



# EDUCATION DIALOGUE

## Case Study

### Three Financing Mechanisms to Improve Education Outcomes in Mozambique



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*CABRI Education Dialogue*

Case Study

Three Financing Mechanisms to  
Improve Education Outcomes in Mozambique



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# List of acronyms

<b>ADEA</b>	Association for the Development of Education in Africa
<b>CSO</b>	civil society organisation
<b>DSS</b>	Direct Support to Schools
<b>ECE</b>	Early Childhood Education
<b>EMF</b>	Education Materials Fair
<b>ESSP</b>	Education Sector Strategic Plan
<b>FASE</b>	Education Sector Support Fund (Fundo de Apoio ao Sector de Educacao)
<b>MoE</b>	Ministry of Education
<b>OVC</b>	orphaned and vulnerable children
<b>NGO</b>	non-governmental organisation
<b>SACMEQ</b>	Southern and East African Consortium for Monitoring of Education Quality
<b>UPE</b>	Universal Primary Education
<b>SC</b>	School Council
<b>SC-UK</b>	Save the Children-United Kingdom
<b>US</b>	United States
<b>WB</b>	World Bank



## 1. Purpose of this paper

This paper reviews different initiatives that have been put in place in Mozambique to address challenges in education access and quality. The initiatives were implemented at different levels of the education system using different implementation arrangements but have in common that they all seek, from different angles, to impact on outcomes at primary level. As such they provide an interesting opportunity to examine policy choices, to discuss evidence of impact on learning outcomes and on other educational processes (to the extent that such evidence is available) and to draw conclusions about effectiveness and efficiency.

As you read through this paper, we would ask that you put yourself in the position of an external advisor who is reviewing policy alternatives for the education sector in this country. Based on the discussion of the different cases you are asked to consider and reflect on:

- What can be learnt from these three experiences overall?
- What evidence is there that these initiatives are reaching those most in need?
- What could be done to improve these initiatives?
- What criteria would you use if you had to recommend one of the three as an efficient way for improving educational quality?
- Which one – if any – of these initiatives might you chose and why?

The three initiatives that are reviewed in this paper are:

- The Direct Support to Schools (DSS) initiative, which was started in 2003 and has focused on children in public primary schools (in grades 1 through 7). The DSS provides funding directly to all primary schools for essential school supplies, with the purpose of contributing to improved teaching and learning, and ultimately to improved pass rates, transition and retention rates.
- Early Childhood Education (ECE) targets children at pre-primary level. This pilot programme – which started in 2008 in one province in the south of the country and is currently being scaled up – has focused on establishing community run ECE centres in selected rural areas in the country. The purpose of the ECE intervention has been to improve children's cognitive development and nutritional status, and to contribute to a smooth and right-age entry into primary school; ultimately ensuring that at entry into primary level, children are healthy and well-prepared for school.
- The distribution of vouchers for school materials and clothing, linked to Education Material Fairs (EMFs) held at the start of the school year, which took place in 2005 and 2006. The EMFs were put in place to improve school enrolment and retention rates of children from the poorest and most vulnerable families. The pilot – implemented in one of Mozambique's central provinces – also sought to empower children and to stimulate the local economy by allowing children to exercise their own preferences over what is purchased.

The paper will discuss these initiatives against the background of the main policy priorities as outlined in the Education Sector Strategic Plan (ESSP) for Mozambique (2012–2016). In this manner, this paper provides an opportunity to review:

1. The salient features of each of the initiatives and the extent to which these have contributed to the results.



2. The extent to which the financing mechanisms have been innovative and what can be learnt from these.
3. The evidence of efficiency of the interventions, assessing – to the extent possible – whether:
  - The resources are being channelled towards identified priority needs (allocative efficiency).
  - How the technical and implementation arrangements have contributed to the outcomes. With respect to the latter point the paper will look in particular at the advantages and drawbacks of different partnership arrangements between government and other education actors (community, civil society and private actors).
4. The challenges to scaling up pilot initiatives, in particular when these are initiated outside of the central planning processes of the Ministry of Education (MoE), and what lessons can be learnt from this.

The paper will draw on recent research in Mozambique and will, where possible, bring in voices from beneficiaries to show how different beneficiary groups may assess success and challenges differently.

The case study is structured as follows. The next chapter provides an overview of the education sector in Mozambique. Chapter 3 discusses each of the three initiatives, highlighting why they came about, how they were implemented, what evidence of outcomes and impact exists, and what lessons can be learnt. The final chapter, Chapter 4, discusses the overarching issues that emerge from the three case studies.

## **2. Background on the education sector in Mozambique**

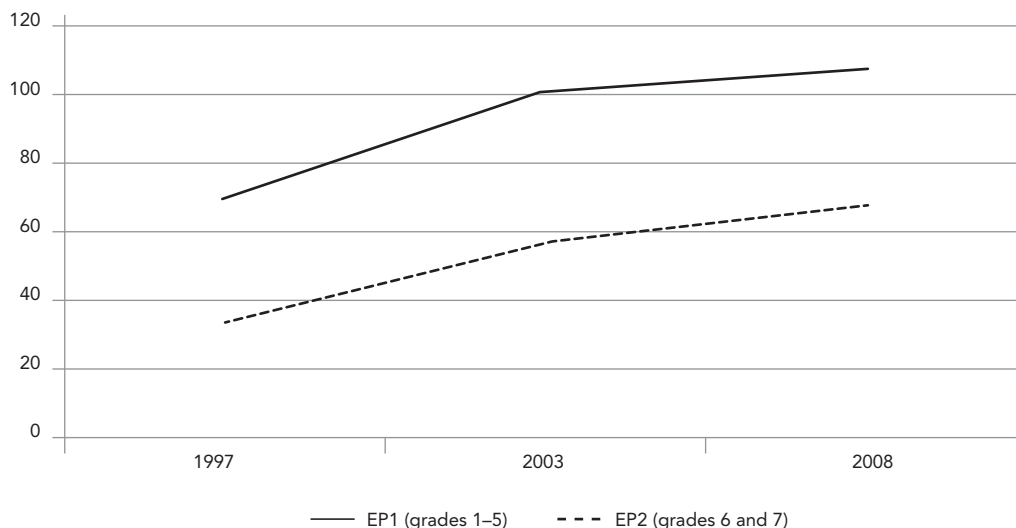
**Education is a key priority for Mozambique and has seen impressive progress over the years.** A significant growth of enrolments and completion rates has been achieved in primary education (grades 1–7), as well as a drop in repetition rates. This is a reflection of policy options and of efforts/investments in the expansion of the school network and teacher training. Education statistics testify to these achievements. Between 2001 and 2010 enrolment in primary education increased two and half fold, from 2 million to around 5.3 million. In 2010, the net primary enrolment rate topped 95% and 47% of pupils in primary were girls, although disparities remain in girls' enrolment and performance across geographical areas. Even more impressive growth has taken place at secondary level resulting from strong pressure to expand access in higher levels of the system.

