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Are you thinking about school grants? Some questions to consider

Juan D. Barón, Jessica D. Lee, Marie Tamagnan¹

BACKGROUND

Much has been written about school grants, yet there is a scarcity of specific guidance on the factors influencing their design.

School grants matter because they have the potential to enhance learning and access to education. Many grant programs are the result of the abolition of school fees where schools are compensated for this lost revenue. As such, most studies show that unconditional grants can increase enrolment, but generally speaking, need to be complemented with other activities (e.g. some wider school-based management intervention, which often includes training for principals and other staff, or the creation of school committees) to yield any learning-related benefits. There is limited evidence on the effects of school grants on improving learning outcomes. However, some evidence shows that grants can quickly expand access and enhance the day-to-day operations, as well as the learning environment, of schools.

There are also more examples in Latin America with grants that are linked to performance. This is when schools are paid based on the achievement of an indicator or set of indicators. These indicators are usually measures of access, retention, or learning.

While there aren't many studies that estimate the causal impact of school grants on education outcomes, they are becoming more commonly used in development projects around the world as a way to incentivize school improvements.

School grants are here to stay. At a minimum, they can decentralize decision-making to school actors to ensure a base level of school infrastructure that must be in place for students to learn effectively (e.g. fixing rooms, doors, providing toilets, soap, water, and other amenities). Mature school grant programs might include incentives for preventing dropouts, enhancing learning opportunities, and guaranteeing safe spaces.

In both cases, guidance on designing and implementing school grants (both unconditional and conditional) is crucial. This note, while not a comprehensive guide on school grants, contains a small subset of practical questions alongside country examples for practitioners to consider when designing or improving a school grants scheme.²

¹ Marie Tamagnan contributed to this note while a consultant at the World Bank.

² For more detailed information and research on school grants, please see the "References" section at the end of this note.

KEY TAKEAWAYS



Objectives

Clearly define the objective of a school grant to ensure that it is the appropriate intervention. Evidence shows that school grants have been successfully used to increase access and enrolment, with promising but limited effects on learning outcomes.



Reporting, Monitoring, and Evaluation

Ensure there is a way to collect and disseminate data and information about schools. Strong communication with schools about their performance leads to mutual accountability.



Financing

Identify financing sources, mechanisms, processes, and recipients. Think through funding allocation amounts, the flow of funds, pros and cons of conditional or unconditional grants, as well as the sustainability of future funding.



Capacity Building and Information Sharing

Establish complementary activities to support schools. Training and capacity building seminars may be needed to ensure that school leaders and educational staff are on the same page and clear on how to use the grant.



Criteria and Procedures

Keep in mind the practical criteria for schools to receive grants, with an eye towards equity. Aim to keep things simple at first, while increasing complexity once schools get used to the “rules of the game”.

ACKNOWLEDGMENTS

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This note was written by Juan D. Barón, Jessica D. Lee, and Marie Tamagnan. For this note, the team benefitted from interviews with Harry Patrinos and Samer Al-Samarrai, along with materials from Saamira Halabi, Vincent Perrot, Karthika Radhakrishnan-Nair, and Maya Sherpa.



Objective(s)

What are your objectives for school grants?

Why do you give school grants?

Though the two questions above may seem obvious, sometimes projects include school grants because they “sound good” or because they’re a component suggested by a peer reviewer or a manager. However, it is important to consider the fundamental reason for choosing school grants as an intervention, and understanding when and how they can be used, along with what they can achieve.

SOMETHING TO CONSIDER

Think about what school grants are good for, i.e., expanding supply of schools, especially if the private sector is involved; increasing access and enrolment; and that they usually work best when paired with other interventions.

CAMEROON

There were 4 primary objectives:

- i. Improve transparency and financial management;
- ii. Improve monitoring of schools;
- iii. Increase community satisfaction with the quality of school services; and
- iv. Support the country’s free education policy by decreasing household costs.

INDONESIA (BOS)

There were 3 primary objectives:

- i. Direct support for school operating costs as a way to reduce fees and increase enrolment;
- ii. Financial assistance for poor students so they could cover transportation, stationery, uniform and clothing expenses, and
- iii. Strengthened school based management

...which were meant to increase school autonomy

ANDHRA PRADESH, INDIA

Each school had the freedom to decide how to spend the block grant, with the condition that the funds were to be spent on inputs used directly by the students and not on infrastructure or construction projects. Schools were given a few weeks to make a list of the items they would like, and then teachers worked with project staff to procure the materials.

HAITI

The primary objectives of the grant are to support school operations, the delivery of kits with teaching and learning materials, training and support to teachers and administrators, and support to students’ reading in early grades.



