

SOUTH AFRICA

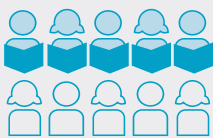
Results-Based Financing and the Book Supply Chain: Motivating Writers and Publishers to Create Quality Storybooks

DECEMBER 2019

REACH funded a project to increase the availability of storybooks in African languages and to raise awareness about the role that storybooks can play in promoting literacy.



The Results in Education for All Children (REACH) Trust Fund supports and disseminates research on the impact of results-based financing on learning outcomes. The EVIDENCE series highlights REACH grants around the world to provide empirical evidence and operational lessons helpful in the design and implementation of successful performance-based programs.



53% of 10-year-olds in low- and middle-income countries cannot read or understand a simple story.



Reading books written in a familiar language and context can help improve literacy.

Many more children attend school today than a few decades ago, but in developing countries the majority are not learning and acquiring fundamental skills such as reading. More than half (53 percent) of all children in low- and middle-income countries cannot read or understand a simple story by age 10, and the rate is as high as 80 percent in poor countries. Research suggests that reading for pleasure is a more important factor contributing to successful learning for children than their family's socioeconomic status. When a child reads for pleasure,

she does not just strengthen her reading skills but also gains in other literacy-related areas such as text comprehension and grammar, vocabulary, and a positive reading attitude.¹ To improve literacy and learning outcomes, children should read books written in a familiar language and depicting a familiar context. However, many children in developing countries do not have access to such materials because of a scarcity of storybooks in appropriate languages, inflated costs, ineffective supply chains, and ineffectual use of books they can access.

Results-based financing can help address such challenges by identifying bottlenecks in the book supply chain—spanning book forecasting and creation to publication, distribution, and use—and incentivizing players along the chain to improve performance. In South Africa, the Results in Education for All Children (REACH) Trust Fund at the World Bank supported a results-based initiative to address the country’s book supply chain challenges. South Africa has a shortage of affordable, high-quality storybooks written in local

languages, and this is seen as a contributing factor to the low literacy level among children.² The REACH project brought together public and private stakeholders in the country to create national standards for storybooks and book translations. The project also built capacity of local publishers and writers, working with them to create, publish, and distribute quality storybooks in five African languages (more than 101,000 copies were provided to schools and children across the country. And it introduced innovative features such as bundling print

orders to achieve lower unit costs (pooled procurement), licensing newly developed reading material to allow anyone to freely use the material (open licensing), and sponsoring a 12-hour event to develop storybooks from start to finish (One Day One Book workshop), as part of the effort to create and make available more local-language storybooks for children. Applying a results-based financing model, the project linked payments to writers and publishers to results to keep them engaged and focused on producing high-quality books.



80%
of 10-year-olds
are NOT proficient
in reading

CONTEXT

South Africa has a respectable literacy rate of 87 percent for those aged 15 and older, but experts say the statistic masks an underlying crisis. The World Bank’s Learning Poverty indicator estimates 80 percent of 10-year-olds in South Africa today are not proficient in reading.³ As in many other countries, the problem is more pronounced among students from socioeconomically disadvantaged backgrounds but inequity is only part of the problem. The South African Book Development Council reports that 58 percent of South African adults live in a household with no books and only 14 percent read for pleasure.⁴ In 2015, the South African government launched a “Read to Lead” campaign aimed at creating a nation of readers, but the program has lacked adequate funding.

Provincial officials responsible for library book purchases often cite a lack of storybooks as a key reason why children do not read for pleasure or do not read at all. South Africa faces two main challenges in providing storybooks to young readers. First, the country’s book supply chain fails to provide adequate quantities of high-quality, early-grade storybooks in languages other than English and Afrikaans. Limited government budgets and complex procurement systems make it difficult for government officials to purchase enough of the right books at the right time for schools. The same procurement systems discourage commercial publishers from broadening the number of languages in which they publish. Second, the current supply chain emphasizes production of formal classroom material such as textbooks and readers over books for enjoyment.

