

HEART

HEALTH & EDUCATION ADVICE & RESOURCE TEAM

Helpdesk Report: Evidence Base for Local Block Grants in Education

Date: 3 December 2012

Query: Provide a literature / evidence review of the effectiveness – or otherwise – of sub-national flexible block grants in education in delivering enrolment, attendance and quality objectives.

Enquirer: DFID Nepal

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1. Overview

Direct Support to Schools (DSS), Section 2

Short programme description:

- Study covered Kenya, Uganda, Tanzania and Mozambique
- Block grants were allocated to all public schools based on school enrolment statistics
- Other criteria occasionally used in the grant allocation process include: basic conditions in the school and degree of degradation of school infrastructures.
- The process used at the school level to procure qualified inputs, decide on school priorities, tendering, disbursement, management and control was generally participatory.
- The Ministry of Education developed guidelines giving accountability and transparency procedures in the use of the grant funds.
- Area Education Officers had the responsibility to regularly monitor and evaluate (M&E) compliance with these guidelines to minimise any opportunistic behaviours.

Objectives:

- Main objective was to improve the quality of basic education by reducing drop-out rates, repetition rates, and schooling failure.
- The mechanism was also grounded on ongoing public sector reforms, which addresses the themes of decentralisation, improved management and administrative structures, and the strengthening of capacity of all levels.
- Involvement of the community in decision-making was expected to generate a sense of ownership, enhance accountability, and ensure that content, scheduling, and educational requirements are accurately identified and adapted to local conditions.

Results:

- Internal efficiency, measured by drop-out rates, repetition, and completion rates registered a slight improvement since the implementation of the DSS mechanism.
- During implementation of the DSS mechanism the quality of teaching and learning generally worsened.
- Limited participation of communities in implementation of the mechanism, weak monitoring activities by the MOE, lack of disaggregated education performance indicators for rural and urban areas, seemed to undermine the transparency and accountability of the mechanism.

An unintended consequence was the worsening of teaching and learning. This was attributed to:

- Growing proportion of unqualified teachers in schools, suggesting drop in quality of primary education.
- Excessively low teachers' salaries, resulting in absenteeism and low morale by teachers while pursuing alternative jobs, which, in turn, may lead to declining performance.
- Threat of HIV/AIDS pandemic, leading increased absenteeism.
- The number of pupils in primary school has persistently increased rapidly over time, outpacing the number of teachers.

Quality of the evidence base:

- Difficult to assess.
- Not peer-reviewed.

Educational Block Grants to Orphans and Vulnerable Children (OVC), Section 3

Short programme description:

- Providing educational support to OVC at secondary schools in Tanzania and Uganda.
- Study compared four approaches: two used block grants, two used scholarship approaches.
- Africare implemented block grants with control of the funds retained by the implementing organisation. Characteristics include: some or all fees paid for OVC; school committed to admit and retain each OVC; money available for physical renovations but not operating costs or salary top-ups; schools determine prioritised needs; individual assistance is provided to OVC for uniforms, pens and other materials.
- ICOBI implemented Block grants with full control of the funds given to the schools. Programme design: lump sum paid to the school on behalf of every OVC being sponsored; school dispensed the money through its normal financial and procurement systems; 60% was restricted to being used for the purchase of direct support to students (such as textbooks) or infrastructure or institutional support; 40% could be for any activity they deemed appropriate, such as creating orphan clubs, feeding students, or topping up teacher salaries; additional individual support was provided for uniforms, pens etc.

Africare objectives:

- Increased school enrolment.
- Block grants more sustainable as it guarantees that children attend school.
- Reduced stigmatisation of having OVC in schools.

ICOBI objectives:

- Increased school enrolment.
- Reduced financial bottlenecks enabling the school to respond quickly to their needs.

- Empowering schools.
- The provision of cash sums enabled the schools to make changes that benefited all children, not simply those receiving support.

Objectives/results:

- The programmes succeeded in increasing access to secondary education.
- The programmes did not provide equity in access to secondary education.
- The programmes partially improved attendance in schools.
- Measurable changes in school infrastructure were achieved.
- Overall school performance decreased over time, but this is explained by the rapidly rising enrolments and increasing student to teacher ratios.
- The programmes resulted in improvements in psychosocial wellbeing of OVC. Students reported being able to use school resources made available as a result of the conditionality of block grants.
- The programmes were more cost effective than scholarship programmes. Costs of block grant programmes were between \$60 and \$90 dollars less per child than scholarships. However, it was noted that cost effectiveness is directly related to the number of students enrolled in the block grant programme.

Quality of the evidence base:

- Methodology description seems fairly rigorous.
- Not peer-reviewed.

Promoting Basic Services (PBS), Ethiopia, Section 4

Short programme description:

- Aid is channelled through PBS.
- The Government provides un-earmarked block-grant financing through regional governments. These in turn provide block grants to third-level administrative divisions (woredas), so that these local governments deliver decentralised services (including education).
- The regional governments give woredas their total annual budget in lump sums using three basic criteria with varying weights, namely, the population of the woreda, the socioeconomic indexes of the woreda, and the efforts of the woreda to generate revenue.
- Schools receive block grants from the woredas to run their day-to-day activities, with the assistance of the kebele education and training board and PTAs

Objectives:

- To support MDG sectoral goals.
- The government has given block grants to schools to replace the money from fee collection.
- The grant aims to ensure: schools possess the financial requirement for teaching and learning, equitable allocation, and enhancement of community sense of ownership.

Results:

- Primary enrolment and completion rates increased substantially but universal primary education not fulfilled.
- Number of teachers doubled in 6 years.

Unintended consequences:

- Focus on using grants to abolish fees meant increase in enrolment which was not always matched by increase in staffing and infrastructure so quality sometimes suffers.

Quality of the evidence base:

- Three documents seem to concur.
- The links between the implementation costs and the results obtained have been difficult to substantiate for lack of appropriate data. To illustrate efficiency in implementation, the ICR compared the rate of growth of expenditure on primary education and of primary school enrolment rates over PBS showing that spending per student in real terms fell substantially during the period and thus concluding that the data indicate large gains in the efficiency of regional and woreda spending, in terms of coverage and access-related measures (Lister et al. 2012).

Indonesia 98/99 Scholarship and Block Grant Programme, Section 5

Short programme description:

- The scholarships provide an amount of money to assist students to pay their school fees, while the Block Grants provide direct financial assistance to these educational institutions so that despite rising costs, the provision of services can be maintained.

Objectives:

- To prevent children leaving school, especially focussed on providing resources for poorer children to increase the possibility of continuing their studies to the next level.
- To enable all children, especially females, to complete their education at least until the junior secondary level school.

Results:

- Assessment indicated that block grants had not been very effective except in some disadvantaged private schools, public primary schools and madrasahs.
- It was noted that Block Grants were more effective in schools located in remote areas.
- No reduction of student drop-out rates.

Unintended consequences:

- Focus on using grants to abolish fees meant increase in enrolment which was not always matched by increase in staffing and infrastructure so quality sometimes suffers.

Quality of the evidence base:

- Research from interviews.
- Not peer-reviewed.

Stay in School campaign, Indonesia 99/00, Section 5

Short programme description:

- The provision of block grants to schools was one of the main features of the country's "Stay in School" campaign for combating the economic crisis.

Objectives:

- Not stated.

Results:

- Almost 70% of primary schools and 46% of junior secondary schools surveyed received block grants in 1999/0 which in line with the overall programme target of 60% coverage.

Quality of the evidence base:

- World Bank – peer reviewed.

Generasi, Indonesia, Section 5

Short programme description:

- Government of Indonesia (GOI) social assistance programme.
- Uses a facilitated community decision-making process to allocate block grant funds to target 12 health and education indicators.
- The GOI determines the size of the village's PNPM Generasi block grant for the subsequent year partly on the village's performance on each of the 12 targeted health and education indicators.

Objectives - Designed to address three lagging Millennium Development Goals: Maternal Health, Child Health, and Universal Education. Education Goals:

- Primary school enrolment of children 7-12 years old.
- Minimum attendance rate of 85 percent for primary school-aged children.
- Junior secondary school enrolment of children 13-15 years old.
- Minimum attendance rate of 85 percent for junior secondary school-aged children.

