

Guiding Principles for Implementing School-based Management Programs

An online toolkit providing general principles that can be applied to the implementation of School-based Management reforms

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Preface

School-based management (SBM) has become a very popular movement over the past decade. Our SBM work program emerged out of a need to define the concept more clearly, review the evidence, support impact assessments in various countries, and provide some initial feedback to teams preparing education projects. During the first phase of the SBM work program, the team examined in detail the existing literature on SBM. At the same time, we identified several examples of SBM reforms that we are now supporting through ongoing impact assessments. This online guide on the principles of implementing SBM has been developed as a companion piece to the two reports on *What Is School-based Management* and *What Do We Know About School-based Management* (published December, 2007). It focuses on the major issues generally faced by implementers while designing and implementing SBM programs and gives examples from a number of World Bank financed projects from around the world that have SBM components. In addition, it also provides more in-depth analysis of a few country case studies where the process of decentralization of authority to the local-level has taken place over the past decades.

Acknowledgments

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Introduction and Summary

Despite the clear commitment of governments and international agencies to the education sector, efficient and equitable access is still proving to be elusive to many, especially for girls, indigenous peoples and other poor and marginalized groups. There are many international initiatives that are focusing on these access issues with great commitment, but, even where the vast majority of children do have access to education facilities, the quality of that education is often very poor. This has become increasingly apparent from the scores from international learning tests in which most students from developing countries fail to excel. Evidence has shown that merely increasing resource allocation – without also introducing institutional reforms – to the education sector will not increase equity or improve the quality of education.

Governments around the world are introducing a range of strategies aimed at improving the financing and delivery of education services, and have recently added an emphasis on improving quality as well as increasing quantity (in terms of enrollment rates). The decentralization of educational decision-making is one such strategy. Advocates of this strategy maintain that decentralizing decision-making encourages demand and ensures that schools reflect local priorities and values. By giving a voice and decision-making power to local stakeholders who know more about the local education systems than central policymakers, decentralization can improve educational outcomes and increase client satisfaction. One way to decentralize decision-making power in education is popularly known as School-based Management (SBM). There are other definitions and names for this concept, but they all refer to the decentralization of authority from the central government to the school level. SBM emphasizes the individual school (as represented by any combination of principals, teachers, parents, students, and other members of the school community) as the primary unit for improving education and the redistribution of decision-making authority over school operations as the primary means by which this improvement can be stimulated and sustained.

SBM-type reforms have been introduced in countries such as Australia, Canada, Israel, and the United States, some going back 30 years. There are many reasons for this popularity. SBM has the potential to be a low cost way of making public spending on education more efficient by increasing the accountability of the agents involved and by empowering the clients to improve learning outcomes. And by putting power in the hands of the end users of the service (education), SBM eventually leads to better school management that is more cognizant of and responsive to the needs of those end users, thus in creating a better and more conducive learning environment for the students.

The potential benefits of such a system are high at only marginal cost. These benefits can include:

- More input and resources from parents (whether in cash or in kind);
- More effective use of resources since those making the decisions for each school are intimately acquainted with its needs;
- Better quality education as a result of the more efficient and transparent use of resources;
- A more open and welcoming school environment since the community is involved in its management;
- Increased participation of all local stakeholders in decision-making processes, leading to a more collegial relationship and increased satisfaction;
- Improved student performance as a result of reduced repetition rates, reduced dropout rates and (eventually) better learning outcomes.

Increasing autonomy, devolving responsibility, and encouraging responsiveness to local needs, all with the objective of raising performance levels, are the trend across all Organization of Economic Cooperation and Development (OECD) countries. Most countries that perform well in international student achievement tests provide local authorities and schools with substantial autonomy in terms of adapting and implementing educational content and/or allocating and managing resources. With a few exceptions, most students in OECD countries are enrolled in schools in which teachers and stakeholders play a role in deciding on what courses are offered and how money is spent within the school. There is a strong positive relationship between school autonomy and student performance. Moreover, greater school autonomy is not necessarily associated with greater disparities in school performance, as long as governments provide a framework in which poorer performing schools receive the necessary support to help them to improve. In fact, Finland and Sweden, which are among those countries with the highest degree of school autonomy on many PISA measures, have (together with Iceland) the smallest performance differences among schools.

An increasing number of developing countries are introducing SBM reforms aimed at empowering principals and teachers or at strengthening their professional motivation, thereby enhancing their sense of ownership of the school. Many of these reforms have also strengthened parental involvement in the schools, sometimes by means of school councils. Almost 11 percent of all projects in the World Bank's education portfolio for fiscal years 2000-06 supported school-based management, a total of 17 among about 157 projects. This represents \$1.74 billion or 23 percent of Bank's total education financing.

The majority of SBM projects in the Bank's current portfolio are in Latin American and South Asian countries, including Argentina, Bangladesh, Guatemala, Honduras, India, Mexico, and Sri Lanka. In addition, a number of current and upcoming projects in the Africa region have a component on strengthening school level committees and SBM. There are also two Bank-supported SBM projects in Europe and Central Asia (in FYR Macedonia and in Serbia and Montenegro) and one each in East Asia and the Pacific (the Philippines), and in the Middle East and North Africa (Lebanon).

Operational Checklist

School-based management (SBM) reforms aim to strengthen school management by giving more decision-making authority to parents and members of the school's local community. This requires changes in school governance and management, strategic planning, school financing, accountability, and the development of new skills for staff members. The operation of fully autonomous new schools as in EDUCO in El Salvador, PRONADE in Guatemala, and PROHECO in Honduras, as well as the [Balochistan Education Support Project in Pakistan](#) involve different implementation issues. This toolkit focuses more on the latter kind of program. Reviewing these projects leads one to the conclusion that there is no single best practice, but this toolkit provides some general principles that can broadly be applied to the implementation of SBM reforms. These principles are summarized in Box 1. The toolkit is organized around these basic principles and provides the main questions and issues to be considered when designing and implementing SBM type programs. For select questions, the toolkit also presents examples from past or current projects being financed by the World Bank.

Box 1: Guiding Principles for Implementing School-based Management Programs

- Establish the program's scope and structure
- Adjust institutional structures at the central and regional levels to support SBM and define clear roles and responsibilities for the school governance structure
- Promote the development of school plans that translate school decisions into tangible improvements
- Improve financing mechanisms and instruments for transferring resources to schools
- Establish sound procedures for ensuring school accountability for their resources and authority
- Ensure that all participants understand the program and have the skills needed to implement SBM

A. Establishing the Program's Scope and Structure

When designing a new program, education authorities, legislators, and program financiers need to have a clear idea of the scope of the program and its feasibility. They need to address various questions in order to define the scope of the program. For example, at the national and sub-national government levels, the questions are:

- What education level is the program targeting?
- Is the program supported by the private sector, the public sector, NGOs, and/or public-private partnerships? (See item 1)

Item 1:

Two projects in particular have involved the private sector in innovative ways in their implementation. [The Balochistan Education Support Project](#) in Pakistan is a good example of a school-based management program supported by the private sector that aims to promote public-private and community partnerships to increase access to quality primary education, particularly for girls. [The Punjab Education Sector Reform Program](#) in Pakistan supports schools in developing low-cost partnerships with the private sector to deliver education services. This framework is being developed collaboratively by the Provincial Government and the Punjab Education Foundation, in consultation with key stakeholders.

- What is the scale of the program in terms of the central government's education budget? And does this budget represent an increase in the education budget or a reallocation of funds?
- How is the availability of funds ensured? (See item 2)

Item 2:

The fiscal sustainability of the program is an issue frequently raised since SBM programs often do not yield any results in the short term. In the [Romania Rural Education Project](#), the sustainability of the program beyond the investment phase has been ensured by requiring county councils to increase their program financing share according to an agreed percentage, starting in the second year of the program's implementation. This strategy can be adopted in other countries that have decentralized fiscal structures, but attention should be paid to equity as the schools in poor counties or municipalities may end up having no access to these funds.

