

Study on Public-Private Partnerships in Information and Communication Technology (ICT) for Education: Report Summary

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Introduction

The potential of ICT to tackle some of the challenges facing education has led many countries to invest heavily in ICT, placing it at the centre of their development strategies. ICT integration programmes benefit from a strong association with system-wide changes such as improved service delivery, curriculum changes, or new quality assurance and production processes in business. In the formal education context, this may include moves towards decentralization, school-based management, and learner-centred philosophies. However, developing countries generally face challenges in terms of capacity, capability, and resources (human and financial) to harness the potential of ICT successfully and effectively. They thus require sustained investments in education, innovation systems, infrastructure (including ICT itself), and implementation of policies that support such knowledge-based economic transformation in order to transform their economies.

The idea of Public-Private Partnerships (PPPs) has generated growing interest from governments around the world as a possible mechanism for developing and sustaining public infrastructure and services. Many governments are turning to the private sector for the financing, design, construction and operation of infrastructure projects. PPPs are emerging as an important procurement option for governments to close the infrastructure gap. Although there is no universal consensus around the definition, it is possible to identify a set of core attributes that are common across international definitions:

- 1) There is a contractual agreement between the government and the private party.
- 2) It is a long term agreement between government and the private sector (typically 10-30 years) under which the private company provides or contributes to a public service.
- 3) Contracts are for a fixed, finite term. At the end of this term, control of the assets, whether pre-existing or new, reverts to government ownership.
- 4) The private company must generally make an investment in the venture, even if it is limited, for example, to working capital.
- 5) It generates a revenue stream that allows the private party to fully recover its costs. This revenue stream may be from government budget allocations, user charges, or a combination of the two. The agreement therefore transfers risk from the government entity to the private company, including service availability or demand risk.
- 6) Risk-transfer is key: risks generally borne by the public sector are transferred to the private partner. The allocation of sizable and at times significant elements of risk to the private partner is key in distinguishing a PPP from the more traditional public sector model of public service delivery.
- 7) In addition to budget allocations, the government may make further contributions, such as providing or enabling access to land, contributing existing assets, or providing debt or equity finance to cover capital expenditures. The government may also provide various forms of guarantee that enable risk to be shared effectively between the government and the private company.

PPPs in ICT for Education

In the education sector, ICT for education is a development area that purportedly offers increasing opportunities for the design and implementation of well-defined, structured and productive PPPs. Traditional models of providing for education and training can no longer meet the demand, opening up opportunities for PPPs at both the national and transnational levels. This provides an opportunity to explore PPPs in ICT for education. One can identify the following as ICT for education services that might theoretically form the basis of a PPP (leaving aside consideration of whether or not this makes financial and/or educational sense to both parties):

- 1) Provision of connectivity to the education sector to enable effective use of online educational services such as online forums to help teachers share lesson plans; social media to help students collaborate across classrooms; and web-based applications assist teachers in customizing the learning experience for each student to achieve greater learning outcomes.
- 2) Provision of online and offline ICT-based administrative and management information systems to educational institutions.
- 3) Provision of centrally managed, ICT-based transversal systems (such as EMIS, HR systems and/or financial management systems) that facilitate the collection of, and access to, management information across all levels of the education system.
- 4) Provision of fit-for-purpose online communication systems to all relevant personnel and learners.
- 5) Provision of ICT hardware and software to enable educators and administrators to use ICT-based, time-saving administrative and curriculum/educational tools.
- 6) Management of online professional development systems for educators and administrators.
- 7) Offering pre-service and continuing (in-service) professional development opportunities to educators, school/college/university managers and administrators, and support personnel that focus on effective use of ICT for education.
- 8) Launching and managing online communities of practice.
- 9) Providing ICT hardware and software to enable learners to fulfil the ICT-related requirements of the curriculum, as well as to become information literate and ICT-capable.
- 10) Providing learners with access to repositories of digital knowledge and other resources.
- 11) Making educational resources, tools and information electronically accessible for learners and educators to use and adapt.
- 12) Providing learners with access to online, distance learning courses to help them complete subjects, courses or programmes and to meet the growing demand for education.

