Republic of Yemen

Education in Federal States: Lessons from Selected Countries

A Study of Decentralization and School-Based Management for the Republic of Yemen

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Acronyms

ADEC  Abu Dhabi Education Council
BOS   Bantuan Operasional Sekolah (School Operational Assistance Program, Indonesia)
CCC   Central Curriculum Committee (Malaysia)
DEO   District Education Office
ECA   Europe and Central Asia
EMIS  Education management information system
GCC   Gulf Cooperation Council
GDP   Gross domestic product
GEQIP General Education Quality Improvement Project, Ethiopia
GER   Gross enrollment ratio
HEI   Higher education institution
IBE   International Bureau of Education
INEE  Interagency Network for Education in Emergencies
ISCED International Standard Classification of Education
KHDA  Knowledge and Human Development Authority (Dubai)
MDG   Millennium Development Goal
MOE   Ministry of Education
MOF   Ministry of Finance
NDC   National Dialogue Conference
NGO   Non-governmental organization
NLA   National Learning Assessment (Ethiopia)
OECD  Organisation for Economic Co-operation and Development
PBS   School-based assessment (Malaysia)
PCE   Programa de Escuela con Calidad (Mexico)
PIRLS  Progress in International Reading Literacy Study
PISA  Programme for International Student Assessment
PLANEA Plan Nacional para las Evaluaciones de los Aprendizajes (Mexico)
PPP   Public-private partnership
PTA   Parent-teacher association
SAA   School autonomy and accountability
SABER Systems Approach to Better Education Results
SBM   School-based management
SED   State Education Department (Malaysia)
SEP   Secretaría de Educación Pública (Mexico’s Ministry of Education)
SMC   School management committee/council
SNNPR Southern Nations Nationalities and Peoples’ Region (Ethiopia)
STR   Student-teacher ratio
TED   Teacher Education Department (Malaysia)
TIMSS Trends in Mathematics and Science Study
TTI   Teacher Training Institution (Malaysia)
TVET  Technical and vocational education and training
UAE   United Arab Emirates
UNESCO United Nations Educational, Scientific and Cultural Organization
WEO   Woreda education office (Ethiopia)
EXECUTIVE SUMMARY

The objective of this report is to present different approaches to the provision of education under federalism with the purpose of supporting informed dialogue in Yemen’s transition to a federal state. Following the National Dialogue Conference in January 2014, Yemen’s Ministry of Education (MOE) requested the World Bank to provide information on the characteristics of education policy and management in federal countries, with the purpose of extracting general principles that could apply to Yemen. Although Yemen is currently in the midst of a severe political conflict and humanitarian crisis, the general agreement across the various political factions to move towards a federal system appears to remain unchanged.

In response to the MOE’s request, this report provides an analysis of the experiences of a sample of federal countries—Mexico, the United Arab Emirates, Malaysia and Ethiopia—in managing and delivering education services, including a description of how functions are distributed across different levels of government. Since federalism implies the devolution of power to lower levels of government, this report focuses on the decentralization of education, examining four basic issues as a framework for the country case study analyses: education politics and policy, education planning and financing, education management and service delivery, and the monitoring and evaluation of educational performance. The report also focuses on school-based management (SBM), since it is a form of decentralization that enables schools and their communities to be more effective and accountable in the delivery of education services and in the achievement of better quality outcomes. The report provides a framework for implementing SBM and includes experiences of other countries in assigning autonomy with accountability to schools, and involving local stakeholders in school-level decisions. In addition, the role of education and SBM in building peace in conflict and post-conflict environments are highlighted in the report.

Key Findings from the Four Country Case Studies on Education Under Federalism

Each of the case study countries has its own historical and political context, leading to different approaches to the management and delivery of education services across the levels of government. There is no single prescription for education decentralization; in fact, there are many alternatives that can lead to a decentralized education system. In planning for the move to federalism, the starting point should be considered, along with the factors related to the political economy of the education sector. Education decentralization can be a major pillar of nation building, especially in conflict and post-conflict situations. In the current circumstances in Yemen, the move to a federal system will very much hinge on the ways that the decentralization process is handled.

The framework for analysis designed for the case studies in this report highlights the similarities and differences across the countries, along with the broad principles that will be of particular interest or relevance to Yemen.

Education Politics and Policy

*Education system goals, policies and structures under federalism should be the result of political and managerial agreements, and should be flexible.* Federalism is strongly associated with the decentralization of education, with technical and political implications resulting from the devolution of
power from the central government to lower levels of government. In Ethiopia, the decentralization of education was a consequence of a change in the approach to government, while in Mexico it was an evolution of existing federalism. In Malaysia, education is centralized because it fosters national unity—an overarching goal—while in the United Arab Emirates (UAE), a mix of centralization and regional autonomy has become the structure for education delivery due to the vast differences in the capacity of regional governments. In all four cases, the various levels of government agree on the education goals and also on their roles and responsibilities within the system, but these roles and responsibilities are continually evolving. In Mexico, new agreements were negotiated very recently (in 2014), and in Ethiopia, the overall decentralization process and federal education financing has evolved over a period of several years. Yemen’s debate over education policy and delivery under a federal system should be ongoing, with the political will to allow for flexibility and adaptation to local needs.

In conflict and post-conflict situations, the reconfiguration of education policies should include all political factions in the decision process and should promote reconciliation. This is crucial because it gives education policies the political legitimacy that can ensure their sustainability. The representatives of all factions should make decisions based on evidence of the current situation of education in the country, an understanding of international experiences, and information on the level of local capacities to set expectations about timetables for the implementation of policies and for the achievement of education goals.

Decisions on the structure of the education system under federalism should be based on the principle of subsidiarity, political authority and technical capacity, where managerial authority is delegated to the lowest level of government with the technical capacity and political authority to implement it. Even when states and local governments want to assume more responsibilities—perhaps reflecting local political interests in managing more funds and resources—the negotiations should be based on evidence that they have the technical and managerial capacity to assume them. Constant and needs-based capacity building is a key element for the transition to a more decentralized education system.

Education decentralization does not necessarily lead to deregulation. In fact, the decentralization of education may result in more complex regulations in order to align national interests with the interests and operational structures of new institutions at the national, regional and local levels.

At its core, education policy should be guided by the principle of equity. The government has an important role to play in the equitable provision of education, guaranteeing the right of all citizens—including girls, children with special needs, and vulnerable groups—to receive education of the same level of quality. A key role of the central government is to safeguard this right across all regions. The capacity of new federal-level education institutions to fulfill their responsibilities will make all the difference in ensuring the national character of the education system.

Education within a conflict or post-conflict situation creates opportunities for promoting peace, building social cohesion, and strengthening social development. The experiences in Colombia and Rwanda show how education policies can foster peace and social cohesion. Yemen’s MOE is rightly concerned about the rehabilitation of damaged education infrastructure, the provision of educational materials, and the reestablishment of education services to resume functions as soon as possible. However, the MOE should also consider the important impact that education can make as a vehicle for promoting peace and social cohesion at the school level, and the benefits that it would entail to Yemeni society.

**Education Planning and Financing**
When planning for the delivery of education services, the overarching goal of learning for all children should be sought. Such planning under a federal system requires basic information at the school level to generate regional, and federal plans. In Mexico, Ethiopia and the UAE, the schools’ plans—for enrollment growth, financial and human resource needs—feed into the regional and federal education plans, with the federal government differentiating its allocation of funds and resources to comply with its national goals of learning and equity across geographic regions and different groups. In Malaysia and the UAE, education planning is more centralized, but equity and learning goals are still a central focus.

Federal funds are the principal source of finance for public education. In most federal systems the majority of education funds comes from federal sources because the federal government collects the largest share of fiscal revenues. These revenues are then distributed back to the regions on the basis of agreements between the MOE, federal and regional authorities. These agreements specify the nature of the fiscal transfers and grants. Mexico and Ethiopia use funding formulas to meet the different needs of the states, taking into account the states’ enrollment trends, local capacity, and poverty levels. In Ethiopia, education planning adjusts for regional disparities through training and differential funding. Malaysia’s per capita grant to schools takes account of some basic needs of poor students from low-income families. Yemen’s education planning will have to take into account the large regional disparities in equity and learning to define its structure of fiscal transfers and grants.

The implementation of a federal funding formula for education is necessary to meet education demand and foster educational equity. In both Mexico and Ethiopia, the federal share of public expenditures in education is around 80 percent, leaving the remaining 20 percent to state and local governments. Mexico uses a complex funding formula to calculate the fiscal transfers to the states in the federation, along with direct transfers to the states to ensure equity for specific target groups. Ethiopia uses a simpler formula that incorporates equity provisions for vulnerable groups, while Malaysia’s funding formula is fairly comprehensive and driven by equity, adjusting for students in poverty, children in remote areas, children with special needs, indigenous children, and refugees. Yemen has a funding formula based on enrollment with a supplement for remote areas—this is a good start, but the formula has not yet been implemented.

Compensatory measures for marginalized and conflict-affected regions or demographic groups may be needed to bring them up to the mainstream level. As previously noted, education planning and financing should be guided by equitable access to quality education for all, including girls, children in rural areas, and those with special needs. As in the case of Rwanda, representatives of all factions in the conflict should work towards a consensus on funding priorities for school infrastructure, the coordination of humanitarian efforts in education, the assignation of resources to community reconciliation activities, and the creation of secure schools to ensure student and teacher safety.

The transfer of financial responsibility to the regions must take into account the regional capacities for generating fiscal revenues. If the federal government wants to promote educational equity, the federal share of expenditures in education should be tailored to the equity needs of each region and to the local capacity to generate revenues that could be assigned to education. A key consideration for Yemen is the modification of its funding formula to take into account the fiscal space of the regions under a decentralized framework.

Education Management and Service Delivery

Mutually exclusive roles for national and subnational entities should be clearly defined in a federal
**Education system.** It is essential to have mutually exclusive roles in order to improve the efficiency of the education system, to establish clear lines of authority for actors in delivering education services, and to allow the education sector actors, parents and society to evaluate system performance. In all four case study countries, there are clearly defined managerial functions for each level of education administration (central, regional, district and school). In Malaysia, although the education decentralization process is at a very early stage, the roles and responsibilities at each level are being defined in the Malaysia Education Blueprint. In general, the federal government should be responsible for the regulatory framework for education, the setting of standards to ensure equity and quality, and for providing most of the funds. Regional governments should be responsible for adapting federal standards to their situation, for co-financing education with their own fiscal revenues, and for supervising education service delivery.

**In conflict situations, clearly defined roles and rules are particularly important in order for the education system to build peace and resilience.** The various actors of the education system across all levels of government need to work together under such circumstances to, for example, coordinate humanitarian activities at the school level, ensure curricula reforms will successfully foster reconciliation and peace, provide psychosocial support to children, and enable the use of recreational activities for enhancing harmony among children of opposing factions.

**At the school level, budgetary and personnel autonomy with accountability is important for improving education system performance.** In all country case studies, there is evidence that school accountability can be improved by promoting parent participation in the development and implementation of school improvement plans under a school-based management framework. School committees (comprising parents and community members) should work closely with principals and teachers to create a climate of trust and shared accountability, and should provide support to the school. Yemen’s government can encourage this approach by providing training and guidelines on education planning, including the implementation of existing guidelines for community involvement.

**The intermediate levels of education management, between the region and the school, have an important role in both centralized and decentralized systems.** Sub-regional education management—at the district, municipal, and local levels—have an important role that is often overlooked. They are well placed to liaise between the region and the school for matters involving supervision, administration, and communicating resource needs. In Mexico, municipal education offices are responsible for providing direct support to schools in the process of delivering educational services, including special modalities for indigenous populations and children with special needs, and teacher training. In Ethiopia, the structure of intermediate management is even more complex, as it requires significant coordination between regions, zones, and woredas, all of which have policy and managerial responsibilities. In the UAE, the Educational Zones are responsible for education delivery, while adjusting for the conditions of each Emirate—their focus is on the logistics of education delivery. Overall, the importance of intermediate management should be considered a key aspect of education delivery in Yemen.

**Local managerial capacity must be reinforced.** The case studies show that implementation of education under federalism requires an honest assessment of the technical capacities of lower levels of government. In addition, it is advisable that capacity building is implemented during the process of decentralization. The experiences in Ethiopia and Mexico show that learning by doing has worked reasonably well, with local capacity improving during the implementation education policies. Both countries prepared comprehensive manuals and training programs that continue to this day. Malaysia is planning a comprehensive capacity building program for its decentralization effort. Yemen should undertake an assessment of the capacity of governorate and district education offices as part of the initial transition to
a federal system in order to identify appropriate levels of devolution of responsibilities to each region or district.

**Education System Monitoring and Evaluation**

**Monitoring and evaluation (M&E) should take place at all levels of government in a coordinated manner—a constant flow of information in both directions is key for M&E.** The MOE has its responsibility to monitor and evaluate education performance at the system level, while education offices at the local levels need to perform M&E for their own regions and districts aligned with the national framework. School-level M&E is critical for achieving the national goal of learning for all, and has the advantage of directly contributing to an individual school’s improvement. Coordinated M&E requires a comprehensive framework and a smooth flow of information vertically and horizontally. In Mexico, the indicators of internal efficiency flow upward from the school to the municipal delegations of the MOE, and then to state education offices. The states send aggregated information to the MOE for the production of indicators of system performance. In Ethiopia and the UAE, the information flows up from the schools to the Zones, to the MOE. In Malaysia, the District Education Offices collect information from schools and send it to the MOE for processing. In all four countries, information on student learning is collected by a national assessment system and then sent back to the school level, along with an analysis of student performance. Yemen needs to develop and use an effective education management information system (EMIS) for the purpose of monitoring and evaluation.

**Monitoring and evaluation is essential during conflict and post-conflict stages in order to keep all factions informed and on track towards peace.** Monitoring activities jointly through the district and school level can help to ensure that education services are being provided to refugee and internally displaced children, to children with disabilities and special psychosocial needs, to children who were out of school, and to children at risk of dropping out. The efforts in Jordan and Palestine on the utilization of school-based methods for monitoring and action may be worth adapting in Yemen.

**Summary of Key Responsibilities Under Federalism.**

The four case studies shed some light on the potential distribution of roles and responsibilities at different levels of education administration for Yemen. Only federal authorities may change federal laws, and education policies and goals take precedence over regional policies and goals. Regions may adjust the school calendar, language of instruction and curricula, but adjustments must be aligned with federal law and approved by federal authorities. Federal education plans would guide regional plans, and regional plans would guide school plans. Education funding should use a funding formula based on promoting equity across regions and on improving girls’ education. Federal authorities would select federal personnel, and regional authorities would select regional personnel. Teachers should be selected at the lowest level of government that is sufficiently capable of doing so. Federal authorities should set monitoring and evaluation standards, and the lower levels of education administration could develop their M&E plan based on the federal standards.

**Key Findings from the Analysis of School-Based Management**

**School-based management can lead to better delivery of education services.** By transferring core managerial responsibilities to schools, school autonomy fosters local accountability and helps to reflect
local needs and priorities through increased participation of parents and the community. Evidence from the application of school-based management (SBM) in other countries suggests three components critical for the SBM conceptual framework: managerial autonomy, the assessment of results, and the use of the assessment to promote accountability among all stakeholders including parents. In SBM, the school is in charge of most managerial decisions, with the participation of parents and the community through school committees that have a strong influence on school decisions and, as such, require accountability from the school. To ensure accountability, the school must assess student performance and learning, creating a virtuous circle, which forms the conceptual framework of SBM. Because of its participatory nature, SBM strengthens the social contract between the school and its community, which is a key factor needed in Yemen for promoting social cohesion and peace.

*The contextual situation of a country plays a key role in selecting the right combination of SBM reforms that can improve efficiency and support better learning outcomes.* SBM has been implemented in many countries with good results. In El Salvador, community associations successfully managed rural schools in conflict zones with grant funding received from the central government. In Kenya, school committees hired contract teachers to increase teaching time and improve learning, and in Indonesia school committees managed grant funds to hire school staff and improve school conditions. Evaluations of SBM in many countries show a reduction in teacher and student absenteeism and an increase in student retention.

*Implementation of SBM in Yemen can benefit from practical examples of its use and adaptation in other countries.* This includes the application of SBM for resilience and post-conflict environments, the design of funding transfers to schools to address inequities, and the application of targeted training for parents and school committees in the use of tools such as school improvement plans and school report cards.

*In Yemen, school-based management should be strengthened and the associated capacity building support for SBM provided at all levels.* Yemen would benefit from applying a more balanced framework to SBM, whereby the provision of school autonomy enables school committees to make informed decisions about school quality, allows accountability in delivery of education services, and is informed by feedback from assessment and the EMIS. Yemen is already piloting policies for school-level budget planning and management, for the management of teachers and school staff, for the participation of parents in school management, and for reporting related to financial accountability. Now, SBM needs to be strengthened—in some cases by funding and implementing existing policies and in others by adding additional SBM policies—and effort scaled up.

*SBM can help schools become more resilient.* The increased participation of parents in school management and accountability allows schools to have access to in-kind resources, more local support, reduced student and teacher absenteeism, and a new social contract with the community. As a result, schools operating under SBM are better able to cope with adverse situations, such as the current crisis in Yemen, in a timely manner and with less dependence on central interventions. Additionally, if schools receive direct funds from the government, for example via grant transfers, it can better equip them to operate under conflict or post-conflict situations, even when the upper levels of administration are not functioning properly.

**Implications for Yemen for the Way Forward**

From the analyses presented in this report, the most important implications for the way forward for Yemen include the following:
(1) **Education policy and goals under a federal system should be defined through dialogue among the main stakeholders, and should lead to the crafting of decentralization agreements.** This will ensure the political backing necessary to make politically sensitive changes and show that there is agreement for the principal of devolving functions to lower levels of government where swift and efficient responses to needs can be made in the effort to improve educational performance. At the outset, it should be recognized that decentralization is not a panacea—the risks of decentralization, such as the overlapping of functions or excessive fragmentation of responsibility, should be taken into account.

(2) **The MOE should follow up on the stakeholder dialogue, and lead the design and planning of education in a federal system in direct collaboration with representatives of the regional governments, the Ministry of Finance and other line ministries.** This dialogue would lead to clear agreements about the roles and responsibilities of each level of government, alignment of national and regional goals, and timetables for implementation. Decisions would be based on clearly defined priorities and on evidence of the capacity of the institutions at each level to undertake the new roles, implementing capacity building along the way. The details of the agreements should be based on criteria for mutual trust and shared accountability.

(3) **The MOE should implement school-based management to improve education service delivery and enable better learning outcomes in a conflict or post-conflict situation.** This would involve informed planning, management and decision-making by school stakeholders including parents, improving the efficiency of financial resources, and supporting accountability measures. Yemen needs to strengthen its SBM model suitable for its own context and draw on good practices from other countries. The roles of the school-level actors should be clearly defined, and supported by building their capacity to gradually take on these management roles. At the same time, the structural changes required by a move to federalism can work in tandem with SBM to provide the framework and authority for decision-making, financial flows and accountability. This way, the measures at the local level and the structural changes can support each other to improve education quality and equity.

(4) **The school should be the frontline institution to detect adverse effects of the conflict on students and communicate the needs.** The MOE and regional authorities should support school-based management practices to broaden the participation of the community in SBM activities, such as school-level monitoring of children at risk and identifying out-of-school children from the school catchment area. The MOE and regional authorities can also arrange for special training for teachers in the detection of stress and trauma among students, and specialized staff that can help children with psychosocial support, nutrition and refugee assistance.

(5) **The strengths and weaknesses of the Yemeni education system should be carefully assessed by the MOE for the purposes of determining capacity levels, assigning roles and targeting capacity building efforts accordingly.** This review should assess the strengths and weaknesses of the existing management of education at central, regional, district, and school levels in order to determine their capacity for delivering education and their potential for receiving more managerial authority. Such assessment should be part of the current exercise of developing the Yemen Integrated Education Vision, and will require the use of a fully operationalized EMIS and other information sources.

(6) **The MOE should develop an implementation plan for the transition of education under federalism that is simple, clear and realistic.** The starting point matters and the process can take a long time. In this regard, Yemen is in a favorable position since it appears to have the political will to become a
A federal state, and it already has in place some elements of decentralization and SBM. The implementation plan should define the timeline, roles and responsibilities at each level, sources of revenues at each level, and apportioning of expenditures to avoid unfunded mandates. A mechanism for monitoring and evaluation that ensures regular data collection and analysis should be included in the implementation plan to inform further decisions to improve the decentralization plans.

(7) **A timeline should be developed to build capacity and transfer authority incrementally.** Capacity building and raising awareness at all levels should be included as a key component of education policy. Training should be aligned with personal incentives to make the results sustainable. The process should start with a series of simple, feasible activities, and then move on to the more complex ones involving a deepening of decentralization authority.

(8) **Planning for education under federalism should be for the long term with recognition of the importance of buy-in from various stakeholders.** Yemen already has quite strong policies in many areas; however, they are not all being implemented for lack of information and transparency. Through consultation, information sharing, and awareness raising campaigns to promote consensus building, it is important to widely secure support to ensure their actual funding and implementation on the ground.
CHAPTER 1

CONTEXT, OBJECTIVE AND SCOPE OF THE STUDY

1-1 Background to the Study

1.1. Following the consensus reached at the National Dialogue Conference (NDC) in January 2014 that Yemen would become a federal state, the Ministry of Education (MOE) has begun planning for the restructuring of education delivery services. A key conclusion of the NDC was the decision that Yemen will transfer from a unitary state consisting of 21 governorates and 333 districts to a federal system of government. Given the recent political upheaval in the country, the exact details of the new federation are not known, but some form of decentralization of education services is to be expected.