- Is the number of schools covered by the program expected to increase over time?
- What are the events or outcomes that need to happen before the program can expand? How will intermediate results be monitored?
- Is there a demand from schools to be included in the program? (See item 3)

Item 3:

A clear advantage of a having multi-phase, long-term expansion plan for any SBM program is that it makes it possible to carry out interim evaluations and to make adjustments in the program over time. In Mexico, the multi-phase [School-based Management Project \(PEC\)](#), which finances the Quality Schools Program, adjusts its operating rules every year in consultation with the states. Updated program rules are submitted to Congress for approval as part of the annual budget approval process. The program can be expanded in response to increased demand from schools as positive results from the program are recorded and disseminated. Congress has responded by systematically raising the program's appropriations. Similarly, in Pakistan, the [Punjab Education Reform Programmatic Credit](#), which supports a multi-phased school-based management program, is sustained by the positive results that the program achieved in its earlier phases, notably increased enrollment rates and increased accountability of education service providers to their users.

It is important for accountability and transparency that the resource allocation formula is made public and is kept simple to facilitate enforcement. Also:

- How does the central government distribute program funds among jurisdictions? Are there specific criteria to allocate shares to sub-national jurisdictions (or private sector entities) such as the size of the school-age population, the level of school enrollment rates, or differences in need. Do sub-national jurisdictions compete for program funds? If so, how is this done? Is the allocation formula published?
- Is the program funded on a cost-sharing basis?
- Who are the shareholders (central government, sub-national jurisdictions, and/or private partners)?
- What is the cost-sharing structure (matching funds, two-to-one, three-to-one, or some other)? (See item 4)

Item 4:

Any cost-sharing arrangements for an SBM program need to be financially attractive enough to ensure that shareholders will support them. For example, a three-to-one national to state share proved to be an effective incentive to ensure state participation in the [School-based Management Project \(PEC\)](#) in Mexico.

- If schools also participate in financing the program on a cost-sharing basis, then how is equitable distribution of contributions among schools ensured? (See item 5)

Item 5:

In the [School-based Management Project \(PEC\)](#) in Mexico, central government funds are allocated to states based on the size of their school-age population, but actual transfers are made on a three-to-one cost-sharing basis, and those states that do not make a financial contribution do not participate in the program. The allocation formula is published annually. Schools are not required to share costs, but their allocation may be increased to match any funds that they raise locally up to a pre-established maximum amount.

- What financial controls are included in the program to ensure that the intended share reaches the schools? (See item 6)

Item 6:

It is useful to determine from the outset the proportion of total program funding that will be transferred to schools as grants and to create legal and fiscal controls to ensure compliance with administrative cost ceilings. In the [School-based Management Project \(PEC\)](#) in Mexico, legislation limits administrative costs at the central level to a maximum of 5 percent and at state level to a maximum of 20 percent of their respective contributions to the program budget. As a result, approximately 92 percent of the total program funds are transferred to schools as grants. As the program expands, the share of administrative costs should be reduced to reflect economies of scale and prevent the program's bureaucracy becoming unnecessarily large. Compliance is enforced through the legal mandate on the central and state governments to deposit all program funds in trust at commercial banks, and trust agreements ensure that limits on disbursement percentages per type of expenditure are complied with. At the school level, grants are deposited directly in the school's bank account and can be augmented by local contributions. Given that the PEC is a national program involving more than 30,000 schools, its overhead costs of only 8 percent can be considered to be very efficient. If the school year and the government fiscal year are not the same, then a trust fund mechanism can be used as a bridge between these cycles.

Questions about the mechanics of the program at the school level that need to be addressed in the design of the program include:

- How are schools selected to enter the program?
- Is the program voluntary or mandatory?
- How are eligible schools selected?
- Is the program open to all schools of a given type, or is it targeted only to some types of schools?
- If targeting is used, then what special efforts are made, or incentives given, to reach the target schools? (See item 7)

Item 7:

Many countries have recognized the risk of political interference in how schools are selected to participate in the program. [Romania's Rural Education Project](#) minimized this risk by establishing transparent school selection procedures, the details of which were widely disseminated through public channels. The targeting mechanism for this project were positive discriminatory criteria that ensured that disproportionately more resources were allocated on a yearly basis to schools in those counties in which there was acute inequity between urban and rural schools. The program used a County Index that indicated the severity of this inequity in each jurisdiction and that ranked counties accordingly in descending order.

- If school participation in the program is voluntary and the program is open to all public schools, then how is the demand for school grants estimated and possible grant-rationing issues anticipated?
- Are there minimal operating conditions that schools must meet to enter, stay in, and leave the program?
- Do these conditions change over time, for example, from the first to the subsequent years?

- Is there a maximum length of time for which a school is allowed to participate in the program?
- Do schools “graduate” from the program, as opposed to being excluded or becoming disinterested and dropping out of the program?
- Has a strategy for requiring schools to leave the program been formulated? Having an exit strategy of this kind would emphasize that the school grant is meant to act as an incentive for schools to improve their management and outcomes. (See item 8)

Item 8:

If the program has been conceived primarily as a way to transfer funds directly to schools to ensure the timely provision of recurrent school maintenance and materials, then an exit strategy may not be necessary since continuity is required.

- Are non-performing schools dropped from the program on a permanent or temporary basis or do no sanctions apply?
- Can excluded schools apply to rejoin the program?
- Once minimum requirements are met, are schools enrolled on a first-come, first-served basis, selected by lottery, or ranked according to agreed priorities or targeting criteria?
- How are funds allocated to schools?
- Do the grants differ in type and amount?
- Is the grant amount adjusted according to the size of the school or is it fixed?
- Are there minimum and maximum grant amounts?
- Are there changes in the type of support given to schools over time, for example, technical and financial support during a start-up phase but only financial support once the school has completed its improvement plan and has a well-functioning school council? (See item 9)

Item 9:

Experience from several projects indicates that technical assistance in the form of training needs to continue over time, as members of the school councils may leave and new members may be appointed who need to be trained. [The Basic Education Development Program](#) in Mexico includes a good example of yearly training programs for the members of parents’ associations.

- Can a school accumulate grant funds from one year to the next? (See item 10)

Item 10:

Schools may want to save some of their grant funds to finance more ambitious projects later on or to keep a reserve balance in their bank accounts in case future grant transfers are delayed. The fiscal system in each country tends to dictate these decisions and often mandate schools to return unspent grant balances to the government at the end of the year. While having a savings account is a good practice, especially for big investments, managing these accounts over more than one year requires more complex accounting skills than many school-based management units possess.

B. Adjusting Institutional Structures at the Central and Regional Levels to Support SBM and Defining Clear Roles and Responsibilities for the School Governance Structure

It is vital for the designers of any school-based management program to define clear roles and responsibilities for all of the actors in the school governance structure, which may require adjustments in institutional structures at the central and regional levels. A key question to ask in this respect is:

- Are lines of command and of coordination clearly outlined and simple enough to operate efficiently? (See item 11)

Item 11:

Once the program's designers have clearly delineated the roles and responsibilities of each institution in the SBM reform, relationships between the various organizations and institutions can be strengthened by holding seminars or online exchanges to discuss how these relationships will work. However, it is important to note that, in practice, the roles and responsibilities of schools and local governments relative to provincial and central governments tend to take shape gradually. [The Punjab Education Reform Programmatic Credit](#) in Pakistan, which combines fiscal decentralization with decision-making at the education district levels, has shown that support for the reform from stakeholders tends to grow when they start to see increased enrollment rates and accountability as a result of the SBM reform.

Coherence in how the program is implemented will remain an elusive goal no matter how well defined the responsibilities and boundaries are, unless the performance of the schools in the program is continuously assessed and there is political will to make periodic adjustments. Because governance, management responsibilities, and authority are potential areas of contention, program planners should develop some strategies to resolve potential conflicts at all levels. Some pertinent questions in this area include:

- Which units of the education system intervene in the program?
- What are the responsibilities of each unit?
- How are the intervening units connected to each other? (See item 12)

Item 12:

In Mexico, the management of basic education is decentralized to states. Thus, the only links between the central ministry and the states involve finances and coordination. This means that the assignment of various responsibilities for the [School-based Management Project](#) (PEC) in Mexico needed to be negotiated between the federal government and the states until a clear agreement was reached. In accordance with this agreement, the national government took on the role of financing partner, and the states were given the responsibility for the implementing the program within their jurisdictions.