Financing

Are grants conditional or unconditional?

What percentage and proportion of the ministry budget is allocated towards school grants?

- Are the grants meant to be multiyear? Is there a funding envelope?

How much money will schools receive? Is this a fixed or per capita sum?

At the school level, who is responsible for the grant money? For example: the school principal, a school management committee, etc.?

- Do schools have access to funds? Access to banks?
- Are there financial safeguards in place to deter fraud/corruption?

At what frequency do schools receive the grants? Are grants given in tranches?

When does the money get disbursed? Is it disbursed on time?

INDONESIA (BOS)

COMPARISON OF BOS PER-STUDENT GRANT AND ESTIMATES OF OPERATIONAL NEEDS (2012 PRICES)

	Current per-student amounts	BSNP estimate based on minimum service standards	ADB estimate based on minimum service standard
Primary school	580,000	412,139	468,000
Junior secondary school	710,000	731,894	831,000

Note: ADB survey was conducted in 2010 and unit costs are adjusted for inflation to report in 2012 prices

MYANMAR

School Improvement Funds (SIFs) amounts having gone from between US\$250 and US\$500 per school for small, medium, and large schools in 2013–14 to between US\$400 and US\$15,000 in 2017–18.

SENEGAL

For schools that received a grant, the grant totaled around 1,500,000 CFA Francs (approximately US\$3,190), which represented a roughly 7 percent increase in expenditures per student in a typical school (inclusive of teacher salaries, which comprise over 90 percent of the budget).

COLIMA, MEXICO

In Colima, schools receive grant benefits for one year. Beneficiary schools must re-apply and submit a new (original) winning proposal to receive benefits for two (or more) consecutive years. Nonetheless, schools in the program in a given year are given priority over non-beneficiary schools if they re-apply.

Each school gets at least 50,000 Mexican pesos (or about US\$2,500) per year, which amounts to the federal contribution. The average national grant in 2001 amounted to 220,411 pesos (or about US\$11,000) although it had diminished to 55,691 pesos (US\$2,800) by 2006. In Colima, the municipality and the school are encouraged to raise another 20,000 and 30,000 pesos (US\$1,000 and US\$1,500). The state government matches each peso raised by the local and school communities to contribute to the development of the improvement plan. Hence, the maximum benefit a school can receive in a year amounts to 150,000 pesos (US\$7,600).



Financing

CAMEROON

(School Grants Manual – available upon request)

The school signs a contract with the Contracting and Verification Agency (CVA) when it meets the following criteria: existence of school council, project/action plan and bank account with 3 signatories.

MODALITIES OF PAYMENT OF SCHOOLS

Type of payment	Frequency	Description
Entry price	Once (start of the school year)	Paid at the beginning of the school year to schools which fulfilled basic entry conditions
Equity bonus	Once (start of the school year)	Higher for schools having fewer state paid teachers
Performance bonus	End of each Trimester (3)	Based on verification (regular and unannounced) of different indicators and achievements of results (and proportional to the size of the school)
Improvement bonus	Once (end of the school year)	Based on a number of indicators that have significantly improved during the school year

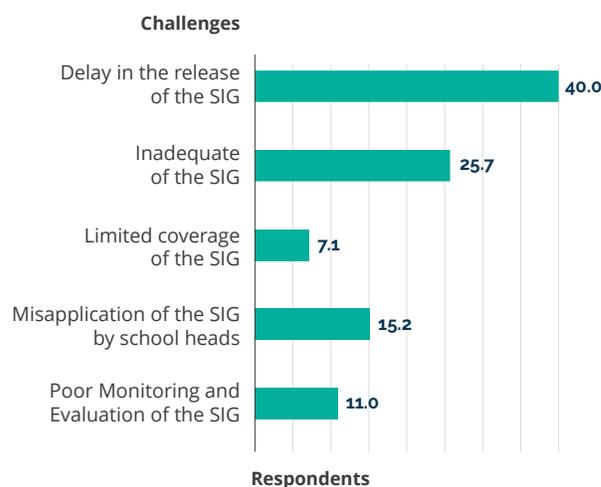
ANDHRA PRADESH, INDIA

The government provides schools with an annual grant of INR 2,000 (US\$44) for school improvements and INR 500 (US\$11) for each teacher to purchase classroom materials. However, compared to the annual spending on teachers' salaries, over INR 30,000 (US\$667) per school, the amount spent on learning materials is small.