Results:

- Generasi significantly increased the provision of scholarships, school uniforms, school supplies, transport subsidies to attend school, intensive supplementary feeding at school, and other school support.
- In the third stage of the programme Generasi resulted in almost all 7-12 year old children being enrolled in school.
- Enabled 556,000 poor primary and junior secondary students to obtain textbooks.
- Provided assistance to approximately 382,000 poor primary and junior secondary students in the form of scholarships, transportation money, and uniforms.
- The project does not appear to have had an impact on learning of school-aged children, measured by math or Indonesian tests administered separately for children in the 7-12 and 13-15 age groups.
- Engaged women in basic health and education service planning and decision-making processes—on average 67 percent of participants in programme socialisation, planning, and monitoring meetings were women.
- The poverty action lab evaluation found no differences between incentivised and non-incentivised areas on the education indicators.

Unintended consequences:

- In the second stage of the programme children appeared to have increased paid work and household work seen as a negative spillover.

Quality of the evidence base:

- Appears to be high quality.
- Not peer reviewed.

India, Section 6

- Block grant programmes were mentioned in a policy brief and in the media.
- Details of these programmes were not found.
- A report (Kingdon 2007) found block grants with no incentives led to poor student learning outcomes.
- Newspapers report that block grant schemes have led to lower income for teachers.

Kenya, Section 7

Programme description:

- An amount of money was allocated per student and transferred directly to school accounts.

Objectives:

- Improving educational outcomes.

- To see whether funds were used more effectively when schools were given choice on how to spend them.

Results:

- Small but statistically significant impact on test scores after one year, however the impact seems to diminish over time.
- Statistically significant effects in reducing dropout rates and increasing passing rates.

Quality of evidence base:

- Difficult to assess.

Objectives across programmes

- The main objectives that typically exist across programmes are to increase enrolment and reduce drop-out rates. It was often found that where enrolment increased, the quality of teaching and learning was reduced.
- Another objective that was typical across programmes was the empowerment of schools, community and local government by the devolution of funds. Results for this were mixed.

2. Direct Support to Schools, sub-Saharan Africa

Lessons of the Experience with Direct Support to Schools Mechanism: A Synthesis

Ayako, A.B., 2006, Association for the Development of Education in Africa

http://www.adeanet.org/adeaPortal/adea/biennial-2006/doc/document/B4_1_ayako_en.pdf

This paper presents a synthesis of the findings and lessons of the experience with Direct Support to Schools (DSS) based on a block grant mechanism. The study covered the countries of Kenya, Uganda, Tanzania and Mozambique, where the mechanism had been operational since early 2003.

The study was comprehensive, reviewing the experience and drawing lessons with experience of the essential elements of the mechanism including its design; implementation strategy and impact on access to education and on teaching and learning environment.

The core methodology used in the study entailed conduct of case studies in the above four countries, using content analysis, a desk review of any relevant materials published in profession journals, books, agency publications and websites. This was complemented by in-depth personal interviews with purposive sample of key education sector stakeholders including Ministry of Education (MOE) staff, parents, teachers and development partners. Due to time and resource constraints, the geographical scope of the interviews was limited to within and around the capital cities.

The main objective of the DSS mechanism was to improve the quality of basic education by reducing drop-out rates, repetition rates, and schooling failure. By targeting better maintenance of schools, introduction of the mechanism was expected to improve education quality through better performance of both teachers and learners. The introduction of the mechanism was largely underpinned by growing empirical evidence showing positive impact of public education expenditure on economic growth and social development. The political grounds of the mechanism are consistent with Governments' broader development strategy for reduction of poverty and income inequality. The mechanism was also grounded on ongoing public sector reforms, which addresses the themes of decentralisation, improved management and administrative structures, and the strengthening of capacity of all levels.

The DSS mechanism was designed and managed by various organs of the MOE. A key element of the mechanism was the allocation of block grants to all public schools. The grant is, principally, based on school enrolment statistics that are compiled and collated by District Education Offices (DEOs) using monthly school returns. Other criteria occasionally used in the grant allocation process include: basic conditions in the school and degree of degradation of school infrastructures. Under the mechanism, each pupil is allocated the same amount of funds per year (Kshs 1,020 or US\$ 13.60 for Kenya, Ushs 5,000 for Uganda). Once the MOE has computed the funding requirement for each school, it remits the funds by direct wire transfer to DEOs or school bank accounts at the district. When remitting the funds, the MOE also issues guidelines on its disbursement procedures including allocation between instructional materials and general purposes (i.e. support staff wages, repairs and maintenance, electricity and water bills, communications).

Within the framework of decentralisation of the education system to the school level and implementation guidelines of the mechanism, the process used at the school level to procure qualified inputs, decide on school priorities, tendering, disbursement, management and control was generally participatory, indicating close coordination between the School Management Committee (SMC) (comprising the head teacher, chairperson of the PTA, two non PTA members selected by parents, deputy head teacher, and one teacher from every class) and the local community committee. Involvement of the community in decision-making was expected to generate a sense of ownership, enhance accountability, and ensure that content, scheduling, and educational requirements are accurately identified and adapted to local conditions. The limited involvement of the community in management, planning, and learning in some of the instances was attributed to lack of requisite skills and ignorance. The significant form of community participation in the mechanism was limited to the rather familiar one of school maintenance.

The MOE developed guidelines giving accountability and transparency procedures in the use of the grant funds. The DEOs through the Area Education Officers (AEOs) had the ultimate responsibility to regularly monitor and evaluate (M&E) compliance with these guidelines to minimise any opportunistic behaviours. The MOE headquarter staff also from time to time monitored and evaluated compliance with the guidelines in the application of the resources in a sample of primary schools countrywide. From the study, it was found that head teachers had generally complied with the laid down guidelines, but in some cases they interfered with different votes especially when the disbursement was late.

However, limited participation of communities in implementation of the mechanism, weak monitoring activities by the MOE, lack of disaggregated education performance indicators for rural and urban areas, seemed to undermine the transparency and accountability of the mechanism.

Many obstacles were encountered during implementation of the mechanism. The main implementation obstacles encountered are included in the report.

During implementation of the DSS mechanism the quality of teaching and learning generally worsened. The outcome was attributed to several intervening factors including:

i) growing proportion of unqualified teachers in schools, suggesting drop in quality of primary education, ii) excessively low teachers' salaries, resulting in absenteeism and low morale by teachers while pursuing alternative jobs, which, in turn, may lead to declining performance, iii) threat of HIV/AIDS pandemic, leading increased absenteeism indexes and, hence drop in both instructional time in the classroom and time on task leading to decline in quality of teaching. Neither did the study find any gains in terms of quality of learning as the number of pupils in primary school has persistently increased rapidly over time, outpacing the number of teachers.

Further training is required and should consist of: (i) pre-service training and continuous upgrading of teachers; (ii) training of teachers who are capable of managing multiple classes; (iii) distance learning and introduction of new technologies; and (iv) the involvement of non-trained should be considered in order to level off the high pupil to teacher ratios.

Despite the relative deterioration of the teaching and learning environment, however, internal efficiency, measured by drop-out rates, repetition, and completion rates registered a slight improvement since the implementation of the DSS mechanism. These results suggest that, currently pupils tend to progress more rapidly through the system, than in the last decade.

From the findings, the study draws the lesson that for effective implementation of the mechanism early and good planning should never be traded-off for political expediency. The sudden implementation of Universal Primary Education (UPE) without carrying out due situation analysis, seem to have been dictated by political considerations of meeting an election pledge of the regimes. The trade-off meant failure to capture critical issues in the implantation process including training of school heads, their deputies and SMCs on the management of funds; sensitisation of parents and communities of their role; requirements for additional teachers and classrooms.

Lack of control and organisation seemed to be critical in ensuring transparency in the application of resources. In some districts, school principals did not follow the MOE guidelines aimed to improve the management of the DSS grants. Concepts such as costs and revenues were hardly understood. Therefore, in order to achieve a more successful capacity development programme, school leaders should be trained to deal with control and management.

There are some basic strategies that were revealed to be fundamental in ensuring successful support programmes in the education sector in a number of countries. Such strategies include: (i) involvement of multiple stakeholders including business, cultural institutions, students and marginalised groups. In addition, effective literacy programmes may have to accompany capacity building for local communities. This is relevant because, lack of technical skills by community leaders has led to incomplete participation; (ii) clarification of roles of all stakeholders also seems to be important for the success of the programme; (iii) regional and district education offices must be equipped to: facilitate communication, better utilise supervision and supervisors, and provide feedback for the schools in terms of resources management.