- Can the participating entities (whether public or private) agree on a yearly program of activities and define benchmarks against which to judge progress and to keep these activities on track? (See item 13)

Item 13:

The [School-based Management Project](#) in Mexico (PEC) organizes annual meetings of the participating institutions to adjust program rules and to confirm or modify the calendar of program activities. Throughout the year, benchmarks are monitored using a problem-flagging system that alerts the central ministry about the need to assist sub-national jurisdictions in resolving issues in a timely way, so as to keep the program on track.

- What are the boundaries of decision-making and authority between the schools and the other institutions involved in the program?
- Are the controls imposed by education authorities weakening the capacity of schools to make changes and improve outcomes?
- How are overlaps in functions and confusion of roles and responsibilities mitigated?
- Is the program being too ambitious in its expected timeframe? Are program planners being too confident in expecting the program's implementation to be free of conflict?

Governance structures and management can facilitate or hinder SBM. There are differences in school governance structures within and across countries, which suggests that to recommend a standard model may not be an efficient approach. Some of the questions that need to be addressed when defining the roles and responsibilities of the institutions involved in school governance include:

- Is any form of school governance structure already in place?
- How well does it function?
- Can existing governance structures be improved? (See item 14)

Item 14:

In Nicaragua, studies carried out during the preparation of the [Second Basic Education Project](#) found some schools that were already *de facto* autonomous and considered improving these existing models of school governance rather than creating new ones.

- Is there a consensus regarding the membership of the school's governance structure?
- Is the school community defined as comprising the principal, the teachers, the support staff, students, and parents?
- Who among these actors is expected to participate in school management? What kinds or levels of participation are envisioned?
- Is there a dual governance structure comprising a general assembly of stakeholders that meets a few times a year and an executive committee that manages the day-to-day implementation of the school improvement plan? (See item 15)

Item 15:

In Mozambique, decisions at the school level are made by one representative of the school (the principal) and one representative of the school community (the president of the school council). In other words, there is no single school management structure but a structured collaboration between school staff and other stakeholders. Representatives of both the school and the community sign the grant agreement that formalizes the participation of the school in the program.

- What are the boundaries of the school management authority? (See item 16)

Item 16:

Not very many SBM reforms have devolved full responsibility for the operation of schools to a school-based management authority. Most countries have limited the management authority vested in schools. Whatever arrangement is chosen, a clear definition of rights and obligations of the schools is essential for the operation of the program. For example, in Sri Lanka, the [Education Sector Development Project](#) has introduced a balanced-control model of school-based management, which is midway between full autonomy and centralized control. In some countries, such as Colombia, the responsibility for education services has been decentralized to local governments. Decentralization to the school or municipality level poses a number of governance challenges, which are addressed in the [Colombia Rural Education](#) Project in which technical assistance and training are provided to build the capacity of municipalities to create education plans and improve school governance.

- How is the leadership selected?
- Does the leader emerge from the group process or is, for example, the school principal expected to take the lead by virtue of his or her position?
- Have the power balance implications of pre-assigned versus elected leadership or informal leadership been considered?
- To what extent should the school governance structure be formalized? (See item 17)

Item 17:

A less complicated and more flexible structure might be appropriate in culturally diverse environments. For example, in a rural community where indigenous customs prevail, local people might want to manage their schools in a different way than those from a community within a large metropolitan area.

- Does the school council need officers, such as the president, treasurer, and secretary, and should it have a procurement committee as well?
- What are the procedures to elect and rotate officers?
- Do the established procedures actually increase efficiency and transparency?
- Is the school principal elected by the school community or appointed by the education authorities?
- Is there provision for a grant agreement that is renewed (or not) on a yearly basis? And who signs the agreement? (See item 18)

Item 18:

In some cases, such as in the [Philippines National Program Support for Basic Education](#), the characteristics of the school governance structure are described in a single grant agreement document. How useful it is to have the rights and duties of the school-based management unit in a single document depends on whether this document is made readily available to all participants.

- Are the individual members of the school governance structure protected against undue risk? (See item 19)

Item 19:

An important advantage in establishing school governance structures as legal entities is that this protects individual participants. Whenever possible, the bank account should be opened in the name of the entity rather than in the names of individuals. Clearly, not all communities where schools are located have banks. In Mexico, the [Basic Education Development Project](#), which is implemented in rural areas, adopted the practice of having school supervisor provide transportation for the officials of the parents' association to go periodically to the closest bank to their community. In highly urbanized areas, bank cards and ATMs can be used to access grant funds more efficiently. The operations manual of the Bahia project in Brazil contains detailed practical instructions on how to set up and register the school as a private executing agency, as well as clear procedures for the management of school funds and the procurement of goods and services for the school. The school association is registered as a private, non-governmental, not-for-profit entity in the official registry office of the city where it is located rather than as a unit of the public education sector.

- What are the customary and formal means of conflict resolution?

The interests of stakeholders are not always consistent at the school level and power struggles may ensue among parents and between parents and staff. One way to address this issue is to assemble several school councils and staff from different schools and conduct frank and open discussions among them to identify governance and management issues that need resolving. In some countries, this process is referred to as participatory evaluation. Problem solving and conflict resolution workshops run by non-government facilitators can help to clarify responsibilities at the school level and may also be useful for reinforcing program coherence at higher levels of the education management system. This type of training has proven successful in [education projects in three states of the Northeast of Brazil](#) (World Bank, 2003b).

- What are some of the specific measures taken to strengthen school councils? (See item 20)

Item 20:

During the preparation of any SBM project, it is important to assess the risk that school councils will not function as intended or that they may have weak capacity. In Pakistan, the [Punjab Education Sector Reform Program](#) has revitalized school councils by enhancing their authority to undertake small civil works, to manage their own non-salary recurrent budget, to hire contract teachers in accordance with the recruitment policy, and to contract with NGOs to build school-level capacity in several districts. Before this initiative can be extended to schools outside the project, the government is waiting for the results of an impact assessment of the school council intervention to inform its future policies.

C. Promoting the Development of School Plans that Translate School Decisions into Tangible Improvements

For the school improvement plan to function as a true accountability tool, it should include: (i) a description of school improvement goals or a definition of priority needs; (ii) a strategy to achieve these goals that is shared and supported by all involved; and (iii) measures by which future school performance can be assessed. Some questions to consider include:

- What processes and authority do the schools have to define their goals and improvement strategies?
- What is the role of the school improvement plan? (See item 21)

Item 21:

When designing a school improvement plan, the biggest challenge is to keep expectations in line with the resources available to the school without curbing creativity and local initiative. In the [Education Reform Program in Paraguay](#), school development plans and social community projects with parent participation were introduced to improve the performance of selected secondary schools. The planning process was expected to be used as a base for decision-making within the school and a reference point for supervision and training, and also as a way to strengthen the ties between schools and their communities, leading to school managers being more accountable to the users of its services.

- How is the planning process facilitated? (See item 22)

Item 22:

Capacity can be built by contracting with an NGO or a private sector training provider (as in the [Punjab Education Sector Reform Program in Pakistan](#)), but it can also be built in less formal ways, for example, as a result of exchanges of experiences among schools. Managerial skills and processes, as well as interpersonal skills, are important elements of any participatory planning process. Thus, the main focus should be on strengthening school planning skills, team building, and interpersonal conflict resolution.

- How are the results of SBM assessed? (See item 23)

Item 23:

The participants in school-based management should understand how the changes that they make in the school affect educational outcomes. The extent to which performance indicators can be specified will vary depending on the characteristics of the project. Short-term and intermediate results should be systematically disseminated at the school level and made available to the public. The role of results evaluator may be assigned to education authorities, independent entities or the school community itself, but, whomever it is assigned to, the credibility and independence of the evaluation process must be ensured. Some examples of possible performance measures of school-based management include student attendance rates, suspension, expulsion, and dropout rates, graduation rates, student performance on standardized achievement tests, and the school climate as proxied by indices of parental and student satisfaction and other similar measures. (See World Bank 2007, *What Do You Know About School-Based Management*, for more guidance on how to evaluate SBM programs.) In Parana, Brazil, the state education system has a large archive of school report cards that can be used to measure the performance of schools over time and relative other schools. Using these report cards to measure school performance in conjunction with an increase in school autonomy has proven to be effective in improving education outcomes in Brazil.¹ The [Serbia and Montenegro Education Improvement Project](#) emphasized that school improvement grants operate best when they yield immediate and visible gains and, therefore, help to sustain political support for education reform. The school improvement grants financed training, technical assistance, outreach, and evaluations that helped to raise the quality of education in basic schools and general secondary schools.