1.2. In planning for this transition, the MOE seeks the World Bank’s support to learn from global evidence about the mechanisms that can support the delivery of education services with increased subnational and local participation under a federal system. Coupling this global learning with context-relevant knowledge is considered a crucial approach for Yemen’s choice of its structures for education delivery and its approach for seeking education quality and equity. This study, requested by the Government of Yemen in mid-2014, analyzes the delivery of education in selected federal governments with the aim of assisting the Government of Yemen in its decision process. The examination of the education structures in a sample of federal countries can illustrate the variety of degrees of centralization/decentralization of each of the various functions of education provision, including policymaking, program design, fiscal resourcing, managing service delivery, and monitoring and evaluation, along with the contexts in which they work. This study also focuses on the experiences of school-based management (SBM) in other countries in order to help Yemen consider ways in which to implement strategies to increase the autonomy and accountability of schools to enable an environment that supports more efficient and effective service delivery and better learning outcomes. SBM is a type of decentralization that has been implemented in many countries around the world, in both federal states and unitary systems. SBM can be effective in providing the degree of autonomy with accountability that schools need to adapt education services to the local conditions and respond quickly, especially in situations of conflict where there is often an increased level of vulnerability in children. School-level decision-making can assist in the coordination of humanitarian activities, inclusion of peace-building activities in the curriculum, and adaptation of parent participation to improve education monitoring at the school level.

1-2 Yemen Political Context

1.3. Conflict and regional tensions across Yemen have become chronic. Yemen has long struggled with social and administrative reforms. After the civil war that ended in 1994, conflict and violence have continued to destabilize the country. When popular protests broke out in 2011, amidst the South’s call for secession that escalated security problems and fractured political groups, Yemen’s leadership agreed to a Gulf initiative (brokered by various Western countries, Arab Gulf states, and the UN). The NDC arose from the Gulf initiative and was seen as a foundation for improving participation, trust and satisfaction of local citizens with public services and social improvements.
1.4. **Political instability exacerbate Yemen’s unrelenting economic and security problems.** Yemen is a fragile state, having experienced long-lasting conflict and turmoil, severe shortages of food and fuel, as well as high commodity prices. With a GNI per capita (Atlas method) of $1,330, a population of 24.41 million, and a poverty rate of 37.3 percent (below $2 a day), Yemen is a lower middle-income country and the poorest country in the Middle East.¹ Oil revenues have been the primary driver of the economy over the last two decades, but oil reserves are now running out and Yemen will need to diversify its economy. Given these challenges, a solid human capital base will be required to restore macroeconomic and social stability—and this, in turn, requires a strong education system.

1.5. **Continuing political turmoil has left great uncertainty surrounding the plans for transition to a federal state.** The Gulf initiative had intended a two-year transitional period (from the inauguration of the President) to resolve Yemen’s political problems, with a caretaker government in the interim and a National Dialogue to form the basis of a new constitution, and Yemenis to vote for a new government at the end of that period. It is unclear whether the NDC outcomes can solve Yemen’s political problems—at the end of that period, there was no new constitution or elections and developments on the ground outpaced the deliberations.² Following the Houthis (known themselves as Ansarullah) takeover of Sana’a in September 2014 and subsequent advance towards crucial installations in Taiz and Aden, a coalition of ten countries, led by Saudi Arabia, launched a military campaign on March, 26, 2015, with airstrikes aimed at stopping the Houthis from taking more territory. The current political and military conflicts have left further uncertainty over the future of the decisions resulting from the NDC.

1.6. **While there was consensus on certain key issues arising from the NDC, substantive differences persisted, including the “southern issue” and the structure of the new federation.** Working groups of the NDC addressed specific controversial issues including: the southern issue, the Sa’ada conflict (regarding the Houthi movement’s control of Sa’ada governorate and parts of neighboring governorates), transitional justice, state building, good governance, military and security, special entities (vulnerable groups), rights and freedoms, and development. The rights and freedoms working group came to a consensus on a list of human rights, including freedom from violence, coercion and intimidation. This group also concluded that 18 should be the minimum age of marriage for men and women, and that female genital mutilation should be prohibited. The military and security working group concluded that only the state should form an armed military (not other entities), and that this military should be professional and apolitical. The Sa’ada working group concluded that there should be freedom of thought and worship for all, good governance and economic development, and that militias should be disarmed and not receive foreign support. The transitional justice working group came to a stall over issues of immunity and prosecution of those involved in past atrocities. The other working groups struggled in one way or another with the southern issue and the structure of the state. There was call for a two-state solution (north and south), but this was argued to be destabilizing. A presidential declaration was then made for a six-region solution, albeit with dissent from southern leaders and some other political parties including the Houthis. The future balance of power is uncertain and the struggles on the ground may have more impact on the lives of ordinary Yemenis than the formal deliberations of the NDC.³

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¹ The World Bank World Development Indicators. Data is for approximately 2013. Poverty rate data is for 2005 and refers to the percentage of the population below the international poverty line of $2 per day.

² Schmitz 2014.

³ Schmitz 2014.
1.7. Currently, the political situation in Yemen is fluid and events are unfolding quickly. However, there appears to be general political support at the time of writing for the NDC outcomes and for the decision for Yemen to become a federation. While this report studies the experiences of case study countries in delivering education under a federal system, many aspects of decentralization are discussed that would also apply to non-federal states, including the implementation of school-based management initiatives. As such, the experiences and lessons learned in this report will be informative to Yemen regardless of the direction in which the country will take.

1.8. Currently in Yemen, responsibilities for the delivery of Kindergarten to grade 12 (K-12) fall to the Ministry of Education (MOE), as well as governorates, districts and schools. The MOE is responsible for decisions related to policies, such as regulations, course materials, training issues, the annual calendar, teacher training, and the provision of textbooks. The MOE supervises preprimary, basic and general secondary education, and it also manages literacy initiatives and programs for special needs students. The Ministry of Technical Education and Vocational Training oversees technical and vocational education and training (TVET) at the post-basic and post-secondary levels. The Ministry of Higher Education and Scientific Research is in charge of higher education.

1.9. Administration and management of education at the local level has been delegated to Governorate Education Offices and District Education Offices. Governorates are responsible for the appointment of new principals and teachers, assessing needs for new positions, and determining budgets, although staffing of educational institutions is under the direct control and regulation of the Ministry of Civil Service, and funding of educational institutions is under the direct control and regulation of the Ministry of Finance (bypassing the MOE). Governorates are responsible for supervising education institutions and monitoring performance. In addition, governorates are responsible for school building and expansion (in conjunction with districts and with support from the MOE). School building also takes place through Public Works Projects implemented by the MOE when funds are available from international partners. Governorates have authority over the deployment and transfer of teachers and their wages. Districts in conjunction with governorates are responsible for conducting teacher evaluations staff distribution, and wages (distributed from the governorates), and districts manage private education (with final approval coming from the governorate level).

1.10. Education in Yemen consists of kindergarten, basic education, general or vocational secondary education or vocational training, followed by undergraduate and postgraduate university, teacher training institutes, community college, or technical education. Nursery and kindergarten (not compulsory and mostly private) caters to 3-6 year olds, generally one year in nursery education and two years in kindergarten. Basic education starts at age 6 and covers grades 1 to 9 and is compulsory and free. It includes a 6-year primary cycle (grades 1-6) and a 3-year preparatory cycle (grades 7-9). Governorate-level examinations are held at the end of grade 9 and successful students are awarded a basic education certificate. General secondary education covers grades 10 to 12 and is not compulsory. Students choose a science or humanities track from grade 11, and receive a secondary education certificate if successful in examinations at the end of grade 12. Vocational secondary education and training takes place in vocational training centers (2-year courses) or vocational institutes (3-year courses).

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4 UNESCO IBE 2011a.
1.11. **Government educational expenditures have increased in recent years and access to education has improved, although challenges remain in quality and equity.** The share of public expenditure directed to education rose from 14.3 percent in 2007 to 18.3 percent in 2012. \(^5\) Significant achievements have been made, as reflected by the increase in the primary education gross enrollment ratio (GER)—from 73 percent in 1999 to 101 percent in 2013. \(^6\) Girls’ enrollments have surged, with primary education GERs from a 52 percent to 92 percent GER over the same time period. However, despite this commitment and progress, Yemen has fallen short of achieving the Millennium Development Goals (MDG) for primary completion and gender parity at all levels of education by 2015. School dropout rates are high, there is persistent gender inequality, preschool education is severely underdeveloped (with a GER less than 1 percent), and the quality of education is generally poor, as evidenced by the results in the international learning assessment, Trends in Mathematics and Science Study (TIMSS) 2011.

1.12. **A particular concern relates to youth unemployment.** Yemen’s youth labor force participation rate was 37 percent in 2013, with an unemployment rate of 30 percent. \(^7\) Unemployment affects young females at a much higher rate—54 percent compared to 20 percent of young males.

1.13. **The development of a National Integrated Vision for Education is underway.** The government has endorsed a number of strategies since 2002 related to education—from early childhood to higher education. The National Integrated Vision for Education will harmonize the earlier fragmented strategies and address pertinent issues that were missing such as teacher preparation and student flow regulations and practices. \(^8\) The strategy development is being coordinated by the Ministry of Planning and International Cooperation, and involves various stakeholders including all line ministries related to education.

1.14. **Yemen has made significant efforts to improve curricula, textbooks, teacher training, and personnel management, yet persistent challenges remain in enhancing quality and equity of education due to lack of capacity and resources.** The current general education curriculum is well designed and puts a strong focus on student-centered and discovery-based learning. Recent revision included a stronger focus on early grade reading skills and its assessment as an important building block for the further academic growth of students. However, teaching materials are often not available on time and teachers are not equitably distributed among schools or across subjects. Such disparity is severely pronounced in rural areas. Almost 60 percent of basic education teachers are unqualified and the majority of unqualified teachers are concentrated in rural areas. Teacher absenteeism is high—some district case studies recorded rates of 58 percent unjustified absenteeism during one month. The MOE and other donor partners have provided interventions to improve teacher policies, coupled with various kinds of in-service teacher training; however, there is no systematic impact assessment and follow-up on the training. Incentives for high-quality teaching, or to teach in remote areas, are missing, and teacher performance evaluation is not connected to student learning outcomes or other measurable indicators. Furthermore, securing financial

\(^6\) UNESCO Institute for Statistics database. Gross enrollment ratios (GER) are calculated as the number of children enrolled in a level of education, regardless of age, divided by the population of the age group that corresponds to the same level.
\(^7\) World Bank World Development Indicators database (modeled ILO estimates).
\(^8\) World Bank 2010a.
resources to sustain a growing number of teacher salaries is an on-going issue, as is securing the recurrent budget for schools. The current conflict has severely affected the education sector as a whole. A recent rapid assessment report found serious damage to schools and to children’s psychological wellbeing. Significant burden on the education sector can be expected if the conflict continues to escalate.\(^9\)

1-4 Objective, Purpose and Scope of the Study

1.15. **The objective of this report is to present different approaches to the provision of education under federalism with the purpose of supporting informed dialogue in Yemen’s transition to a federal state.** This report provides an analysis of the education structures and functions in a sample of federal states, with a special focus on decentralization and school-based management, along with implications of these experiences for Yemen. The scope of the study is limited to education service delivery from kindergarten through grade 12. The two central questions this report aims to answer are:

(1) What is the range of options federal governments have followed in performing education functions and in delivering education services at the central, subnational, local, and school levels?

(2) How does Yemen’s management authority delegated to schools and related accountability compare to other countries, and what are the experiences and lessons learned from countries with substantive school-based management (SBM) experience?

1.16. **The first part of this report focuses on four case-study countries—their education service delivery structures and mechanisms—and the second part focuses on lessons learned from school-based management in other countries.** Chapters 2-5 summarize the main features of education system operation in the four federal case-study countries. The case studies illustrate the range of education structures and functions in federal states, including factors that will need to be carefully considered in Yemen as it looks towards the decentralization of education. Chapter 6 focuses on school-based management, which is a form of education decentralization that can be seen across the world in federal and non-federal states for the purpose of improving school effectiveness. The World Bank’s Systems Approach to Better Education Results (SABER) School Autonomy and Accountability (SAA) initiative is used to provide a benchmarking of policies on school-based management across countries, including Yemen. Finally, chapter 7 brings together the findings and illustrates lessons learned, particularly highlighting those that may have particular relevance to Yemen.

1.17. **The case-study countries for chapters 2-5 are: Mexico, the United Arab Emirates, Malaysia and Ethiopia.** This set of countries was selected based on a number of criteria. Firstly, all of these countries are federal states (see box 1.1 for the definition of a federal state), providing an insight into how education can be governed and managed in a country with two or more regional governments, as is the intended future for Yemen. Secondly, the countries represent a range of regions across the world, including one from the Middle East. Thirdly, the countries represent a range of old and new federations—Mexico became a federal state in 1824 while Ethiopia did not become a federal state until 1995, and a range of decentralization levels—Malaysia is still very centralized and Mexico is quite decentralized already. Finally, consideration was given to including countries with some similarity to

\(^9\) UNOCHA 2015.
Yemen in terms of stage of development, economy, education system and learning outcomes, or cultural and political aspects.

Box 1.1. Definition of a Federal State

For the purpose of this study, a federal state is defined as a state where political authority is divided between a national government and a regional level of government. A constitutional division of power gives the national government political authority over the entire nation, while the regional governments have independent authority over the population of their region. A federal constitution combines elements of shared-rule through common institutions and regional self-rule for the governments of the region members of the federation.

The structural features common to federal states include:
- Two orders of government each acting directly on their citizens
- A formal constitutional distribution of legislative and executive authority and allocation of revenue resources between the two orders of government, with areas of genuine autonomy in each order
- Provision for the designated representation of distinct regional views within the federal policy-making institutions
- A supreme constitution that cannot be amended unilaterally unless there is consent from a significant proportion of the members of the federation
- An umpire (in the form of courts or provision for referendums) to rule on disputes between governments
- Processes and institutions to facilitate intergovernmental collaboration for those areas where governmental responsibilities are shared or inevitably overlap.


1.18. **The case studies examine the education systems in terms of the structures and functions and their alignment.** Figure 1.1 shows the framework that is used for each of the case studies. The framework identifies the different levels of the education structure, including the central, state or governorate, district and school levels. It also identifies the broad categories of functions within education, including: (1) policy, (2) planning, (3) management and service delivery, and (4) monitoring and evaluation. Applying this framework, the case studies aim to generalize the experience and lessons learned from the selected federal countries. Each case study summarizes the education functions within the federal system, including challenges and achievements faced by the country and possible relevance to Yemen. Some variation exists among the country case studies due to their different contexts, including the maturity of their education systems and recent or upcoming policy changes.

1.19. **The new federal system in Yemen may bring changes to the current structure of the education sector, and decentralization would be an important element of the change process.** Although the new structure under the federal state is not yet clear, it is expected that various changes would need to take place including further decentralization of the education system. It is therefore important to study aspects of education system decentralization, along with other countries’ experiences, in order to prepare for the move to the new federal structure in Yemen. While education decentralization is not a goal in itself, it can be viewed as part of the ceaseless pursuit for high quality and efficient education. Since it is a complex and relatively new challenge for Yemen, this section provides a brief
summary of research findings on education decentralization as an introduction to the case studies presented in subsequent chapters and the focus on school-based management in chapter 6.

Figure 1.1. Framework for Case Studies of Education Service Delivery in a Federal System

1.20. Many countries around the world (both federal and non-federal) have reformed their education systems by increasingly decentralizing education service delivery. These countries differ remarkably in terms of their goals for decentralization, their strategies for reaching the desired level of decentralization, and the outcomes. As a result, there is a vast array of examples and experiences of decentralized education, and many varied contexts in which they take place.

1.21. Education decentralization can take on various forms of transfer of decision-making power, responsibilities, and management from higher to lower levels or across organizations or units. Three main forms of decentralization include:

- Deconcentration: The redistribution of authority and responsibility among different levels of the central government.
- Delegation: This is the transfer of authority and responsibility from the central government to an organization of local administration accountable to, but not fully controlled by, the central government.
Devolution: The transfer of authority and responsibility from the central government to local administrations, quasi-autonomous or separate from the central government.

1.22. The political legitimacy of decentralization depends on a win-win consensus. Hanson (in Bjork, 2006, p.23-24) uses experience from Venezuela, Colombia, Argentina, Nicaragua, and Spain to show that the process of decentralization of education succeeds or fails depending on “how well the various political, economic, institutional, technical, and educational systems respond to specific challenges and demands.” He argues that, in cases where there is a win-win (both the national and regional units see themselves as having benefitted), then success is more likely. Conversely, if there is a win-lose (the national level benefits but the regions do not, or vice versa), failure of the initiative is more likely. From this research, Hanson gleans the following useful propositions regarding education decentralization:

1. The greater the accepted vision of decentralization between the distinct centers of power (e.g., political parties, unions, bureaucrats, religious institution), the greater the chance for successful change.

2. Devolution rather than delegation of authority and responsibility has a greater chance for long-term success.

3. It is easier to initiate a decentralization initiative during times of political, economic, and social stress or turbulence, than it is during times of relative stability.

4. When decentralization initiatives die, it is usually for political rather than administrative/technical reasons.

5. The stronger the management infrastructure at the regional levels, the greater the opportunity for success.

6. It is better to transfer authority to individual regions only when they meet specific tests of readiness, rather than to all the regions at once regardless of readiness.

7. Decentralizing in incremental stages has a greater chance for success than an “out-with-the-old and in-with-the-new” approach.

8. Understanding the motivation behind a decentralization initiative is the key to understanding the specifics of the strategy.

9. The people who have been part of an organizational culture that has managed a centralized system are not very effective in managing a decentralized system (old habits and a taste for power are difficult to cast off).

10. A decentralized organization should function as parts of a whole system rather than simply independent parts.

11. Once decentralization has taken place, the central ministry still must have the tools to safeguard that the regions follow national educational policy.
(12) Educational policy on decentralization should be set through debate rather than disguised manipulations of the national budget.

1.23. **Initial enthusiasm for education decentralization to solve the system’s problems is not a sufficient condition for success.** Decentralization poses significant challenges when authority is redistributed from traditionally centralized arrangements. This was seen in China, Singapore, Hong Kong, Macau, Japan, Korea, Indonesia, Malaysia, India, Pakistan, and Sri Lanka, and particularly for those countries faced with significant political instability, economic difficulties, or entrenched education sector problems. These countries were attracted to decentralization due to the redistributing power, sensitivity to local culture and/or administrative efficiency. A number of examples among this set of countries have a type of “centralized decentralization” or hybrid arrangement, with governments endeavoring to devolve authority over education but actually retaining key responsibilities at the central level. As Bjork notes (2006, p.241), preserving some degree of central authority, particularly for standards (in curriculum and teacher training), ensuring cohesion, and addressing equity issues, appears to make sense.

1.24. **Resource allocation and inequalities were found to be a common source of tension between regions or levels of government.** This was a main point of agreement at UNESCO’s “International Seminar on Decentralization Policies and Strategies in Education” in 2003. Other notable points or common features from this seminar, attended by national representatives from 10 countries (Argentina, Armenia, Brazil, Cameroon, Colombia, Cyprus, Mali, Morocco, Pakistan, and Peru), include (among others):

(1) Decentralization is not a goal in itself, but a strategy or means of enhancing the quality and relevance of education and improving its administration.

(2) Decentralization policies require national capacity building, including training for new roles, functions and responsibilities at all levels.

(3) Decentralization should begin with good planning and preparation in advance: legislative framework, new and clear distribution of roles and responsibilities, and the allocation of additional financial resources to set the process in motion.

(4) Decentralization should aim at improving quality and strengthening the school as the decision-making center of the education system, as well as building institutional networks between schools and civil society.

(5) The need for information for monitoring and validating the decentralization processes should not be overlooked.

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10 Bjork 2006.
Decentralization may be a solution, but it requires a detailed design for the long term. Decentralization is often viewed as a wide-ranging solution to improving service delivery, customer satisfaction, citizen participation, democratization, accountability, and education quality. However, Healey and Crouch (2012) argue that countries looking to decentralize for high-quality education need a well-designed approach.
a detailed design of what this system might look like in 10-15 years—“a coherent and logical
delineation of allocated functions, sub-functions, roles, responsibilities, institutional relationships,
and decision-making authorities, throughout various levels and among myriad actors of the system-
to-be.”13 The development of such a design should incorporate a discussion of reasons why certain
functions should be more centrally or locally located. Once a design is developed, implementation
plans to achieve it can be drawn up. The authors offer an approach for the design of a high-quality
decentralized education system.

1.26. Finally, decentralization of education service delivery offers opportunities, but also limitations,
depending on the country context. In a study of the educational decentralization processes under
way in many countries across the world and the objective of greater equity, Braslavsky (1999) outlines
important opportunities and limitations. Box 1.2 summarizes these important considerations.

1.27. This study builds on these findings on education decentralization, and carefully examines the
four selected federal states in order to learn experiences and lessons for Yemen in its effort to manage
and deliver the education system as it transition to a federal state. The following four chapters
comprise the four country case studies—Mexico, the UAE, Malaysia and Ethiopia.

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13 Healy and Crouch 2012, p.2.
CHAPTER 2

COUNTRY CASE STUDY 1: MEXICO

2.1. Mexico became a federation in 1824, and consists of 31 states and one federal district. Following three centuries of Spanish rule, Mexico won independence in 1810—a war that began in the states in response to excesses of a powerful central government. A centralized monarch ruled between 1810 and 1824 at which time federalism was introduced in order to prevent the secession of several states. Centralized rule featured over the subsequent years under dictatorships. After a civil war, Mexico’s current constitution was enacted in 1917, defining the federal republic of sovereign states. However, the country remained centrally controlled with the president, who is the Head of State and Head of Government, holding considerable discretionary powers. The Institutional Revolutionary Party held power from 1929 until 2000, and the National Action Party has held power since then. There is a long history of tension between the states and the center, but the senate has been working recently to devolve more responsibility to the states.14

2.2. The federal government maintains many financial and economic powers, although reforms in the 1990s transferred several responsibilities to the states, including education and health. The federal government collects all income and consumption taxes, and the states receive a share, although the criteria for distribution are a source of significant controversy. The challenge for the government is overcoming a legacy of mistrust between the center and the states, with the states complaining of excessive earmarking of federal transfers, and the center being concerned about the suitable use of funds if the states had full discretion on their use.15

2-1 Overview of the Education Sector in Mexico

2.3. Mexico’s publicly funded education system covers from preschool to higher education. Table 2.1 shows the details of the Mexican education system and the various modalities of education delivery in basic and secondary education. General education in public schools covers the vast majority of the student population. Indigenous schools are those serving students whose mother tongue is not Spanish; while community schools target poor, underserved communities and are managed by the Consejo Nacional de Fomento Educativo, a decentralized entity within the Secretaría de Educación Pública (SEP)—Mexico’s Ministry of Education (MOE).