**However, the challenges to education are still considerable.** These include a primary completion rate which is still below 50% and which has stagnated in recent years. Around 300 000 children are still out of school, mainly because of extreme poverty. Only half of the children who enter primary school complete 7th grade (which is the end of the primary cycle), and only one in eight children complete the seven years of schooling at the right age, reflecting considerable inefficiencies of the system. These indicators also show very considerable variations according to geographical area – thus Maputo province (where the capital is located) has a grade 7 completion rate of almost 100%, whilst the three northern provinces have completion rates under 40%. In spite of a rapid growth in gross enrolment in recent years, at secondary level, the net school attendance continues to be very low (20.4% in 2008), and at this level the number of girls also decreases rapidly.





**Figure 1:** Gross enrolment rates in primary schools (1997, 2003, 2008)



Source: Fox et al. (2012)

Education quality and achievement has not seen the same rapid increase as enrolment. This is clearly illustrated by **declining results in standardised tests in grade 6 mathematics and literacy performance over the past years** (as per Southern and Eastern African Consortium for Monitoring Education Quality – SACMEQ – data). National data of exam pass rates also shows a decline in performance, in particular since 2008. The reasons for this remain to be investigated.

**Table 1:** SACMEQ scores for Mozambique and other countries in the region (2003 and 2007 data for reading and maths scores)

Country	Pupil reading score 2003	Pupil reading score 2007	Pupil maths score 2003	Pupil maths score 2007
Botswana	521.1	534.6	512.9	520.5
Kenya	546.5	543.1	563.3	557.0
Lesotho	451.2	467.9	447.2	476.9
Malawi	428.9	433.5	432.9	447.0
Mauritius	536.4	573.5	584.6	623.3
Mozambique	516.7	476.0	530.0	483.8
Namibia	448.8	496.9	430.0	471.0
South Africa	492.3	494.9	486.1	494.8
Tanzania	545.9	577.8	522.4	552.7
Uganda	482.4	478.7	506.3	481.9

Source: Hungi et al. (2010)

Recent research (Visser & Marrengula 2012b) has shown that for the first years of schooling poverty and vulnerability often put pressure on the family and affect the age of schooling. Fifty-four percent of the Mozambican population lives below the poverty line, with much of the remainder only a small margin above it. Children may be left alone while parents look for means to sustain their families, and without supervision may be too young to go to school. Separation and death of parents (including through the impact of HIV and AIDS) are frequent



events and make children vulnerable, and one or both parents might move away in search of work opportunities leaving very young children in the care of others, affecting their schooling. Hunger is also a major factor in certain parts of the country, making the distance to school and the length of the school day insurmountable for especially the younger children. As children move towards upper primary, factors such as children not being of the right age, opportunity costs to families of keeping children in school, marriage and pregnancy, and issues around the relevance of education become the more important reasons for children not going to school. In many areas children also participate in activities that are critical to the well-being of the family, including taking care of younger children, and various income generating activities such as selling goods and agricultural activities. Recent research in Mozambique has shown that in upper primary and lower secondary the opportunity costs of keeping children in school play a significant role in the drop out rate (Fox et al. 2012). This is the age where children have the physical capacity to work and where they either themselves opt out of education, or are encouraged to do so by their environment/caretakers. The later children start school, the fewer years of schooling they will have before this process takes place – and right-age enrolment (while improving) is still under 70% (again with considerable regional variations). In the case of girls there is the additional risk of early pregnancy (Visser & Marrengula 2012b) and/or premature marriages, which are especially prevalent in some areas of the country. Moving into secondary education the availability of schools becomes more important, as does the cost of schooling (primary education became free of charge in principle through fee abolition, which was introduced in 2004, although families still face considerable additional costs for clothes, food, transportation, etc., especially in higher grades) and perceived returns/benefits.

In recognition of the challenges that the education system continues to face Mozambique's new Education Sector Strategic Plan (2012–2016) has a strong focus on efficiency and quality, and has made improving retention and reducing dropout a major focus. Table 2 summarises the various strategies that are being pursued as part of the ESSP to address these challenges.

**Table 2:** Key objectives and strategies in the Education Sector Strategic Plan (ESSP) for 2012–2016

ESSP objective	Corresponding strategies in the ESSP
Improving quality of primary education	Curriculum revision, teacher training, school management, learning outcomes, increased instruction time, ECD
Inclusiveness	Direct Support to Schools, school feeding, ECD
Increasing institutional capacity	School management support, decentralised supervision, district-level training

However, in deciding on priorities, a key challenge to the education sector continues to be the lack of funding. Funding to the education sector comes from a combination of internal government sources (69% of the budget in 2010) and external funds (multilateral and bilateral contributions), underscoring that the sector continues to be donor dependent, given that the bulk of the government budget goes to teacher and other personnel salaries. As will be seen in the discussion below this often requires difficult trade-offs in decision-making, in particular whether to target specific groups (such as the most vulnerable, or girls), or to provide support that covers all pupils.

The overall education budget for 2010 was US\$ 128 million. A gradual process of decentralisation and deconcentration of public administration has been taking place over the past decade although it is foreseen that this still will be a long process. In the education sector the DSS – further discussed in the next chapter – is the main initiative at decentralising funding and decision-making to local level (AfriMAP 2012).