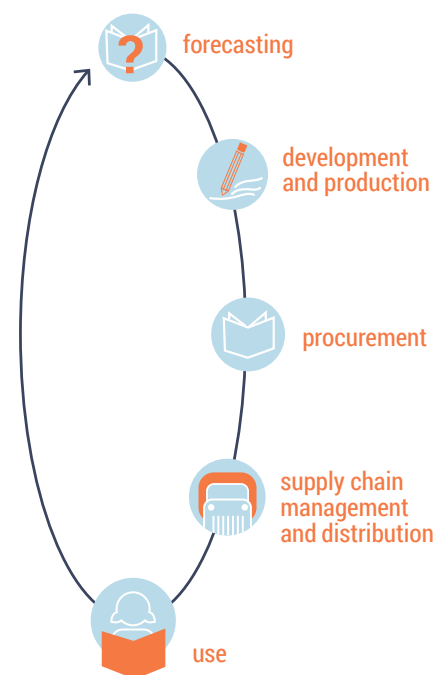


WHY WAS THE INTERVENTION CHOSEN?

REACH, together with the Global Book Alliance, funded a project in South Africa to raise awareness about the role that storybooks can play in promoting literacy and to increase the availability of quality storybooks in African languages. Besides adding needed storybooks amid the government's Read to Lead campaign, the project introduced results-based financing to the country's book supply chain to try to improve its performance. Book supply chains include a number of steps: book forecasting, book development and production, book procurement, supply chain management and distribution, and book utilization. Problems with any of these can hamper the effective use of books for learning. In South Africa, linking payments to results incentivized writers

and publishers to produce quality storybooks at an affordable price and in a timely fashion. By using results-based financing, the project team got an opportunity to review work, request revisions, and ensure quality before making payments. To further motivate publishers, the project introduced the use of pooled procurements to show that publishing African-language storybooks can be profitable. Under this approach, publishers merge multiple print orders to achieve economies of scale and lower costs for all parties. The approach also contained a results-based financing component: If publishers participated in pooled procurement and were able to increase customer orders to generate profit, then the profit was distributed evenly among them.

Book Supply Chain





HOW DID THE INTERVENTION WORK?

Room to Read, a U.S. nonprofit that seeks to develop literacy skills and a habit of reading among children in low-income communities, served as the implementing organization for the project. The project consisted of two main initiatives. The first involved developing national standards on “What Makes a Great Storybook” and “What Makes a Great Translation.” Besides helping to raise awareness, the standards offer guidance to authors, publishers, schools, and consumers on what constitutes a high-quality storybook. The project brought together private and public sector stakeholders for the first time to create the standards. Participants included national and provincial government officials, publishing industry representatives, academics, South Africa’s key literacy and children’s books experts, and nongovernmental organizations. The project also worked with publishers and writers to create, publish, and distribute quality storybooks in five African languages. Room to Read selected five publishers, one for each

target language. Each publisher selected four native-speaking writers from their respective communities to draft stories that children in their communities can read and understand.

Room to Read used various tools to build capacity and ensure the growth of the publishers and writers. First, the project organized a one-day book creation workshop where writers, editors, and illustrators gathered to create 20 original storybooks in 12 hours. Second, the project used a results-based financing approach to compensate the writers, who were paid 100 percent upon completion of their work. Third, publishers were also incentivized by using a results-based payment mechanism through which they were paid a “signing payment” equal to 90 percent of the total payment, and the remaining 10 percent after they fulfilled all their responsibilities. Fourth, the project introduced a pooled procurement model that allowed publishers to collect orders from customers before

printing and to combine many small orders into a big order, reducing the cost of print runs. This model also incorporated a results-based financing aspect by distributing profits generated evenly among the publishers. This incentivized the publishers to find more customers and bundle more orders. These results-based mechanisms helped to ensure that the writers and publishers were incentivized to deliver on agreed-upon products and that they remained engaged throughout the two-year project. Finally, the project introduced open licensing for the books produced, whereby copyright holders make content available for sharing, remixing, or commercialization. Quality storybooks can reach a larger audience this way, while the writers and publishers benefit from increased public exposure. Since this concept was new to South Africa, Room to Read worked with licensing experts to educate publishers, writers, and other stakeholders about these potential benefits.