2.4. Mexico has a large education system, including close to 32 million students and 1.4 million teachers.16 Education became compulsory from preschool to upper secondary in February 2012.17 As a result, Mexico has one of the highest rates of preschool enrollment for 4-year olds in the world (table 2.2). Enrollment in primary education is universal, while the gross enrollment ratio (GER) for lower secondary education was 93 percent and for upper secondary was 66 percent in 2012 (the year that secondary school became compulsory).

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14 Mizrahi 2005.
16 Data for 2012 from the UNESCO Institute for Statistics database.
17 SEP 2014b.
Table 2.1. Structure of Mexico’s Education System

<table>
<thead>
<tr>
<th>Age</th>
<th>Grade</th>
<th>Level of Education</th>
<th>Level of Education</th>
<th>ISCED*</th>
<th>Compulsory</th>
<th>Mode of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-5</td>
<td>Preschool</td>
<td>Preprimary (ISCED 0)</td>
<td>Yes</td>
<td>General</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-11</td>
<td>1-6</td>
<td>Primary (Primaria)</td>
<td>Primary (ISCED 1)</td>
<td>Yes</td>
<td>Indigenous</td>
<td></td>
</tr>
<tr>
<td>12-14</td>
<td>7-9</td>
<td>Lower secondary (Secundaria)</td>
<td>Lower secondary (ISCED 2)</td>
<td>Yes</td>
<td>General</td>
<td></td>
</tr>
<tr>
<td>15-17</td>
<td>10-12</td>
<td>Upper secondary (Media Superior)</td>
<td>Upper secondary (ISCED 3)</td>
<td>Yes</td>
<td>Distance education</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
a. ISCED: International Standard Classification of Education.

Table 2.2. Students attending Mexico’s Schools and GERs, by Level of Education

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Number of Students (millions)</th>
<th>Gross Enrollment Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preschool</td>
<td>4.8</td>
<td>103</td>
</tr>
<tr>
<td>Primary (Primaria)</td>
<td>14.6</td>
<td>109</td>
</tr>
<tr>
<td>Lower secondary (Secundaria)</td>
<td>6.6</td>
<td>93</td>
</tr>
<tr>
<td>Upper secondary (Media Superior)</td>
<td>4.7</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: SEP 2014a.

2.2 Rationale for the Decentralization of Basic Education: Politics and Policies in Mexico

2.5. During the 1970s, Mexico’s education sector was in crisis. Education coverage was not keeping pace with population growth; adult literacy was still a problem; and educational attainment was low and stagnant.18 There was broad recognition that the quality of public education was deficient, and that the centralized system of administration had reached its limit. School management under centralized rule did not include the participation of parents, and there was a profound disconnect between central administrators and the school.

2.6. A serious debate over education decentralization in Mexico waited until the 1980s. At this time, political leaders began arguing that the centralized management of basic education, covering from preschool to lower secondary, had become ineffective. Within that debate, there were discussions on other important political issues in education, such as the need to reduce the power of teachers’ unions, and the need to respond to educational demands from the states in the federation.19 As a result, the government held serious discussions on the mechanics of designing and implementing the decentralization of basic education, culminating with the signing of a national agreement on the modernization of public education in 1992. The President, state governors, and the Sindicato Nacional

18 Zorrilla and Barba 2008.
19 Messina 2008; Rodriguez Reyes and Medina 2011.
de Trabajadores de la Educación (National Teachers’ Union) signed the agreement, sending clear signals to the nation that the decentralization of education was not a government program, but a national program.20

2.7. The decentralization agreement of 1992 included three basic tenets: (1) the reorganization of the national education system; (2) the reformulation of educational content; and (3) the revaluation of teachers and the teaching profession.21 This agreement was widely considered as a political accord that needed the collaboration of the powerful teachers’ union. Once there was political agreement, the legal agreement soon followed with the General Education Law approved by the legislature in 1993.22

- The reorganization of basic education included the transfer of responsibilities and of financial resources to the states in the federation; the explicit recognition by the states of the National Teacher’s Union as the representative of teachers during labor negotiations; and the normative role of the federal government, which also included its power to implement the redistribution of financial resources to promote equity among the states.

- The reformulation of educational content included a reform of the national curriculum for basic education, a renovation of textbooks, and an increased supply of free textbooks and pedagogical materials.

- The revaluation of teachers included the strengthening of civil service rules to transform teachers into the main actors in the new federal system of education. To that end, the national agreement called for better pre-service and in-service teacher training, better teacher salaries, housing subsidies, more opportunities for professional growth, and more appreciation for the teaching profession.

2.8. Not all states were in favor of the decentralization agreement. Superficially, the decentralization agreement suggested that all of the states in the federation wanted a decentralized system. In reality, several states were opposed to a decentralized system; some because they had two types of school already in place—federally funded and state funded—and wanted to expand the state sponsored ones without interference from the central government, while other states did not want to reconfigure the existing structures.23 However, the lure of federal funding and the influence of the national teacher’s union eventually forced the hand of the reluctant states. The basic accords of the National Agreement were kept by subsequent administrations.24

2-3 The Legal Framework for Decentralization in Mexico

2.9. The legal framework serves as a roadmap for the negotiations that a federal system has to follow in order to implement a decentralized education system. The current strategy for public education is

20 Rodriguez Reyes and Medina 2011. Mexico has two teacher unions—the Sindicato Nacional de Trabajadores de la Educación (SNTE) and the Coordinadora Nacional de Trabajadores de la Educación (CNTE). The 1.4 million-member SNTE, has been closely associated with the Institutional Revolutionary Party (the most prominent political force in the modern history of Mexico). The 250,000-member CNTE is considered an independent union with strong influence in the Southern states (De Córdoba 2013).


22 Zorrilla and Barba 2008.


24 Zorrilla and Barba 2008.
outlined in the *Education Sector Plan 2013-2018*. 25 The legal basis of the plan includes Article 3 of the Constitution, the general education law, the teaching services law, and the law for the National Institute for Education Evaluation. 26 The Constitution gives the federal government the authority to provide free basic education for all; the education law defines the roles and responsibilities of national and subnational governments; the teaching services law regulates teacher employment, and the evaluation law regulates the external agency whose primary mission is to measure and report education sector performance.

2.10. **The federal government must ensure that funding is assured for free education from preschool to secondary.** The principal constitutional mandate refers to the obligation of the federal government to provide free education for all. As a result, education (from preschool to secondary) is a right and an obligation, as established by Articles 3 and 31 of the Constitution. The 1992 agreement defined the Federal and states’ obligations as follows:

- **The Federal Government** norms and regulates basic education and teacher training (*escuela normal*). In collaboration with the states, the federal government also develops education plans and programs, as well as defines the school calendar, the design and production of free textbooks, and the overall planning and evaluation of the entire education system. Specifically, the federal government must:
  1. Define the national plans and programs for basic education (preschool, primary, lower and upper secondary) and teacher training, with inputs from subnational governments and non-governmental stakeholders
  2. Define the national school calendar for basic education and teacher training
  3. Design, update and distribute freely the textbooks for basic education, with input from education stakeholders
  4. Authorize the use of textbooks in basic education
  5. Establish guidelines for the use of pedagogical materials in basic education
  6. Regulate the system for training and professional development of teachers in basic education
  7. Establish guidelines for preschool education provided by the private sector
  8. Regulate the use of academic credits and equivalences to facilitate the transfer of students between education levels and modalities of education
  9. Keep a national registry of educational institutions
  10. Establish guidelines for compliance with Constitutional mandates and for the participation of parent councils
  11. Implement the planning and programming of public education, and establish guidelines for evaluation at the state and local levels
  12. Foster all aspects of international cooperation in education.

- **The State Government** delivers educational services for preschool, primary, secondary, special education, and teacher training (*escuela normal* and in-service teacher training). The exception is the Federal District (which includes Mexico City) whose schools are administered by the MOE. Specifically, the state governments must:
  1. Assume responsibility for the delivery of educational services in basic education, including special modalities for indigenous populations, children with special needs, and teacher training

25 SEP 2013.
26 SEP 2013.
(2) Provide inputs to the MOE on the development of national plans and programs for basic education and teacher training in order to adjust for regional differences
(3) Make adjustments to the national school calendar to account for local differences
(4) Provide pre-service and in-service teacher training, and professional development for teachers in basic education, following MOE guidelines
(5) Implement the regulations on credits and transfers, as established by the MOE
(6) Implement the regulatory framework for private education

- **The Municipal Government** participates in service delivery at the school level, and can create and finance their own schools as long as they follow national guidelines. In addition, the state governments work with municipal governments in the provision of maintenance and basic equipment to state and municipal schools. Municipal delegates of each state’s department of education serve as liaisons with state supervisors and the community. This support role can be very important for mobilizing additional funds for the school and for teacher deployment and transfers.

- **The school** principal coordinates all managerial activities in collaboration with a parents’ council. By law, schools with at least five teachers must have a parents’ council that has a consultative role in school planning and budgeting, and that has a voice in issues such as the school calendar, school performance, and teacher and student performance. In schools that participate in targeted programs aimed at improving education quality and equity, the parents’ council may co-manage block grants and have a validating role for school management decisions. In larger schools, especially at the secondary level, there is a consultative parents' council that also includes members of the community and the municipal government.

2.11. **School accountability mechanisms are embedded in the education system.** Parents can access student records and the results of standardized tests online, along with analytical comparisons with other schools in the municipality and in the state. State authorities routinely enforce the law calling for parent participation in school management, especially in schools that participate in federal programs aimed at improving equity and quality in poor areas. General meetings, the distribution of scorecards, and the participation of parents in school management have become the norm in basic education in Mexico.

2-4 **Education Decentralization in Mexico in Practice**

2.12. **The MOE is responsible for the planning and evaluation of the entire education system.** As such, it is the repository of all the data reported by the states all the way down to the school level, both public and private. Each of the federation’s 31 states and the Federal District is responsible for collecting all the information at the school level at the beginning and end of the school year. This information is used by the MOE and the states to plan resource allocation, fiscal transfers, and efforts aimed at evaluation and accountability.\(^{27}\) The functions of the federal and state levels do not overlap in basic education, which includes preschool, primary, and lower secondary. For upper secondary, there are federal, and state schools. The law allows the MOE and the states to propose innovations and other activities not listed in the basic agreement. The legal framework for education in Mexico

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\(^{27}\) SEP 2012.
specifies a strong centralized role in the development of the curriculum, textbook and educational content, leaving to the states and local governments the delivery of educational services and the adaptation of national guidelines to accommodate regional characteristics. In addition, the compact established by the National Agreement gives the National Teachers’ Union ample powers over personnel management, which may have significant impacts on education quality.

2.13. **Some analysts conclude that the decentralization of basic education in Mexico is incomplete, while others argue that it is still misunderstood.** On the one hand, the federal government has mostly delegated the administrative and managerial functions to the states, keeping substantive functions—norms and regulation, salary negotiations, most of the funding, and evaluation—centralized. On the other hand, it can be argued that the decentralization of education in Mexico is still misunderstood, and neither the federal authorities nor the state and local governments have a clear idea about the limitations of their powers under decentralization, leaving policy decisions hostage to political circumstances.

2.14. **Schools that participate in federal school-based management programs develop their own development plans in consultation with parents and the state government.** These plans serve as the basis for the allocation of resources by the state’s education authorities. In this regard, school supervisors are the most important intermediaries between the school and the state, as they can serve as lobbyists for the school, as well as enforcers of school regulations. About one-half of all public schools in basic education participate in school-based management programs directly funded by the federal government.

2.15. **Although teachers are managed under national and state agreements, schools are given some leeway in teacher management.** Low performing teachers can be transferred out of the school at the request of a principal if there is a problem verified by the supervisor. Even though the school cannot fire a teacher, at least it can get to replace its low performers. In practice, however, schools rarely request teacher transfers.

2.16. **The Federal Government has transferred to the state level some additional education services, including upper secondary, technical, vocational, and university education.** The operation of these educational services fall under Decentralized Organizations of the State Governments (Organismos Descentralizados de los Gobiernos Estatales) a legal umbrella financed with federal and state funds.

2.17. **The Federal Government must provide a six-year plan for education.** The current plan has several objectives:

1. Improve the quality of basic education
2. Improve equity among regions, genders, and socioeconomic levels
3. Promote the development and use of knowledge technologies in the classroom
4. Promote holistic education
5. Strengthen student access and retention in upper secondary through better education quality and relevance

28 Zorrilla and Barba 2008; Diaz-Cayeros et al. 2002.
29 Rodriguez Reyes and Medina 2011.
2-5  Education Service Delivery in Mexico: Four Basic Components

Access, School Construction and Equipment

2.18. **Access to all students is enforced in two ways:** (1) by making education compulsory all the way to upper secondary—a provision which obligates the states to pursue universal coverage; and (2) through direct funding by the federal government of compensatory programs aimed at ensuring educational coverage and appropriate modalities of education for special groups in society, such as children living in specific geographical areas or in extreme poverty, indigenous populations with special language or social needs, and migrant populations.

2.19. **A sample of these compensatory programs** are the *Programa Escuelas de Tiempo Completo* (Full-Time Schools Program), the *Programa para Abatir el Rezago Educativo* (*Programs for Reducing Educational Lag*), a program for reducing repetition and dropouts, which targets problem schools and involves the participation of parents, the community and municipal authorities, and the *Programa de Escuelas de Calidad* (*Quality Schools Program*), which gives participating schools block grants to be spent on school improvements selected in direct collaboration with the parents’ council. Table 2.3 shows the financial scale of the programs, which absorbed a total of US$1,437.2 million in 2014. Of this amount, more than 54 percent is assigned to the Full-Time Schools Program, which funds improvements in school infrastructure, pedagogical materials, equipment, personnel, and student retention.

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount Transferred to the States (US$ millions)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time school</td>
<td>776.2</td>
<td>54.0</td>
</tr>
<tr>
<td>Reducing educational lag</td>
<td>494.4</td>
<td>34.4</td>
</tr>
<tr>
<td>Quality Schools Program</td>
<td>95.5</td>
<td>6.6</td>
</tr>
<tr>
<td>Strengthening quality in basic education</td>
<td>36.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Secure schools</td>
<td>19.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Inclusion and educational equity</td>
<td>15.9</td>
<td>1.1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,437.2</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: SEP 2014a.*

*Note:*

a. Calculated using the exchange rate: 1 Mexican Peso = US$0.066.

2.20. **The enforcement of measures to improve equity has resulted in a mix of schools** administered by federal or state authorities, and autonomous schools administered by autonomous universities (table 2.4).
Table 2.4. Distribution of Students Attending Mexico’s Schools, by Type of Administration (%)

<table>
<thead>
<tr>
<th>Administration</th>
<th>Preschool</th>
<th>Primary</th>
<th>Lower Secondary</th>
<th>Upper Secondary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>24</td>
</tr>
<tr>
<td>State</td>
<td>78</td>
<td>86</td>
<td>85</td>
<td>46</td>
</tr>
<tr>
<td>Private</td>
<td>14</td>
<td>8</td>
<td>8</td>
<td>18</td>
</tr>
<tr>
<td>Autonomous</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Estimated using data from SEP 2014a.

2.21. **Education coverage is monitored at the federal and state levels.** While universal coverage has been achieved at the preschool and primary school level, there is still some way to go for the lower and upper secondary school levels (table 2.2). Poverty and early entrance of children into the labor force may be contributing factors that prevent secondary school-age children from completing their education.30

2.22. **States are in charge of the educational infrastructure, using state funds for school construction.** Equipment may be financed by the states or by MOE programs. Educational infrastructure is generally of good quality in cities, and of acceptable quality in rural areas.

**Curriculum and Educational Materials**

2.23. **The national curriculum is used as a minimum standard, and states and local governments may introduce slight modifications to accommodate local conditions.** In towns with large indigenous populations, the use of bilingual teachers and materials is fairly common, and the inclusion of small modifications to the school calendar and additional topics related to local populations are left to the initiative of school leaders and the parents council.

2.24. **Textbooks are free and centralized.** The provision of school materials is a state responsibility, and municipal offices usually coordinate their distribution among the schools in their respective municipality. Still, schools often report delays in delivery or the need to supplement materials with funds raised locally.31

**Teachers**

2.25. **Teacher hiring is done at the State level.** Teacher hiring and firing can only be done at the state level. Teacher salaries and tenure are regulated by the national agreement with the National Teachers’ Union, supplemented with the agreements between the Teachers’ Union and the respective state government. This is referred to as the double negotiation, which has often resulted in additional concessions to teachers that went beyond the national agreement.

2.26. **Teacher management is regulated by a national law for the teaching profession.** Teachers are now hired through a competitive process, as regulated by a new law for the teaching profession (Secretaría de Gobernación 2013). Teachers are contracted for a six-month probationary period before they receive a permanent appointment. They have to undergo an induction period of two years

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30 Arcia et al. 2013.
31 Arcia and Rivera-Olvera 2012.
under the supervision of an experienced teacher assigned to them by the local educational authority. School principals are hired for an initial period of two years, and are eligible for a permanent appointment after passing pedagogical and managerial training. After a two year induction period, new school principals are evaluated in the areas of leadership and school management and receive a permanent appointment if their assessment is successful. The average monthly salary for a teacher with about 10 years of experience is approximately US$2,000 per month. Incoming teachers without experience start at around US$600 per month. These salaries do not include the provision of additional pay associated with social and professional benefits, which vary from state to state.

2.27. **Teacher management is, by far, the biggest problem faced by the Mexican education system, due to the fact that the teachers’ union is a powerful political force.** The source of political power is complex, as it is rooted on historical issues of leftist politics and the Mexican revolution. Over time, the teachers’ union and local politicians have developed a symbiosis in which politicians rely on union support for getting into office in exchange for political support for the union’s agenda. This symbiosis is proving very difficult to eliminate.

2.28. **The issue of salaries is highly sensitive because of the enormous political power exerted by the teachers’ union.** Prior to 2015, there was no way to know how many teachers and schools were legally in the system. Fernandez (2014) argues that the current legal and institutional incentives induce states to inflate their teacher payrolls, especially because by doing so they appease the teachers’ union, reducing the potential for teacher strikes at the state level. In 2014 the Government conducted a teacher census, which showed that the system had more than 39,000 ghost teachers who were paid a total of US$22 million per month during the 2013/14 school year. It also showed that approximately 10 percent of teachers had more than two full-time positions.32 Approximately 15 percent of the teachers refused to participate in the census. Figures from the teacher census are now being used to address personnel issues at the state level—although, given the political nature of teacher employment in Mexico, it is likely to take some time to resolve these issues.

2.29. **The lack of accountability in teacher management is still a work in progress.** The decentralization of education seems to have created a second front at the state level, where state governments have had to conduct negotiations with the teachers’ union even after the federal government had reached a global agreement with the SNTE. The amount of human and monetary resources spent on these negotiations, and the resulting use of teaching resources in non-teaching activities has generated enormous amounts of waste that have affected education quality and the amount of learning. This is why some analysts conclude that decentralization—as currently practiced in Mexico—has been a failure, with most of the blame associated with the political nature of the teachers’ union.33

2.30. **The General Education Law, a product of recent constitutional reform, calls for modifications to the existing framework for decentralization, where the key driver will be accountability.** The Law calls for the reinforcement of some centralized activities, especially the certification of teachers, and the implementation of pay for performance incentives and the regulation of teacher salaries. However, the details are still to be worked out by each state. School-based management will be strengthened, schools will be allowed to develop their own curricula and school principals will get more latitude in teacher management. The overall idea is to improve transparency and accountability

32 Hernández 2014.
33 Zorrilla and Barba 2008.
at the school level.

**Learning Assessments and Learning Outcomes**

2.31. *There is an autonomous institution in charge of educational assessment.* The National Institute for the Evaluation of Education was created in 2013, with the responsibility for evaluating the performance of teachers and students. By giving administrative autonomy to the evaluation of the education system it should eliminate the influence of politics in teacher employment and promotion. The Institute is responsible for managing the competitions for new teaching vacancies, for designing and applying standardized testing nationwide, and for analyzing and publishing the results of schools, teachers, and student assessments.

2.32. *Starting in 2015 students will be assessed with a new set of standardized tests.* The new system is PLANEA (Plan Nacional para las Evaluaciones de los Aprendizajes), which includes a series of standardized tests that will eventually be given to all students in the third year of preschool, and in the 6th, 9th, and 12th grades (table 2.5). Testing will be done in coordination with SEP and the local educational authorities. In June 2015, the first assessment for the 6th grade will be applied in 100,790 public schools, and for 9th grade students in 36,421 schools.

<table>
<thead>
<tr>
<th>Assessment</th>
<th>Target Population</th>
<th>Objective and Frequency</th>
<th>Information Produced in 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Nacional para las Evaluaciones de los Aprendizajes (PLANEA)</td>
<td>All students in public and private schools in the third year of preschool and grades 6, 9 and 12</td>
<td>Annual assessment of student knowledge relative to curriculum standards</td>
<td>Mathematics and language assessment of a sample of students in grades 6 and 9, and of all students in grade 12.</td>
</tr>
<tr>
<td>Program for International Student Assessment (PISA)</td>
<td>Representative sample (at the national and state levels) of 15-year-old students</td>
<td>Standardized learning outcomes among 15-year-olds every 3 years</td>
<td>Assessment of student knowledge in reading, mathematics and science</td>
</tr>
</tbody>
</table>

Source: INEE 2015.

2.33. *Under the federal education system, the states are required to inform central authorities on their educational statistics and performance.* To that end, states must use their own education management information system to work in coordination with the national student assessment system. The education law authorizes: (1) the central government to evaluate education system performance, (2) the states to collaborate on the implementation of assessments, and (3) the states and local systems to inform the education community on the results of the assessment.