D. Improving Financing Mechanisms and Instruments for Transferring Resources to Schools

International experience has shown that using national systems in specific fiduciary areas of financial management increases the impact of development assistance. Based on that, more and more World Bank-financed operations are using national accounting, financial reporting and auditing systems, and national competitive bidding procedures where such systems are judged to be acceptable based on a Financial Management Assessment carried out by World Bank financial management staff. This relatively new policy does not change the guiding principles of World Bank financing, which states that any expenditures financed by the Bank need to be productive and have an acceptable impact on the country's fiscal sustainability and that adequate oversight arrangements must be in place to ensure that loan proceeds are used only for the purposes intended, with due attention given to economy and efficiency. The policy makes development objectives the primary determinant of World Bank financing, while ensuring that risks, such as the use of World Bank funds, are appropriately addressed. The Bank is using national financial management systems to administer its SBM loans in Argentina, Bangladesh, Brazil, Colombia, India, Mexico, and the Philippines.

At the project level, the Bank carries out project-specific risk analysis to inform and adjust its country policies. This analysis basically ascertains how well the project's implementing agencies are able to implement the country's procedures for accounting, financial reporting, and auditing, which the Bank has agreed can be used to administer the project in question. Based on

¹ This was not a part of a World Bank funded project.

the results of its supervision missions, the Bank can adjust the level of risk of any given project during its implementation to reflect any evidence of its compliance or non-compliance with the approved procedures.

Using country financing parameters (CFP) makes it easier to implement school-based management programs because it offers more flexibility in setting cost-sharing arrangements, as well as in financing recurrent costs, local currency costs, and food expenditures, among others. But whether CFP is used or not, some key questions that need to be addressed are outlined below:

- How is the framework for eligible expenditures set and how is it made clear to the schools that are participating in the SBM reform? (See item 24)

Item 24:

The list of expenditures that are eligible for project funding varies from project to project but often includes minor school infrastructure, building maintenance and repairs, school and student supplies, basic teaching and learning equipment and materials, and training and consulting services. Expenditures on teacher salaries, vehicles, and over-time pay for school personnel are normally excluded, as these tend to raise conflict of interest, accountability, and sustainability issues. Allowing each school to invest separately in its own equipment would not be cost-effective as buying in bulk produces economies of scale, so these expenditures at the school level generally require careful justification. Expenditures on food and nutrition can be made, but schools are recommended to get legal advice before doing so.

- Is the flow of funds and information agreed upon with the World Bank in line with the program's operating rules and is it well understood at all levels, including at the school level? (See item 25)

Item 25:

It is useful to have a comprehensive flow of funds chart in the Project Appraisal Document and a simplified chart to illustrate the flow of funds and information in a project brochure intended for public dissemination.

- At what point in the flow of funds does the World Bank recognize eligible expenditures? (See item 26)

Item 26:

This is an important issue for disbursement arrangements because the Bank's default position, which recognizes eligible expenditures upon final disbursement to suppliers and contractors, is not well suited for decentralized school-based management projects. In Mexico's [School-based Management Project](#), the World Bank recognizes the transfers of funds to schools as eligible expenditures for disbursement purposes. However, the risks involved in this decision are mitigated by several controls. If the monitoring or auditing processes detect that a participating school has not used funds for their intended purposes, then the school is immediately excluded from future transfers and investigations are conducted by the appropriate authorities.

- Is the project’s design sufficiently transparent to facilitate oversight and smooth implementation?

Adequate fiduciary oversight arrangements should include timely financing reporting by recipient schools supported by internal and external audit reports and direct supervision by World Bank staff. The frequency of national and sub-national supervision depends on the financial management assessment of the project’s level of risk. Accounting policies and procedures, information systems, staffing, and both internal and external audits are explicitly described in the Project Appraisal Document and Operations Manual. These tend to be established in accordance with standard country systems, following a financial management assessment by the body that is overseeing the implementation of the project.

Procurement Arrangements

The World Bank has extensive experience with community-driven development (CDD) procedures can be found in the [Bank’s Procurement Guidelines](#)) that can be applied to school-based management projects. Community contracting has been defined as procurement by, or on behalf of, a community, and there are many different models of community contracting. The key characteristic of this kind of contracting that is applicable to procurement in SBM projects is the involvement of school community members in identifying needs and designing interventions, in making direct contributions (in cash, materials or labor) to carry out works, and in implementing activities and/or procuring goods and services for the school.

The perceived risk of lack of transparency in procurement is mitigated by the community’s participation. Also, school-level contracts tend to be small, which reduces the risk. (See item 27)

Item 27:

Community contracting procedures specified in the Operations Manual of the Balochistan Education Support Project in Pakistan are used for the repair and maintenance of school buildings or the construction of new schools, both of which are contracts that are limited in size. In addition, parent education committees are accountable to their local communities because they are required to disclose details of all of the school’s procurement and financial matters. The [Education Modernization Project](#) in Macedonia, FYR has a comprehensive procurement handbook for school improvement grants. Similarly, the [PROHECO project](#) in Honduras provides extensive guidance for the functioning of community educational associations, including instructions on the procurement of goods and services. The [Second Education Development Project](#) in Lao PDR supports community-based contracting for classroom construction.

Most schools apply national shopping procedures to procure goods using school grant funds, which involve comparing quotations obtained from at least three suppliers. These procedures are generally subject to “post review” by local authorities and by World Bank supervision missions. (See item 28)

Item 28:

The Bahia Education Project in Brazil printed a brochure for distribution to all schools participating in the project that contained detailed instructions about how to set up procurement committee, how to obtain quotes from suppliers, how to create adequate procurement files, and how to select among the offers received.

Transparency tends to be ensured when procurement arrangements include a way to channel procurement complains and when school-based management participants are aware of what constitutes fraud and corruption, what actions they can taken to prevent and combat fraud, and what sanctions to apply when it occurs. Social accountability and oversight has been shown to minimize fraud and misuse of funds, but problems can still arise when contractors produce outputs of less than satisfactory quality or with less than satisfactory efficiency. To address these issues, some projects help schools to build their capacity in the area of quality assurance. (See item 29)

Item 29:

When the building of rural schools is entrusted to the community, as in the [Mexico Basic Education Development Project](#), a construction supervisor is hired by the state to inspect the building process at critical stages to ensure quality. A cursory visit at the end of the building process is not as useful, because construction problems are harder to detect once the work is completed.

Performance-based Procurement, also called Output-based Procurement, can also be applicable in certain school-based management settings. In this case, payments are made for measured outputs instead of, as in the traditional way, for measured inputs. What is key to the successful application of performance-based procurement is the clear definition of the desired result, of which outputs will be measured, and of how they will be measured. The basic idea is that outputs must satisfy a functional need in terms of quality, quantity, and reliability.

The private contracting for the delivery of education services in [Colombia \(World Bank, 2006\)](#) has yielded useful lessons for performance-based procurement, even though Bank-financed projects in Colombia are still not using performance-based procurement.

Legal Aspects and Safeguards

The World Bank Group has long been involved in financing micro-level interventions, and school-based management projects are no exception. Resources being managed at the school level fit into the framework of community-based development and, as such, are regulated by financial management and procurement guidelines that are more flexible than those that apply to government implementation entities. Safeguard policies triggered by school-based management programs generally relate to indigenous peoples as indigenous children are excluded from schools in parts of many countries.

E. Establishing Sound Procedures for Ensuring School Accountability for their Resources and Authority

School-based management projects have been proven to increase the involvement of parents and other local people in the affairs of the school. When parents and community members are involved in planning for and using school grants, a process of social auditing ensures transparency and accountability in the use of funds. Because parents and school staff are likely to be unaccustomed to the task of procuring goods and services or to keeping accounts, they need to receive training to ensure their accountability for the school funds that they are managing. In Central America, the experiences of [EDUCO in El Salvador](#) and [PROHECO in Honduras](#) clearly shows that even illiterate parents can be effectively trained to manage school funds well. As part of the training provided in these programs, the school council is given standardized forms (or ledgers) to record expenditures, keep receipts, and file bids received from supplies, as well as a manual containing simplified accounting procedures. These tools are valuable in helping people who are new to financial management to learn the basics of good financial governance.