### 3. Improving education quality – a review of different initiatives

A number of initiatives have been introduced in the past decade to address quality concerns in primary education. The three discussed in this chapter have been chosen because they represent a range of different policy options and implementation arrangements which all focus on the same overall goal of improving education indicators. The first of these – the DSS – is a centrally run programme for the provision of school supplies by the government. The programme is funded from donor sources, uses government systems for delivery and has a very light administrative and management structure. The other two initiatives have a smaller geographical scope and are also donor funded. One is a pilot project that focused on two districts and which provided cash transfers in the form of vouchers directly to pupils by the non-governmental organisation (NGO) concerned. The other is a pilot programme that is being scaled up to five provinces using what is for Mozambique a new model by which MoE sub-contracts civil society organisation (CSO) service providers to deliver ECE to communities. As will be seen from the presentation/discussion below, these initiatives have variously sought to respond to key challenges in the education sector. Comparing and contrasting them provides an opportunity to examine outcomes, costs, issues of effectiveness and efficiency, and to reflect on relative merits and drawbacks of the different (and in some cases innovative) mechanisms for financing that were put in place for these initiatives.

#### Financing of education in Mozambique

Spending on education in Mozambique comprises around 20% of public expenditure. About 90% of the budget allocated to the sector is spent – this is considerably higher than other sectors (e.g. health, where budget execution is 67%).

Government funding of education is used mainly for teacher salaries and for maintenance of schools. Together, these two budget lines comprise about 70% of all the funds to the sector. Donor funds (approximately 30%) are used mostly for other short- and longer-term investment type expenses, such as school construction, school-books, school feeding, etc.

Government funds are released in increments over the year on the basis of budget proposals drawn up by district education offices at the beginning of the year. The district compiles the school plans and discusses with the district government. A consolidated budget is drawn up at the Provincial Education Office, which submits this to the Ministry of Education, from where it goes as a sector budget to the Ministry of Planning, the Ministry of Finance, and then to Parliament for approval. Donor funding, on the other hand, is negotiated annually and is made available either through projects (about 25% of donor contributions) or by donors to the Education Pool Fund (FASE – 75% of all external funds). From FASE, funds can be transferred based on approval of an annual plan to provincial and district offices but following a separate line of accounting so that the funds can be audited. Schoolbooks are procured through FASE but the procurement is done centrally for the whole country. The choice to keep schoolbooks separate and to procure centrally is a reflection of the weak capacity at district level in the area of procurement and the lack of capacity at various levels to provide supervision to procurement processes. The DSS is funded directly to school via the district offices. The amounts involved are smaller and the assumption is that with community involvement issues of corruption will be less likely.

Source: Afrimap (2012)



## 3.1 Direct support to schools

### 3.1.1 Purpose and set-up

The DSS was put in place in 2003 to address quality concerns at primary level, and in particular the chronic lack of materials and equipment in primary schools, which at the time of the inception of the DSS would often be reflected in the lack of basics such as blackboards, chalk, notebooks, teacher and pupil manuals, etc. It was also intended to compensate for the abolishment of school fees in the same year,<sup>1</sup> which sought to encourage Universal Primary Education (UPE) and removed the only source of income for schools as prior to this date parents paid an enrolment fee. As noted in an early case study of the DSS: 'The main objective of the DSS mechanism was to improve the quality of basic education by reducing dropout rates, repetition rates and schooling failure. By targeting better maintenance of schools, introduction of the mechanism was expected to improve education quality through better performance of both teachers and learners. The introduction of the mechanism was largely underpinned by growing empirical evidence showing the positive impact of public education expenditure on economic growth and social development' (Ayako 2006: 7).

Under the DSS, schools are attributed a monetary value. Initially that amount per school was on average US\$ 200. This has increased over the years, with support from additional external funding partners to an average US\$ 3 000 (AfriMAP 2012). The specific allocation per school is based on a formula that takes into account the number of students, the number of classes, and a discretionary value that varies and is based on the size of the school and its location. School Councils (SCs) – which already existed prior to the introduction of the DSS and which are comprised of representatives from the community, parents/caretakers, and teachers/school management – are informed of the amount that was attributed to their school and decide on what items to buy. In the interest of transparency, a detailed overview of all schools in the country and the amounts attributed to these schools is published each year and circulated to the provinces and districts. A DSS guideline, which is published annually by the MoE, provides instructions on what materials may be bought and on the decision-making and management arrangements for the DSS. The list of permitted items has grown over the years and has given increasing flexibility to schools in terms of decision-making.

The DSS is funded from the Education Sector Pool Fund (known by its Portuguese acronym, FASE), which is a common donor fund for the education sector that manages 75% of the external funding to the sector (the remaining external funding is provided through project support and managed directly by the respective donors). From FASE, transfers are made twice a year to district education offices, where checks or cash will be provided to the schools on the basis of an expenditure plan that is drawn up at school level by the SC. A guideline on procedures and permitted purchases specifies how the decision making process around purchases should function and what items schools may use the money for. The specific allocation per pupil and per class is decided upon on a yearly basis and will fluctuate based on available funding in FASE. Information from the MoE indicates that the unit cost per pupil oscillates between US\$ 1.6–1.8 per year per pupil. By way of comparison, the government spends an average of US\$ 5 per year per pupil on schoolbooks (which are distributed through a separate schoolbook scheme), and (in the limited locations where it is being offered) US\$ 30

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<sup>1</sup> Primary education is officially free and no fees are charged in grades 1 through 7. In practice, however, families still face costs for education, in terms of school uniforms, which cost between US\$ 6 and US\$ 10 (although these are officially not compulsory, they are widely used and children who don't wear them feel marginalised), and some basic supplies (pencils, etc.). In addition many schools charge a 'contribution for the guard', which recent studies (Visser & Marrengula 2012) have shown to be a considerable expense for very poor families, who do not readily have access to cash.



per year on school feeding per pupil. Per-pupil costs overall (i.e. the full costs to the system including salaries, etc.), have been estimated at US\$ 90 at primary level. In 2010 overall expenditure on the DSS and the schoolbook fund amounted to 43% of the total FASE budget.

### *3.1.2 Strengths*

Anecdotal evidence from field visits to schools around Mozambique, and references in various reports, suggest that the DSS has over the past eight years begun to transform schools. Schools no longer face chronic shortages of supplies. Many schools have basic reference resources e.g. maps, atlases, etc.) and furniture. Schools also use the money for exercise books and for other school materials such as pens and pencils, which can be distributed to all pupils or specifically to those who are unable to buy these items themselves.

A major strength of the DSS has been – in addition to the clear improvement in conditions in schools – that it has strengthened decision-making at local level, and contributed to the decentralisation process. It has, in this way, contributed to empowering and strengthening the SCs. This does not mean that all schools are equally strong, in fact there have been cases where school councils have been very weak, and where communities have had limited participation in the implementation of the mechanism.