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34 SEP Subsecretaría de Educación Básica 2010.
2.34. **The public education budget represents approximately 5 percent of Mexico’s gross domestic product (GDP), of which more than half (approximately 3.1 percent) goes to financing primary and secondary education.** In 2012, federal expenditures represented 62 percent of all public and private expenditures on education; state and municipal expenditures accounted for 16 percent of the total; and private expenditures accounted for the remaining 22 percent (table 2.6). Of all public funding for education, 80 percent came from federal funds and 20 percent came from state and municipal governments. For comparison, in the USA, federal funding for primary and secondary education accounts for 12 percent of the total public funding for education, while state governments and local (county governments) each contributed 44 percent—local funds are paid with property taxes.

Table 2.6. Distribution of Mexico’s Education Expenditures by Source (%)

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Total Expenditures</th>
<th>Public Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>62</td>
<td>80</td>
</tr>
<tr>
<td>State and Municipal</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Private</td>
<td>22</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: SEP 2012.*

2.35. **A feature of Mexico’s education system is the large portion of federal funds for education used to directly administer national education programs that address education equity.** Table 2.7 presents a sample of the most popular programs accessed by the states. Their degree of success varies, with the Programa de Escuelas de Calidad considered particularly successful. Impact evaluations are reported at the state level because they are demand-driven and implemented at the state level. These programs are the vehicles by which the federal government ensures the promotion of educational equity among the states, while respecting autonomy at the state level.

2.36. **The experience gained with the federal programs will now include comprehensive managerial and leadership training.** The MOE realizes that school autonomy and accountability is a necessary but not a sufficient condition for improving school performance. To improve learning outcomes, the system has to also improve the managerial capacity of principals. As a result, in 2015 an impact evaluation will start in 6 states using a randomized control trial method by which a group of schools participating in the Quality Schools Program will be given a package of interventions to improve managerial capacity; another group of Quality Schools will not receive managerial training and be used as control group I, and a group of ordinary schools will not receive managerial training and will be used as control group II. The results will help the federal government determine the right type of managerial training needed to improve learning outcomes.

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35 SEP 2012.
36 SEP 2012.
37 New America Foundation 2014.
38 Arcia et al. 2013.
39 De Hoyos 2015.
Table 2.7. Sample of Federal School Programs in Mexico

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing Educational Lag</td>
<td>Targeted to upper secondary schools, with the objective of improving student retention and learning. State education authorities receive additional federal funding to enhance their academic and physical resources to improve student retention and education quality. The MOE outlines the technical requirements of the program and state authorities verify compliance at the school level</td>
</tr>
<tr>
<td>Quality Schools</td>
<td>School grants for primary and lower secondary education. Schools working together with parents may request small grants for improving infrastructure or for enhancement programs. This program targets schools in areas of extreme poverty and covers more than 80,000 schools.</td>
</tr>
<tr>
<td>Full-time Schools</td>
<td>Aimed at schools in vulnerable and extremely poor areas, with low indicators of student retention and low academic achievement. Intended for geographical areas covered by two other federal assistance programs for poverty reduction. It places emphasis on flexible school hours and curricular innovations aimed at students that may need to work, or that need different approaches for learning.</td>
</tr>
<tr>
<td>Secure Schools</td>
<td>Operates in areas with high levels of personal insecurity due to violence from drug trafficking. It aims at making the school a secure place for children. In reinforces physical security, community development, parent participation, and the promotion of a culture of peace.</td>
</tr>
</tbody>
</table>


2.37. **Another feature of Mexico’s education system is the direct funding and administration of schools in the Federal District—a very large education system that includes Mexico City.** The Federal budget for education is administered through three different channels:

1. Direct expenditures administered by the MOE at the central and state levels to finance the central activities mandated by the law, and to finance federal education programs aimed at ensuring educational equity among states and special populations. These expenditures represent 44 percent of the federal education expenditures.

2. Direct funding allocations to schools in the Federal District, which account for 8 percent of federal education expenditures.

3. Fiscal transfers to the states, which represent 48 percent of federal education expenditures. Table 2.8, showing the distribution of federal funds in education, highlights that the decentralization of education finance is only partial, resulting in what some analysts call the federalization of education.40

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40 Fernández 2014.
### Table 2.8. Distribution of Federal Funds for Education in Mexico (%)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Federal Funding Only</th>
<th>All Public Funding (Federal and State)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central administration and federal education programs</td>
<td>44</td>
<td>35</td>
</tr>
<tr>
<td>Direct funding of schools in the Federal District</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Block transfers to the states</td>
<td>48</td>
<td>39</td>
</tr>
<tr>
<td>State revenues</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Based on SEP 2012 data.*

#### 2.38. The flow of funds from federal, state and local governments shows that decentralized education in Mexico is a mix of central and local activities (figure 2.1). Approximately 35 percent of public education expenditures are assigned to central activities (curricula, textbooks, assessment) and to the funding of federal programs executed at the school level. States and municipal government contribute approximately 20 percent of total expenditures, and 6 percent is assigned to schools in the Federal District, which is under the jurisdiction of the MOE. The fiscal transfers to the states are aimed at funding recurrent expenditures earmarked for salaries (which, given labor agreements, are considered similar to fixed costs) and the education sector priorities defined by the MOE (which reflect the government’s priorities).

*Source: Based on SEP 2012 data.*
2.39. **It is difficult to compare education finances across the states because each state government has different accounting rules and different outcomes in the negotiation of salaries and benefits with the teachers’ union.** Fiscal transfers from the federal government are managed through a special fund (Fondo de Aportaciones para la Educación Básica y Normal—FAEB). A recent study concluded that the negotiations between the federal government and the national teachers’ union crowded out the salaries of teachers hired at the state level. The salaries for teachers paid with federal funds tended to be higher than the salaries of teachers paid with state funds. As a result, the states were pressured into paying less to their own teachers in order to balance their education budget. Per student expenditures have grown considerably in real terms, increasing by 54 percent between 1978 and 1999. In 1992, the share of education in the national budget was 20 percent, but by 2005 it grew to represent 29 percent of the government’s budget.

2.40. **The complex federal funding formula seeks equity in per student expenditures.** Mexico’s funding formula rewards states with large enrollments but at the same time it rewards local efforts in state financing. For social equity, it assigns 10 percent of the funds on the basis of an Index of Education Quality, which is still under development. This portion of the formula would reward performance. Poverty and other disadvantages are addressed separately through targeted federal programs discussed earlier in this chapter. A full explanation of the funding formula is provided in appendix A.

### Experiences and Lessons from Mexico

2.41. **The case study of Mexico shows that decentralization within a federal system is based on a mix of central and state rules.** Mexico is a large and very complex country, and still has managed to keep some important functions such as curricula, the school calendar and textbooks centralized, while giving the states complete autonomy to administer the system. The states have few sources of their own funds—unlike countries like the USA where education is mostly funded locally with local property taxes. As a result, central funding is transferred through block grants to the states, while keeping many educational programs under central control.

2.42. **Mexico is an example of a federal system that has centralized some educational programs in order to ensure educational quality and equity, and this may be of particular interest to Yemen.** In the case of Mexico, the MOE funds several specialized programs aimed at reducing inequalities due to extreme poverty, gender and ethnic discrimination, access in areas with low population density, access to education by children with special needs, and different modalities of distance education, such as education by radio, education by TV, and adult and vocational education. These programs remain centralized by necessity, since only the central government has the incentive to address inequalities across the states.

2.43. **The mechanism of education system accountability in Mexico highlights important lessons for Yemen.** System accountability in Mexico is designed and implemented by central authorities. Enforcement of system accountability is made possible because the states rely so heavily on federal funds—directly or indirectly—to be able to administer their education systems. By designing a national assessment system and linking the results to the poverty map, the central authorities are

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41 Villanueva Sánchez 2010.
42 Zorrilla and Barba 2008.
able to justify the differentials in resource allocations across the states. In addition, the federal government has been promoting the use of test scores and school scorecards as tools for school accountability. Now the academic performance of every public school can be accessed online by parents.

2.44. **While decentralization of education in Mexico may not have led to significant efficiency gains to date, the increased role given to parents and the school community is likely to lead to improved system performance over time.** Education in Mexico has been decentralized—at least partially—for more than 20 years, and still analysts are not sure if there is more efficiency than before. Decentralization is still a work in progress. However, the involvement of parents in the development of the school plan and in the administration of block grants from federal programs helps improve resource efficiency at the school level. The clear winners in Mexico’s decentralization are parents, since they now have a substantial role in school management, teacher accountability, and school accountability. Over time, this gain is expected to lead to an improvement in system performance.
CHAPTER 3
COUNTRY CASE STUDY 2: THE UNITED ARAB EMIRATES

3.1. **In 1971, the United Arab Emirates (UAE) was established as a federal state comprising seven emirates**—Abu Dhabi (which serves as the capital), Dubai, Sharjah, Umm al Qaywayn, Ajman, Al Fajayrah, and Ras al Khaymah. The Federal Supreme Council is the highest constitutional, legislative and executive authority of the federation, and comprises the ruler of each of the emirates. By convention, the ruler of Abu Dhabi is the President of the UAE (head of state), and the ruler of Dubai is the Prime Minister of the UAE (head of government). The Prime Minister heads the Council of Ministers (or Cabinet)—the executive authority of the federation. The Council of Ministers operates under the control of the President and the Federal Supreme Council to manage internal and foreign affairs under the constitution and federal laws. Each emirate has a local government, varying in size and function. The UAE has enjoyed political stability with little change in leadership since the federation was established.

3.2. **With one of the largest economies in the Arab world—a gross domestic product (GDP) of US$402 billion in 2013 (second only to Saudi Arabia)—the UAE is an oil-rich country.** While the UAE has increasingly diversified its economy (non-oil revenues accounted for 61 percent of GDP in 2013) the emirates vary considerably in this respect. Abu Dhabi, which covers 85 percent of the landmass, holds the largest oil reserves and the greatest wealth, while Dubai, which covers around 5 percent of the landmass, has the least oil reserves and has therefore looked to diversify the most. Together, Abu Dhabi and Dubai account for around three-quarters of the UAE’s GDP.

3.3. **The government of the UAE has undertaken an Emiratisation policy for the past ten years, intending to have more UAE nationals employed in meaningful posts within the public and private sectors.** Of its population of 9.3 million (in 2013), 84 percent are non-nationals. The Emiratisation policy is showing effect in the public sector, but there are still very few Emiratis employed in the private sector—7 percent of Emirati nationals were employed in the private sector in 2009, much less than the 65 percent of non-nationals employed in the private sector.

3.4. **The first President of the UAE (and ruler of Abu Dhabi) is credited with steering oil revenues into healthcare, education and infrastructure.** As a result, significant gains were made in human development. The UAE is now ranked 40th of 187 countries on the Human Development Index. Life expectancy at birth is now 77 years and the expected years of schooling is 13.3.

3.1 Overview of the Education Sector in the UAE

3.5. **From a low starting point, education has quickly flourished in the UAE.** The Emirates had only 20 schools and 4,000 students (mostly male) at the start of the 1960s. By the time the federation was

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46 UNDP 2014.
established (1971), educational services had increased to include around 28,000 students, but it was still inaccessible to most. In fact, higher education was not available at all, so students went overseas to continue their studies. The 1960s and 1970s witnessed a large expansion program for new school building. Today, there are over 900,000 students from kindergarten to secondary school.

3.6. **Education is compulsory from 1st to 9th grade (ages 6-14).** The UAE’s education system starts with two years of kindergarten at ages 4-5, followed by Cycle 1 (grades 1-5) and Cycle 2 (grades 6-9) (table 3.1). Secondary education (grades 10-12) is under transition. Previously, it included a general track and a technical track, with students receiving a secondary school-leaving certificate or technical secondary diploma after passing the general examination. The Ministry of Education (MOE) is now replacing these tracks with a General and Advanced secondary program. The aim of this reform is to facilitate the transition from secondary education to post-secondary education—particularly in order to reduce the need for a foundation year in higher education—and to broaden post-secondary choices for graduates.

**Table 3.1. Structure of the UAE’s Education System**

<table>
<thead>
<tr>
<th>Age</th>
<th>Grade</th>
<th>Level of Education</th>
<th>ISCED(^a)</th>
<th>Compulsory</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-5</td>
<td>KG1-KG2</td>
<td>Kindergarten</td>
<td>Preprimary (ISCED 02)</td>
<td>No</td>
</tr>
<tr>
<td>6-10</td>
<td>1-5</td>
<td>Cycle 1</td>
<td>Primary (ISCED 1)</td>
<td>Yes</td>
</tr>
<tr>
<td>11-14</td>
<td>6-9</td>
<td>Cycle 2</td>
<td>Lower secondary (ISCED 2)</td>
<td>Yes</td>
</tr>
<tr>
<td>15-17</td>
<td>10-12</td>
<td>Cycle 3</td>
<td>Upper secondary (ISCED 3)</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: UAE MOE and UNESCO Institute for Statistics.

Notes:
a. ISCED: International Standard Classification of Education.

3.7. **Public education is free of charge for UAE nationals.** The country has a large number of private and international schools, particularly catering to the expatriate and non-national communities. Proportions of private enrollments vary across the Emirates (figure 3.1). Overall, 70 percent of UAE students (from kindergarten to secondary school) are in private schools. In Abu Dhabi (which has by far the largest population of students), 61 percent of students attend private schools. In Dubai, the proportion in private schools is much higher at 88 percent. In Ras Al Khaimah, Fujairah, and Umm Al Quwain, the majority of students attend government schools (37-38 percent attend private schools).

3.8. **Education coverage is high, but the quality of education remains a key issue for the UAE.** Primary education is universal in the UAE and secondary education is close to universal. The gross enrollment ratios (GER) for the most recent year available are 108 percent for primary education (2012) and 92 percent for secondary education (2006).\(^47\) However, results of international assessments of learning show that quality of education is the greatest challenge. Fifteen-year-old UAE students scored below average in the 2012 Programme for International Student Assessment (PISA), where they were ranked 44\(^{th}\) out of the 65 participating countries in reading, 46\(^{th}\) in science, and 48\(^{th}\) in mathematics. Similarly, the UAE scored below average on the 2011 Trends in International Mathematics and Science Study (TIMSS) and Progress in International Reading Study (PIRLS). For example, 34 percent of UAE 4\(^{th}\)

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Graders met the PIRLS intermediate international benchmark for reading, compared to the average (international median) of 80 percent.

Figure 3.1. Number of Students in Government and Private Schools, UAE, 2012/13

Politics, Policies, and the Legal Framework for Education in the UAE

3.9. **Understanding the development of the UAE’s decentralized education system requires a consideration of the history prior to the creation of this relatively new federation.** The UAE stems from the “Trucial States”, which refers to the coming together of those coastal sheikdoms in signing a treaty with Britain to combat piracy in 1820. Greater cooperation with Britain led to the formation of the Trucial States Council, which, over the course of decades, became more structured and formal. In 1968, when the British declared its intent to leave the Gulf by 1971, the coastal kingdoms wrote a provisional constitution for the federation and by 1972 the UAE officially became an independent state. By then the treaties with Britain had ended and the President (from Abu Dhabi) and Vice President (from Dubai) took office as elected rulers of the emirates.48

3.10. **The constitution became permanent in 1996, stating that the country is a federation of seven emirates.** The constitution represents a compromise between the emirates that have traditionally preferred union and centralization (such as Abu Dhabi) and those that have been keen to preserve the autonomy of the emirates (such as Dubai). The leaders of each emirate (monarchs in their jurisdictions) form the Supreme Council, the highest federal authority, which meets four times per year. The constitution assigns veto powers to Abu Dhabi and Dubai in the Supreme Council—decisions on substantive matters require consent of the rulers of Abu Dhabi and Dubai, along with at least three other members. The Supreme Council elects a President and Vice-President of the UAE every five years from its own members. While the Supreme Council is responsible for the general policies of the federation, the 22-member Council of Ministers, headed by the Prime Minister (the Vice President, selected by the President), is the executive authority and can propose draft federal laws, and is responsible for supervising the implementation of federal court judgments, and federal laws, decrees,

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48 Simmons 2005.
decisions and regulations. The Supreme Council elects the members of the Cabinet; traditionally, the more populated emirates have greater representation in the Cabinet. The constitution specifies that the Council of Ministers can bring federal draft laws before the 40-member Federal National Council (FNC)—a consultative body—but any amendments brought forward by the FNC must first be presented to the Supreme Council before the Council of Ministers. The rulers of the emirates appoint half of the FNC members—this half holds the political power—and an electoral college (of around 130,000 in 2011) elects the other half; this half has advisory roles only and serves two-year terms.

3.11. **While federalism is usually associated with democracy, the development of political participation is seen as a very gradual process in the UAE.** Political parties are banned in the UAE, although some do exist. There are no general elections—only a selected electoral college is eligible to vote, and only then for half of the FNC members. The first elections were held in 2006 with an electoral college of approximately 6,000. This was increased for the 2011 elections when around 130,000 were eligible to vote.

3.12. **The federal government can enact laws that cover all emirates; local government can draw up their own laws as long as they do not contradict federal laws.** At the local government level, the emirates differ in their government institutions, depending on size, development, and other factors. Four of the seven emirates have their own Executive Councils, each chaired by the rulers of the respective emirate, and consisting of departments that reflect the federal ministries or autonomous agencies. Some emirates are subdivided into municipalities, such as Abu Dhabi with its Western and Eastern Regions and main cities (Abu Dhabi and Al Ain). Abu Dhabi and Sharjah have their own National Consultative Council with roles similar to the FNC.

3.13. **The financial arrangements are not stated clearly in the constitution—in fact, the amount each emirate is expected to contribute to federal funds is not stipulated.** The fact that the richest emirate (Abu Dhabi) has had the ruler most in favor of the Union means that this lack of clarity has not caused difficulties in resource levels for the federal government to date.49

3.14. **In the division of powers and responsibilities between the federal government and the individual emirates, the emirates retain residual power, including “natural resources and wealth.”** The federal government has jurisdiction over foreign affairs, defense and security matters, education, public health, communication, air traffic, and currency. Everything else falls under the jurisdiction of the individual emirates. Given that “natural resources and wealth” fall under the individual emirates, the lack of specificity in the constitution on the financial responsibilities of the emirates to the federal government is an area of potential controversy. While the UAE enjoys considerable wealth, the wealth is not evenly distributed, and the success of the federation has been due to the willingness of Abu Dhabi’s leaders to disproportionately contribute to federal finances in its commitment to the country.

3.15. **Education is seen as a right for all citizens and a primary means of social development in the UAE’s constitution.** Basic education (primary and lower secondary) is compulsory and all levels of education are free to citizens, in addition the law prescribes the eradication of illiteracy. Key laws, decrees, resolutions and regulations include the following:

   (1) The duties of the MOE related to education affairs, including supervision, universal access to education for citizens, educational plans and curricula, examination systems and literacy programs, the establishment of schools, and the licensing and supervision of private schools.

   49 Simmons 2005.
(2) The provision of school buildings, textbooks and teachers, and personnel management.

(3) The establishment of the Abu Dhabi Education Council (ADEC) (2005) and the transfer from the MOE to ADEC of authority to deliver education in the emirate of Abu Dhabi (2009).

(4) The regulation of private schools.

(5) The establishment of the Knowledge and Human Development Authority (KHDA) to supervise private education in Dubai (2006).

(6) The rights of persons with special needs, for whom services are provided by the State.

3.16. **The MOE’s priorities for education reform are outlined in the Ministry of Education Strategy 2010-2020.** It includes 20 comprehensive initiatives to improve education, such as: the development of curricula aligned with higher education and job market requirements; supporting the professional development of all teachers and education staff; aligning compulsory school age with international standards; improving national assessments and participating in international examinations; and supporting the technical development of school infrastructure, especially with respect to information technology.

3.17. **While most education functions are centralized at the level of the federal government, two emirates have established educational authorities to take over roles from the Ministry of Education, on the premise that decentralization can help local governments respond better to the needs at the emirate level.** When leadership in Abu Dhabi identified education as a prerequisite for sustainable development and the heart of a competent and progressive society, they saw a gap between what they aspired to achieve as an emirate and the pace at which the federal MOE was progressing. It was felt that the rate of progress in some emirates, like Dubai and Abu Dhabi, was not being matched by the true progress in human capital development because the federal ministry had to cater to all emirates, many of which lagged behind these two. Abu Dhabi formed ADEC, an independent corporate body, and gave it the mandate to elevate the quality of education to the highest international standards in order to meet the development goals of the emirate in both public and private institutions. In 2009, ADEC took over the role of the MOE in Abu Dhabi. This was only possible because of Abu Dhabi’s capacity and ability to be financially independent. In Dubai, the KHDA was established in 2006 to oversee private school provision, which was expanding at a galloping rate, taking over this role from the MOE. Initially, KHDA’s mandate included managing public schools in Dubai, but since Dubai was incapable financially of substituting the necessary funds from its own sources and there were administrative constraints in the transfer of federal funds to a local authority, the MOE took back the administration of public schools and KHDA was left with private education. Two other emirates (Sharjah and Al Fujairah) have education councils that support and supplement education service delivery, but do not substitute the MOE’s programs in any way.

3.18. **A high-level council ensures coordination and harmony across the education sector.** The Education Coordination and Integration Council is chaired by the Minister of Education and comprises the Director General of the MOE, heads of all local education councils, and representatives of the private education sector. The local governments, ADEC and KHDA, while autonomous in terms of governance and finance, must coordinate with the MOE since the Minister of Education has the ultimate responsibility of education in the country and is held accountable by the Cabinet.

3.19. **The MOE oversees general education, literacy and adult education programs across six of the seven emirates, and ADEC directly administers education in Abu Dhabi.** The Prime Minister appoints members of the MOE, and the Crown Prince of Abu Dhabi appoints members of ADEC. The UAE is
divided into educational zones, which implement directives and coordinate between the MOE (or ADEC) and schools.  