Besides training, most school-based management projects provide for periodical *in loco* supervision by project authorities and by Bank staff. These school visits can be helpful to school council members who may have further questions about how to manage school funds. They can also discover and put a stop to any irregularities and initiate sanctions against any poorly performing school councils.

Finally, SBM projects include external audits of an extensive sample of participating schools, especially during the first years of the project's implementation. In the PEC project in Mexico, participating schools are required to submit all accounts of the use of funds twice a year to the respectively state education authority to facilitate annual auditing. In Kenya, the [Free Primary Education Support Project](#) supports capacity building at the school level to improve school accounting systems.

F. Ensuring that All Participants Understand the Program and Have the Skills Needed to Implement SBM

No matter how good a government project is, it usually will not make any difference if people cannot understand it. This is especially true of school-based management since it involves people who are unlikely to have been involved in managing an institution before, which is why SBM programs need to include information, communication, and training components. (See item 30.)

Item 30:

In India, the [Uttar Pradesh Third District Primary Education Project](#) supports activities to strengthen community organizations and awareness campaigns to inform local people about the aims of the project. In Romania, the [Rural Education Project](#) supports the formation of an information, education, and communication strategy (IEC) to increase awareness of policy and to generate stakeholders' support. This IEC strategy will encourage local councils, parents, and community representatives to become involved in education management. In Turkey, a key component of the [Secondary Education Project](#) is the development of systems to collect and disseminate reliable information on student learning and outcomes as a strategy to improve quality and outcomes of secondary education. The project also supports activities to help school staff, parents, and students to improve their school's performance. Mexico's [School-based Management Project](#) supports the dissemination of information on program objectives, activities, and results through radio, television, newspapers, and special publications with the aim of promoting the program and guaranteeing full accountability and transparency. Some of these messages are tailored to specific audiences of parents, teachers, school directors, technical staff, or society at large.

A good public information system or social marketing strategy needs to be carefully designed to ensure that it is effective in making the program as visible as possible and that its messages are reaching those at whom they are aimed. A successful social marketing strategy will:

Make clear messages widely available:

- Who are the people who need to know about the program to be able to support it? (Members of the legislature, central education authorities, regional/district education managers, teachers' union officials, journalists, and opinion leaders?)
- Who are the people who need to know about the program to be able to carry it out? (Intervening local or municipal education authorities, NGOs, school principals, teachers, parents, and local community leaders?)
- What each audience needs to know about the program? In developing appropriate messages, it is important to distinguish between those who are directly involved in carrying out program activities and those who need to support the program and ensure its sustainability.
- Do we have right messages for the audiences we want to reach?
- Do we have a program logo that is easily identifiable? Good graphic design is very helpful for establishing and reinforcing the program's image.

Address controversial aspects upfront:

- Are there any controversial aspects of the reform that need to be given special attention? How does one address these aspects? Are we reaching those who oppose the program as well as those who support it?

Test the effectiveness of the communication channels and messages over time:

- Are our messages reaching the audiences? Test the best ways to convey to the school community its role in the program.
- Are those who control the information actually providing it in a timely manner?

- Are some schools being systematically excluded because of a lack of information? How can one equalize access to information?
- How can one identify the origins of misleading information and minimize conflicting messages?
- How can one remove communication barriers that may arise at any level, even within schools (for example between school staff and parents)?
- Are the program's messages being distorted over time? How can one reinforce the basic elements of the program and minimize distortions?

Enable feedback:

- Is it possible to open feedback channels so that communication with stakeholders and the public is fluid? Is there a way to build capacity for interactive feedback, for example, to ensure that complaints from the public are answered in timely manner?
- What is the best way to report program results in ways that are accessible to participants and the public? Some projects use workshops, press releases, and meetings with teachers' union leaders and other pressure groups. Others post reports at prominent sites in the school building, such as a school-level report card that compares learning outcomes between school years or charts showing the sources and use of school funds. (See item 31)

Item 31:

In Guatemala, the [Universalization of Basic Education Project](#) supports the design of a national cultural resources information system, which is intended to be a key element of the decentralization of the government's cultural and education services to the municipal level. The [PROHECO project](#) in Honduras provides technical assistance to organize community education councils and promotes the organization and training of parents' committees.

Training

A sound training program for parents, teachers, and school personnel is critical to ensure the successful implementation of school-based management because many of them are likely to lack the skills necessary to carry out their new responsibilities. These skills include organizational skills such as planning and management, combined with process skills such as team building, interpersonal relations, and conflict resolution. Training must be provided not only to school staff but also to parents and community members to give them the skills to enable them to carry out their new roles effectively.

A risk that has been recognized in the case of most SBM projects is the weak management capacity of the school council in financial and other areas. This has been addressed in various ways by different projects. For example, Macedonia, FYR's [Education Modernization Project](#) mitigates this risk by assisting the weakest schools (as identified by schools' self-assessed procurement capacity) and by arranging for on-going audits. In Pakistan, the Balochistan Education Support project mitigates the risk of weak governance at the school level by supporting intensive training, audits (including annual external audits, internal audits, and oversight arrangements), and regular financial monitoring. Most (close to 75 percent) school-based management projects financed by the Bank have training components.

Among the most recent (2000-2006) Bank-financed school-based management projects, approximately 70 percent have a training component directly aimed at building capacity at the school level. For example, the [Education Modernization Project](#) in Macedonia, FYR has a training component to build the capacity of the central and local governments to operate in a decentralized education system. In Niger, the [Basic Education Project](#) strengthens the capacity of school management committees through training. In Paraguay, the [Education Reform Program](#) introduced community-associated management in secondary schools by redesigning the institutional model for planning and management through school development plans. The [Secondary Education Development Program](#) in Tanzania builds capacity in the secondary education system by supporting training at all levels, including the school level. In India, the [Rajasthan Second District Primary Education Project](#) trains school management committees in community mobilization, awareness building, finances, and civil works. In Mauritania, the [Education Sector Development Program](#) provides training to improve existing community and private sector initiatives in early childhood development, primary, and secondary education. Similarly, the [Primary Education Development Program](#) in Tanzania supports capacity building at central, district, and school levels to increase the efficiency of the primary education system. In Lesotho, the [Second Education Sector Development Project](#) supports the continuous training of participants in school management including principals, their deputies, and primary school management committees. In Pakistan, both the [Balochistan Education Support Project](#) and the [Punjab Second Education Sector DPC](#) support capacity building at all levels, including that of the implementing partners (NGOs) and of parent education committees. In Jamaica, the [Reform of Secondary Education Project II](#) provides training to parents in school development and management skills as well as technical assistance to support the preparation of a school improvement plan manual and training materials to be used to build school-based management capacity.

Conclusions

After reviewing a range of current SBM projects, it has become clear that there is no single best practice for addressing these implementation issues, but this toolkit provides some general principles that can be broadly applied. In summary, an effective school-based management program should have a simple design that is easily understood by the many new actors who will be brought in to participate in its implementation. It also benefits from being based on realistic expectations, especially considering that research has not yet clearly shown how school-based management actually affects students' learning achievement. Extremely bureaucratic procedures should be avoided, and any resistance by traditional education managers to shifting power to the school level should be dealt with upfront. Finally, it is important to adjust the project's design as it evolves in practice, and in order for that to occur, it is necessary to have a well functioning monitoring system in place and to conduct rigorous impact evaluations on a regular basis.

Annex 1: The School System in the Netherlands

One of the key features of the Dutch education system is freedom of education – freedom to establish schools and organize teaching. Almost 70 percent of schools in the Netherlands are administered by private school boards, and all schools receive an equal amount of government funds. Parents can choose among several schools, and schools are required to disseminate information on school performance to the public.

It is relatively easy to enter the sector as a new provider. A small number of parents can and do propose starting a school. The government is required to provide the school's initial capital costs and ongoing expenses, and the municipality is required to provide the buildings. The requisite number of parents required to set up a school varies according to population density, from 200 in small municipalities to 337 in The Hague. Although primary and secondary schools that receive public funds must be run on a not-for-profit basis, school boards are allowed to retain any surplus earnings. Schools are accountable to parents, the government, and society. The freedom to organize teaching means that schools are free to determine how to teach.