### *3.1.3 Challenges*

The success of the DSS mechanism depends on the capacity of SCs to adequately plan and supervise the process of priority-setting and distribution of school materials. In practice, however, the capacity of communities, and community leaders, to participate is in certain areas also reduced by lack of technical understanding (due to poor information on the mechanism) and high levels of illiteracy. There has also been insufficient training/sensitisation on the importance of the involvement of community members in the DSS decision-making and monitoring process at school level and not enough clarity on the specific roles that different stakeholders need to play to make the mechanism a success. Successively, evaluations of the DSS mechanism (in 2003 and in 2006) have shown that it is not uncommon for communities to be only marginally involved in decisions around the use of DSS funds.

Monitoring of the initiative has been an important weakness. There is no comprehensive formal feedback mechanism for the MoE to collect information across all schools on how the resources were used. There has also been no systematic way of assessing what the impact of the extra inputs has been on indicators of performance. The MoE has, however, used random monitoring visits to get a sense of what has been purchased and what the possible bottlenecks/hiccups are in the decision-making, purchasing and distribution process, and this has fed into annual revisions of the users' guide for the DSS. Over the years the manual has thus seen changes, with a gradual broadening of the list of items that schools are allowed to buy.

Anecdotal evidence suggests that ADE *Alargado* ('extended' DSS) funds may actually mostly be used for consumables for the school itself, rather than for individual pupils. A recent World Bank study conducted focus groups in a number of provinces and participants in the focus groups mentioned that children only receive one notebook and one pencil through ADE. Because this is not enough to last throughout the year, they need to pay for additional needed material (Santibañez & Fox 2011). Work by the author of this case study in Gaza province (Visser & Marrengula 2012b) also appeared to confirm that priority setting goes mainly to the school itself (materials for the teachers, for classroom teaching, consumables for maintenance and cleaning, etc.).

The weakness of some of the SCs, combined with inadequate monitoring by the MoE, has undermined the transparency and accountability of the mechanism. Other factors that have



reduced the efficiency of the mechanism and of its impact include a general lack of management skills by many principals and their staff, especially with respect to budgeting and expenditure control, duplication in the use of funds, and poor correspondence between the needs of pupils and the items purchased, delays in purchasing (which means that poor families often will have to find a way at the beginning of the school year to buy essential supplies because the DSS materials arrive only a few months after the school year starts), and the shortage and poor quality of education infrastructure, including classrooms, which affect the learning and teaching process and also has implications for the capacity of schools to adequately stock and conserve the materials. Delays in the attribution of the funds to schools have been a problem too, although there have been improvements over the years. In some of the areas visited for this study, there were also reports of prices of materials being 'inflated' by local traders when DSS funds arrive, which reduces the purchasing capacity of schools. There have also been reports of leakage of funds, but these are mostly at the level of the schools themselves, rather than at the District Education Offices.

### *3.1.4 Potential for expansion*

Nonetheless, and in spite of these issues, as a mechanism, the DSS has potential to be further expanded to cover other needs. In a number of districts this has already been experimented with. Since 2008, a total of 42 districts (out of the 128 districts in the country) – which were identified as being areas of extreme poverty<sup>2</sup> – have received extra funding per pupil. The funding has been to the tune of US\$ 1 per child (and is, just as the general DSS, a function of the overall envelope that FASE has at its disposal in a given year). This money – for what is commonly known as the ADE *Alargado* ('extended' DSS) – aims to encourage schools to provide additional and targeted support to orphaned and vulnerable children (OVC). The DSS guidelines specify that the funds can be used for such items as school uniforms, school supplies, jerry cans (for carrying water), etc. It also specifies that the amount spent by the school on the ADE *Alargado* 'should not exceed 30% of the overall DSS budget of the school', which according to some persons interviewed for this paper may discourage schools from having a comprehensive policy of supporting children in need.

Anecdotal evidence from school visits suggests that in practice many schools use a much smaller percentage of the total DSS allocation (which includes the general funds and in targeted districts the additional allocation for OVC) for direct support to vulnerable children, and that most of these additional resources through the ADE *Alargado* are used to beef up the general DSS budget. Factors that may play a role here are the value of the additional fund, which can hardly address the needs of students who are in difficulty, the challenges in selecting specific pupils (in particular in areas where the majority of students are in difficulty and which puts schools in the difficult position of selecting amongst the many children in need), and the competing priority of covering the gap between what the school needs and what the general DSS covers, which constitutes a temptation for using the funds instead for supplies that benefit all pupils. In this context, and specifically with respect to the per-pupil additional allocation, it is of interest to note that the original ADE *Alargado* proposal had budgeted for an additional US\$ 5 per OVC per year (MoE 2005), which is five times what was put in place.

### *3.1.5 Evidence of outcomes*

In terms of outcomes, a case study carried out by the Association for the Development of Education in Africa (ADEA) in 2006, although now somewhat dated, provides relevant

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<sup>2</sup> Extreme poverty was defined on the basis of two criteria: the level of food insecurity in the district and the HIV prevalence rate.



conclusions and recommendations that still resonate with the main findings of this paper. Its main conclusion was that the DSS as a mechanism for promoting UPE had been well received and had achieved positive outcomes. In Mozambique this was reflected in the rapidly increasing enrolment figures (see Figure 1) and the continued narrowing over the years of disparities in enrolments between rural and urban areas, between rich and poor and between girls and boys – although there is evidence that these gains are now levelling off in certain areas.

These findings are confirmed by a more recent review by Fox et al. (2012) of education policy options and their impact. This study conducted an econometric analysis of the impact of the 2004 education reforms, to establish whether these reforms are conclusively linked to the outcomes. The authors conclude: 'The econometric results strongly indicate that the 2004–05 reforms were an important factor in the increased enrolment observed, that is, owing to the reforms, primary education enrolment grew even faster than they otherwise would have. The effects were experienced across all school age groups. After the 2004–05 reforms were implemented, the probability of enrolling in school increased for all individuals ages 6–18, controlling for all other variables measured in the survey' (Fox et al. 2012: 42).

