

Commonly Used Models of Public-Private Partnerships for Basic Education Programming



A **public-private partnership (PPP)** is a contract between a government institution and a private entity on a project that pursues a public goal. More officially, a PPP is a formal contract between the public and private sectors in which they **jointly share risks, costs, and resources**, and where remuneration is linked to the private partner's compliance with the stipulations of the contract.¹ PPPs are used by governments and educational institutions to **expand education delivery, improve operational efficiency, increase accountability, and address issues of quality and learning equity** at all levels of education.

PPP Models for Basic Education

PPPs come in various forms, and education PPPs are a relatively new practice, making it difficult to thoroughly define and validate recommended models. The types discussed in this brief represent the most commonly used models, based upon current evidence.

Philanthropic Co-financing

Private philanthropy refers to the financing of public schools by a private entity. It can take different forms, but the most common is partial funding of one or more public schools under a long-term agreement or contractual arrangement. **The key factor in a philanthropic PPP is co-financing**, where the private donor pays certain school expenses, and the school system pays remaining costs.

Vouchers

Vouchers are coupons with a value approximately equal to the cost of tuition in a private school that has a contractual agreement with the government to accept them. Under a voucher contract, a student with a voucher can buy entry into a private school, allowing them greater school choice.

School-Based Management

School-based management is a form of decentralization in which schools are responsible for making most managerial decisions in partnership with private entities and community leaders outside of education. **Under school-based management, the government provides financing, and the school is managed by a private provider with significant autonomy.**

School Subsidies

School subsidy PPPs consist of the partial financing of total school costs. Subsidies take different forms, including per-student subsidies, unconditional block grants to pay for teacher salaries, and block grants for partial coverage of all salaries and operational expenditures. School subsidies are distinct from other forms of funding partnership because the funding partner providing has little or no operational oversight.

Capacity Strengthening

PPPs in capacity strengthening are formal agreements or contracts between the government and the private sector for the implementation of training programs in which both partners share the costs.

Infrastructure

PPPs in infrastructure consist of **contractual arrangements where a private sector partner may finance the construction of a public school or an educational facility** under certain conditions, such as the government's commitment to (1) lease back the facility built on government land, (2) buy back the facility and contract the investor to operate it, or (3) engage the investor in a build, lease, and operate contract.

Choosing a PPP to Meet Objectives

When considering a PPP in education, look at the country's policy objectives and the type of problems faced by the education system that could benefit from collaboration with the private sector. Once a problem is identified, determine the type of PPP that could help solve the problem, i.e., a management contract, a voucher, or a

¹ Aslam, Monazza, Shenila Rawal, and Sahar Saeed. "[Public-Private Partnerships in Education in Developing Countries: A Rigorous Review of the Evidence.](#)" London: Ark Education Partnerships Group.

contract to co-finance teacher training. Examining different PPP options from various countries, contexts, and in response to specific needs is a good first step in selecting the right PPP model.

The table below provides examples of education systems' common objectives, the challenges associated with achieving these objectives, and the forms of PPP support that could address these challenges. This list of PPP options is not exhaustive but highlights some common ways that PPPs have been used. Also note that the country context could introduce potential constraints to PPP use; see [Contextual Factors to Consider Before Choosing Public Private Partnerships](#) for more insight.

Objective	Challenges	Financing	Provider	Type(s) of PPP Used
Improved learning, school quality, and teacher performance and increased school choice	<ul style="list-style-type: none"> • Low quality public schools • Poor teacher performance • Low student learning • Low school coverage • Insufficient education budget • Access inequity • Learning inequity 	Private	Public	<ul style="list-style-type: none"> • Philanthropic co-financing
		Public	Private	<ul style="list-style-type: none"> • Vouchers • School-based management • Charter schools • Contract schools • Concession schools
Expanded school coverage and improved school quality	<ul style="list-style-type: none"> • Low access in poor or minority areas • Limited school choice 	Public	Private	<ul style="list-style-type: none"> • Vouchers • School-based management • School subsidies • Low-cost private schools • Scholarship funding for private academies
Improved teacher performance and improved learning outcomes	<ul style="list-style-type: none"> • Low content knowledge among teachers • Low pedagogical capacity • Poor teacher management • Lack of technological knowledge 	Public	Private	<ul style="list-style-type: none"> • Co-financed teacher training • Co-financed information and communication technology (ICT) training (private ICT developers, nongovernmental organizations [NGOs]) • Co-financed management training (NGOs, philanthropies)
Improved technical and vocational education and training (TVET)	<ul style="list-style-type: none"> • Low TVET training quality • Access inequity to TVET programs 	Public	Private	<ul style="list-style-type: none"> • Internships and co-financed tech training at private facilities • Co-financed development of education software and platforms for distance education
Improved infrastructure quality and coverage	<ul style="list-style-type: none"> • Lack of available public financing • Deficient infrastructure capacity • Infrastructure in disrepair • Outdated facilities 	Public	Private	<ul style="list-style-type: none"> • Private design-build-lease back • Private design-build-operate • Private finance and lease

Growing the Evidence Base for PPP Use in Education

The concept of a PPP is evolving and there are significant areas of overlap among the different forms, which requires additional research to better define education partnerships and the ways in which governments can intervene successfully. For additional insight on the use of PPPs in basic education see the [Guide to Public-Private Partnerships in Basic Education](#). To request more information or share findings on PPPs for education programming, contact Suezan Lee, DDI/EDU Senior Education Finance Specialist, sulee@usaid.gov.