While market forces operate in the Dutch school system, the government is not absent. With public funding come regulations, and the school board is responsible for implementing regulations in each school. The Ministry of Education does impose a number of statutory standards in relation to the quality of education that apply to both public and private schools. These prescribe the subjects to be studied, the attainment targets, and the content of national examinations. There are also rules about the number of teaching periods per year, teacher training and teaching qualifications, the rights of parents and pupils to have a say in school matters, and the planning and reporting obligations of schools. Thus, the Dutch education system combines centralized education policy with decentralized administration and management of schools. The system is characterized by: (a) a large central staff; (b) many school advisory services and coordination bodies; (c) a strong inspectorate; and (d) stringent regulations. The Education Inspectorate is charged by the Minister of Education with supervising the manner in which schools fulfill their responsibilities.

Private schools are run by foundations or a church. Municipal authorities are the competent local authority for schools in the area. Most school boards are Catholic or Protestant, but there are also non-denominational schools that are not based on any specific religious or ideological beliefs. Unlike publicly run schools, which must admit all pupils, private schools can impose criteria for admission, but most private schools pursue non-restrictive admissions policies. Many religious schools are becoming interdenominational, and many religious schools cater to non-Christian groups.

For each student enrolled, the government gives each school a sum equivalent to the per capita cost of public schooling. These schools are also entitled to funding to cover specified amounts of teacher salaries and other expenses. Private schools can and do supplement this funding by charging ancillary fees; however, this right is severely limited. A school cannot refuse to admit a child if parents are unable or unwilling to pay. Municipal schools charge small fees during the 12-year compulsory stage of schooling. Schools are fully accountable to the parents how this fee money is used. Other private contributions and sponsorship are allowed, but no advertising materials are permitted, and schools may not become dependent on sponsors. A weighted funding formula is used for the government allocation for each disadvantaged child. For

example, for every ethnic minority student enrolled in a school, that school receives 1.9 times the amount paid for other children, while children from disadvantaged backgrounds (defined by family income and language proficiency) receive 1.25 times the normal amount.

Each family is entitled to choose which school – public or private – they want their children to attend and the state pays. In fact, the national government encourages parents to exercise their right to choose. Parents receive a brochure that provides guidance on school choice. It gives information on the education system, costs, rules, school issues, and parental rights. It even gives them a checklist of questions to ask before choosing a school.

About a decade ago, the daily newspaper *Trouw* (www.trouw.nl) went to court for the right to publish education inspectorate results. In 1997, the newspaper won its case and published the results, and that edition of the paper sold out in just a few hours. Since then, the Education Inspectorate has been issuing detailed school results in reports and on its website, and these are usually published on the front pages of the newspapers.

Approximately 200 inspectors make more than 10,000 visits to schools every year to observe teachers in the classroom and assess their teaching methods. Every year, the Inspectorate submits around 25 reports, including the annual Education Report, to the Minister, the State Secretaries, and the Parliament. These school report cards ensure that information about educational quality in schools is available to the public (www.owinsp.nl). Schools can be put on notice if the Inspectorate reports find their quality to be poor.

The Netherlands produces some of the highest scores in international academic achievement tests such as the Third International Mathematics and Science Study (TIMSS). The Netherlands scored near the top in both science and math in 2003 (7th in grade 4 and 9th in grade 8 mathematics). Also, in mathematics and science achievement tests in the final years of secondary school carried out by TIMSS in 1995 in 21 countries, students from the Netherlands achieved the highest scores. When the results are looked at separately, the Netherlands was also the top performer in mathematics literacy. The Netherlands has achieved high scores on the TIMSS compared with other countries even after controlling for national income levels (as well as expenditure per student). Thus, the system not only produces high levels of student achievement but is also cost-effective.

In order to realize economies of scale, consolidation is occurring throughout the system. At the primary level, some schools are too small in terms of numbers of students, so some school boards are planning to merge, since each school board is allowed to run more than one schools. While the number of schools decreased dramatically from the late 1980s, the number of schools in the latter half of 1990s decreased slightly – from 8,375 in 1996/97 to 8,207 in 2000/2001 – but the number of school boards to which funds actually flow decreased much more, from 3,116 to 2,078. Thus, on average, there were three schools under each board in 1996 and four schools per board in 2000.

This system gives schools the freedom to use resources as they see fit. Central standards remain. School discretion is limited only by employment laws that regulate teachers' qualifications, pay and, conditions and building standards. Recently the government has had to introduce new funding mechanisms to control national expenditures. As a result, poor schools are trying to cut

costs by becoming more efficient by, for example, introducing more extensive methods of teaching. There is no evidence so far of any school refusing to enroll disadvantaged students.

While the Dutch have had a decentralized and demand-driven education system since 1917, there has recently been a trend towards even greater autonomy and decentralization. Many central government powers have been transferred to the school level. Central government control is increasingly confined to the area of broad policymaking and to creating the right conditions for the provision of quality education. Institutions are being given greater freedom over how they allocate their resources and manage their own affairs, although they are still answerable to the government for their performance and policies. Schools receive extra funds to combat educational disadvantage. School brochures containing information on what the school offers and its ethos have been published.

The Dutch education system is efficient. Achievement levels are high, while relative costs are low – education spending as a proportion of GDP is 4.6 percent compared to an OECD average of 5.8. Per capita lump sum funding for school boards with large numbers of students gives them many financial possibilities, whereas small schools often face financial difficulties. Therefore, in order to realize economies of scale, consolidation is occurring throughout the system.

Annex 2: Mexico's School-based Management Program - AGES

In Mexico, a rural School-Based Management (SBM) program has achieved intermediate quality education goals for disadvantaged students in Mexico. While people living in rural areas still face a lack of public services, poor infrastructure, and low levels of education, the National Council for Educational Development (CONAFE), an autonomous institution at the federal level, has made significant progress in reaching this disadvantaged population in the midst of sweeping changes, uncertainties, and limitations related to the process of decentralizing the Mexican education system. In particular, CONAFE's compensatory programs – under a multidimensional strategy to improve education outcomes – target schools in disadvantaged and isolated rural communities. There are several compensatory programs and demand-side scholarships available in Mexico to assist disadvantaged students. Since 1997, Progres-Oportunidades, Mexico's conditional cash transfer program, has offered demand-side scholarships to children from poor families in highly disadvantaged communities. In 1993, the Ministry of Education established CONAFE to administer compensatory programs designed to reduce the disadvantages of poor and isolated students in collaboration with the state, teachers, and communities. Within this program, the Support to School Management (AGES) is a specific school-based management initiative that emphasizes the importance of giving parents the opportunity to participate in the school system. Though this is one of the smallest components of CONAFE, it is one of the most effective. AGES has reduced grade repetition and school dropout rates for disadvantaged students in highly marginalized rural communities (Gertler et al, 2006).

Compensatory programs, and specifically the AGES, are a relatively recent development in Mexico's education system, which used to be highly centralized. In the early part of the 20th century, the federal government took control of the education system, and a national agency of education was created in order to establish a federal institution with power over states legislatures and their education systems. In the early 1940s, the post-revolutionary government institutionalized accords with workers, peasants, and civil servants such as unions, boards and confederations. Within this political structure, these groups became a part of the official party. In this corporative system, the teachers' union emerged as a new actor in the education system. Since then, the interaction between the teachers' union and the authorities at the Ministry of Education has resulted in uncertainties, limitations, and significant challenges. On the one hand, the education system has continuously adjusted to changes in the education authorities every six years following the presidential elections. On the other hand, the teachers' union has maintained its strong position despite the changes in education authorities and political structures. The National Union of Education Workers (SNTE), the largest union in Latin America with 1.4 million members, was affiliated with the long-time incumbent Institutional Revolutionary Party (PRI) and for a long time played a role in politics, especially during elections. In this regard, some argue that the teacher unions have been a barrier to reform and to improving Mexico's education system (Ornelas, 2004).

In 1993, following a three-year process, the federal government concluded the National Agreement for the Modernization of Basic Education, which involved intensive negotiations with the teachers' union (SNTE) and state governors. The three major aspects of the reform included: (1) administrative decentralization; (2) changes in the curriculum and pedagogical material; and (3) improved conditions for teachers and a re-evaluation of their role. The reform went further than just decentralization, which implied additional problems for the states, which centered on agreements with the teachers' union, in particular those related to salaries and

compensation. The decentralization mainly involved transferring responsibility for 14 million students, 513,000 teachers, 115,000 administrative employees, and 100,000 schools from the federal government to the state governments (Ornelas, 2000). However, while the federal government gave the states full autonomy over resources, it did not give them authority over the basic education curriculum.