However, the study also concludes that the objective of the DSS mechanism of contributing to quality of teaching and learning has not been achieved, as key quality indicators have worsened during implementation of the mechanism. This is clearly illustrated by the SACMEQ scores that were reported in Table 1 and which show that Mozambique has dropped from fifth to ninth place in reading scores between 2003 and 2007, and from third to sixth place on maths scores over the same period.

The ADEA study highlights a number of issues that have reduced the impact of the DSS on education quality. Amongst these are: poor planning and the inadequate preparation of stakeholders because of political pressures (elections), which had consequences for effective implementation. 'The trade-off (i.e. the pressure to roll out fast) meant failure to capture critical issues in the implantation process including training of school heads, their deputies and SMCs on the management of funds; sensitisation of parents and communities of their role; requirements for additional teachers and classrooms' (Ayako 2006: 8). It is interesting to note in this context that the DSS mechanism was introduced in parallel in three other countries in the region, namely Kenya, Tanzania and Uganda, and that the conclusions around issues of implementation across the countries are broadly consistent. On a more positive side, the DSS has been implemented without requiring complicated new structures to be put in place, as the management is entirely done by existing structures, with a very small overhead for management costs.

### *3.1.6 Questions for reflection*

Having read the above case, we invite you to reflect on the following questions:

1. What can be concluded about the effectiveness of the DSS in achieving the objectives for which it was put in place?
2. Based on the evidence presented, what might be concluded about the efficiency of the mechanism in general?
3. What can we say about allocative efficiency? What might be the main constraints on allocative efficiency? What does allocative efficiency mean in a context where over half the children live below the poverty line?
4. What can we say about technical efficiency? What are the main constraints on technical efficiency?



5. Why do you think that, in spite of increasing investment in education, quality is dropping? What might this say about the kind of trade-offs between quantity and quality?
6. Is the per-pupil funding under ADE sufficient to make a difference? Especially for the ADE *Alargado*?
7. If you had to provide suggestions, what improvements and choices would you make to increase the effectiveness of this mechanism?

The next section of this report examines a second case study which focuses on early childhood education.

## 3.2 ECE in rural communities

### 3.2.1 Background

As can be seen from Table 2, which outlines the priorities for the Education Sector Plan, an area where there is **interest and an emerging commitment by the government and donors is ECE**. This is related to the above mentioned challenges and setbacks that children face from their early years due to poverty and hunger and the impact this has on their physical, cognitive and psycho-motor development, and their capacities to perform in school.

There is **considerable international evidence of the important returns of ECE**. Children who have access to quality ECE are better prepared and more likely to succeed in education and develop valuable skills early on in life which contribute to their health and well-being as learners but also later on in life, including as participants in the labour market. Provision of ECE also has benefits for mothers and other members of the family, who can use the time previously devoted to childcare to engage in economic activities or (in the case of older siblings) to go to school. The high returns to society from investments in ECE are underscored in a 2011 report in *The Lancet* which reviewed the findings from 42 international programme assessments on ECE and concluded that: 'A conservative estimate of the returns to investment in early child development is illustrated by the effects of improving one component: pre-school attendance. Achieving enrolment rates of 25% per country in 1 year would result in a benefit of US\$ 10.6 billion and achieving a 50% enrolment could have a benefit of more than a \$33 billion with a benefit-to-cost ratio of 17.6. Incorporating improved nutrition and parenting programmes would result in a larger gain' (Engle et al. 2011).

**In Mozambique itself, however, ECE delivery has been very limited** due to insufficient technical and financial capacity to provide such opportunities, and until recently, limited policy support for the expansion of this level of education. **Current ECE provision only covers 4% of the 4.5 million children who are potentially in need of ECE in the country** and is heavily slanted towards urban areas and to children from better-off families. Private institutions run the majority of the programmes in urban areas, while NGOs, CSOs, and religious organisations serve the rural areas.

Overall, in the country challenges to the establishment and running of ECE centres at community level are considerable – in particular where there is no external organisation/donor support – given that in spite of the more recent policy commitment there is no government budget allocation for staff or infrastructure, implying that these have to be provided either by the community or outside sources. As a result, centres may be overcrowded or provide poor quality services when parents fail to be able to come up with a financial or in-kind compensation for the child educators. However, parental and community enthusiasm for ECE is considerable – parents in areas where there is ECE provision emphasise their perception of the benefits in terms of the development of their children, and their chances at progressing to primary education (Visser & Marrengula 2012a). Communities and the local authorities also consistently





express strong support for the expansion of ECE opportunities. However, experience has shown that many parents do not have the capacity to provide a financial contribution to the ECE of their children, and are also not convinced that this should be required, given that primary education is free of charge. Participation in the form of labour (e.g. cleaning of the school, small works, etc.) does appear to have some adherence.

### *3.2.2 Pilot experiences in ECE*

The focus of the Mozambican government is on expanding ECE opportunities in the coming years, building on a 'model' that has been developed by CSOs such as Save the Children and the Agha Khan Foundation. This experience that will be scaled up by the Mozambican government with World Bank (WB) funding is community *escolinhas* (translated as 'little schools'), following a pilot that was implemented by Save the Children United Kingdom (SC-UK) in Gaza province between 2006 and 2008. The initiative started in 2006 with 42 communities, and was expanded to a further 11 communities.

### *3.2.3 Purpose*

The focus of this *escolinha* model is on physical development, language, cognitive skills and socio-emotional development. The *escolinhas* follow a child-focused approach, supplemented by a nutrition component and a parenting module. The pre-schools are community managed and run. As a pre-condition to receiving the programme, communities must organise a plot to construct a basic facility, provide any construction materials that can be obtained in the area, provide the labour for construction, and form a committee responsible for managing and supervising the pre-schools. In the pilot phase, a SC community agent at district level supports mobilisation and implementation including technical input. The *escolinhas* are then staffed with *educadores* (educators) who are recruited from the community, and who are provided with initial and in-service training. The *educadores* are essentially volunteers who receive a subsidy of 250 meticaís per month (US\$ 8). The money is channelled to the management committee for the *escolinha* (at community level) every three months, which in turn pays the *educador*. The management committee itself receives no money, but benefits from training.