GAMBIA

One of the main challenges of the School Improvement Grant (SIG) highlighted by respondents is the delay in the disbursement of the SIG funds to schools; more than 85% of the respondents claim that SIG is not released to schools on time

RANKING OF THE SIG CHALLENGES



Source: Field Survey, January 2021

SOMETHING TO CONSIDER

A country's level of decentralization can affect how funds flow from various levels of the government to schools. Considerations include general public financial management, i.e. budget cycles, timing of requests/disbursements, whether or not schools have individual bank accounts, systems for reporting and tracking expenditures, etc.

In addition, think about the minimum amount of money that schools need to operate, especially small, rural schools that might suffer from low per capita funding. Public and private schools may also require different types of funding, based on their operating expenses.



Criteria and Procedures

Are there eligibility and selection criteria for schools to receive grants?

Do the grants target specific criteria such as rural, disadvantaged or isolated schools?

Are there specific incentives with the grants to increase access or quality?

Are there different procedures for lower capacity settings such as in rural, disadvantaged, or isolated schools?

Are there sanctions or penalties in place?

Are there incentive or conditionalities for the use of funds?

How can schools use the grant? For example: is there a list of eligible or non-eligible expenditures?

Are there protocols and guidelines regarding procurement?

Is there an operation manual for the process and use of school grants? If school grants already exist and there is an operations manual, what are the differences between the text and the realities on the ground?

At the school level, who is implicated in the decision-making process for the use of the funds?

GHANA

Schools develop three-year improvement plans that are focused on improving learning and are awarded grants to operationalize these plans. After the first year, grants are disbursed based on utilization of previous funding, creating incentives at the school level to focus on activities that improve learning outcomes.

ANDHRA PRADESH, INDIA

Each school had the freedom to decide how to spend the block grant, with the condition that the funds were to be spent on inputs used directly by the students and not on infrastructure or construction projects. Schools were given a few weeks to make a list of the items they would like, and then teachers worked with project staff to procure the materials. This method of grant disbursement allowed schools to choose the inputs they needed, but limited potential corruption.



Criteria and Procedures

CAMEROON

(School Grants Manual – available upon request)

In the context of crisis in NWSW regions, there are specific challenges and needs at all levels (school attendance, vulnerability, security issues, lack of teachers and didactic resources, lack of fees and documentation to enrol children, etc). To address these challenges, PBF will reward effort of schools to increase the effective lesson days, awareness activities designed to encourage schooling of children; student attendance, and special support care for poor/vulnerable students as well as those with particular educational needs.

TABLE OF NON-ELIGIBLE EXPENDITURES UNDER PBF FUNDS

Expenditure categories	Comments
<i>Activities not included in the school project</i>	
Building of teachers' houses	Repairs and renovations of these structures are possible if they already exist and discussed prior with supervisor.
Building of school Principal's office	
Transportation expenses	
Salaries of State's agents	
Bonuses for school council members	
Extra-curricular activities (festivals, events...)	

ELIGIBLE EXPENDITURES UNDER PBF FUNDS

School funds, whatever they may be, cannot be spent for purposes other than what is mentioned on the eligible expenditure sheet described below.

Expenditure categories	Comments
<i>Schools are free to execute expenditures, provided that these are included in the school project and its action plan</i>	
Expenditures on infrastructures <ul style="list-style-type: none"> • Classrooms • Toilets, water points • Storage • Library • Fences 	The PBF rather targets repairs and renovations more than constructions.
Classroom furniture	
Didactic and pedagogic material <ul style="list-style-type: none"> • School books • Blackboards, Slates, chalk, pens, notebooks... 	
Staff bonuses <ul style="list-style-type: none"> • School Principal • Teachers • Other school personnel 	A maximum of 30% of PBF income can be spent on bonuses, on the basis of the following criteria: <ul style="list-style-type: none"> • Daily attendance • Preparation of lessons
Salary of Parents' teachers	If the school is eligible for teachers' equity bonus, this bonus can be used to pay parents' teachers.
School canteen	If applicable
Activities related to students' health	
Support to poor/vulnerable students <ul style="list-style-type: none"> • Uniforms/shoes • Fees, examination fees 	
Awareness activities designed to encourage schooling <ul style="list-style-type: none"> • Open doors days • Communication actions towards the community 	
Activities to support the PBF <ul style="list-style-type: none"> • Small consumables items • Actions to sensitize the community on the PBF 	
Security activities <ul style="list-style-type: none"> • Security equipment (alarm, etc) • Communication actions towards the community 	



Criteria and Procedures

COLIMA, MEXICO

There were specific criteria to mark and evaluate proposals established by the state education authority:

- i. whether the proposal identifies a specific problematic in the school,
- ii. the sources of information used to identify such problems—for example, standardized examination results, consultation, census data on performance, etc.; and
- iii. how accurate and appropriate the work plan laid out is to address the problem identified.