Throughout the decentralization process, the federal and state governments have taken steps to increase efficiency and equality and improve the quality of the system. Following decentralization, the education system in Mexico underwent profound changes, and during this process, state governments, school authorities, and parents became empowered to participate and change their children's education. The decentralized school management became more responsive to stakeholders. Also, there had been a growing demand over the years on the part of parents, civil society, the private sector, the media, and researchers for students' academic progress to be periodically assessed. Starting in 1998, the Ministry of Education began implementing standardized tests on a sample basis, and in 2006, the ministry introduced a universal assessment that made it possible to compare student scores among schools. Moreover since 2000, Mexico has participated in international student assessments (PISA), in which student scores can be compared across countries. In 1995, Mexico had participated in the TIMSS, but the results have never been published.

The education law in Mexico establishes a mechanism to allow parents to participate in the management of schools. Parents' associations were established by law at the school level together with local, regional and national parents' associations. Partly because of tradition, however, this has not increased the extent to which parents interact with teachers, school authorities, and other important actors in the education system. However, one compensatory program in particular, the Program to Abate Educational Lag (PAREIB), has been effective in encouraging parental and community participation. PAREIB provides incentives to parents to participate in their children's schools with the aim of establishing: (i) the value of children's education to the community; (ii) the responsibility of parents and members of the community to perform actions that benefit children; and (iii) the importance of childhood development. CONAFE created this concept of education to empower all school actors, including principals, teachers, communities, and parents.

As a component of PAREIB, the AGES, created in 1996 is aimed at leveling the playing field for disadvantaged students by encouraging parental participation and school-parent cooperation. The AGES supports and finances parents' associations (APFs or APECs) and trains them in the management of school funds and encourages them to participate in their children's education, sharing responsibility with teachers, building their own social capital, assuming responsibility for their children's academic performance, and monitoring and becoming involved in their children's activities. This financial support consists of annual grants transferred quarterly to the parent associations' bank accounts. The Communitarian Association of the Education Promotion (*Asociacion Promotora de Educación Comunitaria* or APEC) is a key element of this model in rural and disadvantaged communities. These grants can be invested in infrastructure that parents deem important for the school. The activities are planned by parents, school principals, and teachers. The AGES offers a low-cost way to encourage parental participation as well as cost-efficient interventions to improve learning outcomes. Gertler et al (2006) found that the AGES has been effective in improving intermediate school quality indicators, having reduced grade

repetition and school dropout rates by 6 to 8 percent in only three years. These effects are separate from the effects of any other interventions.

Recently, other initiatives have used the School-based Management model to improve conditions for disadvantaged students. After the AGES, the quality schools program (Programa Escuelas de Calidad or PEC) is the most important. Beginning in 2000, the program has been implemented in poor urban areas and is designed to improve school environments (physical and teaching) and increase the participation of school community members in the management of the school. PEC provides grants for implementing school plans that have been designed by the staff and parents together. Beneficiaries must meet certain requirements, but the participation of schools in the program is completely voluntary. The PEC empowers school communities, including principals, teachers, parents, and other stakeholders. PEC has been shown to be effective, after only three years of implementation (Skoufias and Shapiro, 2006).

Since 1993, Mexico has made significant progress in decentralizing its education system. Mexico has promoted transparency, accountability, and democracy. Prior to that time, the education system was highly centralized, and the country was governed by a single political party. In addition, most government agencies were non-transparent and unaccountable. However, beginning in 1993 and continuing until the democratic elections of 2000, Mexico embarked upon its decentralization process. In 1998, the first step toward transparency was taken when the Minister of Education under the old political system implemented the first national educational assessment. The process was reinforced in 2000 when a democratic government was elected in Mexico. While some states took measures to improve the quality of education, the federal ministry of education developed programs that promoted parental participation in school management. In 2000, Mexico joined the OECD in an international assessment of student achievement.

In this context, the AGES can be considered to be a weak form of SBM in a complex political and centralized education system. Despite its limited monetary resources, it has had a positive impact on educational outcomes. This limited version of SBM may be appropriate in such a case where there is no little history of accountability and participation and where the country is just starting to reform its centralized and authoritarian political system. Thus, other formerly centralized and undemocratic countries that have gone through the transition to becoming open and democratic societies may be able to learn lessons from the Mexican experience about what may be the appropriate form of SBM for their circumstances.

Annex 3: School-based Management Reforms in Spain

The question of the degree of autonomy that schools should have in Spain has been one of the recurrent topics of debate over the past few years. Autonomy for schools has been defended by large sectors of the school community as one of the fundamental tools for improving the quality of the education system, since it makes it possible for individual schools to adapt to fit their specific situations and needs. But differences of opinion about the content and scope of this autonomy have meant that progress in this area has been slow.

With the passing of new Education Act in 2006, the Spanish government aims to increase the autonomy of schools. The new law, which attempts to improve quality and increase efficiency in the education system and to bring Spain into line with the educational objectives set by the European Union for 2010, advocates greater flexibility inside the education system. Providing schools with their own autonomy is a prerequisite in this process. The law also sees the participation of all stakeholders in the school community in the organization, management, and smooth functioning of schools as one of the keystones of the Spanish education system, and it attaches special importance to the role of parents.

The progress made in the past 15 years towards a schooling model in which schools have significant autonomy has led to advances in three areas – the curriculum, organization, and financing. In parallel, mechanisms for ensuring the participation of the school community in the management and organization of schools have become firmly established. These advances are remarkable in a country with a strong centralist and interventionist tradition, in which the devolution of powers to the regions (which began in the 1980s) has not automatically meant a greater level of autonomy for schools, and in which the provision of education has been based on a dual network of public and private schools. Unfortunately, the objective of these measures (achieving a higher level of involvement on the part of the school community) has not always been fulfilled.

The Spanish Constitution of 1978 introduced major organizational reforms. As far as educational matters are concerned, responsibility is now shared by the national government, Spain's autonomous communities, and local government. The national government is responsible for the general organization of the education system, the definition of minimum requirements for schools, general teaching curricula, the supervision of academic and vocational qualifications, and for ensuring that the requirements are complied with throughout the country through its Higher Education Inspectorate. The autonomous communities have administrative powers within their territory. They create and certify schools, manage staff, design teaching syllabuses, and provide guidance for students. The local government authorities provide sites for public school buildings, are responsible for the upkeep of kindergarten and primary schools, organize extracurricular and complementary activities, and monitor compliance with the law requiring compulsory schooling.

Since the mid-1990s, one of the main concerns of the Spanish government has been to raise standards in the education provided to the country's young people. As part of this attempt to provide education of excellence to all students, taking due account of their diverse interests, characteristics and personal situations, schools have been granted decision-making authority over their organization and operation. Several laws have been passed in the last decade which, to

varying degrees, have sought to balance this school-level autonomy with the general framework for educational activities that all schools must respect.

The Participation, Evaluation and Governance of Schools Act (LOPEG) was passed in 1995 with the express aim of raising the quality of the education provided by consolidating school autonomy and encouraging the responsible participation of all members of the school community. The tools available for enhancing the educational autonomy of an individual school – that is, the school’s *proyecto educativo*, roughly, the school’s educational philosophy or mission—and its syllabus – were treated in greater detail. It was established that the *proyecto educativo* had to follow the guidelines provided by the School Council; this body was also responsible for the approval and evaluation of the *proyecto educativo*, at all times respecting the teaching staff’s right to organize their own teaching procedures. The school’s *proyecto educativo* had to establish priorities and lines of action, taking the students’ environment and educational needs into due consideration. At private *concertado* schools – that is, private schools supported by public funds – the school’s *proyecto educativo* could reflect its specific nature—for example, if by tradition it is a religious school or one that follows a particular ideology, which could include organizational and teaching aspects.