A book creation workshop produced 20 original storybooks in 12 hours.

WHAT WERE THE RESULTS?

The project distributed more than 101,000 storybooks to schools and children across the country.

Room to Read teamed up with five publishers and 20 writers in South Africa to create 20 original titles in five African languages (isiZulu, Tshivenda, siSwati, Xitsonga, Sepedi) and English, resulting in 120 separate storybooks. More than 40,000 copies were distributed to government schools in three provinces; the remaining went to public libraries, consumers, and the publishers themselves for resale. The storybooks were also assigned a Creative Commons license (CC-BY), allowing anyone to freely access and use them.

Workshops helped identify and build capacity of smaller, entrepreneurial publishers and local writers interested in creating quality African-language storybooks. Training events included a five-day residential workshop for writers; publisher workshops on new business concepts such as pooled procurement; and a book creation workshop that brought together writers, illustrators, designers, editors, and publishers—building not just capacity but also a literary community. After the 20 original storybooks were developed, the project trained writers on “versioning” the stories to other African-languages, a process of translating a story into another

language that captures the meaning and essence of the original story, rather than simply doing a word-for-word translation.

Results-based financing models for payments kept writers engaged and incentivized publishers to market to customers.

The results-based payment model of 100 percent payment upon completion of work helped keep the writers engaged throughout the project to produce quality manuscripts. The results-based financing mechanism of partial initial payment to publishers resulted in timely submission of good-quality deliverables. Also, the incentive payment introduced as a part of pooled procurement successfully incentivized the publishers to reach out to more customers and ultimately receive their full share of the pooled procurement incentive payment.

Through pooled procurement, publishers were able to offer quality African-language storybooks at up to 93 percent lower cost than other storybooks.

This benefited customers by making such books more affordable and accessible. The practice also decreased publishers' unit cost of printing storybooks by 40 percent. Twenty-six customers purchased books through the pooled order, and the exercise increased the number of orders for the newly developed books by over 16,500 copies. The exercise also demonstrated the potential to generate more profit from using this approach to sell African-language

storybooks; the publishers generated profits of nearly 50 percent, compared to the 10 percent they make from publishing and selling African-language storybooks the traditional way.

Children showed increased engagement and familiarity with storybooks within a few months of distribution. Students were able to identify storybook titles that were

present in their libraries. One month of checkout data from 16 libraries revealed that children checked out Room to Read storybooks 300 times more than other storybooks.

The creation of national storybook and translation standards helps to ensure sustainability in South Africa's book supply chain by providing guidance on how to develop and identify quality

storybooks. The standards are already being used by a variety of stakeholders including the National Reading Coalition to continue discussion on the importance of quality storybooks in South Africa and ways to access them. The standards could also serve as guidelines for other countries seeking to develop or procure quality storybooks.

WHAT WERE THE LESSONS LEARNED?

Aligning project goals with government priorities and initiatives can help to ensure official buy-in and participation.

The government of South Africa had launched a campaign to promote African-language books, establish libraries, and encourage reading for pleasure, but it did not have adequate resources to fund these initiatives. One reason this project secured government support was because it aligned with the government's existing priorities. The project also involved various government officials through a public-private partnership.