In principle, the schools enjoyed relative freedom in determining whether the school transformation plans should fund school maintenance and repairs, construction of new physical infrastructure, acquisition of educational materials or professional development for school staff. In practice, program norms place a cap on the percentage of resources that can be devoted to these different activities.

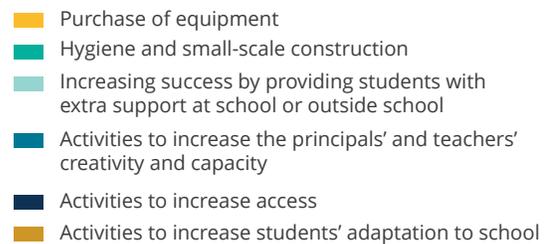
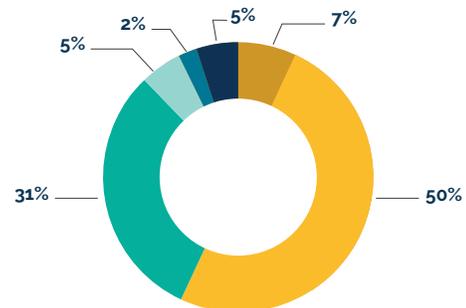
TURKEY

Over 50 percent of the grants were used to buy equipment such as computers, furniture, and laboratory materials, while 31 percent of the grants were used for hygiene facilities and small-scale construction work. Most of the schools that used the grants for equipment bought technological equipment. Some schools used the money to buy goods and services to prepare students for the secondary school entrance exam.

SOMETHING TO CONSIDER

Over-designing the parameters initially for a school grant can lead to poor implementation. Complexity can be added in at later stages once schools develop some level of confidence with the “rules of the game”.

ALLOCATION OF SDP GRANT EXPENDITURES IN 60 TURKISH SUB-PROVINCES



Source: Köse and Sasmaz, 2012.



Reporting, Monitoring, and Evaluation

What documents do schools need to receive the money?
For example: financial reports?

How are funds monitored?
For example: call center, hotline, or use of texts/SMS with community members?

At the school level, is the data and information that is collected used in the decision-making process for how to use funds?

- How is the data collected?
How much does data collection cost?
-

What role do school inspectors have in the school grant process?

SOMETHING TO CONSIDER

In many instances, simply providing information to head teachers/school principals can be powerful. In Mexico, letters were sent to principals informing them that they could qualify for a grant and how their school was doing in comparison to neighboring schools.

CAMEROON

(School Grants Manual – available upon request)

Subdivisional Inspector of Basic Education ensures the pedagogical support in the preschools and primary schools, the coordination of security aspect (risk analysis, security plan, sensitization of teachers, parents and pupils, etc.) Monitors the creation of school council and the availability of project/action plan. The inspector works in close partnership with the Contracting and Verification Agency (CVA), which is responsible for indicators and bonuses. Participates in the evaluation of the school.

The community is represented by the school council, they participate in the development and implementation of comprehensive school safety and security measures or plans, contributes to the sensitization of the population aimed at bringing children back to school. They are consulted and her opinion is taken into account in the evaluation of the school.

GAMBIA

The data on the school as a whole were obtained through enumerator observation and a comprehensive interview with the head teacher or—in the absence of the head teacher—the teacher in charge of the school at the time. The directly observed information includes the condition of the buildings, the number of classrooms and other facilities, etc. Information from the head teacher included school finances, record keeping, community participation, management practices, etc. To improve the accuracy of the information collected, researchers requested to see written records to substantiate responses whenever applicable.

In each school, researchers randomly selected two classrooms for observation. The goal of the classroom visit was to gather information about teaching practices, the classroom environment, and student participation. It also served to substantiate the absenteeism data from the administrative records by comparing the student register to the number of students present in the classroom. Each classroom visit lasted fifteen minutes, followed by a five-minute interview with the teacher.



How is the school capacity created or strengthened for the planning and use of the funds?

How is information on the school grants shared with communities? For example: public school report cards?

SOMETHING TO CONSIDER

Focusing on good professional development for school leaders and addressing whole school reform, not just through school grants, may be the best path for sustaining educational gains. Many principals are simply teachers who have been promoted, but are not equipped with the leadership skills they may require to run a school.

COLIMA, MEXICO

The monetary benefits are complemented with permanent support from the state government in the implementation of the school improvement plan and in the management of the funds. In Colima, this support is channeled through the four regional teacher centers. These centers are also in charge of providing adequate professional development through workshops, courses and seminars for teachers and principals. Similarly, the centers run workshops and distribute leaflets and information materials to encourage parental participation in school matters and activities. Formal rules mandating the participation of parents in the school improvement plan are a requisite for school participation in the program.