Regarding the curriculum, schools had to adapt and specify its contents, plan teaching activities, and adapt complementary and training activities to the specific features of the school. The LOPEG also defined in greater detail the scope of the organizational and management autonomy of schools, forbidding any kind of discrimination in schools supported by public funds (that is, public schools and private *concertado* schools). As regards economic management, the LOPEG made it possible for education departments to grant the governing bodies of public schools the right to procure goods and contract repairs, services, and supplies within the limits set by the regulations. Three years later, in 1998, management of financial resources was transferred to the schools. In the case of *concertado* schools, the LOPEG expressly forbade schools to receive any amount that, directly or indirectly, might represent payment for teaching activities. Similarly, a series of additional regulations were established to monitor the use of public resources and to guarantee that these resources would not be used to provide more expensive schooling than that provided by the public sector.

The LOPEG also specified and increased the participation of the local community in schools through the School Council and of teachers through the *Claustro* (the organization representing teachers in a school), and also provided for parents to participate in the educational and organizational activities of the schools through their associations and for students to participate through their assemblies of representatives. The law also introduced important modifications to the 1985 Act that allowed for the election of principals by the school community, to make their tasks more attractive, and to require greater skills and professionalism among the head teachers (through prior accreditation and training of candidates for these positions).

The Education Quality Act (LOCE) was passed in 2002. This law also dealt with the educational, organizational, and economic autonomy of schools. Educational autonomy was reflected in the school’s *proyectos educativos*, their annual general program, the teaching programs of the departments, tutorial action plans, and the academic and vocational orientation plans. With the LOCE, individual schools lost some of the control they had had over the curriculum. The school’s *proyecto curricular* (individual syllabus designed by a school) was replaced by general, officially approved teaching programs for planning and implementing curricula in each of the

academic or vocational areas taught. In the case of *concertado* schools, the law established that the *proyecto educativo* should state their specific nature. An important novelty introduced by the LOCE was that schools were now allowed (with due authorization) to reinforce or expand on certain aspects of the curriculum that referred to the linguistic, humanistic, scientific, technological, artistic, sports, or ICT environments. Last, in public schools the staff were granted autonomy to choose school textbooks and other curricular materials without the need for official authorization.

The LOCE also modified the power previously conferred on the participatory bodies. In particular, regarding the election of head teachers, it limited the influence of the School Council and gave more power to the education authorities. Most of the provisions of the LOPEG regarding *concertado* schools were maintained.

Although the LOCE tried to provide answers to some of the main challenges of the Spanish education system, its proposals were not considered satisfactory by influential sectors of the school community. As a result, the Education Act (LOE), passed in 2006, revoked the earlier Acts (LOGSE-1990, LOPEG-1995, and LOCE-2002) and produced a single legal text. The new law gives special attention to school autonomy, both in terms of its educational aspects, through the *proyectos educativos*, and of the economic management of resources and the production of organization and operating regulations. This law also gives more prominence to the collegiate bodies within schools (the School Council, the *Claustro*, and teaching coordination bodies) and sets out their powers of principals and describes their selection process and their functions at public schools. As regards educational autonomy, the new law grants schools the autonomy to produce, approve, and implement their *proyecto educativo*. The education authorities are responsible for establishing the general framework in which public and private *concertado* schools may produce their *proyecto educativo*, which they must make public. Moreover, the law favors the production of open models of teaching programming and teaching materials that cater for the needs of both students and teachers. In the case of private *concertado* schools, the *proyecto educativo* will include the character of the school and will respect the rights guaranteed to the teaching staff, parents, and students in the Constitution and in other legal sources and will be made known to the entire school community.

As regards autonomy in resource management, the new law gave education authorities the right to allocate more resources to certain public or private *concertado* schools to carry out projects requiring extra funding (for instance, schools with a large number of students with special needs). To receive these extra funds, public schools must produce a management project outlining the organization and use of their material and human resources. Public schools will be able to continue to obtain complementary material resources, with the approval of the School Council, under the same conditions as those established in the previous law. Similarly, the local education authorities will be able to delegate responsibility for the procurement of goods and the contracting of repairs, services, and supplies, always with respect to the corresponding regulations to the governing bodies of public schools within the limits set by the regulations. As regards *concertado* schools, the LOE leaves the consideration of the specific characteristics of teaching cooperatives to the future regulations governing these schools to make the management of economic resources easier. As regards human resource management, public schools are allowed to establish degree and training requirements for certain teaching positions in accordance with the conditions established by the education authorities. In the same way, the education authorities are allowed to delegate power over staff management to the management

bodies of public schools, while principals are responsible for the management of the resources put at the school's disposal. So as far as staff management is concerned, the LOE represents a step forward in one of the areas in which till now public schools have had the least autonomy. Lastly, schools will also have autonomy to produce their own regulations concerning school organization and everyday functioning. At the beginning of each academic year, schools will produce their annual general program that will include all aspects of their organization and operation, including projects, curriculum, student admissions, regulations, and all action plans.

The law puts special emphasis on the participation of parents in the organization, governance, and functioning of schools. Specifically, the LOE guarantees the presence of parents in the student admission process and in the School Council in all schools supported by public funds (that is, both public and private *concertado* schools). In the School Council, the parents' and the students' representations may not amount to fewer than one-third of the total members of the Council. A novelty introduced by the law is that schools will promote educational agreements between the families and the school specifying the activities that parents, teaching staff, and students will undertake to improve student learning outcomes.

The greater autonomy of schools has meant that new procedures have been introduced to assess how effectively education resources are being spent by evaluating the results that are being achieved.

As far as evaluation of student learning processes is concerned, Spain's main educational indicators have improved over the last decade. The reasons for this seem to have been (in addition to personal or family factors) factors to do with individual schools such as what material and human resources available, what study programs exist, and how teaching is organized.

The data show gross schooling enrollment rates for primary and secondary education of 104 percent and 108 percent respectively for the 2003-04 academic year. These figures over 100 percent are due to the fact that some students repeat academic years. Both rates have in fact gone down in recent years –primary education by six points since 1992-93, and secondary education by two points since its general implementation during the 1999-00 academic year. This decrease shows that the number of students repeating years at both levels has fallen in both periods considered.

Also relevant to an appraisal of the results of the education system is the gross rate of graduation from compulsory secondary education. For the academic year 2002-03, 70 percent of 16 year olds graduated at this stage. The fact that the first class to graduate (according to the regulations established in 1990) was the one for the academic year 1999-00 leaves little margin for any analysis over time. In any case, we should bear in mind that the figure of 30 percent who did not graduate in 2002-03 should not be interpreted literally as some students who did not graduate may have been enrolled in lower classes and may have graduated in subsequent years. As a complement to the gross graduation rate, two other rates are usually studied – completion of the fourth year and completion of secondary school. In the 2002-03 academic year, students who had completed the fourth year (that is, those who had completed secondary school) accounted for 74 percent of those who had enrolled in the fourth year at the beginning of that academic year and 73 percent of those who had enrolled in the first academic year four years earlier.

Finally, another indicator that is related to the European Union's objectives set for education and training for 2010 is the school drop out rate. In the year 2005, the percentage of students between the ages of 18 and 24 who dropped out of the Spanish education system was 30.8 percent. Between 1994 and 2005, there was a gradual fall of some 6 percentage points. A study of school dropouts between 1994 and 2005 shows that those with intermediate studies rose by 9 points (from 72 percent to 81 percent), while the percentage of students who did not go beyond the primary stage has gradually decreased.

Parent and community participation in school management and school autonomy are the two key objectives of all of the laws passed during the democratic period in Spain. The success or failure of these successive reforms has depended on the extent to which the school community has been involved in the changes introduced by these reforms, in particular, whether schools have management teams who understand the dynamics of those schools and whether teachers and parents are committed to carrying out management tasks. So real school autonomy in Spain has depended both on external factors (a legal framework to make it possible and promote it) and internal factors (the involvement of people and institutions willing and able to take action).

The model of SBM implemented in Spain has sought to balance the greater autonomy of schools over their teaching, organization, and resources with the necessary coordination and control by the authorities whose job it is to guarantee minimal common conditions for the whole of the education system to enable it to fulfill its objectives.

In parallel to this delegation of power to schools, important evaluation procedures have also been implemented. In the past 10 years, Spain's main educational indicators have shown substantial improvements, though of course much remains to be done. Looking back, school-based management (though never as strong in practice as it appears on paper) has meant that schools have been able to adapt their management and teaching to their own particular needs and circumstances and thus produce better outcomes. This autonomy is of special importance in countries like Spain as they become more plural and diverse.

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