The Experience in Asia and the Pacific Region

There have been various approaches to PPPs in relation to ICT and education in order to deliver one or more of the above services. Exploration of examples of projects that have been labelled as PPPs, however, yields interesting findings. Most importantly, there is a limited and contradictory body of literature on what a successful PPP in ICT for education might look like. In particular, the data availability on actual PPP investment in Asia and the Pacific region is limited and incomplete. There is a lack of evidence, from the literature and engagement with specific case studies, for the existence of many true PPPs in this field.

Additionally, there appears to be a “veil of secrecy” around some of the details provided on PPPs (and particularly those details contained in contracts between government and their private sector partners). There is a general scarcity of reports on such initiatives, and in some instances, potential interviewees refused to be interviewed about their initiatives. This is further constrained by the reality that, for both governments and private partners in a PPP, there is limited value in revealing all the contractual details of PPPs in the public domain. Given that PPPs remain politically contentious in many countries, revealing full details of contractual and financial arrangements is politically risky for both government and the private sector, which makes it difficult to access detailed information on PPPs. These observations raise the issue of how sustainable PPPs can be in the long term in this field.

Misuse of the term “PPP” is widespread. When many people are asked to provide examples of PPPs, most identify general ICT for education initiatives that involve the private sector. When many of these initiatives are scrutinized, it becomes clear that there is no PPP element attached to them. For example, with BlueSky in Samoa (a telecommunications provider), there is a short term contract with no private party investment, there is no revenue stream generated, and little risk transferred to the private sector. In the ICT for education sector, the term PPP is frequently used to refer to any

cooperative combination of the public and private sectors to achieve a public policy goal. It is also used to describe relationships formed between the private sector and public bodies, often with the aim of introducing private sector resources and/or expertise in order to help provide and deliver public sector assets and services. Likewise, donor projects are often referenced in discussions about PPPs in education. The term appears to be used by the private sector itself in an effort to construe a deeper relationship between the private and public sectors than may be the case; for example, trying to portray CSI initiatives as evidence of preferential relationships between private companies and the government or for product positioning. For instance, Intel's work in Indonesia appears to be more of philanthropic endeavour, and there is no long term contractual agreement or transfer of risk.

Despite an increased occurrence of school infrastructure partnerships and service delivery PPPs in education in general, there is no evidence that ICT for education is included as a key condition of the PPP contract in these bigger infrastructure projects, which seems a lost opportunity. Evidence suggests that the main service delivered by initiatives labelled as PPPs in ICT for education (many of which turn out not to be true PPPs) appears to be the provision of ICT hardware and software to enable students and educators to use ICT-based administrative and curriculum/educational tools. Such was the case of IL&FS (Infrastructure Leasing and Financial Services) Education and Technology Services in India, which set up laboratories in schools where there was little difference in the partnership and a contracted service, despite it being implemented using a BOOT model (using PPP terminology, which stands for 'build, own, operate, transfer').

Evidence to date suggests that a PPP can be appropriate where there are major and complex, long-term capital projects with significant ongoing maintenance requirements, as was seen in the case of the Virtual University of Pakistan, where the public partner provides digital content and the private partners invest in creating and maintaining ICT laboratories. Here, the private sector can offer project management skills, more innovative design and risk-management expertise that can bring substantial benefits. Where they are effective, PPPs help to ensure that desired service standards are maintained, new services start on time and projects are completed on budget, and assets will not deteriorate. This provides a possible explanation for the relative dearth of true PPPs in ICT for education; namely, that the PPP as a form of procurement simply does not lend itself well to the nature of most of the services being procured, especially if they are considered in isolation from broader delivery of education services as a whole.

There appear to be few compelling reasons for government to enter into an exclusive relationship in this sector, as it does not make sense to remain locked into a relationship when, in a few years' time, there will be new technology or connectivity options that will change the nature of networking and technology. There are few meaningful risks that can be transferred unless this is done as part of an overall infrastructure plan (for example, building the physical infrastructure of a whole university or college) due to the replacement period of ICT being too short to make risk-transfer work effectively otherwise. Where attempts have been made to introduce PPPs in ICT for education, they have typically been implemented over a time horizon that is too short to leverage the real benefits of PPPs as outlined above. Thus, it is not surprising that many ICT for education agreements between the public and private sector, while being labelled as PPPs, more often than not simply turn out to be a variant of one or more of the traditional procurement options or a form of corporate social investment.