BULGARIA

In 2007, the central government introduced further decentralization reforms for primary and secondary schools to increase the system's efficiency and schools' autonomy. School principals gained more control over the school budget, the hiring and firing of teachers, pedagogical decisions, class size, and the number of classes. The 2007 reform eased regulations on staffing, teachers' workload, and class sizes; increased teacher salaries; and introduced a differentiated pay scale for teachers. However, decision making was transferred from the municipalities to the schools without accountability mechanisms in place. Principals are not accountable to municipalities or parents for the use of resources or for student achievement. In fact, the reform did not empower parents.

TURKEY

The program indeed showed that there is great benefit from involving community stakeholders in the school management decision-making process. At the same time, the SDP was a weak SBM initiative because sub-provincial directorates approved school development plans prior to the distribution of funds.

Ways to improve school leadership with a focus on principals³

Leading a school is an increasingly complex job, and professionalization— through a complete career framework that includes better selection, training, support, and incentives—is needed to make principals more effective.

Align the system towards learning and define the principal's role within it. High-performing systems define principals' roles differently—in some cases, it is a primarily administrative job, in others a pedagogic one—but they have in common an overall focus on the student learning experience and an articulation of schools as learning organizations.

Develop open and meritocratic processes for recruiting school principals. Many countries have limited eligibility criteria (only requiring teaching credentials and experience) and opaque, sometimes political, selection processes for becoming a school principal. This stands in contrast to high-performing systems that purposefully develop talent for managerial positions.

Provide high-quality, practical training and support grounded in the student learning experience and based on best practices and insights from adult learning. For example, the results of an intensive two-year training for in-service principals in the United States imply one of the highest internal rates of return for an education intervention calculated to date using experimental data, driven by the fact that principals affect so many students (Fryer 2017).

Develop a career framework that attracts the best to become school principals and system leaders.

Such frameworks should:

- i. Set clear requirements for applicants to school principalship,
- ii. Define processes to identify and attract potential leaders,
- iii. Prepare school principals with useful and pragmatic training based on a clear definition of the role,
- iv. Match the best school principals with the most challenging schools,
- v. Integrate teachers and school principals in a common vision of success, and
- vi. Develop instruments to facilitate pedagogical and administrative aspects of school.

³ Adelman and Barón, 2019

Summary of questions



Objective(s)

What are your objectives for school grants?

Why do you give school grants?



Financing

Are grants conditional or unconditional?

- What percentage and proportion of the ministry budget is allocated towards school grants?

Are the grants meant to be multiyear? Is there a funding envelope?

- How much money will schools receive? Is this a fixed or per capita sum?

Who receives the money? How does this impact accountability and/or responsibility of school leaders?

At the school level, who is responsible for the grant money? For example: the school principal, a school management committee, etc.?

- Do schools have access to funds? Access to banks?
- Are there financial safeguards in place to deter fraud/corruption?

At what frequency do schools receive the grants? Are grants given in tranches?

When does the money get disbursed? Is it disbursed on time?



Criteria and Procedures

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Are there protocols and guidelines regarding procurement?

Is there an operations manual for the process and use of school grants? If school grants already exist and there is an operations manual, what are the differences between the text and the realities on the ground?

At the school level, who is implicated in the decision-making process for the use of the funds?



Reporting, Monitoring, and Evaluation

What documents do schools need to receive the money? For example: financial reports?

How are funds monitored? For example: call center, hotline, or use of texts/SMS with community members?

At the school level, is the data and information that is collected used in the decision-making process for how to use funds?

How is the data collected? How much does data collection cost?

What role do school inspectors have in the school grant process?



Capacity Building and Information Sharing

How is the school capacity created or strengthened for the planning and use of the funds?

How is information on the school grants shared with communities? For example: public school report cards?

For any questions or information about this note, please contact the author Juan Barón at: jbaron@worldbank.org

For any questions around the MCSD TG, please contact Sharanya Ramesh Vasudevan at: srameshvasudevan@worldbank.org

ADDITIONAL RESOURCES

Cameroon: Can School Grants and Teacher Incentives be Used to Increase School Access and Improve Quality?

Colombia: Can a Management and Information System Improve Education Quality?

Haiti: Can Preconditions for RBF be Established in Fragile States?

Indonesia: Can Performance-Based School Grants Improve Learning?

Mozambique: Lessons from a Pilot to Assess the Effectiveness of Performance-Based Grants in Primary Schools

Peru: What are the Challenges in Introducing a Results-Based Approach for the Selection of School Principals?

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