The MOE have undertaken actions to redress obstacles including: sensitisation activities aimed to raise awareness with the local communities to raise awareness about the importance of local participation in the programme; ii) improvement of supervision and monitoring to ensure public transparency in the application of resources; iii) public diffusion of the programme; iv) concession of incentives to school principals, teachers, and staff, in order to pursue further training. The impact of these initiatives is not apparent yet.

The study made recommendations and suggestions for enhanced management and performance of the DSS mechanism.

3. Orphaned and Vulnerable Children

Evaluation the Effectiveness of Educational Block Grants to Orphans and Vulnerable Children

Bryant, M. et al, 2010, USAID

<http://www.bu.edu/cghd/files/2011/12/Block-Grant-Final-Report-9.30.11-Full-Report.pdf>

This is a mixed methods study to determine the effectiveness and cost of different approaches to providing educational support to Orphans and Vulnerable children (OVC) at secondary schools in Tanzania and Uganda.

Four NGOs funded by PEPFAR through USAID Track 1 funds were studied. Two used block grants as a means to support OVC in secondary school (Africare and ICOBI (Integrated Community Based Initiatives)), while two used scholarship approaches (AVSI and CRS). One NGO providing block grants operated in both countries (Africare). Each of the five NGO programmes studied was distinct in its characteristics, administration, and adaptations to the local environment.

Africare implemented block grants with control of the funds retained by the implementing organisation as in both Uganda and Tanzania. It adapted its COPE approach from Zimbabwe and began to apply it in Uganda and Tanzania in 2006. Because of the differences in the educational systems in the two countries, there are slight variations between the countries, but the overall approach is the same. The main characteristics are:

- 1) Individual OVC have a percentage (30% in Uganda, 100% in Tanzania) of their overall school fees paid for by Africare, leaving the caregivers responsible for funding the balance.
- 2) The school makes a commitment to admit and retain the selected OVC from S1/F1 through S4/F4. In Uganda this was a four-year commitment, while in Tanzania it was negotiated as two two-year commitments.
- 3) Africare makes the total amount of money available to the schools to improve school functioning as block grants but limits the scope of what the school can choose to do with the funds to physical renovations; the purchase of equipment, desks, chairs, curriculum materials; and other capital investments. Operating costs or salary top-ups are not allowed.
- 4) The schools determine their prioritised needs from a menu of choices offered by Africare.
- 5) After selection of the priorities, Africare procures services or materials to respond to the needs. This may vary from procurement of generators, solar panels, books, laboratory materials, or services to renovation or construction of classrooms, lavatories, etc.
- 6) Individual assistance is provided to specific OVC for uniforms, pens, and other materials (such as sanitary pads for girls).
- 7) In-school support is provided to OVC through anti-AIDS youth groups called COPE Clubs.
- 8) Additional educational support is provided to OVC through the purchase of school uniforms, pens, notebooks, school materials, and sanitary pads for girls.

The educational support is part of a larger, more comprehensive approach to supporting OVC which includes economic strengthening for households with OVC through micro-enterprise activities, engaging OVC in workforce development, and building capacity of caregiver associations to increase income; building the capacity of OVC committees and other local structures to monitor and support OVC households; conducting life skills training and peer education to OVC and their families; providing psychosocial monitoring and support to OVC and their families.

Africare believes that its approach to education provides the following benefits:

- School enrolment is increased because OVC who would not have been able to attend school are now able to attend.
- OVC who attend as part of the COPE programme have a continuous education compared to their non-supported OVC peers who are able to attend school, because their attendance is guaranteed, while non-supported OVC have to find their own funds and may be asked to miss periods of time if their parents cannot pay fees for a particular month.

- Paying block grants is a more sustainable approach than paying direct school fees as it guarantees that children attend school.
- Block grants reduce stigmatisation of OVC in their schools.

ICOB I implemented Block grants with full control of the funds given to the schools in Uganda. ICOBI began its work with education later than the other organisations, receiving its first grant in 2008. It examined other forms of assistance that were being used in Uganda before coming up with the design of its programme.

- 1) At the start of the academic year, a lump sum of 200,000 UGX was paid to the school on behalf of every OVC being sponsored by ICOBI to attend secondary school.
- 2) Every child for whom the lump sum was paid was guaranteed secondary school education for the entire year and no additional charges were to be made to the child.
- 3) The school dispensed the money through its normal financial and procurement systems, providing reports to ICOBI.
- 4) Of the grant money, 60% was restricted to being used for the purchase of direct support to students (such as textbooks) or infrastructure or institutional support. It was for the school to determine what these funds are spent on – examples have included solar panels, computers, rehabilitation of classrooms lavatories, school desks and furniture, generators for lighting, and rain water collectors.
- 5) Schools could use up to 40% of the funds on any activity they deemed appropriate, such as creating orphan clubs, feeding students, or topping up teacher salaries.
- 6) Additional, individual support was provided to children by ICOBI through the purchase of school uniforms, pens, math sets, notepads, and sanitary pads for girls.

ICOB I saw its educational support as being part of a larger family-centered approach which also identified other needs of households; they then provided targeted services such as socio-economic strengthening, psychosocial assessments and support, informing children and caregivers about legal protections, and support through working with community care committees. Overall, ICOBI believed that its approach would empower households to reduce vulnerability.

ICOB I believed that its approach to education provided the following benefits:

- School enrolment was increased because OVC who would not have been able to attend school were then guaranteed a place at school.
- By providing cash to the schools at the start of the academic year, financial bottlenecks that arose from slow arrival of government funds were overcome, enabling the school to respond quickly to their needs
- By allowing schools to make their own purchases and procurements, the schools were empowered.
- The provision of cash sums enabled the schools to make changes that benefited all children, not simply those receiving support.

The study was a retrospective cohort study and used a mixed methods design adopting both qualitative and quantitative approaches to research. A total of 5,738 students were recruited to the study in both countries.

The study examined absenteeism results across NGOs to compare block grants and scholarships. In Tanzania there is no significant difference in absenteeism in the aggregate or when broken down by gender between block grant or scholarships. In Uganda, all three NGOs show dramatic reductions in absenteeism over both comparison groups, however children supported through Africare's block grant approach did not fare statistically better than OVC who attended the same schools and were not supported.

Data shows drop-out rates for supported OVC are significantly worse for Africare supported schools in both countries. Further investigation is required to understand this, but the same

pattern is not reflected in the other block grant programme, so that it is most likely an effect of Africare's approach rather than the block grant approach as a whole.

There were indications that children in block grant supported programmes performed better than scholarship schools, but none of the differences were significant at the alpha 0.05 level.

Anecdotal stories of increases in enrolment because of block grants are not born out by the data and do not show variance with the national trends. Increases noted by staff at assisted schools, are therefore more likely to be as a result of pre-existing trends augmented by Universal Secondary Education (USE).

Block grants did not seem to have influenced the downward trend in exam scores that was observed.

Costs of scholarship programmes are significantly and consistently higher than the block grant programmes in both countries. With the exception of the variation in drop-out rates there is little difference between the approaches in general in terms of their ability to produce educational outcomes. The qualitative data suggests the variation in drop-out rates is directly related to the amount of money given as direct benefit to the child rather than the difference between block grant or scholarship (e.g. Africare with a higher drop-out rate in Uganda only provides partial funding and spends between \$110 - \$130 per child, while AVSI provides far in excess of the actual school fees and spends \$199 per child).

The report concludes that block grants are more cost-effective than scholarships, although we observed in the qualitative data that as the number of children included in a school supported by a block grant becomes small (less than ten), the cost effectiveness approaches that of scholarships.

When asked about the strengths of the block grant support, most headmasters responded favourably, especially when support was translated into material goods such as desks, tables, and laboratory supplies. A wide range of weaknesses of the block grant were also highlighted by the headmasters, including delays in payments, the small number of OVC students that can be supported, and the school administration's limited ability to prioritise their needs. Overall, headmasters noted that the benefits of the block grant were mostly positive and that block grant support benefitted the entire school.