**Federal Level**

3.20. The MOE has responsibilities for the UAE’s public and private schools, with the exception of those in the emirate of Abu Dhabi and private schools in Dubai. As such, the MOE is responsible for developing educational plans, preparing curricula, examination systems and adult education programs, programs for children with special needs, and establishing and monitoring the performance of schools and institutions in the educational zones not in the emirate of Abu Dhabi. The MOE also oversees all emirate-based education councils and authorities. For private schools outside of the emirates of Abu Dhabi and Dubai, the MOE provides overall guidance over the number of school days in the year, rules regarding student transfers between schools, and the minimum required teacher qualifications. Private schools are free to choose their curricula, with the exception of Arabic language and Islamic studies.

3.21. The MOE is organized into the following five units, each responsible for overseeing development and implementation of relevant policies, standards and plans: (1) private education, (2) education policies, (3) activities and school environment, (4) educational processes, and (5) support services. Teachers in public schools are recruited and paid directly by the MOE or ADEC.

3.22. The transition from secondary to higher education is the responsibility of the National Admissions and Placement Office (within the Ministry of Higher Education and Scientific Research)—it processes applications for admission to the United Arab Emirates University, Zayed University, and higher colleges of technology, or for scholarships to overseas universities.

**Emirate and Educational Zone Levels**

3.23. Education delivery in the UAE is divided into educational zones, which are the “implementing arm” of the MOE (or ADEC in the case of Abu Dhabi). Some emirates have multiple educational zones and some just have one. The arrangement for each emirate is different, as shown in figure 3.2, depending on the size and development of the emirate. In the case of Abu Dhabi, ADEC oversees educational zones in the planning, administration, and evaluation of schools. In the case of Sharjah and al-Fujairah, an education council (part of the local government) supports the role of the local educational zone and coordinates with the MOE. The educational zones manage communication and data flow between schools and the center (MOE or ADEC).

3.24. The educational zones are financially and administratively linked to the MOE (or ADEC), and decision-making is highly centralized. All main functions are controlled at the central level. The educational zones are responsible for the implementation and monitoring of policies, programs, training, deployment of teachers, and so on. However, final decisions related to processing of human resources or financial activities take place at the MOE. The organizational structure of the educational zones is somewhat aligned with that of the MOE. The main responsibilities of the educational zones are: (1) following up on the implementation of the MOE’s plans and policies and the decisions of the councils and the central committees of the region (zone); (2) monitoring of schools’ activities and

50 Sheikh Saud Bin Saqr Al Qasimi (date unknown).
51 UNESCO IBE 2011c.
helping schools solve issues or problems that may arise; (3) implementing educational activities and competitions and nominating students to participate in festivals and other events; (4) supervising and evaluating staff under the zone and proposing promotions, bonuses, allowances, transfers and secondments; (5) interviewing and deploying new employees and teachers (but not making the final hiring decision) and distributing new teachers to schools; (6) handling all procedures related to student and teacher affairs; and (7) overseeing private schools in the zone and making sure they abide by the regulations issued by the MOE.

3.25. **With regard to the setting of goals and policies, each emirate can set their own, but the standards at the national level remain unified.** All entities must work towards achieving those standards—emirate-specific goals are therefore more ambitious than national ones. In practice, Abu Dhabi is the only emirate that can set clear goals for education and implement them, because they are in control of the entire sector in the emirate. Dubai does the same but only for private education in the emirate—in fact, one of Dubai’s policies has been to focus on private education since that covers the vast majority of residents. Other emirates such as Sharjah have started focusing on education and setting more ambitious goals as well.

3.26. **The institutions at various levels are not without criticism and controversy.** There have been concerns about a lack of capacity in the center (both the MOE and ADEC), top-down management, cheating in examinations, lack of support to teachers from administration, and poor supervision.52

**School Level**

3.27. **The UAE’s education system is notably centralized and somewhat bureaucratic in nature.** Decision-making powers are at the MOE and ADEC levels. There is recognition within the country that such a highly centralized system can discourage creativity and innovation, and so there is some interest at central levels in the concept of school-based management to allow more autonomy for schools.53 However, there is little sign that this will happen, perhaps due to concerns about the capacity of staff in schools to take on decision-making roles.

Figure 3.2. Education Service Delivery Structure in the UAE

**UAE Education System**

**Ministry of Education**

Articulates national education policies

**Education Coordination and Integration Council**

A high-level council that ensures coordination between local authorities in the emirates and the Ministry of Education

Federal level

**Oversees:**

- Ras Al Khaimah Educational Zone
- Ajman Educational Zone
- Al Fujairah Educational Zone
- Umm Al Quwain Educational Zone
- Sharjah Educational Zone
- Dubai Educational Zone

**Coordinates with:**

- Dubai KHDA
- Abu Dhabi ADEC

Emirate level

- Dubai Educational Zone
- Abu Dhabi Educational Zone
- Al Ein Educational Zone

Notes:

a. Al Fujairah’s Supreme Council for Education supports the Al Fujairah Educational Council and schools in the emirate.

b. The Sharjah Education Council supports the Sharjah Educational Zone and schools with programs that complement and supplement those of the Ministry.
3.28. **Schools currently receive a small amount of funds from the center**—based on a funding formula and amounting to approximately US$20,000-US$25,000—for which they can choose how to spend (with some restrictions). Currently, schools are not able to control other aspects of education, such as policy, curricula or teacher assignment; however, they do manage student registration and cleaning contracts.\(^{54}\) While ADEC, in theory, supports distributed leadership across all levels—from the center to the educational zones, school principals, teachers, parents and community—in reality, decisions are made at the higher levels and directed to those at lower levels without their input being sought.\(^{55}\)

3.29. **A move to greater school-based management for public schools would not be without its difficulties.** Currently, there is a stipulation that all public school principals and vice principals must be Emirati nationals; however, most of them lack managerial-level experience or training. According to one study, the accountability that would accompany school autonomy would likely be intimidating to UAE school principals who are used to a top-down system in which they traditionally have no input.\(^{56}\)

3.30. **School leaders tend to doubt that their school has the capacity to self-manage.** While they would like to have the ability to change teacher recruitment processes, school leaders do not feel confident in financial management, particularly budgeting and accounting.\(^{57}\) With regard to parent involvement, there are concerns that it is already low, with many Emirati parents failing to see the value of education, viewing their wealth as sufficient for the success of their children. Also, while it has been reported that the vast majority of parents would prefer to have a bigger role in decision-making, most school leaders do not welcome parent involvement.\(^{58}\) A focus group of teachers in the UAE found that decentralization was not considered appropriate for the UAE context for several reasons. These included:

1. Teachers feeling they had not been listened to in the past (“we only implement decisions”).
2. Teachers not being involved in the development of previous initiatives, which had failed. Their exclusion from preparation stages meant that new initiatives were missing vital information, which as a result, left teachers with insufficient knowledge or unmotivated to successfully implement the initiatives.
3. Concerns over favoritism or conflicts of interest. These teachers also voiced concerns over the inclusion of parents in councils given their general lack of education.\(^{59}\)

3.31. **The UAE has a number of school initiatives that differ in resourcing and management.** Under the MOE, there are three different types of schools: (1) regular schools, (2) Model Schools, and (3) MAG Schools (Schools of Tomorrow). In 2003, the MOE launched 9 Model Schools in Dubai and 6 in Sharjah. They differ from regular schools in that they supplement with extra-curricula activities and utilize student-centered approaches. These schools have superior facilities and recruit external resources (trainers) to implement their curricula. Model schools charge local students approximately US$1,500 per year and have strict selection criteria including an examination and interview before being admitted in order to attract the best students. Based on the huge demand for these schools, additional schools were added in other emirates in 2013, and the Sharjah government decided to

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\(^{54}\) Al-Taneiji and McLeod 2008.

\(^{55}\) World Bank 2013a.

\(^{56}\) Hussein 2010.

\(^{57}\) Hussein 2010.

\(^{58}\) Hussein 2010.

\(^{59}\) Al-Taneiji and McLeod 2008.
transform all of its schools to Model Schools using its own resources (through an agreement with the MOE). There are now 103 Model Schools across the UAE (they do not apply to Abu Dhabi). In 2007, the MOE introduced MAG Schools, which focus on strengthening English and Arabic languages. Mathematics and science are taught in English, thus they have a different curricula for English, mathematics and science for all cycles, and a different Arabic curriculum for Cycle 1. MAG Schools utilize student-centered approaches and have additional resources, including two full-time English supervisors (including one native speaker), and supplementary furniture for classrooms, resources for libraries, and so on. There are currently 56 MAG schools in the UAE (they do not apply to Abu Dhabi).

3.32. In Abu Dhabi, ADEC has launched Schools of the Future, the New School Model, and Public-Private Partnership (PPP) schools, and many of these appear already to have shown better achievement than the general public school system. ADEC plans to build 100 new schools under the “Future Schools Project.” These schools have the goals of being educationally effective (with superior teaching and learning facilities), stimulating and vibrant, healthy and productive, cost effective, sustainable, and community centered (welcoming for parent and community involvement). Prior to this initiative, ADEC had a PPP schools project in which international education operators were invited to submit partnership proposals. In 2010, 176 public schools were operating under the PPP project. However, in 2012, ADEC announced that the PPP arrangements would all end by 2013 in order to restrict school management to Emirati nationals, and allow nationals to play a greater role in managing schools. ADEC is now focusing on its “New School Model” initiative, which has a student-centered learning approach and which provides world-class facilities. The first phase began in 2010/11 at the kindergarten to 3rd grade level, and the plan is to have full implementation in all grades by 2016. The New School Model has involved the recruiting of thousands of licensed teachers from English-speaking countries.

3-4 Education Service Delivery in the UAE: Four Basic Components

Access, School Construction and Equipment

3.33. All Emirati children have free access to public basic, secondary, and tertiary education. Non-national students were not permitted to attend public schools in the UAE prior to the 2006, after which, Arabic-speaking expatriate children were allowed to attend public schools for a fee. By 2012, non-nationals made up 18 percent of public school students across the UAE (table 3.2).

3.34. Access to education has increased remarkably since the federation began. The GER in primary education increased from 80 percent in 1971 to over 100 percent now. The secondary GER was just 20 percent in 1971 and has risen to 92 percent in 2006 (the most recent year available). With education coverage close to universal, the UAE has now turned its attention to education quality.

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60 Hussein 2010.
62 ADEC Strategic Plan: https://www.adec.ac.ae/en/Education/P12Education/Pages/Strategic-Plan.aspx.
### Table 3.2. Students Attending UAE Schools by Type and Level, 2012/13

<table>
<thead>
<tr>
<th></th>
<th>Public Schools</th>
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<th>Private Schools</th>
<th></th>
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<td></td>
<td>Number of</td>
<td>Non-nationals</td>
<td>Number of</td>
<td>Non-nationals</td>
<td>Number of</td>
<td>Non-nationals</td>
</tr>
<tr>
<td></td>
<td>Students (%)</td>
<td>(%)</td>
<td>Students (%)</td>
<td>(%)</td>
<td>Students</td>
<td>(%)</td>
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<td>Kindergarten</td>
<td>31,166</td>
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<td>119,189</td>
<td>79</td>
<td>150,355</td>
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<td>1st stage of basic</td>
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<td>277,034</td>
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<td>Secondary education</td>
<td>59,917</td>
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<td>80,483</td>
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<td>-</td>
<td>-</td>
<td>686</td>
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<tr>
<td>Technical education</td>
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<td>-</td>
<td>-</td>
<td>6,217</td>
<td>0</td>
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<td>275,279</td>
<td>18</td>
<td>629,853</td>
<td>83</td>
<td>905,132</td>
<td>63</td>
</tr>
</tbody>
</table>


3.35. **There is an ongoing program of school construction, particularly with respect to ADEC’s Future Schools Project in Abu Dhabi and the MOE’s Model Schools initiative for the other emirates.** The emirates have invested heavily in school infrastructure and materials. The wealth of the nation has enabled schools to have state-of-the-art facilities. The Smart Learning Program in Abu Dhabi, which commenced in 2012, aims to equip all public school classes with tablets, Smart Boards, Internet connections, and new software by 2017. The MOE aims to roll out a Smart Schools initiative across the other emirates, equipped with the highest levels of technology and state-of-the-art facilities. Major maintenance of MOE schools falls under the responsibility of the Ministry of Public Works. The MOE has a number of contractors that undertake annual maintenance work on schools. In some cases, schools also use their operational budgets to do minor maintenance works (particularly for urgent and decorative matters).

### Curriculum and Educational Materials

3.36. **Curricula are determined by the center (MOE and ADEC), and educational materials are developed and distributed by the center to schools.** When the UAE was established, it used Kuwaiti syllabi for several years. The MOE then developed national curricula for primary and lower secondary education, which reflected local identity and issues. In 1983, the UAE partnered with other Gulf Cooperation Council (GCC) countries to adopt unified curricula for mathematics and science from grades 1 to 9, and produce social studies and Arabic language textbooks. A further reform of the UAE curricula was undertaken by the MOE in 1988. In 2007, the MOE launched the MAG schools in which specially selected schools adopted a “modern curriculum” and new textbooks for English, science and mathematics. These changes were intended to improve students’ levels of English, and also to update the teaching and learning process using student-centered learning approaches. The MOE is currently working on updating the learning standards for each level, focusing on skills, and reforming the curricula in line with the new standards (thereby producing a standards-based curricula).
3.37. **Private schools, which serve 70 percent of all students in the UAE, are free to use their own curricula; however, this is set to change.** Many of the private schools follow international curricula. There have been concerns within the UAE that some international schools are teaching material that contradicts Islamic principles, and so a review of private school curricula is currently underway. Starting in 2015, a mandatory curriculum for Arabic, Islamic studies, and national education will be used by private schools.

3.38. **In Abu Dhabi, ADEC is rolling out the New School Model, which includes new curricula, along with new learning materials and a new environment.** The curricula and teaching methods under this initiative move from rote learning to a student-centered, problem solving approach. The new curricula, is being developed in English in conjunction with the New South Wales Government in Australia, and is standards- and outcome-based. It moves the teacher away from depending on textbooks as the primary source of curriculum content and focuses on personalized learning. Similarly, the MOE’s curricula reforms include training packages for teachers and assessment guides.

3.39. **A number of concerns have been expressed about curricula and curriculum development in the UAE.** Firstly, the MOE and ADEC have relied on foreign expertise in the development of the new curricula, without building the capacity of locals to develop the necessary skills, and have imported components from other countries (in particular, Australia and USA). This leaves questions about the sustainability of the initiatives—does the UAE have the internal capacity to make it work and to improve it in the future?—and about the applicability and possible loss of national identity through the implementation of the new curricula over time. There are also concerns about the implementation of the new standards-based curricula with teachers being asked to rely less on textbooks and more on their skills to develop lessons; whether there is adequate training of teachers and experience among the current cohort is questionable. Also, with assessment practices not significantly changing, teachers tend to fall back to their old methods of rote instruction and teaching to the test. In fact, regardless of the intended curriculum, the high-stakes examination at the end of secondary school “reinforces and promotes a system of rote learning and memorization over critical thinking and analysis.” A recent survey of 90 parents of 3rd to 5th grade students in ADEC New Model schools, found that many parents felt the curricula are not good enough. In particular, some felt that the level of difficulty was uneven, with science being too difficult and English too easy.

**Teachers**

3.40. **Teachers are recruited at the center (MOE or ADEC) and assigned to schools by the educational zones.** The UAE has low student-teacher ratios—18 for primary education and 14 for secondary education in 2012. Forty percent of the UAE’s 12,500 teachers (across all emirates) are expatriates. All teachers in the UAE’s public and private schools must hold a bachelor’s or equivalent university degree. From 2015, teachers will be required to obtain a license after completing a qualifying test. Expatriate teachers are required to take a written examination and interview. In Abu Dhabi, under the new reforms, ADEC requires that newly appointed teachers hold a four-year bachelor’s and acceptable English language skills. ADEC also requires all existing teachers to attend skills training.

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63 Al Dakkak 2010.
64 Hussein 2010.
67 UNESCO IBE 2011c.
development training during school holidays. The MOE requires all teacher applicants to have a minimum International English Language Testing System score. Not all teachers have a degree in education, particularly at the secondary school level since universities in the UAE do not offer secondary education teaching degrees. The educational zones identify the staffing needs of schools and deploy the teachers hired by the MOE (or ADEC).

3.41.  **The Emirates College for Advanced Education, based in Abu Dhabi and established in 2007, is the UAE’s first teacher training college and a partner college of ADEC.** It provides in-service training and professional development courses. It also prepares new teachers, offering four-year Bachelor of Education degrees that enable graduates to apply for public school teaching jobs at grades 1-5 level. Higher colleges of technology offer Bachelor degree, Diploma and Higher Diploma programs in education.

3.42.  **There is a nationalization of the education plan under way, which aims to raise the rate of Emirati nationals in the teaching force to 90 percent by 2020.** As of 2010/11, Emirati nationals made up 60 percent of the UAE’s teaching force. All school principals and vice principals are now required to be UAE nationals.

3.43.  **The MOE and ADEC set the number of teaching periods per week.** The teaching load is higher in public schools compared to private schools, and public schools have higher numbers of teaching and non-teaching staff. A 2010 survey found that parents think teachers are not qualified enough, and that the recruitment requirements of the MOE and ADEC are not stringent enough. Previously, supervisors for each subject from the educational zones assessed the quality of teaching by visiting classrooms, with the school principal being able to choose their supervisors. The government has now introduced an evaluation system for federal government employees (including teachers)—the Employee Performance Management System—whereby the principal is the direct supervisor that evaluates all teachers in the school based on a set of criteria.

3.44.  **The Federal Authority for Government Human Resources is the entity that sets all public servant salaries, including public school teachers.** The individual emirates cannot change the salary scale, with the exception of Abu Dhabi for which ADEC has introduced higher salary scales (compared to the other emirates), covering costs from its own resources.

**Learning Assessments and Learning Outcomes**

3.45.  A high-stakes examination is conducted at the end of 12th grade, which is used as 50 percent of the student’s final grade (the rest includes marks for participation and projects). The Assessment and Examinations Administration of the MOE has administered the examination since 1972. Students may repeat the examination or repeat the grade, but there are no remedial or preparatory courses. It is understood that inappropriate behavior in relation to the examination process is rare. It is argued that this examination focuses on low cognitive aspects and memorization. As noted earlier, there is a disconnect between the final examination and the modern curricula and teaching methods that are now expected, and this may encourage teachers to continue to teach rote methods.

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68 Hussein 2010.
69 Al Dakkak 2010.
70 UNESCO IBE 2011c.
3.46. **Classroom assessment practices are considered weak in the UAE.** In 2010, the MOE issued **Guidelines to the Implementing of On-going Assessment Tools** for classroom assessment. Not all teacher-training programs include modules on classroom assessment, although in-service teacher training is available to all teachers, as is online access to question banks. Multiple-choice questions are commonly used, and the focus tends to be on recall of information. Grade inflation is considered to be an issue, as is uneven application of grading standards. While classroom assessment forms part of a teacher’s performance evaluation, it does not contribute significantly to the overall rating.

3.47. **The UAE National Assessment Program has been administered to students in grades 3, 5, 7 and 9 in Arabic, English, mathematics and science.** The first national assessment in the UAE took place in 2003. The aim of the assessment program is to gain information useful for monitoring education quality, policy-making, and support to schools and teachers. Reports are provided to all levels of the education system, from the Minister of Education and the MOE, to the educational zone directors, schools, teachers, and parents. The 2010 results pointed to a number of recommendations, most importantly to modify the curriculum and focus on writing activities in the classroom.

3.48. **The UAE has participated in several international assessments of learning:** the 2007 Trends in Mathematics and Science Study (TIMSS) (Dubai only), the 2009 and 2012 Programme for International Student Assessment (PISA), the 2011 TIMSS, and 2011 PIRLS. Across these assessments, the UAE has performed better than other countries in the region, but below the international averages. The UAE is preparing to participate in the 2015 PISA, TIMSS and PIRLS, and a law has been approved to provide regular funding to participate in these international assessments.

3-5  Education Finance in the UAE

3.49. **The UAE allocates approximately 25 percent of its total government expenditure to the education sector.** A recent study undertaken by the MOE’s Department of Financial Resources estimated that spending per student (excluding Abu Dhabi and private schools) is approximately US$9,780 per year. However, details of the government’s budget (including education accounts) are not published by the UAE, and so there is little information about the flow of funds. Public schools are government funded and free for all UAE citizens. Non-nationals may now attend public schools if they pay the fees (approximately US$1,600 annually). The schools collect the fees but must send them directly to the center (MOE or ADEC, as applicable). The MOE pays salaries directly to teachers (as does ADEC for Abu Dhabi). Schools are given an allowance (operational budget) which amounts to approximately US$20,000-$25,000 per school, based on the number of students. The school can use this amount as it sees fit, although there are some restrictions and they must report how they use it. These funds generally cover running costs such as activities in schools, minor maintenance, materials and equipment (such as photocopying).

3.50. **With a lack of financial information, it is not possible to determine if the allocation of funds across emirates and schools is equitable.** Some of the emirates supplement funds to education from their own resources; for example, the Sharjah Education Council is undertaking an upgrade of its...
schools to Model Schools. A number of initiatives are off budget, including the Smart Learning Initiative. Schools of Tomorrow receive additional resources (including teachers) for English, mathematics and science. Abu Dhabi’s New Model Schools require students to pay tuition fees (of approximately US$1,500) to cover more teachers and extra activities. These different mechanisms across the individual emirates have the potential to lead to inequalities across schools. In Sharjah, where the decision has been made to transform all its schools to Model schools, the emirate pays an extra US$11,000 (approximately) to each school for extra-curricular activities and to cover teachers’ overtime (all teachers are required to teach one extra hour per day under this new initiative).

3-6 Experiences and Lessons from the UAE

3.51. As a federation, the UAE has a number of unusual characteristics, including vast differences across the emirates in terms of resources and development, large expatriate communities and also the largest, wealthiest emirate having a strong interest in unification. The UAE’s education system has a rare mix of highly centralized control and yet the possibility of decentralized delivery that allows exceptions across the member states (with ADEC in Abu Dhabi and KHDA in Dubai). The UAE is in a vastly different situation to Yemen, particularly with regard to resources available for education and student population (a huge proportion of non-nationals and private schools). However, there may be a few lessons that can be taken away for Yemen or issues to consider in advance of a move to federalism, as follows.

