

## Education Decentralization and School Grants

Education systems around the world decentralize management to better serve and bring services closer to their beneficiaries: students, parents, and communities. School grants are an important tool that improve efficiency, quality, and equity of the decentralization process. This EQUIP2 Policy Brief examines the design, management, and impacts of school grants.

### The Problem

Public education's problems in developing countries and their causes are well known. Both coverage and quality of instruction are inadequate, especially for the poor. Teachers are poorly trained, and the in-service training provided by education ministries seldom meets the specific needs of teachers at the local level. Ministries lack the capacity to efficiently and effectively deliver resources, including school construction. Salary expenditures crowd out essential non-salary resources such as textbooks. Incentives for good performance are almost nonexistent. School grants are a tool that can help address some of these problems in the context of decentralized education systems.

### What Are School Grants?

School grants are transfers of financial resources and authority from governments or nongovernmental organizations directly to schools or small networks of schools. School grants are managed by the school director, a school council, or parent-teacher association (PTA) with the legal authority to receive and spend funds. School grants are often supported by education development projects financed by bilateral and multilateral organizations.

School grants can be either unconditional or conditional. Unconditional school grants are those that the receiving organization may spend as it wishes. An example is Nicaragua's Autonomous School model, where the Ministry of Education transfers a monthly lump sum payment to secondary schools who then independently decide how to spend funds. Conditional school grants are financial resources transferred to the school level for the purpose of purchasing specific school inputs such as textbooks or teacher training or to fund school improvement projects.

### What Are the Objectives of School Grants?

The objectives of school grants vary widely. It is precisely this capacity to address multiple and different objectives that makes them an attractive policy tool. The improvement of the quality and relevance of school inputs—better teacher performance, increased provision and relevance of textbooks and school materials, improved school infrastructure—motivate many school grant projects. The Small Grants for School Improvement Program in Guinea enables teachers to take responsibility for their own

professional development. Teams of up to 10 teachers work together to determine their own professional development needs and compete for small grants.

Some school grant programs also have the objective of improving school access and/or equity and use a targeting mechanism to meet the needs of populations underserved by the education system. With the aim of serving the poorest and most isolated communities, El Salvador's Education with Community Participation Program channels education funds through parents' organizations at the community level to hire teachers and manage educational services first-hand.

Improvement of management and efficient utilization of resources represents a fourth stated objective of school grant schemes. In most countries, teachers' salary expenditures eclipse essential non-salary expenditures. School grants that are earmarked for non-personnel inputs are one means of ensuring minimum provision of such inputs.

### **What Are Some Design Features of School Grants?**

School grant funds are often formula-based, with poverty rates and student population determining the funding amount. Some school grant plans incorporate a targeting mechanism to reach underserved populations. School grants can be competitive or simply based on fulfillment of particular criteria. School grant schemes can also offer incentives based on performance. Ethiopia's Community-Government Partnership Program bases the opportunity for continued program participation on approved financial and subproject management of previous grants, and schools progress through three phases of funding. Each phase is worth increasingly more funding, and the application criteria become increasingly more rigorous. Alternatively, Chile's National Teacher Performance Evaluation System (SNED) awards its incentive grants based on student achievement.

To increase accountability for funds, a variety of programs include safeguards. Indonesia's School Improvement Grants Program requires that two members of the school committee, the head teacher, and the community representative sign to open the school's bank account and to approve each withdrawal and use of funds. At each phase in Ethiopia's Community-Government Partnership Program, the school sponsors an open-house to inform the larger community about school improvement efforts. After completion of the project, the school holds another open-house to convey its accomplishments.

### **Conclusion**

There is no exact blueprint for the perfect school grant. Programs must be designed in light of each country's specific education goals. Embedding school grants in the existing education management structure and ensuring that there is a financial infrastructure to process and account for financial flows greatly increases the likelihood of programs' sustainability.

### Objectives of Various Grant Programs

OBJECTIVE	INTERMEDIATE OBJECTIVE	GRANT SCHEME EXAMPLE
<b>Improve quality and relevance of specific school inputs</b>	Train teachers in the skills most appropriate to their local context	Guinea's PPSE financed school-based teacher professional development proposals
	Improve provision of teacher learning materials	Cambodia's EQIP promotes development of effective schools with grants to school clusters for books and materials
<b>Increase parental involvement in schools</b>	Increase parental involvement in schools	Ethiopia's CSGP grants monetary school incentive awards to strengthen community support for primary schools
<b>Improve equity</b>	Increase coverage in remote areas	El Salvador's EDUCO covers remote, rural areas
	Target additional resources on students from poor families	Chile's P-900 covers remote, rural, areas
	Target additional resources on schools most adversely affected by crisis	Indonesia's SIGP targets additional financial resources at schools with damage from natural disasters or influx of displaced populations due to civil unrest
<b>Improve management of resources</b>	Ensure minimal resources on schools most adversely affected by crisis	Brazil's State of Minas Gerais PAIE provides non-salary resources for financing school-based initiatives
	Financial incentives for improved school performance	Chile's SNED provides salary bonuses for high performing schools in poor communities
	Leverage local funding	Nicaragua's AS, in return for broad authority over a wide array of schooling issues, supplements Ministry funds with resources levied through school fees

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