Performance of block grants was reported as follows:

- The programmes succeeded in increasing access to secondary education. Every child sponsored by Africare and ICOBI were verified as attending school and their records examined.
- The programmes did not provide equity in access to secondary education. Limited funds were available and priorities had to be made about who would be chosen to receive secondary education and who would not. However, because of the process used to select OVC the community was generally aware of the number of OVC in need and additional sources were sought out for OVC not supported by the block grants. Most importantly, the schools were aware of who was sponsored and who was not and could pay increased attention to them.
- The programmes partially improved attendance in schools. Two of the three block grant programmes showed significant improvements of supported OVC over their non-OVC and non-supported OVC counterparts.
- Two of the three block grant programmes saw significantly increased drop-out rates when compared to non-OVC, while the third saw lower drop-out rates.
- Supported OVC in Tanzania performed better on their aggregate test scores for Form II, but the result was not statistically significant. There were no measurable

- differences on aggregate scores for form IV and individual subject scores showed that OVC performed at the same level as non-OVC.
- Measurable changes in school infrastructure were achieved. Schools documented construction of new classrooms, latrines, water tanks, electric generators, and purchase of laboratory equipment and other school materials for all block grant approaches.
 - Overall school performance decreased over time, but this is explained by the rapidly rising enrolments and increasing student to teacher ratios. There were no differences observed between intervention schools and control schools.
 - The programmes resulted in improvements in psychosocial wellbeing of OVC. Students reported being able to use school resources made available as a result of the conditionality of block grants.
 - The programmes were more cost effective than scholarship programmes. Costs of block grant programs were between \$60 and \$90 dollars less per child than scholarships. However, it was noted that cost effectiveness is directly related to the number of students enrolled in the block grant programme.

Observations about accountability and the potential for diversion of funds:

- Africare's block grant approach was the most regimented approach, leaving little or no freedom for schools to make their own decisions about the use of funds beyond the relatively narrow criteria that Africare set for use of the block grant money. This approach was criticized by several local key informants in other NGOs and the Ministry of Education because it was perceived to be disempowering of the schools and exhibited a mistrust of schools capacity to procure goods and manage money. However, the approach was never criticized by staff or informants the schools that were studied.
- ICOBI's BG approach was designed to contrast with Africare's regimented approach and provide much more freedom for schools to choose and be free of administrative burden. This approach was extremely popular with schools, but it was observed that ICOBI is now considering moving to a more rigid model aligned with Africare's approach because of concerns about accountability.

Limitations of the study include:

- Lack of knowledge of the households from which the supported OVC came.
- Children "aging out" of the programme.
- Lack of concentrated populations of supported OVC.
- Differences in the educational systems between Uganda and Tanzania.
- Lack of detailed information on country-wide school performance.

Sampling methods used are described on page 34 of the report.

4. Ethiopia

Ethiopia - Third Phase of the Promoting Basic Services Project

World Bank, 2012

<http://www->

wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/09/07/000386194_20120907050547/Rendered/PDF/696890PAD0P1280Official0Use0Only090.pdf

To support MDG sectoral goals, each of which rely on local service providers, the Government has established and developed a decentralised system of economic governance. That system supports information, resource and accountability flows between different levels of government and between service providers and citizens. Centred on woredas (third-level administrative divisions), this decentralised economic governance

system provides the essential platform for improved service delivery necessary to reach MDG and GTP targets. The Constitution and legal framework commit the Government to maintain the integrity and capacity of deconcentrated administration down to woredas. Within Ethiopia's federal administrative structure, the Federal Government provides un-earmarked block-grant financing through regional governments. These in turn provide block grants to woreda administrations, so that these local governments deliver decentralised services. This administrative and financial structure has provided timely and predictable financing that supports a steady and impressive increase in basic services throughout the country.

Despite successes to date in local service provision, there are constraints in implementing Ethiopia's approach that may give woredas less budgetary discretion than their decentralisation plans envisioned for them. Because of staffing obligations, limited capacity of woreda offices in planning and budgeting, and budget constraints, woreda officials may in practice have limited opportunities to reallocate block grant resources. For example, while woredas have access to unearmarked resources through block grants, 85 percent of those resources finance recurrent expenditures, from which 80 percent are used to meet salary obligations. Woreda health, agriculture, and education offices are mandated to hire a certain number of primary service providers, e.g. a certain number per kebele or school age children. Further, capital resources available to woredas are earmarked for specific sectoral expenditures, often times through development partners (DP) sectoral programmes (i.e. specific purpose grants) or from capital allocations that regional governments administer. Also, there is limited opportunity for woredas to retain their own resources to augment block grants and generate greater fiscal autonomy.

Given its firm commitment to decentralisation and sustaining adequate resources for local service provision, the Government recognises these challenges of woreda resource flows, administrative autonomy, and sustainable service provision. As part of its contribution to appraising Phase 3 support for the Promoting Basic Services (PBS) programme, it provided a "Policy Letter on Decentralisation and Sustainability", outlining its long-term strategy to help continue to build woreda capacity and allow local governments to deliver on their mandate of providing sustainable, quality basic services.

The Government has promoted an Education Sector Development Plan to reach the education-related MDGs. Primary school (grade 1-8) net enrolment rose from 68.5 percent in 2004/5 to 85.3 percent in 2010/11; and the primary school completion rate (grade 8) increased from 34 percent to 49.4 percent during this period. Besides enrolment expansion, indicators of education quality also show progress: with the hiring of new teachers, the student-teacher ratio fell from 66:1 in 2004/05 to 51:1 in 2010/11 for primary education, and the ratio for secondary education fell from 51:1 to 33:1. As noted in the 2011 Welfare Monitoring Survey (WMS), literacy rates have risen since 2004 from 37.9 percent to 46.8 percent. Since its inception in 2006, the PBS programme has contributed to the basic financing necessary to complement education specific programmes, primarily the General Education Quality Improvement Program (GEQIP), by allowing woredas to hire more than 100,000 additional primary school teachers.

Despite this progress, significant efforts continue to be needed for the government to reach the MDG goal of universal primary education. For example, when primary education is separated into grades 1-4 and grades 5-8, the upper primary net enrolment rates are quite low, 47.3 percent in 2010/2011, and at a trajectory that will not achieve universal primary education by 2015. As a complement to the GEQIP support, PBS will seek to improve opportunities for stakeholder feedback in primary education, improve the budgets available for non-salary recurrent expenditure that can be used to purchase educational materials, and will enhance local capacity for long-term, sustainable revenue planning and use.

Analysis found that PBS not only increased financial resources in targeted sectors, but also showed value for money and impact in terms of progress in service delivery. In education the

number of teachers has almost doubled from 126,318 in 2005 to 252,708 in 2010. This resulted in reduced student-teacher ratios from 66 students per teacher in primary education in 2005 to 51 in 2010; and from 51 to 36 for secondary education. Much more, net enrolment in primary education grew from 68 percent to 85 percent in the period 2005-2011.

Ethiopia: Multi-Annual Review of PBS Programme

Lister, S., Thunnissen, K. & Bultosa, G., 2012, ECORYS MACRO Consortium
Not Available Online

Since 2006 the Protecting Basic Services (PBS) programme has been the main multi-donor channel for aid to support poverty reduction in Ethiopia. The current phase of PBS is due to end in 2012 and a third phase (PBS3) is in preparation. The present study was commissioned as an independent high level review of the entire period of PBS implementation, intended to feed into the design of PBS3. It focuses especially on PBS's role as an aid instrument.

The core element of PBS is to channel aid funds through the federal block grant (FBG). These funds are notionally targeted to five sectors: education, health, agriculture, water and roads. Since regions and woredas are responsible for basic services, and basic services dominate their budgets, donors saw this as a practical way to target the funding of basic services. Although regions and woredas have discretion in allocating their block grant, the funding is not unconditional: it is linked to common national strategies and targets, there are common financial management systems, which differ among regions only in detail, and the federal government has the right to audit the FBG (and any donor funds).

The first evaluation question in the Terms of Reference is whether, given changes in circumstances since 2005/06, PBS remains relevant in its objectives and its design. The researcher's answer is a clear yes, based on the continuing relevance of the factors that brought about PBS, and on the performance of PBS over the past 6 years.

Moreover, PBS should not be seen as a stop-gap or a second-best option. It should have a central long-term place in the aid relationship between Ethiopia and its DPs. In order to secure and to justify that long-term role it needs to adapt and strengthen itself, drawing on the lessons of its experience so far. However, there are also some paradoxical gaps between perception and performance that need to be understood if future design is to be effective.

The Executive Summary in this report summarises the gap between perception and performance, and the lessons and the conclusions which have been drawn from an in-depth analysis of PBS's past performance. The full report provides a detailed component-by-component review and thematic analysis.