Performance-based initiatives can sharpen the focus on results, but local conditions may call for flexibility in the design of payment structures. Room to Read collaborated with smaller

publishers, which unlike their national counterparts did not have large operating budgets. That made it difficult for them to publish books without receiving any initial payments. Therefore, Room to Read restructured the results-based financing aspect of the payment to publishers so instead of paying them 100 percent on delivery, the project paid them an initial payment of 90 percent when they signed the agreement, with the remaining 10 percent paid upon timely submission of quality deliverables.

While new business models can help strengthen the book supply chain, it is important to explain how they work and what benefits they offer to secure stakeholder buy-in. In South Africa, open licensing went against traditional practices of selling copyrighted material, and some publishers and writers initially felt uncertain about adopting the approach. The project team held three meetings to explain and sell the concept to publishers. Introducing new systems may also

require more preparation time. In the case of pooled procurement, Room to Read had to establish a new accounting system to manage payments, research local accounting laws and appropriate pricing, and create a system for customers to review and purchase books.

Communication, sensitivity, and flexibility are essential when working with large or diverse groups. Room to Read relied on publishers to cascade information to the writers, but often writers did not completely understand these instructions and needed additional information. Also some writers new to workshopping initially felt intimidated by the idea of sharing their stories with others. The project created comfortable spaces for the writers, encouraged them to retell stories from their childhood, and helped them shape their own stories. Most writers left the workshops feeling excited and positive about writing storybooks.



Results-based financing motivated and engaged publishers and storybook writers to participate in the two-year project, arming them with skills to continue creating storybooks on their own.

CONCLUSION

Literacy serves as an essential building block for learning, so when children master reading, they are more likely to succeed in school generally. To support the South African government's campaign to improve literacy rates and foster a love of reading among children, Room to Read implemented an initiative that included results-based elements to increase the availability of affordable, quality storybooks in African languages. The project brought together public and private sector players in the book supply chain to develop new national standards on storybooks and translations, and helped to identify and build capacity of smaller publishers and writers to publish African-language storybooks. In doing so, the project demonstrated

how results-based financing can be effective in the production and procurement stages of the book chain in South Africa. Results-based financing motivated and engaged publishers and writers to participate and stay engaged in the two-year project, which armed them with the skills and knowledge they need to continue to create and publish quality storybooks on their own. The success of the South Africa project underscores the potential of using innovative models such as pooled procurement, open licensing, and One Day One Book workshops along with results-based financing to increase the availability of quality children's books in a cost-efficient manner. By strengthening the book chain, the project ultimately helped to foster children's love of reading and helped them to become better learners.

When a child reads for pleasure, she does not just strengthen her reading skills but also gains in other literacy-related areas such as text comprehension and grammar, vocabulary, and a positive reading attitude.



- 1 Clark, Christina, and Kate Rumbold. 2006. "Reading for Pleasure: A Research Overview." *ERIC* November 1–35.
- 2 Pretorius, Elizabeth J., and Deborah Maphoko Mampuru. 2007. "Playing Football without a Ball: Language, Reading and Academic Performance in a High-Poverty School." *Journal of Research in Reading* 30 (1): 38–58.
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- 4 Pretorius, Elizabeth J., and Myrna P Machet. 2008. "The Impact of Storybook Reading on Emergent Literacy: Evidence from Poor Rural Areas in Kwazulu-Natal, South Africa." *Mousaion: South African Journal of Information Studies* 26 Special: 261–89.

PHOTO CREDITS:

Cover: Students read a new local-language storybook developed by Room to Read. Photo courtesy of Room to Read.

Page 3: A student enjoys a local-language storybook developed by Room to Read. Photo courtesy of Room to Read.

Page 4: The One Day One Book workshop convened writers, editors, and illustrators to create new storybooks for children. Photo courtesy of Room to Read.

Page 7: "Sixth grade student Innocent, 13, reads a book in the library at school" by GPE/Carine Durand, license: CC BY-NC-ND 2.0

Page 8: "Textbooks in class at a refugee camp in Bangladesh" by GPE/Daisuka Kanazawa, license: CC BY-NC-ND 2.0

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