### *3.2.4 Evidence of outcomes*

The pilot phase included a strong research design with a baseline, endline and control group and is 'the first randomised evaluation of a pre-school intervention in a rural African setting' (Martinez, Naudau & Pereira 2012: 8). Findings from the pilot phase were encouraging and provided further confirmation of what is known also from international evidence. Key findings include that:

- Children graduating from the pilot *escolinhas* were 26% more likely to go on to primary school and 24% more likely to do so at the right age (at six years). This finding is particularly important in light of evidence which shows that 'the fastest way to ensure higher coverage of primary education is to ensure that children start school on time' (Fox et al. 2012: 60).
- Beneficiary children spend an average of 7.2 additional hours per week on schooling and homework-related activities.
- Children who benefited from ECE in these *escolinhas* scored higher on standardised tests of cognitive, social, emotional and fine motor skills (these tests were adapted to the Mozambican context) and were generally better prepared and more able to learn. Specifically pre-schoolers showed a 12.1 point, or 87%, increase in the cognitive



domain score on cognitive, fine motor and socio-emotional skills (though not language), contributing to higher levels of school readiness and significantly increased primary school enrolment (at the appropriate age).

- There were also clear spill-over effects for parents of participating children, who demonstrated stronger and better parenting, including spending more time playing with their children and believing less in physical punishment.
- Spill-over effects were also observed among other family members. Older siblings were 5% more likely to be enrolled in school.
- Caregivers were more than one-third more likely to have worked in the last 30 days, most likely because mothers, siblings, and other caregivers no longer need to spend so much time taking care of young children at home. The pilot phase costs were estimated at US\$ 2.47 per month per child.

### 3.2.5 Success factors

The various assessments of this initiative have highlighted a number of elements that appear to have contributed to the success of this model, including:

- The pedagogical approach (child-centred learning, a basic kit for each school, the use of both the local language and the official Portuguese, and in-service training and support of the staff) and the use of low-cost technological solutions;
- The strong involvement and contribution of the community and parents;
- The link and support with the local primary school, and the mobilisation of the primary school to support the ECE facility;
- The input and support by a community development worker who is based at district level and is responsible for facilitating the establishment of the *escolinhas*;
- The recruitment of community *educadores* who are members of the community and are recruited by the community;
- Good coordination with the various government authorities who are responsible for ECE; and
- A strong monitoring and assessment process.

### 3.2.6 Challenges

Nonetheless challenges have arisen since 2011 when the pilot centres were handed back to the community and external support was gradually withdrawn. In a number of cases this has resulted in a substantial number of children dropping out and in centres closing. Interestingly also, the SC model was found to have no impact on the nutritional status of the children – in spite of a specific component targeting nutritional awareness by parents. Reasons for this are explained in a recent study of the initiative, which notes that: ‘40% of the children were stunted at baseline. Given that a child’s growth potential is largely determined by age 3 ... and early delays in physical growth are difficult to reverse ... it is not surprising that we find no differences in rates of stunting and wasting between children in the treatment and control groups by 2010’ (Martinez, Naudau & Pereira 2012).

Under the expansion phase of this pilot, which will take off in 2013, World Bank funding will be used to scale up this successful community-based ECE model. The proposed expansion will cover districts and communities in five provinces in the country (Maputo City and Province, Gaza, Tete, Cabo Delgado and Zambezia provinces). It is expected that the expansion phase will cover 120 communities in each of the five provinces, and that in each community the expansion



will benefit 70 children aged 3–5 as well as an additional 70 children aged 0–2 with a nutritional component.

### *3.2.7 Using government–CSO partnerships for expansion*

The expansion will rely on community providers (CSOs) with the MoE as the contractor. This is a model that is new in Mozambique, where to date the bulk of service provision in education has been done by government, through government-run facilities.

In order to put this in place, funding for this ECE programme will be channelled through the MoE donor pool fund FASE – as is also the case with the DSS funds. The MoE will use these funds to issue public tenders, which will result in the selection of one service provider (a CSO) in each of the provinces to deliver a basic package of services. The basic service package will take into account the successful components of the pilot experience and will include: the delivery and use of the same resources as were used for the pilot; the establishment of committees at community level; and technical support to the *escolinhas*. Each service provider will in turn sub-contract other local organisations and providers for the delivery of services. Disbursements to the service providers will be based on the achievement of pre-specified results, and an independent government or private entity will conduct monitoring and evaluation of the achievement of the service providers.

The World Bank credit will also include support to the capacity strengthening at various levels (national, provincial, district) of the MoE to deliver ECE, as well as knowledge building, which will focus on impact evaluation of the continued ECE activities in Mozambique as well as of ECE models in urban settings. The World Bank credit, which has the duration of four years to the tune of US\$ 40 million, is expected to provide a substantial boost to the expansion of ECE in Mozambique. A complementary Finnish-funded programme managed by UNICEF will support other ministries which also play an important role to the ECE response – this includes the Ministry of Women and Social Action and the Ministry of Health – to ensure that complementary support and supervision from the government is in place.

### *3.2.8 Questions for reflection*

1. What advantages do you think the partnership between government and service providers from civil society might have? How applicable are these kind of partnerships to the context that you come from?
2. What practical challenges might there be in making such partnerships work? And what might be the drawbacks in terms of effectiveness and efficiency?
3. What are the implications of such a partnership for the kind of role that the government/MoE should play?
4. How sustainable do you think this approach to ECE is?

The final section of this chapter will briefly discuss a third NGO initiated initiative. Like the DSS, the school voucher programme sought to improve enrolment and retention, and focused on essential materials for learning. While there is some evidence that the intervention was successful, the initiative was not ultimately replicated or scaled up.

## **3.3 Education Material Fairs/school vouchers**

### *3.3.1 Background and purpose*

The school vouchers initiative, which was implemented between 2005 and 2008 in the province of Zambezia, also focused on primary education, and specifically targeted the high rates of



dropout and absenteeism among school-aged children from poor families. The project sought to provide a motivation for children to go to school, and in this manner to contribute to improved school enrolment as well as retention rates. The initiative was implemented by Save the Children-UK at decentralised level and provides an interesting contrast to the national-run DSS programme and to the ECE initiative, which are both much larger in scale. Despite evidence of its success the initiative was not continued, and in this respect also this experience offers worthwhile lessons to reflect on.

The school vouchers were put in place to address weak adherence of school-aged children to schools, as a result of parents and/or guardians financial inability to pay for school expenses or inability to provide adequate supervision/support for children to go to school. The cash transfers that were provided by SC-UK were in the form of vouchers of a given amount and specifically targeted OVC. The vouchers were put in place to allow OVC to purchase school material and other relevant items, including clothing and shoes, and sought to address the findings from research that had shown that lack of food was not the only factor impacting on enrolment and retention and that the financial inability of parents to pay for supplies was also a major deterrent (Mole & Giva 2007).