Some Findings:

- The increase in spending on basic services has outpaced population growth, resulting in average per capita expenditure growth over the period of 5.7% per year. This has included large increases in real per capita expenditures on both health and education.
- The rapid increase in real expenditures on education is commensurate with the very rapid increase in the number of teachers over the period, from 126,318 in EFY1997 to 252,708 in EFY2002 (the number of teachers doubled over 6 years) which allowed student-teacher ratios to fall from 66:1 in EFY1997 to 51:1 in EFY2003 for primary education and from 51:1 to 36:1 for secondary education. Achievements in education results reflect these efforts: primary school (grade 1-8) net enrolment rose from 68% in EFY1997 to 85.3% in EFY2003 whilst primary school completion rate (grade 8) increased from 34% to 48%.
- Sustainability considerations call for a long term analysis of recurrent cost requirements of continuing the provision of basic services. Manning the new

education and health structures has implied an explosion of staffing numbers and commensurate salary costs.

- The links between the implementation costs and the results obtained have been difficult to substantiate for lack of appropriate data. To illustrate efficiency in implementation, the ICR compared the rate of growth of expenditure on primary education and of primary school enrolment rates over PBS showing that spending per student in real terms fell substantially during the period and thus concluding that *the data indicate large gains in the efficiency of regional and woreda spending, in terms of coverage and access-related measures*. However, it should be underlined that the interpretation of any potential links between disbursements under the PBS and results achieved in the social sectors is hazardous since these sectors benefit from many different financial and non-financial supports which are (i) not on the budget and (ii) not identified and thus not reported on.

PBS also has a role in providing a platform which can be supplemented by results-oriented instruments specific to particular sectors (for example, DFID's results-based approaches in education and World Bank's Performance For Results in health).

Abolishing School Fees in Africa Lessons from Ethiopia, Ghana, Kenya, Malawi, and Mozambique

World Bank in collaboration with UNICEF, 2009

http://www.unicef.org/publications/files/Abolishing_School_Fees_in_Africa.pdf

It has been a few years since the phenomenon of block grants to woredas was introduced. To facilitate this decentralisation process, budgetary and accounting systems are changing. All the regions have given block grants to woredas, following criteria that were generally similar but modified by each region according to its own context.

The region gives block grants to woredas, and woredas give them to schools. In other words, the schools expect to receive block grants from the woredas to run their day-to-day activities, with the assistance of the kebele education and training board and PTAs. This is one of the most critical unfinished agendas in the process of decentralisation.

The government has decided to give block grants to schools to replace the money from fee collection. The regional governments give woredas their total annual budget in lump sums using three basic criteria with varying weights, namely, the population of the woreda, the socioeconomic indexes of the woreda, and the efforts of the woreda to generate revenue.

However, the MoE in its "Directive for Educational Management, Organisation, Public Participation, and Finance" (2002a) and its strategy on "Financing Technical and Vocational Education and Training [TVET] in Ethiopia" (2003b) proposed block grants from woredas to each school with a recommended rate of allocation. The figures match the pre-existing annual school fees making the policy realistic from many angles.

According to the MoE, the government budget allocation to schools serves three major functions:

- 1) Ensures that schools possess the minimum financial requirement to conduct the teaching and learning process
- 2) Ensures that the block grant credited to a school is equitably apportioned
- 3) Ensures that with the help of the grant the community sense of ownership is further enhanced with its participation in monetary and nonmonetary terms.

Regional bureau heads of education believe that decentralisation, together with fee abolition, have revolutionised access to and community ownership of education. They say that PTAs can creatively calculate incurred cost; at times they prefer younger teachers to senior ones as they are paid the least possible for a comparable level of service. However, other studies

point out that the decentralised system of finance has critical problems. These occur at the federal, regional, woreda, and school levels.

Some challenges at federal and regional levels:

- The enrolment surge in access to primary education will, in the foreseeable future, result in rapid growth of the second level of education.
- If responsibilities such as education finance are left completely to sub-national governments, decentralisation may produce inequities.

Challenges at the woreda level:

- Currently many posts at woredas, especially remote ones, are not filled with the requisite number of qualified personnel.
- Directors complain about delays in financial and other resource flows to the schools.
- Some woredas are draining staff from schools by recruiting them to the offices.
- The poor flow of information from the “all-sector-serving” offices in the woreda council to the education sectors makes communication difficult.
- Block grants are not given to the schools yet—and, as a result, the woredas are overtasked.
- Woreda allocations of non-salary budget vary among schools, indicating that a standard unit cost is lacking at present.

The rapid rise in enrolment as a result of school fee abolition and other factors, like school construction and community involvement, has raised other serious challenges. These include crowded classes and overworked teachers, and hence, quality and school discipline problems.

5. Indonesia

SMERU's Rapid Assessment of Education Problems and the JPS Scholarships and Block Grants Program in Four Provinces

World Bank, 2003

<http://www.smeru.or.id/report/research/education/education-eng.pdf>

The Indonesian Government developed a scholarship programme for students and made provisions for Block Grants to schools in an attempt to overcome the impact of the economic crisis in the education sector. They have especially focussed on providing the opportunity for students to complete 9 years of Basic Compulsory Education. Both public and private schools are included in this programme, as well as primary schools (SD), Madrasah Ibtidaiyah (MI/Islamic primary schools), junior secondary schools (SLTP), Madrasah Tsanawiyah (MTs/Islamic junior secondary schools), senior secondary/vocational schools (SMU/SMK), and Madrasah Aliyah (MA/Islamic senior secondary schools).

The scholarship programme is designed to prevent children leaving school, and it is especially focussed on providing resources for poorer children to increase the possibility of continuing their studies to the next level. The government hopes that the SSN scholarships will enable all children, especially females, to complete their education at least until the junior secondary level school. The scholarships provide an amount of money to assist students to pay their school fees, while the Block Grants provide direct financial assistance to these educational institutions so that despite rising costs, the provision of services can be maintained.

In 1999, the World Bank conducted a rapid assessment of Indonesia's social safety net (SSN) Scholarship and Block Grant programmes in 4 provinces. The National Compulsory Education Program of 1994 made 9 years of education compulsory for all students in

Indonesia. This report focused more on programmatic issues instead of looking into specific educational indicators. The assessment indicated that block grants had not been very effective except in some disadvantaged private schools, public primary schools and madrasahs. It was noted that Block Grants were more effective in schools located in remote areas. Providing SSN Scholarship versus Block Grant programmes has had no impact on the reduction of student dropout rates. Some of the important issues surrounding successful implementation of SSN Scholarships and Block Grant programmes include mechanisms for targeting recipients, sufficient levels of funding, the use and disbursement of funding, and the effectiveness of the committees in programme monitoring and supervision.

Findings include:

- **Targeting:** The School Committees encountered problems deciding upon the most eligible recipients because the number of potential beneficiaries was far greater than the total number of allocated scholarships and block grants. The introduction of the IDT village criteria has resulted in an unbalanced quota of scholarships and block grants between the IDT and non-IDT areas (especially among junior high schools).
- **Orientation and transparency of the programme:** Sufficient information about the programme has been made available to programme recipients in nearly all observed areas, although the general public has not been well informed. Meanwhile, the transparency of the use of block grant funds has been far from adequate, and in many instances even the members of the School Committees and teachers have been neither consulted or received proper explanations about the use of these funds.
- **Disbursement of funds:** The funding disbursement process was initially considered complicated due to tight administrative requirements. In addition, there were indications of deducted funds in some areas. There are problems with disbursing funds to remote areas and problems with banking systems.
- **Allocation and size of grants:** The size of block grants has been to be too small for most primary schools, and too large for senior high schools, especially those with no laboratories and science classes. In most cases, the use of the block grants has not been very effective, apart from in some disadvantaged private schools, public primary schools, and madrasah. The grant has been used more effectively in schools located in remote areas. The Team found that the SSN Block Grants Program to some extent overlaps with the Education Operational Support (BOP) and national budget (APBN) for education, increasing the risk of misappropriation of the funds.

Recommendations on the appropriateness of Block Grants:

Considering that most of the scholarship funds will be received by the schools in the form of students' BP3 contributions, and that the schools have received operational funds from several sources (including from the routine budget, Education Operational Support (BOP), SBPP, etc), it is recommended that to avoid overlapped funding sources, the block grants be used to increase the amount of scholarships, and some of this funding be used as an incentive for the School and Kecamatan Committees. The block grant should only be awarded to private schools and madrasah, which have suffered drastic decreases in revenue due to the crisis, or the money should be allocated for public primary schools, particularly those in rural and remote areas. If the Block Grant programme is to be continued, the size of the grant should not be the same for all schools, rather it should be adjusted based on the number of students and conditions of the school. However, adjusting the size of the Block Grant, based on the characteristics of the schools will have two disadvantages: it makes the process more complicated, and it may increase the chance of misappropriation. Despite these disadvantages, it was important to readjust the Block Grants in line with the conditions of the schools. The size of the block grants for high schools should be reconsidered, taking into account whether they have laboratories and science classes, otherwise the size of the block grant should be reduced. Based on the SMERU Team's observations, the size of the block grants for public high schools is too large.

