# **RESULTS-BASED FINANCING IMPACT**

## **BRAZIL** Supporting Education Systems to Reduce Learning Poverty

#### Introduction

Brazil's poor, northeastern state of Ceará used to rank among the bottom half of states in the national assessment of education quality. In an effort to redress the situation, Ceará used results-based financing to incentivize local government officials-specifically, mayors-to work towards better education outcomes. Brazil has one of the greatest degrees of decentralization in the world, and its municipalities are in charge of all public primary and lower-secondary schools. The municipal secretariat of education, whose head is appointed by the mayor, oversees operation of the schools, including the hiring and firing of teachers and building maintenance. Under Ceará's reform program, the state awarded additional, discretionary funds to mayors based on the performance of their education systems, as evidenced by improvements in annual reading assessment results for primary school students. These performance-based payments were issued on top of existing education funding for municipalities and could be used for any mayoral priorities, not just education.

Ceará subsequently has seen substantial advances in education outcomes, particularly in terms of the number of 10-year-olds who can read. Today, its municipalities rank among the top in Brazil in terms of quality of primary education. Ceará's success has made it a model for the rest of the country and for developing countries around the world, with many seeking to replicate its approach.

#### Intervention

REACH issued a grant to a World Bank team to promote knowledge exchange on the Ceará model and to provide hands-on support to governments interested in learning how to implement it.<sup>1</sup> The World Bank is partnering with eight other countries: Colombia, Ecuador, Mozambique, Angola, the Democratic Republic of the Congo, Kenya, China (Hunan province), and Guatemala. Meanwhile, the World Bank team in Brazil is working with authorities in several states and at the national level to expand implementation of Ceará-style reforms.







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As part of the intervention, a World Bank team visited Ceará and met with the current vice governor (formerly the state secretary of education) to learn more about its reforms. Officials from the partner countries had planned to travel to Ceará for a knowledge exchange, but pandemic-related lockdowns necessitated an alternative approach. Instead, will participate in virtual workshops to work on blueprints for implementing Ceará-inspired reforms in their own education systems. Participants are expected to include ministers, vice ministers, and technical staff from each partner country; delegates of Brazilian states; Ceará officials; and World Bank representatives.

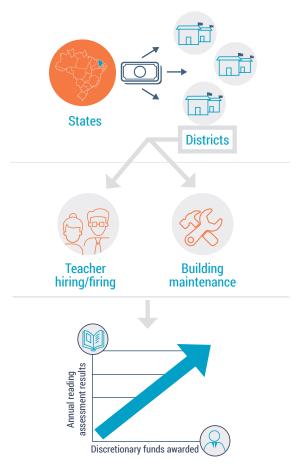
#### Impact

The Brazilian legislature recently passed an amendment to the Constitution requiring all 26 states to roll out reforms based on the Ceará model by 2022. The amendment also requires the implementation of a nationwide results-based financing mechanism featuring details supported by the World Bank. Several states including São Paulo and Rio Grande do Sul are working on reform legislation, with the Bank providing advisory services. Mato Grosso has already drafted legislation, which education authorities expect to submit to the state assembly in March.

The World Bank team is helping Mato Grosso to design the incentive mechanism for its education reform and to conduct simulations of potential impacts. The team will also provide technical support for its implementation. Mato Grosso's education reform will cover 327,000 students enrolled in 1,480 municipal schools and potentially also the 387,000 students enrolled in 772 state schools. When all of Brazil's states implement the Ceará reforms, this is expected to impact all 38 million students enrolled in public education in the country.

To advance knowledge on how Ceará achieved its results, the team is promoting strategies for designing effective incentives and implementation mechanisms. The World Bank team in Brazil teamed up with Ceará experts to compile two manuals in Portuguese and English. The first manual focuses on how to design RBF incentives, and the second covers how to design technical assistance programs to support the implementation of RBF reforms. These resources are available online, with more than 100 downloads of the Portuguese version already. Hard copies have been distributed to ministers and counterpart teams in the eight countries as well as to several state secretaries of education in Brazil.

#### Spreading the Success of the Ceará Reform Model



### RESULTS IN EDUCATION FOR ALL CHILDREN (REACH) RESOURCES

For more information on the REACH Cameroon intervention please refer to the RBF Education EVIDENCE note, "Can School Grants and Teacher Incentives be Used to Increase School Access and Improve Quality?" on the REACH web page.

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1 The one-year grant was originally slated to close in January 2021 but has been extended for six months because of pandemic-related delays.