### *3.3.2 Set up and delivery*

The voucher value was 'equivalent to an average expenditure a household would spend in school materials for each child in a year, if they had an income' (Mole & Giva 2007). The rationale for the mechanism was that it would give the beneficiary child and its family purchasing power and allow them the opportunity to select and buy academic items of their own and exclusive interest/need. The intention was therefore to ensure not only that basic needs for school materials were met but also that families gained self-esteem, satisfaction and the right to education. The cash transfers were timed to take place at the beginning of the school year to allow children to go to school adequately prepared. Vendors were informed of the day the fair would take place and were invited to attend. They were provided with information on the kind of education material required by and for school children under the programme. In most locations, the market was usually organised around the school to facilitate the monitoring process.

The primary target group of the initiative was children who were identified by communities as being vulnerable. The secondary target group included any person in the household identified as having most responsibility for the education of the child. In order to identify beneficiaries, SC-UK was able to rely on structures that encompassed local leaders and community committees for OVC that had already been put in place in these communities in the context of other interventions that it had funded. Headmasters of schools covered by the initiative were involved in making sure that selected children were actually enrolled.

### *3.3.3 Coverage, cost and use of the vouchers*

In terms of coverage the EMFs project assisted over 3 500 school-aged children from vulnerable families in four communities in Morrumbala and Mopeia districts in the central province of Zambezia, and attracted 154 vendors. In terms of items purchased, exercise books (average of eight items per child), pens (2.5 items per child) and pencils (one item per child) were the most purchased items, followed by clothing and personal hygiene items (slippers, soap/detergent, and shirts).

The cost of this initiative amounted to US\$ 7.6 per pupil. The table below provides a breakdown of the costs per beneficiary.

**Table 3: Quantitative data on cost-effectiveness of the EMF**

Indicators	Value (US\$)
Total cost	26 124.4
Actual number of beneficiaries	3 432
Cost per beneficiary	7.6
Transfer value per beneficiary	6.2
<b>Equivalent in cash</b>	
Average overhead per beneficiary	1.4
Average cost per US\$ 1.00 benefit	1.2

Source: Mole & Giva (2007)

### 3.3.4 Outcomes

The evaluation of the initiative (Mole & Giva 2007) provided insight into both qualitative and quantitative information. On the qualitative side interviews with beneficiaries highlighted the positive impact of the vouchers on pupil self-confidence and self-esteem and a declared willingness to continue to go to school.

In numeric terms data is only available from one location. This showed that the enrolment rate had increased by 36% from the low of 911 students in 2004 to 1 240 in 2005. Community members attributed this achievement partially to EMF efforts to provide education material to school-aged children with no hope to enter and remain in school. Unfortunately no further data of impact on enrolment and school attendance was collected, making it difficult to say whether the initiative had the same impact in other areas where it was implemented.

### 3.3.5 Challenges

Challenges to the implementation included the selection process itself and the difficulties of identifying children most in need in a context where even children who were considered relatively secure would miss school or drop out of school to take care of basic needs, such as by participating in cultivation or grazing livestock or to provide other sources of income to the household, usually engaging in a small-scale trade or performing part-time labour in fields. In addition there were also challenges in leaving the selection and monitoring entirely to communities, as in some cases selection teams developed 'ghosts lists' to benefit relatives or themselves.

### 3.3.6 Strengths

A positive development was the impact of channelling financial resources to poor communities, as the fairs represented a good business opportunity to vendors and a mechanism for development promotion and wealth redistribution and transfer. The evaluation of the initiative concluded that this 'could have a very positive impact on poverty reduction, a strategic objective of the government of Mozambique' (Mole & Giva 2007: 19), but also highlighted that the initiative raises broader policy questions 'about replicability within the framework of national education policy and the role of the Ministry of Education ... Larger scale roll-out (to reach more vulnerable children) and repetition (to ensure they stay in school, and to achieve the market stimulation goal of EMFs) would require substantial and rising donor commitments. This would conflict with donor preferences towards supporting education through general budget support to the government, and also with the MoE's own mandate to supply adequate



educational materials to schools and to ensure the widest possible participation of all children in the education system' (ibid.). These reservations around replicability and scalability appear to have been borne out, as the initiative was not replicated or continued after the end of the pilot phase, in spite of the relatively low cost. A major weakness of the initiative was also that expected downstream monitoring to 'demonstrate that this is an effective way of motivating vulnerable children to return to school, and keeping them there once they are enrolled' (ibid.) in schools did not take place, which may have contributed to the lack of enthusiasm for taking on board this pilot.

### 3.3.7 Questions for reflection

1. What do you think the main strengths of this initiative were? What areas of technical and allocative efficiency can you identify? What areas should have been strengthened?
2. To what extent were the vouchers successful? Why?
3. Comparing the ECE initiative with this one, what do you think contributed to the ECE pilot being scaled up? Why do you think the voucher initiative did not have the same success? What lessons can be learnt for future initiatives of this kind?

The final section of this paper will compare and contrast these initiatives and will invite you – the reader – to draw conclusions about what criteria you would use to decide between these initiatives.

## 4. Discussion and reflection

In Mozambique in 2009, education represented 21% of the state budget, and health 11%, corresponding to just under one-third of the government budget. The 2004 World Development Report highlighted the lack of allocative efficiency in developing countries, underscoring that 'while countries devote almost a third of their budget on health and education, they spend very little of it on poor people' (World Bank 2004: 8).

Table 4 (on the next page) summarises key information from the three initiatives that were reviewed in this paper.

Based on what you have read, please reflect on the following questions:

1. To what extent do you think that the resources are being effectively channelled to identified priority needs? For each of the initiatives what might be done to improve the targeting?
2. If you had to use one of these initiatives to present a convincing case to the Ministry of Finance for additional funding, which one would you use and why? What additional information might you try to procure to present a convincing story?
3. What evidence is there that line agencies involved in these initiatives are adequately monitoring the results and impact of these initiatives? What recommendations would you make to strengthen this?
4. What are your conclusions about the cost-effectiveness of these interventions? What recommendations would you make to ensure greater value for money?