Indonesia's Primary and Junior Secondary Schools in a post-crisis environment: Findings from a follow-up survey of 600 schools

Filmer, D. & Neilson, H.D., 2001, World Bank

<http://siteresources.worldbank.org/INTINDONESIA/Resources/Human/600schoolsurveyreport.pdf>

In 1998 the World Bank and The Research and Development Department of the Ministry of National Education (MoNE) sponsored and implemented a "Crisis Impact School Survey (CISS)" of 600 schools to assess the impacts of the crisis from the schools' perspective. In 2000 this second round of the survey – CISS II – jointly carried out by the Government of Indonesia and the World Bank aims to follow-up the original study.

The provision of block grants to schools was one of the main features of the country's "Stay in School" campaign for combating the economic crisis. About 67% of all primary schools surveyed and 46% of all junior secondary schools received block grants during the 1999/0 academic year, slightly more public than private. At the primary level the highest proportion went to rural schools (70%); at the junior secondary it was the non-Jakarta urban schools where the proportion was highest (71%). At both levels, it was only in non-Jakarta urban where proportion of private schools was significantly lower than for public. Large variations were found across the five provinces. For example, at the primary level the proportion of schools receiving grants ranged from 40% in South Sulawesi to 78% in North Sumatra. At the junior secondary level, the range was from 23% in rural Central Java to all the rural schools surveyed in NTT.

School respondents were asked to indicate what the grants were used to finance: teaching aids, stationery, subsidies for students, rehabilitation/maintenance of facilities, building new rooms, subsidy for teacher transport, teacher honorarium, and buying electronics. Almost all schools reported using the grants for teaching aids and stationery (98% for primary; 99% for lower secondary). Most also cited rehabilitation of facilities (93% and 92%, respectively). Student subsidies were also quite popular (87% and 69%). To the question about what they spend most of their block grant funds on, a majority of primary schools responded teaching aids (53%), with the next highest category being rehabilitation of facilities (28%). At the lower secondary level, 35% selected teaching aids, but 37% rehabilitation of facilities.

The schools block grants allocated by the Scholarships and Grants Program – known as DBO – were a major part of the government's effort to support schools during the economic crisis. Here the focus is on the extent to which the grants contribute to the income of the recipient schools. The DBO grant for primary schools was set at Rp 2 million, and at Rp 4 million for junior secondary schools. Among schools that received a grant, the grants amounted to a substantial part of government funding at the school level, especially in 1998/9.

At the primary level 56% of all school income from government sources came through the DBO in that year, by the following year, this had fallen to 36%. The pattern is similar among both public and private schools, although at a higher level among private ones. Geographic differences are not large at the primary level, however DBO constitutes a very small (less than 10%) portion of school income from government sources in public schools in Jakarta.

At the junior secondary level the pattern is different: DBO constituted a large part of government funding, but this increased from one year to the next. Among public junior secondary schools DBO constituted a relatively small share of government subsidies to schools in 1998/9, 16%, which then increased to 27% in 1999/0. In general this share was higher outside of Jakarta, especially in urban areas. Among private schools, the share of DBO in government subsidies stayed at a very high 80% in both years. Clearly, to the extent that private schools junior secondary schools depend on government resources, DBO represent a large share of those resources.

DBO receiving schools had about the same level of overall income derived from government sources than non-receiving school. This difference comes largely from the fact that average income from parent sources was substantially lower in receiving as opposed to non-receiving schools. Interestingly, among private schools the difference in government sources of income is almost exactly Rp 2 million – the amount of the primary DBO. In public schools the difference is Rp 109,000 in 1998/9 and Rp 184,000 in 1999/0 suggesting – but not proving – that for these schools other sources of government funding may be reduced when a DBO grant is given.

At the junior secondary level the pattern is similar: when public schools receive a DBO grant, direct funds are less by almost an equivalent amount (whereas in primary schools the difference was almost the same amount as the grant, it is somewhat less in junior secondary schools) – when private schools receive a grant there is little difference in most of the other sources of funding. The big difference between DBO receiving and non-receiving schools however, comes through the UYHD (Uang Yang Harus Dipertanggungjawabkan). An SLTP is allocated a certain amount of UYHD but the treasury only disburses against use that is accounted for. It would perhaps be unsurprising that as a result of receiving a DBO grant a school would have less need to resort to funding through UYHD.

Indonesia: A Healthy and Smart Generation (PNPM Generasi)

World Bank webpage accessed 17/10/2012

<http://go.worldbank.org/XZZ513AUS0>

Overview:

PNPM Generasi is an innovative Government of Indonesia (GOI) social assistance programme designed to address three lagging Millennium Development Goals: Maternal Health, Child Health, and Universal Education. PNPM stands for Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment).

Approach:

PNPM Generasi is an incentivised community block grant programme that builds on the architecture of the GOI's community driven development programme, the National Community Empowerment Program in Rural Areas (PNPM-Rural). The programme uses a facilitated community decision-making process to allocate block grant funds to target 12 health and education indicators. Communities work with facilitators and health and education service providers to improve access to and use of health and education services. Average block grants total approximately IDR110,000,000 village/year (approximately US\$12,000 village/year). To give communities incentives to focus on the most effective policies to target programme indicators, the GOI determines the size of the village's PNPM Generasi block grant for the subsequent year partly on the village's performance on each of the 12 targeted health and education indicators.

The flexibility of this approach helps address the strong regional disparities seen in health and educational attainment across Indonesia. The current estimated beneficiary total is 3,630,818 (approximately 1,835,100 of whom are women, 50%).

The PNPM Generasi Indicators for education:

- Primary school enrolment of children 7 to 12 years old
- Minimum attendance rate of 85 percent for primary school-aged children
- Junior secondary school enrolment of children 13-15 years old
- Minimum attendance rate of 85 percent for junior secondary school-aged children

PNPM Generasi has had three waves of evaluation, including a Baseline Survey (2007) and Mid-Term Impact Evaluation (2009), and Final Impact Evaluation (2011). To allow for a rigorous evaluation of PNPM Generasi, the Government of Indonesia incorporated random assignment into the selection of programme locations. Within the districts selected for the programme, entire kecamatan were randomly allocated to either receive PNPM Generasi or to be in the control group. This series of evaluations represents one of the largest randomised social experiments conducted in the world to date.

Over the life of the programme PNPM Generasi has:

- Enabled 556,000 poor primary and junior secondary students to obtain textbooks
- Provided assistance to approximately 382,000 poor primary and junior secondary students in the form of scholarships, transportation money, and uniforms
- Engaged women in basic health and education service planning and decision-making processes—on average 67 percent of participants in programme socialisation, planning, and monitoring meetings were women

Indonesia's PNPM Generasi Program Final Impact Evaluation Report

Olken BA et al., 2011, World Bank

<http://www->

wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2012/05/25/000356161_20120525020526/Rendered/PDF/691420ESW0Whit0Final0IE0Report02011.pdf

(This link does not seem to work by clicking but works if copied and pasted)

The Generasi project began in mid-2007 in rural areas of five Indonesian provinces. The programme operates as follows: each year, villages receive a block grant. With the assistance of trained programme facilitators and service delivery workers, villagers undertake a social mapping and participatory planning exercise to decide how best to use the block grant funds to reach 12 education and health targets related to maternal and child health behaviour and education behaviour. These 12 targets relate to prenatal and postnatal care, child immunisations, and primary and junior secondary school enrolment and attendance. To give communities incentives to focus on the most effective policies, the government bases the size of the village's Generasi block grant for the subsequent year partly on the village's performance on each of the targeted indicators. The Generasi project thereby takes the idea of performance incentives from conditional cash transfer programmes and applies it in a way that allows communities the flexibility to address supply constraints, demand constraints, or some combination.

To allow for a rigorous, randomised evaluation of Generasi, the Government of Indonesia incorporated random assignment into the selection of Generasi locations. Sub-districts (kecamatan) were randomly allocated to either receive Generasi or to be in a control group. Each Generasi location was further randomly allocated to one of two versions of the programme: one "incentivised" treatment with the pay-for-performance component described above, and a second, otherwise identical "non-incentivised" treatment without the pay-for-performance incentives. There were three waves of evaluation.