3.52. There is a risk of inequalities in education when resources are not deployed equitably or transparently. One of the seven emirates has a large amount of the wealth and also has the greatest motivation to keep the emirates together in the union. This has worked well for the education system across all emirates to date. However, if this situation did not exist, there is a great risk of inequalities across the emirates, particularly given that their natural resources and stages of development vary markedly, and that the constitution does not specify the contribution to federal funds of each of the emirates. However, financial information is sparse, which makes it difficult to monitor educational equity. It is not yet possible to determine the long-term impact of the separation of ADEC from the MOE in Abu Dhabi, or the KHDA from public education in Dubai, or the ability of some emirates to boost education resources from their own funds. However, there is a potential for significant inequalities in education outcomes to result from this situation.

3.53. A balance needs to be sought between the race for a top quality education system and the current capacity within the system. There are some indications that the UAE’s education system has developed faster than the capacity within the system. The UAE has retained many education functions at a central level (MOE and ADEC), and this may be for reasons of lack of capacity at the regional and school level. There has been a reliance on foreign expertise, often private, which lacks the incentive to develop capacity within the UAE’s institutions. In addition, this external influence is likely to advocate a rapid move to modern methods that the system may not yet be ready for—for example, the move to student-centered learning. For true federalism to occur, a balance must be found between good governance and adequate capacity at a centralized and decentralized level. The UAE has a very progressive attitude towards education—it is keen to learn the best from other countries and is very open to other cultures and new ideas. This has not been without its difficulties. Sometimes these ideas are misunderstood and the issue is seen as Western values encroaching on local identity. The key for the UAE will be to balance this thirst for “the best” that the international community can
offer, with a determination to build local capacity to implement these ideas and adapt them to fit the local environment.

3.54. **Parent and community participation in schools needs to be managed carefully.** The UAE has an interesting dilemma regarding parent participation in schools and school-level decision making. While parents would like to be more involved, the schools do not always want that. This will result in pushback in any moves towards school-based management and community participation. It is unclear at this stage what the MOE and ADEC’s vision is for school-based management—the new initiatives seem to be very centrally driven and controlled. The UAE appears to have taken only very small steps so far towards devolving decision-making to lower levels, including schools. It is likely that this is fueled by concerns over capacity at those levels.

3.55. **Consideration needs to be given to the pace of implementation of reforms.** The government appears to be implementing top-down educational policy improvements that involve teachers with low training and parents with low interest. However, for reform to work, all stakeholders may have to agree on standards and understand the purposes of those standards. This will require significant time and motivation, as well as a sustained and concerted effort by the Government to convince parents and society that education is important. Yemen leaders need to make sure that parents and other stakeholders give education the priority it needs to benefit from its positive impact on economic and social development.

3.56. **It may not be necessary to have uniform structures for education across the regions.** Regarding the distribution of roles and responsibilities for education service delivery across a federation, the UAE’s case shows that it is possible to have a mixed situation across the members of the union where central control is retained for states that do not have local stakeholders interested in, or prepared for, the transfer of power from the center, while other states have the capacity and desire to be more autonomous. However, the UAE is an unusual case in that it is a small country with one exceptionally strong and wealthy emirate, and so the applicability to Yemen may be limited.
CHAPTER 4

COUNTRY CASE STUDY 3: MALAYSIA

4.1. **Malaysia is federal country consisting of 13 states and 3 federal territories.** An upper middle-income country of close to 30 million people, Malaysia is separated by the South China Sea into two regions—the Peninsular Malaysia and East Malaysia. Approximately 75 percent of the total population resides in urban areas, concentrated in 6 major metropolitan cities including Kuala Lumpur, the capital city. The government of Malaysia is structured on three levels: the central or federal government, the state governments, and the local governments.

4.2. **Malaysian society is multi-ethnic.** Malaysian citizens made up 92 percent of Malaysia’s population of 28.3 million in 2010. Among the citizens (excluding non-nationals), Bumiputeras (Malays and indigenous communities) made up 67 percent, while Chinese (25 percent), Indians (7 percent), and other ethnic groups (1 percent) constituted the remainder. Due to changing fertility rates, the school-age population has decreased from 3.088 million in 2000 to 2.907 million in 2013, and it is expected to continue to decrease.

4.3. **Malaysia’s federal system seeks to maintain a balance between a strong central government and the satisfaction of local needs.** Most decision-making is retained at the central level, although some of the government’s functions have been decentralized. The Malaysian federal constitution outlines the framework of the relationship between the federal, state and local governments, striking a balance between a strong central government, and local needs. However, state and local government in Malaysia are politically, financially and economically subject to the authority of the federal government. Education is one of the main functions of the federal government.

4-1 Overview of the Education Sector in Malaysia

4.4. **Malaysia’s schooling system is divided into preschool, primary, and secondary education** (table 4.1). A multilingual public school system provides free education for all Malaysians, who can also attend private schools or receive homeschooling. By law, primary education is compulsory, and public schools are free of charge. The Ministry of Education (MOE) merged with the Ministry of Higher Education (MOHE) in 2013 to form a consolidated MOE. The administration of the entire education system under one Ministry enables the application of sector-wide planning using a single budget framework, which is expected to improve decision-making and increase harmonization across different levels of education.

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74 Data from the 2010 Population and Housing Census of Malaysia, Department of Statistics Malaysia Official Portal (www.statistics.gov.my).
75 MOE EMIS data.
76 Nooi 2008.
77 Malaysia MOE 2015.
Table 4.1. Structure of Malaysia’s Education System

<table>
<thead>
<tr>
<th>Age</th>
<th>Grade</th>
<th>National</th>
<th>ISCED*</th>
<th>Type of Schools</th>
<th>Compulsory</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-5</td>
<td>-</td>
<td>Preprimary</td>
<td>Preprimary (ISCED 0)</td>
<td>1. National school</td>
<td>No</td>
</tr>
<tr>
<td>6-11</td>
<td>1-6</td>
<td>Primary</td>
<td>Primary (ISCED 1)</td>
<td>2. National-type Chinese school</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3. National-type Tamil school</td>
<td></td>
</tr>
<tr>
<td>12-14</td>
<td>7-9</td>
<td>Lower Secondary (Form 1-3)</td>
<td>Lower secondary (ISCED 2)</td>
<td>*The additional year for Chinese and Tamil students helps them acquire proficiency in Bahasa Melayu, the main language of instruction in secondary school</td>
<td>No</td>
</tr>
<tr>
<td>12-15*</td>
<td>7-10*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-16</td>
<td>10-11</td>
<td>Upper Secondary (Form 4-5)</td>
<td>Upper secondary (ISCED 3)</td>
<td>Academic, Technical and Vocational, and Islamic schools</td>
<td>No</td>
</tr>
<tr>
<td>17-18</td>
<td>12-13</td>
<td>Form Six, Matriculation</td>
<td>Upper secondary (ISCED 3)</td>
<td>Form Six courses are offered to meet the entry requirements of all universities, while matriculation courses are designed to meet the entry requirements of certain universities</td>
<td>No</td>
</tr>
</tbody>
</table>

Source: Malaysia MOE 2014 and UNESCO Institute for Statistics.

Notes:
a. ISCED: International Standard Classification of Education.

4.5. The Government of Malaysia makes education a priority and significant progress in education has been made, but challenges remain. There is universal access to primary education, and access to preprimary and lower secondary education is very high (table 4.2). The enrollment rate (GER) at the upper secondary level has increased from 45 percent in the early 1990s to 56 percent in 2012. However, student-learning outcomes are a main concern, as indicated by the modest results obtained by Malaysian students in the Trends in Mathematics and Science Study (TIMSS) and the Programme for International Student Assessment (PISA). The provision of equitable access to quality education is also a concern, since the achievement gaps between rural and urban areas, and among different socioeconomic backgrounds, can be significant.

Table 4.2. Students and Teachers in Malaysia’s Schools, by Level of Education, 2012

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Number of Students</th>
<th>Gross Enrollment Ratio (%)</th>
<th>Number of Teachers</th>
<th>Student-Teacher Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preprimary</td>
<td>833,121</td>
<td>84</td>
<td>42,376</td>
<td>19.7</td>
</tr>
<tr>
<td>Primary</td>
<td>2,888,077</td>
<td>101*</td>
<td>237,945</td>
<td>12.1</td>
</tr>
<tr>
<td>Secondary</td>
<td>2,757,435</td>
<td>71</td>
<td>198,044</td>
<td>13.9</td>
</tr>
<tr>
<td>Lower Secondary</td>
<td>1,496,521</td>
<td>91</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Upper Secondary</td>
<td>1,260,914</td>
<td>56</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>


Notes:
a. Data is for 2005.
4-2 Politics, Policies, and the Legal Framework for Education in Malaysia

4.6. **Malaysia gained independence from the United Kingdom in 1957 and became a federal state in 1963.** As a parliamentary democracy, Malaysia’s head of state is a constitutional monarch selected for five-year terms (based on seniority) by the Conference of Rulers from among their own members—the nine Malay Rulers (Sultans) of the original Malay States. There are 9 Malay states, 4 non-Malay states, and 3 federal territories. Hereditary rulers (Sultans) head the Malay states and a Governor appointed by the federation’s head of state rules the non-Malay states. Each state has its own constitution, which must comply with certain criteria in order to remain unified across the states.78

4.7. **The central government dominates the federation of Malaysia.** Almost all functions are assigned to the federal government, leaving very few residual powers to the states. The states are responsible for land and agriculture, local government services, and administration of Islam and Malays customary law. Since the latter are less relevant to the non-Malay states, Sarawak and Sabah were assigned additional powers, resulting in a federal system with unequal powers across the states. Financial resources are concentrated at the center, as well, and states must rely on a system of transfers from the federal government. While the states have few powers and responsibilities, their identity remains important due to citizen loyalties, particularly to the Malay Rulers in the Malay states. Reforms to balance revenue sources and autonomy of the states have been raised; however, it will take some time for the culture of heavily centralized rule to change. 79

4.8. **Education in Malaysia falls under the authority of the federal government.** The national education system, based on the 1961 Education Act, was highly centralized, with a common language, common school curriculum, common public examinations, common teaching service rules, and central funding for all public schools.80 The rationale for a centralized management system was to make optimal use of physical resources and available expertise, and to prevent a wasteful duplication of duties.81 The ultimate aim of the MOE is to ensure that the national education system supports the government’s primary objective of national unity. Also, central control and provision of education was deemed desirable for the provision of equitable education of reasonable quality for all children in the country.82

4.9. **Although education is the responsibility of the federal government, each state has an Education Department that coordinates education within its territorial boundaries.** The Education Acts of 1961, 1996, and 2002 establish the responsibilities of each level of government, which are summarized as follows.83

**Federal Level**

4.10. **The MOE is responsible for** all policy formation, overall planning, the control of all financial and expenditure related matters, planning and implementation, physical infrastructure, development of

the school curricula, and the recruitment, training and posting of teachers and headmasters.

**State Level**

4.11. *The State Education Department (SED) in each state responds directly to the MOE and receives regular directives from the center.* The SED implements all the education programs in schools within the state. The SEDs manage, monitor, and supervise all matters related to curriculum, schools, teachers, students and public funds, in compliance with center directives.

**District Level**

4.12. *District Education Offices (DEOs) were added in 1982 as the number of schools, students and teachers grew and the workload at the state level increased and became more complex.* The DEOs’ role is to facilitate administration, communications, and coordination between the SEDs and schools. DEOs supervise schools, teachers, and students at the ground level, and also establish relationships with parents and local communities. They collect data from schools on the schools themselves, and on students and teachers, and pass that information along to the SEDs. The DEOs also disseminate rules and regulations from the SEDs to schools. In addition, they carry out routine tasks such as maintaining school facilities and monitoring public examinations.

**School Level**

4.13. *The head of each school is responsible for implementing all education programs stipulated by the MOE.* He/she supervises and guides teachers in all teaching-related matters, monitors and supervises all matters related to student education, and supports good relationships with parents and the local community.

4.14. *The creation of DEOs does not reflect a move towards the devolution of powers to the local level.* They were introduced to facilitate information flow, and relieve SED officers of routine administrative work so that they could focus more on planning, supervision and monitoring. DEOs are closer to schools, making them better suited to carry out routine administrative, supervisory, and communications tasks than the SED offices. However, the establishment of the DEOs has not led to more decision making at the local level on education matters such as curriculum, the hiring and firing of teachers, and examinations. In fact, the DEOs have helped increase centralized control in remote areas. Community participation in decision-making in school matters is mostly limited to fundraising activities, although in very remote areas, rural communities help with the construction of schools buildings and teachers’ quarters. DEOs are expected to carry out their duties effectively using their professional judgment. However, research shows that a common issue for the directors of DEOs (most of who were selected from a pool of headmasters) is that they do not have the professional skills to carry out required tasks such as data analysis, education supervision, and professional development for teachers. They are not adequately informed about the overall education development plans for their state, so they have difficulties making plans for schools and teachers under their jurisdiction.84

4.15. *As part of the preparations for the development of Malaysia’s Education Blueprint 2013-2025, the government conducted an evaluation of education policies and their implementation between*

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84 Lee 2006.
1957 and 2011. The evaluation concluded the following:\textsuperscript{85}

- **There is a gap between policy, planning and delivery:** The MOE set out a clear vision for education development, but the planning process has been less effective in establishing the actions required and the clear roles and responsibilities necessary for delivery. The weaknesses in the system include: (1) a large number of federal, state and district programs leading to a lack of focus for schools and a huge workload for teachers; (2) limited use of data to inform decision-making; (3) a lack of coordination across departments in the MOE creating overlaps or gaps in activities; and (4) monitoring and evaluation focused on process rather than on outcomes.

- **The education system is highly centralized:** The MOE's current organizational structure is characterized as follows: (1) it has the largest central (federal) education administration structure in the world in term of number of staff, relative to the number of schools; (2) the MOE's large head office has 36 divisions, reflecting the legacy of a highly centralized education system; (3) multiple divisions are often involved in key day-to-day processes; and (4) relatively few Ministry personnel are deployed nearer to schools.

4.16. **Malaysia is implementing a major reform to redefine the roles and responsibilities of all education levels with the purpose of improving system efficiency and effectiveness.** These reforms are outlined in the *Malaysia Education Blueprint 2013-2025*, and the transformation will grant SEDs and DEOs greater decision-making powers. Under the new structure, the roles and responsibilities of federal, state and district offices will be modified as follows:\textsuperscript{86}

- **Federal Level:** The MOE head office will retain its functions of policy setting and macro-planning. It will minimize direct school engagement and focus on setting policies and strategy, while providing central services such as data collection and curriculum and assessment development.

- **State Level:** The SED role will focus more on coordination and on supporting DEOs in the delivery of their new responsibilities, reducing the SEDs’ direct interaction with schools. The SED will be responsible for determining district targets, managing and monitoring the performance of DEOs, facilitating collaboration between districts, and allocating resources to districts that need it most.

- **District Level:** The DEOs will be at the forefront of supporting school performance improvement. They will engage directly with schools on a regular basis to coach, mentor, and monitor performance. This expanded role will involve:
  - Setting targets for individual schools
  - Providing coaching to teachers and principals
  - Monitoring and using data to inform school improvement activities
  - Holding principals and teachers accountable for their performance and holding performance dialogues
  - Creating collaboration across schools
  - Targeting resource deployment to schools that need it most

4.17. **The structure of the MOE will be fundamentally changed upon the completion of the transformation**—the large number of staff at the federal level (head office) will be cut back

\textsuperscript{85} Malaysia MOE 2013.
\textsuperscript{86} Malaysia MOE 2013.
significantly (particularly support staff), the number of staff at the state level (SEDs) will be cut back and the proportion of officers increased compared to support staff, and the numbers of staff at the district level will be maintained, with the proportion of officers increased compared to support staff. The government is taking a phased approach over the next 12 years to the implementation of this reform:

- **Phase 1: Planning (2013-15):** Redefining roles and responsibilities at the federal, state and district levels, and strengthening the capacities of the SEDs and DEOs.
- **Phase 2: Implementation (2016-2020):** Full-scale reorganization, including streamlining and strengthening of core functions at the federal level, and empowering SEDs and DEOs.
- **Phase 3: Greater decentralization (2021-2025):** With the completion of the reorganization, greater decentralization will be implemented as schools receive greater decision-making rights and take on increased accountability for their performance.

### 4-3 Education Service Delivery in Malaysia: Four Basic Components

**Access, School Construction and Equipment**

#### 4.18. Access to education is the responsibility of the federal government. The government has a clear policy that all children can have access to, and complete, primary education regardless of gender, ethnicity, socioeconomic background, location and abilities, as highlighted in the Education Development Master Plans as well as the *Education Blueprint*. The 1996 Education Act was amended in 2002, to make primary education compulsory. All parents must register their children at the nearest school in their community before the child reaches the age of 6; children must remain in primary school for a minimum duration of six years. Non-compliance with this regulation by parents entails a fine and possible imprisonment for up to six months.

#### 4.19. Remarkable progress has been made in education access since independence in 1957. The GERs are high for preprimary, primary and lower secondary school levels, and increasing for upper secondary school (table 4.2). Across the population, education attainment levels have increased substantially over the past several decades (figure 4.1).

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87 Malaysia MOE 2013.
88 Malaysia MOE 2013.
89 Malaysia MOE 2015.
4.20. In order to address the remaining challenges in access to education, the Government of Malaysia has focused its efforts in recent years on reaching out to marginalized populations and children who are not enrolled or who are likely to drop out. Specific target groups include:

- Children from poor families in both urban and rural areas
- Children living in remote areas
- Children with special education needs
- Children from the indigenous population
- Street children, undocumented children, and children living in plantation estates
- Refugees

Special programs and measures are in place to bring in these children into school. The federal government has also approved other alternative education centers operated by non-governmental organizations. In 2013 the MOE registered more than 170 such institutions serving approximately 15,000 students. In addition, the MOE continues to find ways to expand and strengthen early childhood education as part of the entire education system.

4.21. School infrastructure is mostly sufficient, although a significant proportion of schools still lack basic infrastructure, including 24-hour electricity, drinking water, computer and science laboratories. In 2012, approximately 30 percent of schools were in need of immediate repair. The MOE is taking measures to address these issues, including: (1) ensuring that all schools have a minimum level of acceptable infrastructure, adapted to individual school needs; (2) undertaking immediate maintenance on all schools in critical need of repairs; and (3) upgrading facilities and

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90 Malaysia MOE 2015.
equipment across all schools. School maintenance funds are managed at the district level, and schools need to wait for their DEO to arrange for school maintenance services. The MOE plans to disburse the funds to SEDs, DEOs and schools with enhanced authority and accountability to commission maintenance works following the plans outlined in the Blueprint 2013-2025.

**Curriculum and Educational Materials**

4.22. *The curriculum is centrally developed and all education institutions in Malaysia—public, private, and religious—are required to follow it.* The underlying principle for this policy is that the national curriculum embodies an integrated approach to the knowledge, skills and values that students are expected to acquire. The common curriculum does not neglect the cultural values of major ethnic groups in the country. The process of curriculum development starts with a needs analysis, and goes through planning, development, piloting, dissemination and implementation. The cycle ends with evaluation and then goes back to identification of needs. The time between planning and implementation takes approximately 13 months, allowing sufficient time for textbooks to be prepared and distributed to schools and for tests to be developed. All matters related to curriculum policies need to be approved by the Central Curriculum Committee (CCC). Once the CCC approves it, the Curriculum Implementation Committee, comprising all of the state Directors of Education and representatives from the MOE, discuss and implement the new curriculum. The differences in school environments and capacity pose challenges to the centralized curriculum, especially because there are no local adaptations of it.92

4.23. *The SEDs and DEOs, as well as teachers and other stakeholders, participate in the process of curriculum development.* Authority to implement new curricula, as well as financial management, preparation of school facilities, and training of teachers on the new curriculum is delegated to the SEDs. Each state, district, and individual schools are also encouraged to develop their own instructional materials to complement those developed by the MOE. Heads of schools are directed to organize in-house training for teachers to implement the new curriculum using training packages developed by the MOE.93

4.24. *A paradox exists in the attempt to devolve authorities to local levels—experience can only be gained by having responsibility, but responsibility cannot be given due to lack of experience.* Local capacity has constrained the MOE’s intent to create local ownership of the curriculum by giving local offices more authority in the implementation of the curriculum. The issues have been in both directions—lower-level staff, including teachers, have tended to rely on specific instructions from the top (since this is the approach they are used to), while some officials at the top have been reluctant to grant more authority to their lower-level staff because they are not confident about their ability to successfully undertake the task independently.94

4.25. *Curriculum reform is underway.* The MOE’s current phase of curriculum reform (2013-2025) is focusing on short-term initiatives to improve the written, taught, and assessed curricula for primary and secondary education, while laying the groundwork for more fundamental reform. The following phases (2016-2025) will implement the new Primary School Standard Curriculum and Secondary

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91 Malaysia MOE 2013.
92 UNESCO IBE 2011d.
93 UNESCO Bangkok 2011.
94 UNESCO Bangkok 2011.
School Standard Curriculum, and the development of alternative models to allow for more learning at the students’ own pace. The changing roles of SEDs, DEOs and schools are specified in the *Malaysia Education Blueprint (2013-2025)* as follows:

- **SEDs will play a planner and coordinator role:** they will monitor curriculum roll out and pedagogy quality in their states.
- **DEOs will play a teacher support role:** they will provide coaching and mentoring support to teachers in terms of content and pedagogy skills.
- **Schools will have more flexibility** in curriculum timetabling and school-based assessment.

**Teachers**

4.26. *The MOE has overall responsibility for developing and managing teachers from preprimary to secondary school.* Within the MOE, several departments and divisions share responsibilities related to teacher management. Table 4.3 outlines the responsibilities and respective departments and divisions within the MOE.

