MOZAMBIQUE
Scaling up Performance-Based School Grants

Introduction
Mozambique has invested substantially in expanding its primary education system over the last decade, and both the number of primary schools and student enrollment rates have grown as a result. The country has been less successful upholding the quality of education amid this rapid growth. Primary school students on average receive only two hours of effective schooling daily. The majority of schools are located in hard-to-reach rural areas, which means that there is little official support for and monitoring of those schools, leading to weak accountability among teachers and principals and poor education quality.

The use of performance-based school grants can incentivize teachers and administrators to improve education quality. Mozambique has a Direct School Grant Program (ADE) to help schools pay for materials and services, but the grant amounts are based mostly on the number of students and classrooms. REACH funded a pilot to test a performance-based component in which schools could qualify for additional funding if they met certain criteria aimed at improving education services and learning outcomes.

Intervention
Before launching the pilot, the World Bank team worked with Mozambique education authorities to design effective incentives. The project team tested three models that measured results in four areas. The first model assessed each school on its improvement in terms of four composite indicators: (i) principal and teacher absenteeism; (ii) school committee participation; (iii) the transparent management of school grants; and (iv) student reading performance. Each of these composite indicators was comprised of multiple sub-indicators. The second model measured simplified, noncomposite versions of the same four indicators, while the third measured students’ reading scores as the single indicator of school performance.

The Results in Education for All Children (REACH) Trust Fund under the World Bank Group seeks to help countries strengthen their education services by focusing initiatives on results. The IMPACT series describes how results-based projects funded by REACH influence learning, education systems, and policy making.
The results of the trial suggested that some indicators were too complex or failed to measure the intended behavior, although it was difficult to collect robust endline data because of Tropical Cyclone Idai. A plan to reward district officers for verifying results led to conflicts of interest and poor-quality data. Based on these findings, the Ministry of Education and Human Development decided to proceed with the first model after reducing the number of sub-indicators, simplifying their verification process, and training implementers. It launched the pilot in 2018 in 552 primary schools in three of the country's 11 provinces.

The three districts with the highest student dropout rates in each province served as treatment districts (400 schools total) while the districts with the fourth-highest dropout rates in each province constituted the control group (152 schools). All 552 schools continued receiving ADE grants, but the treatment schools could also qualify for a performance-based grant based on their student enrollment rates and on the schools' performance on the four indicators measured by comparing baseline and endline data. A one-day workshop introduced the program to all stakeholders.

The Ministry of Education and Human Development collected baseline data in May 2018 and endline data in March 2019, which is when Tropical Cyclone Idai struck Africa. Parts of Mozambique were harder hit than others, and treatment schools were impacted more than control schools. Ultimately, both the treatment and control schools showed some improvement, although control schools registered slightly larger improvement. This outcome was likely due to the unequal effect of Tropical Cyclone Idai on schools and to the Ministry's decision to continue the pilot with a nonrandomized sample of schools, which limited the accuracy and validity of the evaluation.

**Impact**

One of the pilot's biggest impacts has arguably been to increase the Mozambican government's understanding of initiative, will expand the school grants pilot to six provinces including the three where the original pilot was carried out. The second initiative will involve allocating funds to districts (inspired by the Ceará model) to finance training and capacity-building aimed at improving data collection and monitoring. An RBF component will be included with the aim of incentivizing district-level officials to improve their work in this area and in their provision of technical support to schools.