The main findings of the Generasi impact evaluation are as follows:

- After 30 months of programme implementation, Generasi had a statistically significant positive impact on average across the 12 indicators it was designed to address.
- The main long-term impact was a decrease in malnutrition.
- Making grants conditional on performance improves programme effectiveness in health but not in education.
- Generasi had the greatest impact in areas with low baseline health and education indicators.

Surveys found that assistance was indeed reaching beneficiaries in Generasi areas. In general, Generasi significantly increased the provision of scholarships, school uniforms, school supplies, transport subsidies to attend school, intensive supplementary feeding at school, and other school support.

Generasi had positive impacts on education indicators in the third stage of the project (Wave III), an encouraging reversal from Wave II where the impacts were negative. In Wave III, Generasi increased school participation of 7-12 year olds by 0.8 percentage points. Since the control group had a participation rate of 98.5 percent, this implies that Generasi resulted in almost all 7-12 year old children being enrolled in school.

The increase in school participation in Wave III came predominantly in Nusa Tenggara Timur (NTT), where 7-12 year old enrolments increased by 3.8 percentage points, a 4 percent increase over control areas. Interestingly, community incentives did not have clear impacts on education indicators as no significant difference was detected between treatment A and B. NTT also saw a 10.1 percentage point increase in the percentage of age 13-15 year olds enrolled in junior secondary school, a 19 percent increase over control areas, although this was not statistically significant. Since the overall participation rate for 13-15 year olds did not change, this implies that Generasi's impact for this age group was increasing enrolments in junior secondary instead of primary school for this group. Consistent with this, the junior secondary gross enrolment rate (the share of children enrolled in junior secondary divided by the number of children of junior secondary school age) rose by 18 percentage points—a 29 percent increase compared to control areas—in NTT in Wave III.

The project does not appear to have had an impact on learning of school-aged children, measured by math or Indonesian tests administered separately for children in the 7-12 and 13-15 age groups. This finding was consistent in all models with different interaction terms. Given the nature of the multi-grade tests, the tests showed that children of higher grades on average scored higher than children of lower grades, implying that this multi-grade test was successful in assessing the levels of learning achievements by grade. However, the fact that none of the tests could detect the project's impact on the age-adjusted standardised test scores suggests either that the project had no impact on improving children's learning, or that tests were not sensitive enough to capture the changes in children's learning due to the project. Given that the programme only affected school participation in Wave III, and that enrolment increased by only a few percentage points, it is not surprising that impacts were not found on test scores at this stage.

While Generasi encouraged communities to focus on 12 targeted indicators for maternal/child health and primary and junior secondary education, there are a wide variety of other aspects of health and education not covered by the indicators. To the extent that Generasi supports general community mobilisation on health and education and increased service provision, one could find positive spillovers on non-targeted indicators. However, it is also possible that communities diverted attention from non-targeted indicators toward targeted indicators, resulting in negative spillovers. In general, the evaluation found spillovers were positive for health throughout the two years of implementation.

In education, spillovers were negative in Wave II and zero in Wave III, consistent with the main effects of the programme. In Wave II, the effects are driven by school-aged children appearing to have increased paid work and household work (respectively by 11 minutes and 40 minutes), consistent with the lower enrolment rates for these children shown in Wave II. These negative effects on work were not found in Wave III.

Overall, the evaluation finds that Generasi had the greatest impact on community effort, which is intuitive given the project's emphasis on community mobilisation as a centrepiece of its strategy. The impact on community effort was greatest in relation to the increase of cadres working at village health posts, and participation in meetings about health education.

The evaluation suggests the government's existing national community-driven development architecture and network (PNPM) was useful as a platform for other forms of local assistance. *Generasi* was started as an experiment in adapting the community participatory planning and block grant process to focus on specific education and health targets that were not being addressed sufficiently in the existing community programme. This project has illustrated the flexibility and adaptability of this community model once the architecture and machinery are established. It also serves as a possible vehicle for improving health and education indicators in supply-deficient areas, where the traditional household conditional cash transfer model may not be as effective due to supply constraints.

The evaluation suggests the project should regularly review the appropriateness of the targets. Target indicators must be relevant to communities, yet reflect development priorities of the government. Although it is important not to overload the project with too many target indicators, 12 target indicators should be regularly reviewed to assess if existing ones should be replaced or added.

Quality of evidence based: Evaluation appears to be fairly rigorous. The *Generasi* programme was designed as a randomised experiment. The paper outlines the statistical procedures and shows significance levels.

Project *Generasi*: Conditional Community Block Grants in Indonesia

Olken B et al, 2009, Poverty Action Lab

<http://www.povertyactionlab.org/evaluation/project-generasi-conditional-community-block-grants-indonesia>

In 2007, the Indonesian Government began a pilot programme to test a new approach to improving health and education: incentivised community-based block grants. Under the programme, known as *Generasi*, villages received annual block grants which they could allocate to any activity that improved one of 12 health, nutrition and education indicators. The 12 indicators represented health and educational activities that were within direct control of villages - such as the number of children who receive immunisations, prenatal and postnatal care, and the number of children enrolled and attending school – rather than long-term outcomes, such as test scores or infant mortality.

The evaluation looks at the difference between incentivising block grants rather than the merits of block grants themselves,

There were no differences between incentivised and non-incentivised areas on the four education indicators examined (primary and junior secondary enrolment and attendance).

Researchers found little evidence that providing incentives had adverse effects. There was no evidence of a multi-tasking problem, or that immunisation records or school attendance was manipulated.

The results suggest two main channels through which the incentives may have had an impact. First, the incentives appear to have led to a 16 percent decrease in spending on school supplies and uniforms, and a 6.5 percent increase on health expenditures. Despite the reallocation of funds away from school supplies and uniforms, households were no less likely to receive these items and they were of no lesser value, and were actually more likely to receive education scholarships in the incentivised areas. The results suggest that the change in budgets resulted from more efficient spending. The incentives also led to an increase in the labour of midwives, who are the major providers of maternal and child health services in the area. By contrast, there was no change in labour supplied by teachers. One possible explanation is that midwives are paid on a fee for service basis, whereas teachers are not.

Should Aid Reward Performance? Evidence from a field experiment on health and education in Indonesia

Olken B et al, 2012, Poverty Action Lab

<http://economics.mit.edu/files/6923>

This paper reports an experiment in over 3,000 Indonesian villages designed to test the role of performance incentives in improving the efficacy of aid programmes. Villages in a randomly-chosen one-third of sub-districts received a block grant to improve 12 maternal and child health and education indicators, with the size of the subsequent year's block grant depending on performance relative to other villages in the sub-district. Villages in remaining sub-districts were randomly assigned to either an otherwise identical block grant programme with no financial link to performance, or to a pure control group. We find that the incentivised villages performed better on health than the non-incentivised villages, particularly in less developed areas, but found no differential impact of incentives on education. We find no evidence of negative spillovers from the incentives to untargeted outcomes, and no evidence that villagers manipulated scores. The relative performance design was crucial in ensuring that incentives did not result in a net transfer of funds toward richer areas. Incentives led to what appear to be more efficient spending of block grants, and led to an increase in labour from health providers, who are partially paid fee-for-service, but not teachers. On net, between 50-75% of the total impact of the block grant programme on health indicators can be attributed to the performance incentives.

6. India

Public private partnerships in education: Some policy questions

Kingdon, G., 2007, RECOUP Policy Brief

<http://recoup.educ.cam.ac.uk/publications/pb1.pdf>

Evidence for India suggests that supply-side funding has not produced good results – block grants to private schools with no incentives built into the grant structure led to poor student learning outcomes. Also, teachers of aided schools lobbied hard to be paid directly from the state government treasury (as public school teachers are paid), rather than continue to be paid locally by their private school managements, who received the government grant.

India: Orissa secondary teachers end six-week strike

World Socialist Web Site, 17 September 2011

<http://www.wsws.org/articles/2011/sep2011/labos17.shtml>

Over 25,000 secondary teachers in Orissa block-grant schools ended a 42-day strike this week after the mass education minister “assured” them that the government would resolve their outstanding demands. Teachers in nearly 2,000 schools across the state walked off the job on August 1 to demand abolition of the block-grant system and regularisation of their services. Government-funded block grants can be spent by school authorities in any way that they decide.