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>MOE Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projecting teacher demand</td>
<td>The Education Policy Planning and Research Division</td>
</tr>
<tr>
<td>Pre-service teacher training</td>
<td>The Teacher Education Department (TED), in collaboration with Teacher Training Institutions (TTIs) and public higher education institutions (HEIs).</td>
</tr>
<tr>
<td>In-service teacher training</td>
<td>The TED, in collaboration with TTIs and public HEIs. Different departments of the MOE also offer professional development courses; for example, the Curriculum Development Center offers courses to assist teachers in adjusting to the new curriculum.</td>
</tr>
<tr>
<td>Recruitment and appointment of teachers including promotions, reassignment and temporary transfer, termination of service and resignation as well as other service-related matters.</td>
<td>The Human Resource Division</td>
</tr>
<tr>
<td>Teacher deployment</td>
<td>The School Division of the Department of Preschool, Primary and Secondary Schools, together with four other departments (the TED, the Islamic and Moral Education Department, the Special Education Division, and the Sports and Physical Education Department), takes responsibility in cooperation with the SEDs.</td>
</tr>
</tbody>
</table>

*Source: Malaysia MOE 2013.*

4.27. *Teachers in Malaysia are required to pass a highly competitive screening process.* There is no licensing system for public school teachers, but after screening to enter a pre-service teacher-training program, including passing the Malaysian Teacher Selection Test and an interview conducted by the Education Service Commission, only those who obtain certain cumulative grades in the program and successfully pass an interview after completion will be appointed as permanent teachers. Almost all teachers in secondary schools require at least a bachelor degree for teaching. Private school teachers must obtain a teaching license before they start teaching. The MOE plans to further raise the entry

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95 Malaysia MOE 2013.
requirements for, and the profile of, the teaching profession, according to the Blueprint.

4.28. The MOE plans to increase school-based professional development activities, such as principal/peer observations and lesson planning. This is based on international experience and feedback from Malaysian teachers who reported that they find it more useful when their subject head or principal observes them in action, as it enables them to receive direct insight into how they should improve their teaching practice.96

4.29. The MOE is currently responsible for deployment of teaching and non-teaching staff, but under the new reform it will become a shared responsibility between the federal, state and district authorities. For example, in the past, all requests for transfers of school principals required final approval at the federal level. Under the proposed new system, DEOs will be allowed to approve transfers within a district and SEDs may approve in-state transfers across districts, while the MOE at the federal level will retain the right to approve transfers between states. These enhanced decision-making rights will be balanced by greater accountability at the SED and DEO level for performance to ensure delivery of defined targets. The new system also applies to teacher deployment (table 4.4). To assist SED and DEO officers to undertake these new tasks, the MOE will design and implement new performance management processes and capacity building programs.97

Table 4.4. Malaysia’s Realigned Decision Rights for School Staff Deployment after 2015

<table>
<thead>
<tr>
<th>Key decision</th>
<th>Decision Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Deployment</td>
<td>Federal</td>
</tr>
<tr>
<td>Across States</td>
<td>SED</td>
</tr>
<tr>
<td>In state across Districts</td>
<td>DEO</td>
</tr>
<tr>
<td>Teacher Deployment</td>
<td>Across States</td>
</tr>
<tr>
<td>Across States</td>
<td>SED</td>
</tr>
<tr>
<td>In state across Districts</td>
<td>DEO</td>
</tr>
</tbody>
</table>

Source: Malaysia MOE 2013.

Learning Assessments and Learning Outcomes

4.30. The MOE is responsible for the assessment system and takes multiple approaches to assessment, including national examinations, international assessments (TIMSS and PISA), and school-based assessment. There are three main national examinations in Malaysia:

- **Primary School Assessment Test (UPSR)**—an examination designed as a national qualification to mark the completion of primary school. The subjects include Bahasa Malaysia, English, mathematics, and science. It is a norm-referenced achievement test. The MOE has announced a plan from 2016 to derive students’ UPSR grades from a combination of school-based assessment (PBS) and the national examination.

- **Lower Secondary Assessment (PMR)**—taken at the end of lower secondary school, the subjects include Bahasa Malaysia, English, mathematics, science, and five other subjects (optional subjects are available).

- **Malaysian Certificate of Examination (SPM)**—taken by students at the end of secondary school, this test is internationally recognized as equivalent to the O-Levels. Its compulsory subjects

96 Malaysia MOE 2013.
97 Malaysia MOE 2013.
include Bahasa Malaysia, English, Islamic education (for Muslim students), moral studies (for non-Muslim students), history, mathematics, and science. Results are used for job application, if students opt to enter the job market at this stage.

4.31. **Malaysia has moved towards greater use of school-based assessment.** In 2011, Malaysia rolled-out the new school-based assessment (PBS) that is intended to be more holistic, robust and aligned to the new standard-referenced curriculum. The PBS evaluation includes both learning outcomes and the learning process. Instead of being compared with peers, students are benchmarked against a set of standards. Initial feedback on the PBS implementation suggested that teachers have yet to fully grasp the magnitude of the change. Some teachers and schools are struggling to develop their own test questions for the school assessment component. In response, the MOE is strengthening the training provided to teachers to ensure that they have the capacity to develop test questions that accurately measure the standards laid out in the curriculum.

4.32. **The MOE uses the results of the national examinations and international assessments for planning, monitoring, evaluation and improving the education system.** Information from the assessments are made publicly available. The education quality and relevance reforms outlined in the Malaysia Education Blueprint 2013-2025 were based on these assessment results. However, the use of assessment results in schools to improve student learning and teaching practices needs to be enhanced. Malaysia has an education management information system (EMIS), including the annual publication of a “Quick Facts” report with data on candidates and levels of achievement in the national public examinations.98

4.4 Education Finance in Malaysia

4.33. **The Malaysian Government has spent heavily on education over the past several decades.** Since the 1980s, Malaysia’s spending on primary and secondary education as a percentage of gross domestic product (GDP) has been among the highest in East Asia. In 2011, Malaysia’s expenditure on all levels of education was 5.9 percent of GDP, representing 21 percent of total government spending. This level of expenditure was higher than top-performing systems like Singapore, Japan, and South Korea. However, the high levels of staffing in Malaysia’s central education ministry should be considered when making comparisons about levels of spending, since high spending does not necessarily indicate efficient investment in education.

4.34. **In Malaysia, almost all education funds come from the central government.** Budget allocations for school buildings and infrastructure fall under the Five-Year Malaysia Development Plan, while allocations for recurrent expenditures are under the annual budget allocation. The Development and Procurement Division of the MOE, together with the SEDs, manage the capital expenditures allocated to schools. The recurrent budget includes wages and per-capita grants for school operations. Most schools receive their funds directly from the Finance Division of the MOE, except for remote rural schools whose funds are managed by their respective DEO.99

4.35. **Education financing follows a complex set of rules and mechanisms.** While most recurrent

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99 UNESCO Bangkok 2011.
funding is released to schools, some expenditure is managed within local government education departments. Part of the funds are sent directly to the education offices of local governments for the payment of personnel benefits (pensions and pay supplements). Education offices at the local government level may also receive funding for teacher training, for career counselling for secondary school students, and sports and special events held at the municipal level. Schools receive the following:

- **Direct funding**—for teacher salaries and for school operations

- **Earmarked per-capita grant**—nine additional mechanisms earmarked for specific expenditures, of which the per-capita grant aid is the largest. This grant is allocated based on number of students in a school; hence, the larger the school’s enrollment, the greater the grant received by the school. The per-capita grant is further subdivided into two blocks—funds earmarked to **academic levels and subjects** for preschool, core subjects, electives, and foreign language, and funds earmarked to **non-academic activities**. The latter includes activities such as counselling, the school resource center, special education, and other recurrent expenses. The fund may be transferred but within the category only.

- **Other earmarked funds for support programs**—this includes funds for implementation of the preschool curriculum, the school co-curriculum, sports, hostel training, meals, and funding for supplementary fees. Additional funds are earmarked for students in specific poverty and for supplementary school food programs. In total, there are 11 support programs aimed at students, of which four are targeted to poor students, five are for scholarships and allowances for poor students who excel in academics, and three are for special programs and school uniforms.

4.36. **The current system of earmarked funding with narrowly defined usage does not allow flexibility for schools to address specific local needs.** Malaysia’s highly centralized education funding mechanisms, tied to characteristics of predesigned programs, may hinder operational and financial efficiency as schools have to maintain a complex system of accounting to comply with all the regulations from the center attached to each funding program. This, in turn, discourages school-level decision making, often resulting in a lack of real impact on the intended results. In addition, the per-capita grant is lower for schools with a greater proportion of disadvantaged students as the grant provides some basic allocation for poor students, such as food, mileage, uniforms, and the trust fund, but there is no additional support for poor students’ additional learning needs. Based on these drawbacks, Malaysia is piloting a new funding formula for the capital grant. 100

4.37. **School-based management has been introduced to increase autonomy and accountability.** Although Malaysia has achieved universal access to primary education and significant improvements in access to secondary education, student-learning outcomes remain a critical issue. The recent data also indicates that Malaysia’s performance lags behind other countries that have similar or lower levels of expenditure per student, such as Thailand, Chile, and Armenia. The government therefore decided to maintain the level of investment in education, but improve the efficiency and effectiveness in how funds are allocated and spent. In this context, the concept of school-based management under guided autonomy and increased accountability was introduced, with the intention of addressing other financing issues such as insufficient school funding and low levels of private funding of education.

100 World Bank 2014a.
4.38. **Public-private partnerships and decentralized school financial management have been piloted in an attempt to improve efficiency and effectiveness of education service delivery.** In 2011, the Economic Transformation Program successfully launched the Trust School in Malaysia, which marked a positive collaboration between the public and private sectors. It was hoped that this positive effort would be able to resolve the financial constraints experienced in most of the country’s centralized national schools.\(^{101}\) In addition, the government has piloted the establishment of the School as Responsibility Center, an initiative for increasing the autonomy of individual schools through independent decision-making authorities and/or financial autonomy. Experience from this pilot initiative highlighted that all internal and external stakeholders should collaborate to ensure schools are equipped with the following characteristics: (1) a good school vision and mission understood by all school members, (2) meaningful autonomy at the school site, (3) clear distribution of powers among members, (4) relevant knowledge and skills, (5) transparency and integrity, (6) good information distribution, (7) entrepreneurship, and (8) recognition for performance.\(^{102}\)

4-5 **Experiences and Lessons from Malaysia**

4.39. **Malaysia’s education system has remained highly centralized under federalism, although some decentralization initiatives have recently started.** The government’s education reforms have begun to transfer some authorities from the central level to the state and district levels, and to give more flexibility to schools in order to improve effectiveness, efficiency and accountability for education service delivery, particularly in the context of improving student learning outcomes. While this transformation is at a very early stage in Malaysia, a few experiences and lessons can be drawn of particular interest to Yemen, including:

1. **The need to improve education system performance by reducing the overlap of responsibilities, unnecessary bureaucracy, and by clarifying rules and responsibilities at each level of administration.**

   The Malaysian system has too much overlap in the roles of federal, state, and local authorities. As a result, there is a tendency to spend a lot of school-level effort on administrative work, most of which is repetitive, to satisfy all the different levels of authority and supervision. Such issues significantly affect teachers’ performance in their primary duty of teaching, which eventually impacts students’ learning. The overlap in authority also leads to an excessive number of administrators at all levels. Operational efficiency becomes difficult to attain and a lot of financial resources, which otherwise could be channeled to schools, are wasted.

2. **The need for capacity building at all levels, prior to taking on new roles in a restructured and decentralized system.**

   Malaysia is taking steps towards education decentralization including initiatives such as shifting some decision-making power from the central ministry to the stakeholders and district education authorities and implementing school based assessment. However, weak capacity at the local levels impedes the implementation. In Malaysia, almost all resources allocated to schools are earmarked for, or belong to, targeted funding programs. The government has recognized this

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101 Malaysia PEMANDU 2010.
102 Radzi et al. 2013.
issue and started to pilot financial autonomy in selected schools such as the School as Responsibility Center or the Trust School. Experience from these pilots has highlighted capacity issues—school principals did not have the necessary knowledge and skills in school financial management, for example. Hence, measures must be in place to carefully address capacity issues in order to achieve the intended results. The phased approach in Malaysia (over 12 years) could be an example of good practice in capacity building in that time is built in to ensure that knowledge and skills are increased at all levels before responsibilities are increased and roles changed.

(3) **The need to improve student-learning achievement by involving parents and community and implementing school-based management.**

The traditional centralized authority of Malaysia’s education system crowds out effective parent and community involvement. Malaysia’s government recognizes this and the need to move towards school-based management to improve teacher motivation and accountability through strong parent and community involvement. Public spending on education is very high, but it has not resulted in the achievement of quality learning outcomes for students, as reflected in the international assessment results. Experience from other countries shows that school-based management, including the assigning of decision-making autonomy to parent school boards—in particular, human resource management (hiring, firing and extension of teachers’ contracts)—enhances teachers’ performance and reduces student absenteeism. This contributes to the improvement of students’ learning outcomes. However, Malaysia’s school-based management initiatives are very conservative and modest to date, and would benefit from development, particularly in relation to human resource management issues at the school level. Yemen could learn lessons from Malaysia in this regard. The success of school-based management in improving learning outcomes depends on information flows, incentives for teacher performance, strong assessment tools, and participation of parents and community members.

(4) **The need for a “systems approach” and realistic timeframe for education reform.**

Malaysia takes education reform very seriously. The policy document—*Malaysia Education Blueprint 2013-2025*—covers a decade-long reform program and outlines a well-planned “systems approach.” A systems approach views the education sector as a system—a connected set of components that interact in an interdependent manner to achieve certain results. Policy interventions at one end of the system can fail if made in isolation and without consideration of other parts of the system. The decentralization process is part of this systems approach and must be linked to other interventions to produce desired outcomes for the education sector. Such an education reform takes time and should have realistic expectations for the timeframe for both the process and results. Careful designing, planning, and a phased approach for implementation are good practice for a sector-wide education reform of this kind.

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103 World Bank 2014b.
104 McCarthy 2012.
CHAPTER 5
COUNTRY CASE STUDY 4: ETHIOPIA

5.1. *Ethiopia became a federation in 1995 and consists of 9 member states and two chartered cities.*
With a population of 94 million, an economy dominated by agriculture, a gross domestic product (GDP) per capita of US$505 and a GDP growth rate of 10.5 percent, Ethiopia is a developing country and one of Africa’s top growing economies. The country has achieved remarkable progress towards the achievement of the Millennium Development Goals (MDG) over the past few decades. These achievements coincided with a large-scale decentralization in Ethiopia, starting in the early 1990s and consisting of two phases—first from the federal level to the regional level, and subsequently into *woredas* (districts).

5.2. *Prior to the consensus to move to a democratic system with devolution and deconcentration of power, Ethiopia experienced a series of longstanding, severe internal conflicts and power struggles.*
With long lasting monarchy and communist rules, a democratic governance system was absent in Ethiopia for most of its history, and citizens had little to no voice in policy formulation or scope and quality of service delivery. It became apparent during the 1970s to 1980s that the over-centralized ruling structure fueled class and ethnic conflict, rather than addressing social and economic crises effectively. The Ethiopian student movement during the early 1970s demanded radical changes in the State structure, calling for socioeconomic reforms, and was soon followed by the regional political elites. The State lost its credibility and leadership ability to direct, and failed to mediate inter-class and ethnic conflicts. The rest of the 1970s saw the emergence of a military regime and nationalization of institutions under the banner of socialism with some regional autonomy, as well as massacres, detention, and general turmoil which continued into the 1980s. No party was able to address or resolve tensions stemming from ethno-nationalist movements. After more than a decade of civil war, Ethiopia came under the control of the Ethiopian People’s Revolutionary Democratic Front, pushing for a market economy and the recognition of human rights. Decentralization under a federal system became one of the policy options being promoted by society. In 1991 the country was first divided into 12 self-governing ethno-linguistic regional states and 2 specials administrative areas. By 1995 this initial effort evolved into a decentralized federation with 9 ethnic-based regions or states and 2 autonomous city administrations (Addis Ababa and Dire Dawa).

5.3. *There are five tiers in the administration system: federal, regional, zonal, district (woreda), and village (kebele).* The 1995 Constitution defined the expenditure and other fiscal responsibilities at the federal and regional levels of government, but the zonal, district and village levels were not legally recognized until later. The new governance framework delegates responsibility for service delivery to local governments and devolves substantial control over real resources (personnel, assets, and finances through block grants) to subnational governments (regions and woredas). It also provides a platform for citizen participation in politics and the enforcement of agreements. Regional constitutions and urban proclamations have defined the broad functions of local governments, and

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105 Data is for 2013 from the World Bank Poverty & Equity Databank.
106 The regions are divided into zones, *woredas*/urban administrations, and *kebeles* (village areas, with an average population of 5,000). The city administrations of Addis Ababa and Dire Dawa have different structures but are considered the equivalent of regions.
federal and regional state governments have constitutionally specified sovereignty over defined territories with separate legislative, judiciary and executive organs.

5.4. **The economic and social challenges faced by Ethiopia are highly similar to those facing Yemen.** Ethiopia has a poverty rate of 30 percent (a little lower than Yemen’s rate of 35 percent). Ethiopia has undergone severe economic and fiscal constraints in the past decade, with food and energy shortages and high inflation rates in recent years. Ethiopia and Yemen have a similar demographic structure, with a large proportion of young people aged 15-24 (21 percent of Ethiopia’s total population and 24 percent of Yemen’s population), high annual population growth rates (2.6 percent for Ethiopia and 2.3 percent for Yemen), and a large proportion of the population living in rural areas (81 percent for Ethiopia and 67 percent for Yemen). Regional and gender disparities in all areas of development pose a significant challenge to both countries’ economic and social growth. In addition, the high population growth rates and large youth bulge are expected to put extra pressure on the education system in the coming decades.

### 5.1 Overview of the Education Sector in Ethiopia

5.5. **Ethiopia has a large education system aiming to meet the needs of its 36 million school-aged children.** The education system follows an 8-2-2- structure (table 5.1), with two years of preschool education, followed by 8 years of compulsory primary education. Secondary school is divided into two cycles known as First Cycle Secondary (which covers grades 9 and 10) and Second Cycle Secondary (which covers grades 11 and 12). At the end of First Cycle Secondary, students sit the Ethiopian General School Leaving Certificate Examination, and at the end of Second Cycle Secondary, students sit the Ethiopian Higher Education Entrance Examination.109

<table>
<thead>
<tr>
<th>Age</th>
<th>Grade</th>
<th>National</th>
<th>ISCED*</th>
<th>Compulsory</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-6</td>
<td>KG</td>
<td>Kindergarten</td>
<td>Preprimary (ISCED 0)</td>
<td>No</td>
</tr>
<tr>
<td>7-10</td>
<td>1-4</td>
<td>First Cycle of Primary</td>
<td>Primary (ISCED 1)</td>
<td>Yes</td>
</tr>
<tr>
<td>11-14</td>
<td>5-8</td>
<td>Second Cycle of Primary</td>
<td>Primary (ISCED 1), age 11-12</td>
<td>Yes</td>
</tr>
<tr>
<td>15-16</td>
<td>9-10</td>
<td>First Cycle of Secondary</td>
<td>Lower secondary (ISCED 2)</td>
<td>No</td>
</tr>
<tr>
<td>17-18</td>
<td>11-12</td>
<td>Second Cycle of Secondary</td>
<td>Upper secondary (ISCED 3)</td>
<td>No</td>
</tr>
</tbody>
</table>

**Source:** Ethiopia MOE (www.moe.gov.et) and UNESCO Institute for Statistics.

**Note:**

a. ISCED: International Standard Classification of Education. Care should be taken when using UNESCO Institute for Statistics data for Ethiopia, as the ISCED levels correspond to a 6-4-4 system (not the national 8-2-2 system).

5.6. **Since Ethiopia became a federation in 1995, school enrollment rates have increased dramatically, particularly in primary and lower secondary education.** Primary education is getting close to universal—the gross enrollment ratio (GER) was 95 percent in 2012/13—but kindergarten and

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107 Defined as poverty headcount ratio at national poverty lines (% of population) from the World Bank’s World DataBank (World Development Indicators). Data for Ethiopia is from 2010 and data for Yemen is for 2005.

108 Data are for 2013, from the World Bank’s World Development Indicators and EdStats database.

secondary enrollment rates are still very low (table 5.2). With just over 400,000 teachers, student-teacher ratios at the primary education level are high—approximately 52 students for every teacher.

### Table 5.2. Students and Teachers in Ethiopia’s Schools, by Level of Education, 2012/13

<table>
<thead>
<tr>
<th>Level of Education (National)</th>
<th>Number of Students</th>
<th>Gross Enrollment Ratio (%)</th>
<th>Number of Teachers</th>
<th>Student-Teacher Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000/01</td>
<td>2012/13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kindergarten</td>
<td>478,977</td>
<td>2</td>
<td>26</td>
<td>12,639</td>
</tr>
<tr>
<td>Primary</td>
<td>17,430,294</td>
<td>57</td>
<td>95</td>
<td>335,109</td>
</tr>
<tr>
<td>Secondary</td>
<td>1,900,022</td>
<td>13</td>
<td>24</td>
<td>65,116</td>
</tr>
<tr>
<td>First Cycle of Secondary</td>
<td>1,541,529</td>
<td>-</td>
<td>38</td>
<td>-</td>
</tr>
<tr>
<td>Second Cycle of Secondary</td>
<td>358,493</td>
<td>-</td>
<td>10</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Ethiopian Federal MOE 2013.

5.7. **Education has been a priority in Ethiopia’s national development agenda since the early 1990s, with a strong focus on decentralization and community engagement.** The 1994 Education and Training Policy stated the following goals:

- Expanded and equitable access to general education and vocational training
- Improvement in the quality of education throughout the system
- A special focus on girls’ and women’s education
- A curriculum relevant to the needs of local communities, and a shift to vernacular languages
- Gradual decentralization of school administration, with strong community participation

5.2 Politics, Policies, and the Legal Framework for Education in Ethiopia

5.8. **During the first phase of decentralization, regional governments were given responsibility for delivering preprimary, primary and secondary education.** To facilitate the process, thousands of civil servants were redeployed from the center to the regions, and new functions were assigned to lower tiers of government, along with control of revenue sources. The details related to the decentralization of education are described in table 5.3. In order to measure the success and impact of the first phase of decentralization, the government, in conjunction with development partners, conducted a number of evaluation studies. Those studies identified factors that hindered efficiency of service delivery and empowerment of citizens. An important lesson learned from these studies was that woredas had very limited fiscal or administrative autonomy with which to respond to the needs of beneficiaries.

