014-0204-002	Sale of Paper	---	0.028	---	1.442	-	1,650
015-0205-000	Misc. Income	26.386	9.744	13.741	14.666	25.142	8.45
016-0206-001	Profit on Investment	113.783	249.658	286.495	232.957	433.06	350
018-0208-001	Receipts from PMIU	1,967.37	1,800.12	2,200.17	3,383.07	3,425.36	4,270
020-0301-001	Recovery of Advances	1.994	1.649	2.252	2.337	3.477	3.5
	TOTAL INCOME	2,500.68	2,325.10	2,772.50	4,755.61	4,558.18	6,916.95

Source: Punjab Textbook Board (PTB)

Annexure B: Contracts Awarded for Printing of Practical Note Books (2014-15)

Sr. No.	Name of PNB	Total Pages	Name of Lowest Bidders	Quantity	2014-15	
					Rate	Value (Rs.)
1	PNB Phy - 9 (U)	156	Kitbistan Publishing Co.	87,600	64.23	5,626,548
2	PNB Phy - 9 (E)	144	Maktaba Moin ul Adab	513,800	63.30	32,523,540
3	PNB Chem - 9 (U)	120	Shahzad Naveed Printer	87,600	55.27	4,841,652
4	PNB Chem - 9 (E)	120	Shahzad Publishers	513,800	55.27	28,397,726
5	PNB Bio - 9 (U)	176	Haider Publishers	53,700	76.08	4,085,496
6	PNB Bio - 9 (E)	176	Pakistan Educational Press	298,800	74.99	22,407,012
7	PNB Com - 9 (U)	148	Wahab Publishers	33,900	64.97	2,202,483
8	PNB Com - 9 (E)	148	Sindh Off Set Printer	215,000	72.10	15,501,500
9	PNB Phy - 10 (U)	128	Famous Books	299,500	60.12	18,005,940
10	PNB Phy - 10 (E)	128	Zahid Bashir	247,300	55.27	13,668,271
11	PNB Chem - 10 (U)	104	Maktaba Moin ul Adab	247,300	50.87	12,580,151
12	PNB Chem - 10 (E)	104	Maktaba Moin ul Adab	299,500	50.87	15,235,565
13	PNB Bio - 10 (U)	116	Top Mountian Pritner	175,200	55.73	9,763,896
14	PNB Bio - 10 (E)	116	Kutab Khana Khurseedia	145,200	51.35	7,456,020
15	PNB Com - 10 (U)	160	Kitbistan Book Gallary	124,300	63.69	7,916,667
16	PNB Com - 10 (E)	160	Crystal Publisher	102,100	68.21	6,964,241
Total		2204		3444600	982.32	207,176,708
Average Per Copy					0.45	60.15

Source: Punjab Textbook Board (PTB)

Annexure C: District-wise Breakdown of Missing Facilities (May 2014)

Districts	Total Number of Schools	Number of Schools with SCR > 40	Additional Classrooms Needed	Number of Schools without Electricity	Number of Schools without Drinking Water	Number of Schools without Toilets	Number of Schools without Boundary Wall
Attock	1291	314	733	145	35	23	47
Bahawalnagar	2406	898	1539	364	5	34	191
Bahawalpur	1953	571	800	18	12	10	2
Bhakkar	1343	550	1088	297	3	25	161
Chakwal	1245	136	297	1	0	3	0
Chiniot	701	193	505	49	0	0	56
Dera Ghazi Khan	1802	820	1620	20	4	53	38
Faisalabad	2306	1402	5847	51	2	6	143
Gujranwala	1696	613	2399	213	23	48	63
Gujrat	1491	486	1395	55	19	20	36
Hafizabad	733	247	661	136	8	20	17
Jhang	1664	728	1474	346	1	8	242
Jhelum	845	144	396	56	0	7	17
Kasur	1500	916	2318	51	5	14	36
Khanewal	1307	585	1721	111	9	16	18
Khushab	943	162	228	222	45	28	106
Lahore	1254	632	4139	1	1	2	2
Layyah	1664	598	876	1	0	1	2
Lodhran	831	241	386	10	0	16	7
Mandi Bahauddin	844	308	874	47	0	12	37
Mianwali	1429	462	883	185	23	33	74
Multan	1407	579	1581	135	7	19	19
Muzaffargarh	2059	1004	1808	352	39	51	198
Nankana Sahib	741	317	835	105	2	9	45
Narowal	1283	476	1221	284	24	48	86
Okara	1572	850	2089	177	4	20	223
Pakpattan	915	479	1225	77	13	15	39
Rahim Yar Khan	3178	621	1359	931	63	207	277
Rajanpur	1126	451	691	729	26	58	131
Rawalpindi	1979	309	1006	293	31	26	211
Sahiwal	1203	534	1376	22	14	20	168
Sargodha	2038	827	1939	171	16	47	135
Sheikhupura	1445	619	1974	183	2	13	50
Sialkot	1999	774	2281	218	26	37	77
Toba Tek Singh	1212	618	1485	7	0	4	20

Vehari	1525	532	902	20	4	6	4
Total			**51951**	**6083**	**466**	**959**	**2978**

Source: I-SAPS (2014)

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