What are the Implications for Policy Makers?

The task of providing ICT for education is enormous and requires ongoing funding. Despite limited evidence of their existence to date in this sector in Asia and the Pacific Region, PPPs offer one possible form of an appropriate strategic partnership in order to succeed in this endeavour of implementing ICT for education by bringing together governments, development partners, civil society and the

private business sector. Consequently, the following recommendations are made to improve strategies and operational models in pursuing PPPs as one mechanism to help to deliver on policy objectives and targets in ICT for education.

Develop a common understanding of the term

There is merit in developing a common understanding of PPPs that can be applied to ICT for education. This can include developing a clear definition outlining what constitutes a PPP (in general), which can foster the development of a sound understanding of what is entailed in PPPs and the creation of conducive environments for sustaining the interest of both public and private partners. Specifically, within ICT for education, it is important to highlight the weak use of the term and clarify in what contexts the term should be used. A simple theoretical understanding of the nature of PPPs can lead to greater insight and more successful projects in this sector.

Adopt appropriate partnerships suitable to the context

It is prudent to recognise that not all projects are suitable for PPPs, and PPPs are just one tool available for governments. Every country has its own unique challenges, priorities and financial constraints. PPPs are not a one-size-fits-all solution, and they can carry significant costs. In some cases, other, potentially less costly methods of public-private collaboration will serve a given cause as well as or better than a new PPP. Thus, the nature and extent of PPPs should be based on a government's assessment of its appropriate role in ICT for education and the relative costs and benefits of private sector involvement.

Encourage the development of regulatory frameworks

These frameworks should be tailored to each country's needs and context to promote PPPs in ICT for education. This can include the creation of institutional and regulatory mechanisms, such as a dedicated PPP unit. It may also be useful to encourage governments to establish open and transparent processes and retain sufficient expertise in risk and contract management (technical and managerial). At the same time, there is a need to ensure that PPPs do not bypass the issue of reform of the public system by simply handing over a task to the private party.

Focus on integrating ICT service delivery targets into PPPs that deliver broader education services

Careful analysis indicates limited potential for PPPs focusing narrowly on ICT for education services provision. More careful analysis of the list of ICT for education services may be required to determine the viability of delivery of any of these services constituting a core focus for a PPP. The main rationale for involving private partners in traditionally government-provided offerings is that the private party might be more capable than the public party of delivering the service at a specific time, fixed price and agreed-upon service level (quality). If it is possible to identify services that are handled better by the private sector than the public sector, it may be advantageous to build the services into a wider education PPP contract. In ICT for education, this is particularly important given the short lifespan of technology, and a PPP that focuses mainly on the technology or ICT for education services provision may not be viable. For example, this could be done during school infrastructure projects. When creating school infrastructure projects, governments could embed ICT and connectivity provisioning in those partnerships. Thus, any new school built or refurbished could also include relevant ICT facilities and connectivity requirements for educators and students. Such initiatives might also need to include sufficient capacity and skills building among educators in how to use the facilities and maintain them in order to ensure that such initiatives are sustainable.

Encourage the establishment of effective governance systems

In instances of governments wishing to explore PPPs in ICT for education, there is a need to ensure that the public agencies responsible for establishing and monitoring PPPs have the resources,

information and skills required to design, develop and manage this complex relationship. An effective governance system can foster decision-making on major strategic issues and alignment of multiple partners within initiatives.

Encourage consistent and transparent monitoring and evaluation

Little is known about how PPP models operate in this sector, which makes systematic evaluation difficult. Any PPP model should thus include monitoring and evaluation in its budget. There is also a need for better reporting of failed case studies, as these can be as instructional as successful ones. Thus, evaluating and reporting on initiatives in the region can allow for lessons to be learned and thus inform PPP development in the region. Likewise, it will be valuable to encourage governments to share more openly experiences gained during implementation of PPPs in an effort to build a strong evidence base to inform design of future PPPs.