The Orissa Block Grant Secondary Teachers' Association wants the government to pay 100 percent of the school expenses in grant-in-aid. While teachers in government secondary schools only receive about \$US340 a month, block-grant school teachers are paid a third of that amount and have no pensions.

Odisha teachers pitch for pay parity

The Times of India, September 5 2012

http://articles.timesofindia.indiatimes.com/2012-09-05/bhubaneswar/33614870_1_block-grant-teachers-contractual-teachers-para-teachers

Teaching is considered by many the noblest profession, but teachers in the state feel they are losing their identity as a fraternity because of too many categorisations and wide disparity in their remuneration, both at school and college level.

Secondary-level teachers are divided into broad categories of fully government, fully block grant, partial block grant and contractual teachers with wide pay variation. Fully government teachers have a pay scale of around Rs 25,000 per month with basic salary of Rs 13,500. Contractual secondary school teachers draw a fixed salary of Rs 9,300 per month.

From among the 1982 block grant high schools, trained graduate teachers in 110 girl high schools get Rs 8,325 per month. In rest of the schools, such teachers get Rs 4,995 per month. "The block grant scheme is an evil design to deprive teachers of their due rights. The government introduced the scheme in 2004 not to give the full grants in aid as was the practice since then, dividing teachers," said president of block grant teachers' association Prashant Mahapatra.

Like their counterparts in schools, college teachers can be categorised in four broad groups: University Grants Commission (UGC) scale teachers, state scale teachers, block grant teachers and contractual teachers. Block grant teachers are divided into two types: those getting 100 per cent block grant (around Rs 11,000 per month) and those getting 40 per cent block grant Rs 5,700 per month. Contractual teachers get maximum Rs 12,500 per month subject to maximum 35 classes they take. UGC-scale teachers get pay and other benefits as revised by UGC from time to time which is over 40,000 per month for starters at present.

7. More Examples from sub-Saharan Africa

Improving Primary Education in Kenya

World Bank, Programme completion date: Dec 2001

<http://go.worldbank.org/DYRV94L9E0>

Several block grant programmes have been implemented in developing countries with the goal of improving educational outcomes. From 1995 to 2000, the World Bank conducted research that took advantage of an opportunity in Kenya to perform randomized evaluations to improve primary education (World Bank, 2001). Out of the 100 primary schools, 25 were selected to receive block grants that could be spent on several options such as textbooks, other school supplies, or construction of new classrooms. The purpose of this intervention was to see whether funds were used more effectively when schools were given a choice on how to spend them. Analysis of the results indicated a small but statistically significant impact on test scores after one year, however the impact seems to diminish over time. As with supplying textbooks, the better students seem to have benefited the most. The results show statistically significant effects in reducing dropout rates and increasing passing rates.

Direct Support to Schools Through the Block Grant Mechanism: Lessons From the Ugandan Experience

Mushemeza ED, 2005, CODESRIA/ADEA – Working Group on Education and Finance (Notes from Bryant et al, 2010)

A review of block grants in Kenya, Uganda, Tanzania, and Mozambique indicated that enrolment rates increased rapidly as children had greater access to education. Disparities in enrolment rates between rural and urban, rich and poor, male and female decreased. However, the quality of teaching and learning seemed to have worsened. This was attributed to several factors: sharp increase in the student-teacher ratio, increase in unqualified teachers in schools, low teacher salaries, and threat of AIDS pandemic increasing absenteeism in schools. Several issues that affected the success of the programme included

political interference, poor management, lack of community involvement, poor education infrastructure, and a shortage of trained teachers.

Basic Education Sector Analysis Report, Kenya

JICA, 2012

[http://gwwweb.jica.go.jp/km/FSubject0101.nsf/965655deba9e946249256f2b003e6f5b/cd09a6775691f54149257a9a000b0a10/\\$FILE/KENYA\(%E8%8B%B1\).pdf](http://gwwweb.jica.go.jp/km/FSubject0101.nsf/965655deba9e946249256f2b003e6f5b/cd09a6775691f54149257a9a000b0a10/$FILE/KENYA(%E8%8B%B1).pdf)

In the education sector in Kenya, MOE is responsible for the overall administration and sector coordination. Other specific responsibilities have been gradually delegated to 8 provinces and 290 districts. Responsibilities on management and supervision of educational services are delegated to province education offices, whereas development of district education plan and education service delivery are delegated to district education offices.

There are two kinds of block grant: Free primary Education (FPE) and Free day secondary school (FDSE). The calculated capitation amount of Ksh1,020 for primary students and Ksh10,265 for secondary students, are directly transferred to school accounts. Apart from the FPE/FDSE grants, national and provincial secondary schools receive additional subsidy for maintenance, which creates inequality among secondary schools. Besides, a part of funds called Local Authorities Transfer Fund (LATF) and Constituency Development Fund (CDF), which are managed by local authorities and members of parliament, are used for classroom construction and scholarship. It is pointed out, however, that the way of management and reporting of these funds lacks transparency. In future, as the demand for teachers will increase by 6 to 24 % annually (estimate for 2012/13 to 2015/16), the budget required for teacher salary will be Ksh 18.1 billion (2016/17).

One issue is the FPE/FDSE block grant system, the teacher salary mechanism based on qualification rather than deployment, and the large amount of subsidy distributed to national secondary schools pressure the recurrent budget of the government and consequently lower the share of budget for primary education. It is required to analyse more efficient management in finance.

If the government seriously tackles the issue of regional disparities, comprehensive action plan including a reconsideration of the FPE block grant, among other areas, must be designed carefully.

Funding Modality Options for Support to the Education Sector

Lister, S., 2012, Mokoro

Not Available Online

The paper reviews the evolution of aid modalities that support basic education in Zambia. It focuses on the choices facing DFID as it resumes direct support to the education sector and also becomes the supervising entity for Global Partnership for Education (GPE) funding. A long-running pool fund has been at the centre of cooperating partner (CP) dialogue with the MoE, but project aid and general budget support (termed PRBS in Zambia) are also important parts of the landscape. Recommendations have to take account that the number of education sector CPs has diminished, and that aid from traditional CPs has become relatively less important. Past aid has supported impressive progress in expanding access to basic education, but CPs share a concern that improving education quality should now be a priority.

Efforts to move the pool fund in the direction of unearmarked sector budget support have stalled, over understandable concerns about the quality of MoE's financial management systems. The paper argues that DFID should seek to influence the allocation of its (and GPE's) additional funds, but that direct earmarking/tracing of funds (the pool fund modality) is neither the only nor the most efficient way to influence how they are spent. Expenditure could be made conditional on specific budgetary and policy commitments by MoE, to be included in

a sector Performance Assessment Framework (PAF). The sector PAF would be a joint focus of dialogue and a means of coordination for all CPs, including those who choose to continue to operate through projects or the existing pooled fund; it would help to reinvigorate the dialogue about education policy, while continuing to press for further improvements in financial management and service delivery. PRBS should be used to reinforce sector support in a more coordinated way than in the past.

The Children First Project

USAID, website accessed 28 November 2012

<http://www.childrenfirst.worlded.org/ProgramAreas/education.htm>

Children First works through partners to provide block grants to get orphans and vulnerable children back into schools and provide alternative learning opportunities.

In March 2010, Children First introduced the Bantwana School Integrated Program (BSIP) model in more than 63 schools in Harare, greater Harare and Matabeleland South Province in Zimbabwe. BSIP, a school-based programme, links the provision of education to other critical care and support interventions in order to provide holistic, community-based support to orphans and vulnerable children. BSIP uses schools as a service delivery point for care and support, and has been successfully tested, refined, and implemented by Bantwana/World Education Inc. in Swaziland since 2008.

Children First began issuing school block grants during the period of national emergency in 2008/9 and ensured that orphans and vulnerable children received access to an education as well as critical services.

This short-term measure enabled children to get back into school while government and other stakeholders worked to reinvigorate the education sector. School block grants are provided in the form of non-monetary support, and are received by schools in exchange for waiver of all additional levies for certain identified students for a period of two terms.

Block grants take the form of:

- **Materials Support:** Schools are supplied with the materials and supplies they need to allow learning to take place, including school supplies, stationary, text books, and chalk.
- **Training of School Development Committees and Associations:** Children First partners met with each school to develop a training strategy for school development committees on (i) managing the block grant effectively to avoid mid-project cash flow problems; (ii) maximum utilisation and management of the procured materials; (iii) managing school institutional budgets; (iv) forecasting funding and resource mobilisation; and (v) undertaking retention activities for teachers and children.

8. Additional information

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