**Table 4:** Key information on the three mechanisms

Characteristics/type of intervention	DSS	ECE expansion	EMF vouchers
Purpose	Improved quality of primary education – reduce drop-out rates, repetition rates and schooling failure	School readiness, transition to primary education, right-age enrolment	Improve school enrolment and school attendance
Funding channel	Direct funding to schools using government systems	Funding to pool fund FASE, with sub-contracting of CSOs	Parallel funding by NGO
Implementation modality	Government-managed	CSO service providers at provincial level	NGO-managed
Outcomes	<p>Increase in enrolment and completion rates</p> <p>Reduction in educational performance (lower educational quality)</p>	<p>Improved transition rates to primary</p> <p>Higher scores on cognitive tests</p> <p>No impact on language skills or on health status</p>	<p>Increase in enrolment (data for one site only)</p> <p>Expressed willingness to return to school</p>
Targeting	None	Rural communities	Vulnerable pupils (OVC)
Cost per pupil	US\$ 2 per pupil per year, with an additional US\$ 1 for selected districts	US\$ 2.5 per pre-school child per month (US\$ 30 per year)	US\$ 7.6 per pupil per year



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## Annex 1

### Key statistics on Mozambique and the education sector

#### General statistics on Mozambique

Total population	23 391 000
Annual growth rate (%)	2.3
Population 0–14 years (%)	44
Infant mortality rate/1000	76
Life expectancy at birth	50
HIV rate (%) in adults (14–49 years)	11.5 (2009)
Poverty (% of population on < 2 US\$/day)	82

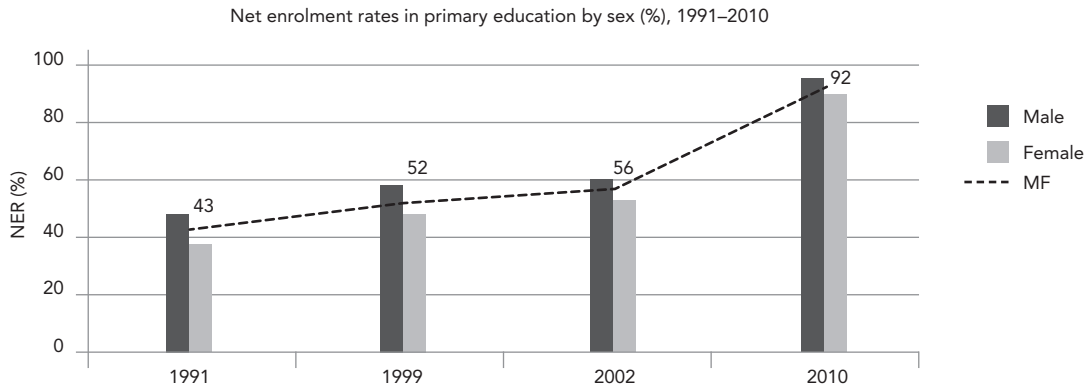
Source: UNESCO UIS<sup>1</sup> (2010)

#### Selected education statistics (2010)

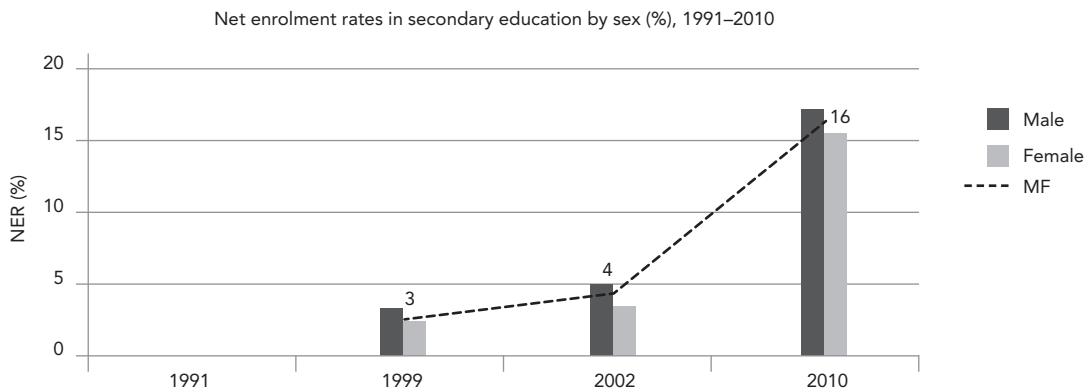
Total pupils enrolled in primary education in 2010	5.3 million
Number of out of school children (primary)	366 736
Net enrolment rate (primary)	91.9
Net enrolment rate (secondary)	16.1
School life expectancy ISED 1–6 years	9.7
Repetition rate (%) primary	7
Survival rate to grade 5 (%)	44
Primary to secondary transition rate (%)	50
Pupil–teacher ratio (primary)	58
Percentage of trained teachers (primary)	75.9
Percentage of trained teachers (secondary)	75.9
Public expenditure on education as percentage of GDP	5

1 [http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=289&IF\\_Language=eng&BR\\_Country=5080&BR\\_Region=40540](http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=289&IF_Language=eng&BR_Country=5080&BR_Region=40540) (accessed 14 November 2012).

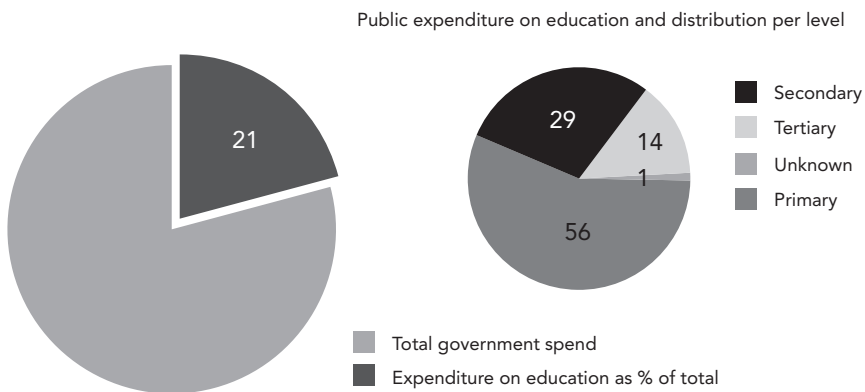
**89% of girls and 94% of boys are in primary school**



**15% of girls and 17% of boys are in secondary school**



**21.0% of government spending goes to education**



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