5.9. **Based on the findings of the evaluations, the government initiated the second phase of decentralization in 2002.** This included implementing a series of legal, fiscal, and administrative reforms in four of the largest regions, where 87 percent of Ethiopia’s population lives. Under this phase, more autonomy was given to the woredas in these regions, giving them managerial control over close to 45 percent of regional public expenditures. This phase of decentralization sought to strengthen community engagement, improve local democratic governance, and articulate the basic service delivery mechanism at the local level.

5.10. **Within the structure of decentralization in most regions, zones are the executive arms of the regional government, while the woredas are responsible for providing basic services.** The local
government structures are similar across regions: there are 140 local governments in Amhara, 284 in Oromiya, 156 in the Southern Nations Nationalities and Peoples Region (SNNPR), and 47 in Tigray. However, these numbers are constantly changing; the number of woredas has been steadily increasing over the last few years because of frequent splitting of existing woredas to create new ones. The duties and responsibilities of each level of government in relation to education are summarized in table 5.3, are outlined in the 2002 Directive for Educational Management, popularly known as the Blue Book. The Blue Book also defines the major functions and responsibilities of school supervisors, principals, vice-principals, teachers, as well as the functions in which community participation is deemed imperative.

Table 5.3. Roles and Responsibilities for Education Service Delivery (pre-tertiary) in Ethiopia, by Level of Government

<table>
<thead>
<tr>
<th>Federal Government (Ministry of Education)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The federal government is responsible for:</td>
<td></td>
</tr>
<tr>
<td>• developing national education policy, standards and monitoring observance by regions</td>
<td></td>
</tr>
<tr>
<td>• supporting regional curriculum development efforts for primary education</td>
<td></td>
</tr>
<tr>
<td>• developing a national curriculum framework for primary education</td>
<td></td>
</tr>
<tr>
<td>• developing curriculum for secondary education and TVET</td>
<td></td>
</tr>
<tr>
<td>• providing technical and professional support to regional education bureaus</td>
<td></td>
</tr>
<tr>
<td>• determining teacher qualifications, establishing professional standards for teachers</td>
<td></td>
</tr>
<tr>
<td>• providing teacher training for secondary education</td>
<td></td>
</tr>
<tr>
<td>• assisting teacher training provided at regional level</td>
<td></td>
</tr>
<tr>
<td>• setting standards for national examinations and standards of certificates</td>
<td></td>
</tr>
<tr>
<td>• supporting an autonomous body (National Assessment and Examinations Agency) that administers national examinations for grades 10 and 12</td>
<td></td>
</tr>
<tr>
<td>• producing and printing textbooks and teaching materials in coordination with regions</td>
<td></td>
</tr>
<tr>
<td>• establishing a mechanism in cooperation with relevant entities to provide support to girls, minority groups and disadvantaged populations</td>
<td></td>
</tr>
<tr>
<td>• assisting regions to establish educational mass media</td>
<td></td>
</tr>
<tr>
<td>• collecting, compiling and disseminating education data and information</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional Governments (Regional Education Bureaus)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The regions are responsible for:</td>
<td></td>
</tr>
<tr>
<td>• managing the zone structure to implement education policy</td>
<td></td>
</tr>
<tr>
<td>• formulating regional education policy and strategy</td>
<td></td>
</tr>
<tr>
<td>• supervising and maintaining the educational standards</td>
<td></td>
</tr>
<tr>
<td>• administrating primary and secondary schools</td>
<td></td>
</tr>
<tr>
<td>• adapting and translating the national curriculum framework into local languages for primary schools</td>
<td></td>
</tr>
<tr>
<td>• administering end of primary school (grade 8) examinations</td>
<td></td>
</tr>
<tr>
<td>• establishing and administering the second cycle of secondary education (Grades 11–12), TVET, special schools, and teacher training institutes (TTI)</td>
<td></td>
</tr>
<tr>
<td>• recruiting qualified teachers for secondary education</td>
<td></td>
</tr>
<tr>
<td>• identifying training needs and training primary school teachers and educational personnel</td>
<td></td>
</tr>
</tbody>
</table>

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110 Ethiopia MOE 2002.
111 The regulatory framework for governance and management of the school system is outlined in several government documents, including Education and Training Policy (1994), Strengthening of the Management and Administration of Schools (Amendment) Proclamation 217/2000 (Office of the President 2000), Directive for Educational Management, Organization, Public Participation, and Finance (MOE 2002), and various letters (directives) issued from time to time by Regional Education Bureaus.
• printing and distributing books for secondary schools
• producing supplemental textbooks for primary schools
• administering boarding schools in pastoral areas
• administering educational radio broadcast centers and ensuring that education programs are supported by mass media
• providing technical and material support to WEOs
• coordinating NGOs and other public organizations
• deploying teachers in coordination with woredas
• collecting, compiling and disseminating statistical data on education

**Zone Administrations (Zone Education Offices)**

Zonal administrations are responsible for:
• facilitating the implementation of education plans and programs
• supervising and evaluating the maintenance of the education standards
• supervising implementation of the curriculum
• ensuring in-service training is provided to teachers and other educational personnel
• facilitating the distribution of textbooks and educational materials
• ensuring examinations are conducted as scheduled
• planning and mobilizing people and local resources to implement school education
• establishing schools and TVET centers as per policy guidelines
• facilitating the provision of mass media supported education
• compiling statistical data and reporting to the zone

**Woreda Administrations (WEO)**

Woredas are responsible for:
• establishing and administering basic education services, including primary and first cycle of secondary school
• supervising these schools and working with teachers to maintain national standards
• inspecting the implementation of curriculum at school level
• printing and distributing primary school textbooks
• hiring, deploying and paying primary school teacher salaries
• establishing and administering primary boarding schools
• planning and developing short- and long-term plans for education at the school level
• ensuring implementation of the plans at both government and nongovernment schools, according to the standards set at the regional and federal levels
• checking preparedness of students for examinations; administering the examinations
• planning the location of new schools in kebeles; ensuring equity in access to education
• providing facilities and programs for mass media education
• enhancing community participation by supporting citizen participation in education administration
• encouraging and supporting parent-teacher associations (PTAs)
• making decisions about disciplinary measures regarding school heads and implementing the measures in collaboration with woreda education and training boards.
• Collecting education data and information and submitting to the zone education office.

**Urban Administrations**

Urban administrations—often also called urban local government administrations or simply urban governments—have the same status as woredas. They perform state and municipal functions, including health, education, and agricultural services.
Kebele Administrations

The kebeles do not enjoy the same constitutional formality as woredas. Their administrations consist of an elected council (in principle of 100 members), an executive committee of five to seven citizens, and a social court. The main responsibilities of the kebele council and executive committee are preparing an annual development plan, ensuring the collection of land and agricultural income tax, organizing local labor and in-kind contributions to development activities, and resolving conflicts within the community through the social courts.

Source: Ethiopia MOE.

5.11. **Phase two of the decentralization saw the devolution of fiscal, staffing, and legal functions to the regional and woreda levels.** Non-earmarked and non-sector-specific block grants are now transferred from the federal to regional governments, who then transfer the block grants to woreda governments. Woredas have full authority to allocate these grants, which are merged with their own income, to various sectors, as well as within sectors. Regions and woredas have the authority to hire additional teachers and staff, and to manage all school personnel including disciplinary action. Similarly, regions have the authority to issue directives within the framework of federal education regulations. Another important aspect of Ethiopia’s decentralization is that the legal framework allows simultaneous transfer of funds among different levels of government, and the redefinition of education and administrative functions.

5.3 Education Service Delivery in Ethiopia: Four Basic Components

Access, School Construction and Equipment

5.12. **Ethiopia has had significant challenges related to access to education.** School infrastructure and equipment were severely damaged by the civil war and were generally obsolete by the early 1990s. Access to education was very low, with severe regional and gender disparities—GERs are as low as 50 percent for primary education and less than 10 percent for secondary education in the Afar region. Girls in rural areas with high poverty incidence remain seriously disadvantaged, and the proportion of female teachers exacerbates this disadvantage, particularly at the secondary education level.

5.13. **To address gender disparity in access to education, Ethiopia implemented a number of gender-focused initiatives to enhance awareness of girls’ education in local communities.** Efforts have been made to make schools friendlier to girls by constructing separate latrines for boys and girls and assigning female teachers and head teachers to provide support for girls. Those activities have been implemented by various multi-donor projects and non-governmental organizations (NGO). What is notable is that Ethiopia established “girls’ clubs” in schools that provide tutorial, guidance, and counseling services to female students. All these endeavors have contributed to a significant increase in girls’ enrollment—the gender parity index in primary education increased from 0.7 in 2000/01 to 0.9 in 2012/13.113

5.14. **In order to fill the remaining gaps towards universal primary education and to reach out to those disadvantaged populations and out-of-school-children, more infrastructure and equipment are needed.** A lack of instructional materials, the dilapidation of physical facilities due to war damage,

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112 Ethiopian Federal MOE 2013.
113 Ethiopian Federal MOE 2013. The gender parity index is the ratio of the GER for males to the GER for females.
and the absence of preventive maintenance require systematic, persistent efforts and a significant amount of resources. Currently, woredas are primarily responsible for establishing and administering primary education, which includes identifying sites for new schools and the related construction and maintenance. Communities have contributed materials, funding, and support to schools through the construction and management of schools by parent-teacher associations (PTA)—communities and parents play pivotal roles in financial contributions and provision of school materials. There are three main avenues of community contribution—direct financial or in-kind contributions toward the establishment or maintenance of a facility, management of schools through the PTA or payment of teachers, and citizen voice in the local kebele and woreda councils to balance the local executive political leadership and ensure that service providers are accountable to the community.

5.15. Although the community in general is willing to contribute to the provision and maintenance of school infrastructure and other learning materials, it has increasingly become a burden and some citizens complain that provision of facilities should be the responsibility of local authorities. Due to inadequate financing of local governments, many woredas do not have sufficient budget to recruit teachers, maintain schools, and provide learning materials. With the growing trend toward greater community financing of these services, the capacity of communities is reaching its limit. It is becoming common, particularly in remote areas, for communities to contribute toward the construction of first-cycle primary schools; in some instances, they hire teachers locally and pay salaries. Since the continuity and sustainability of these salaries are not guaranteed, turnover is high, and Woreda Education Offices cannot replace such teachers since the positions are not budgeted.

5.16. There are also serious disparities across woredas. The amount of resources available for school facilities varies significantly across woredas and it is not clear how equalization among woredas is ensured—whether there is a mechanism in place, or if fiscal or in-kind transfers from affluent woredas to nearby needy ones systematically take place.

Curriculum and Educational Materials

5.17. As part of the decentralization of education, new policies were introduced that provide more flexibility and attention to local demands in the design and implementation of curricula and the school calendar. Preparation of primary school curriculum is, in principle, the responsibility of the federal Ministry of Education (MOE) as part of the development of the national curriculum framework and regions adapt and translate this framework into local languages. In regions with large zones, the zones coordinate the distribution of textbooks and other educational materials, and provide support to woredas. In many regions, zones are assigned functions that cannot be implemented by woredas because of capacity constraints. Regions are now allowed to use local languages at the lower primary level, which has been proven to be effective in improving school participation. A comprehensive study of the medium of instruction in Ethiopian primary schools carried out in 2006 showed that mother-tongue learners consistently outperformed English-language learners in national tests in science, mathematics, and English. Printing and distributing of primary school textbooks have been centrally managed since 2009 as part of an ongoing program through the General Education Quality Improvement Project (GEQIP) with close consultation with regions. Regions prepare a small number of additional textbooks. The adoption of a flexible calendar in rural areas that considers the agricultural cycle is another effective measure implemented through the decentralization.

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114 Qualitative School Survey 2012.
115 Heugh et al. 2007.
5.18. **At the school level, head teachers are responsible for the administration of material resources in the school, but the low availability of school materials in rural areas is a problem.** In principle, the purchase of educational materials is carried out at the woreda level, but actual utilization and administration of the school’s property is the responsibility of the head teachers, teachers and administrative staff in that school. At many schools, especially in rural areas, serious shortages of educational materials including textbooks and reference books have been reported. In the 2012 Qualitative Survey, teachers stated that having sufficient materials in schools would motivate the teachers to teach better.\(^{116}\) While the provision of education materials is the responsibility of the WEO under the decentralized structure, many schools still suffer from a lack of facilities and teaching resources, and communities are increasingly involved in many tasks including the provision of in-kind and financial support for educational materials. To address this issue, a new intervention is provided through the GEQIP project and currently all schools receive an annual school capitation grant, which is fully managed by the school following the school grant guidelines.

**Teachers**

5.19. **One of the most important features of Ethiopia’s decentralization was the devolution of management of resources, including human resources, to the woredas.** Teachers are deployed and redeployed across and within woredas. Woredas are given a wide range of control including hiring, deploying and paying the salaries of primary school teachers. A World Bank study observed that there was generally a high degree of randomness in teacher deployment in public primary schools prior to the decentralization; however there was a more equitable distribution of teachers after the decentralization, particularly in SNNPR where there was considerable teacher redeployment.\(^{117}\) In the case of SNNPR, the number of teachers in rural areas and nearby towns increased and the number of teachers in urban areas decreased. Furthermore, the redeployment of teachers from less-crowded schools to overcrowded schools resulted in an improvement in student-teacher ratios (STRs), a strong indicator of increased efficiency in human resource allocation and of education equity. While the overall number of teachers may not have increased enough to accommodate the rapid growth in enrollment, the redeployment of teachers from less crowded schools to more crowded schools in SNNPR appears to have improved the efficient usage of the existing teaching force.\(^{118}\) This may be one factor contributing to the decline in repetition rates observed in most woredas in the region.

5.20. **While it is unusual to achieve substantive reallocation of teachers with visible impact on student-teacher ratios in a short time, and the case of SNNPR might be exceptional, there may be some lessons to learn from the experience in SNNPR.** The ingredients for success in this case are thought to be:

1. Close coordination and mutual support between the Regional Council and the Regional Education Bureau to start an explicit policy of reallocation of teachers—an appropriate directive was issued and zonal councils were also supportive.
2. The introduction of a unit cost block grant formula to facilitate the equalization of STRs—this was an explicit aim of the school funding formula, in line with the key objective of equalizing per-student costs across woredas.

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\(^{116}\) Abebe 2012.

\(^{117}\) World Bank 2005a.

\(^{118}\) World Bank 2008.
(3) Raised awareness and better planning towards efficiency generated through the unit cost approach.
(4) Appropriate and effective allocation of newly hired teachers, supported by the incentives given by the unit cost approach.

Close observation of other woredas has shown that equitable distribution of teachers is achieved when enrollment rates are considered as a determining factor in block grant allocations.

Learning Assessments and Learning Outcomes

5.21. **In contrast to the remarkable achievements in access, progress to date in raising the quality of education in Ethiopia has been limited.** Efficiency and quality input indicators, achievement tests, and classroom observations suggest that it has been difficult to maintain the quality of education during this period of very rapid enrollment expansion. Learning achievement in the education system remains unacceptably low. This has become a source of concern for government officials, educators, parents, and other stakeholders.

5.22. **The federal government is in charge of setting standards for national examinations and certificates, while regional governments are in charge of implementing the testing process, and the woredas are in charge of administering examinations.** The National Learning Assessment (NLA) tests a sample of grades 4, 8, 10, and 12 at four-year intervals in mathematics, sciences, and English. The test instruments are based on minimum-level curriculum competencies of the relevant grade, and test items are standardized by means of a pilot test. Student social economic status and school background data are also collected through the NLA. The country is experimenting with various forms of student learning assessment, through instruments such as an early-grade reading assessment in the mother tongue. National examinations are organized at the federal level and administered by the National Educational Assessment and Examinations Agency at the end of grades 10 and 12. The grade 10 examinations are particularly high-stakes, as only the top 20 percent of graduates are allowed to join the second cycle of secondary education (grades 11–12), leading to higher education. The examinations include multiple-choice questions only, and are marked electronically. Each student currently takes an examination in approximately 10 subjects.

5.23. **Case studies on selected regions and woredas demonstrates that education decentralization in Ethiopia has helped to improve the enrollment and learning outcomes of students.** According to a World Bank study, this positive effect is more strongly pronounced in remote and disadvantaged woredas, indicating that decentralization can be pro-poor and may help reduce inequalities in education access while also enhancing overall quality.119

5.24. **It is important to note that any type of student assessment needs regular funding and support mechanisms to sustain its operation.** Ethiopia has secured a line item for the NLA in its overall budget allocation—a significant step towards sustaining and improving student assessment activities. Furthermore, a directorate for school inspection was newly created within the federal MOE that focuses on school visits in view of strengthening formative student assessment in the classroom and to provide follow up support for teachers.

5.25. **Dissemination of student learning assessment results and its strategic use are still limited.** Although the newly established autonomous agency (NEAEA) is able to conduct data collection and

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analysis of the grade 10 and 12 examinations, the results are not yet disseminated systematically nor used to inform policy development.

5-4 Education Finance in Ethiopia

5.26. **Public financing of basic social services is implemented through intergovernmental fiscal transfers from the federal government to the regions, then from regional governments to woredas.** In implementing the decentralization strategy, the government has developed a body of rules that govern transfers from one tier to the next.

**Fiscal Transfers from Federal Governments to the Regions**

5.27. **A major transfer of federal resources to the regions takes place through the federal grant system, which consists of block grants and specific-purpose grants.** Regions rely heavily on those federal grants because of their limited share of total government revenues. On average, regions collect 18 percent of total consolidated government revenue (including federal), even though regional budgets are around 38 percent of the total consolidated (including federal) government budget. Regions collect about 50 percent of all direct taxes, 15 percent of all indirect taxes, and 22 percent of all non-tax revenue. Among the direct taxes, regions collect 100 percent of taxes on agricultural income and capital gains, as well as of rural and urban land use fees (table 5.4).

5.28. **Most transfers from the federal government to regions takes place as block grants, and the formula used to determine the allocation has gone through several changes after examining results from each stage of the decentralization.** In 2003/04, the federal government found that a two-step approach was needed to ensure equitable allocation of funds, based on a simulation that showed that a single formula allocating the entire pool of resources would disfavor the regions with increasing recurrent costs and expanding numbers of public facilities. Therefore, it was decided that a two-step allocation process would be used from that point onwards. First, each region would obtain the same recurrent allocation as in 2002/03—this would be a minimum allocation. Second, after making these initial minimum allocations, a “three-parameter” block grant allocation formula would be used to distribute additional resources across regions. The formula factors in three variables with different weights: (1) population size (65 percent), (2) poverty and development level (25 percent), and (3) an index of revenue effort and performance of the sectors in each region (10 percent). The aim of the federal block grant transfer under the three-parameter approach was to address the vertical imbalances in revenue versus expenditure assignments between the federal and regional administrations. Since its inception, some adjustments have been made to account for recurring budget deficits.
Table 5.4. Basic Education Responsibilities and Revenue Sources by Level of Government

<table>
<thead>
<tr>
<th>Level of Government</th>
<th>Expenditure and Functional Responsibilities for Education</th>
<th>Revenue Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>• National standard setting for all education levels</td>
<td>• Custom duties</td>
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<tr>
<td></td>
<td></td>
<td>• Export and import taxes or levies</td>
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<tr>
<td></td>
<td></td>
<td>• Income and enterprise taxes</td>
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<tr>
<td></td>
<td></td>
<td>• Sales tax</td>
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<tr>
<td></td>
<td></td>
<td>• Taxes on proceeds of national lottery</td>
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<td></td>
<td></td>
<td>• Stamp duties</td>
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<tr>
<td></td>
<td></td>
<td>• Income from federal monopolies</td>
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<tr>
<td></td>
<td></td>
<td>• Fees from transport services</td>
</tr>
<tr>
<td>Regional</td>
<td>• Standard setting for primary and secondary education and TVET</td>
<td>• Grants from federal government (70-80 percent of total revenue)</td>
</tr>
<tr>
<td></td>
<td>• Coordination and execution of civil-service reform programs at regional level</td>
<td>• Income taxes</td>
</tr>
<tr>
<td></td>
<td>• Management of second cycle of secondary education</td>
<td>• Fees from agricultural land, licensing, royalties, forest resources, water use, and other activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Fees on health services such as drugs</td>
</tr>
<tr>
<td>Woreda</td>
<td>• Coordination of school management and cost-sharing activities</td>
<td>• Grants from regional government (80-90 percent of total revenues)</td>
</tr>
<tr>
<td></td>
<td>• Establishment and administration of primary schools and first cycle of secondary education</td>
<td>• Personal income tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Agricultural income tax</td>
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<tr>
<td></td>
<td></td>
<td>• Rural land use tax</td>
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<tr>
<td></td>
<td></td>
<td>• Rental income tax</td>
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<tr>
<td></td>
<td></td>
<td>• Licenses and fees</td>
</tr>
</tbody>
</table>


5.29. **However, serious issues emerged when applying the new three-parameter formula.** Firstly, the underlying data to determine the variables (poverty, development level, and so on) had not been updated since 2003/04, even though the formula was used to make allocations every year from 2003/04 to 2006/07. Secondly, allocation outcomes showed a persistent gap across regions, resulting in larger regions with large populations having the lowest per-capita transfers during this period. This illustrated a built-in bias in the formula against larger regions, in particular, on the results of the per-capita basis allocation. In summary, the formula generated a very tight inverse relationship between a region’s population and its per capita transfer, which is so tight that other variables, such as the development level of a region, appear to have little influence on the final level of per capita transfer of a region. Overall, implementation of this financing formula resulted in inequitable allocations of funds—for example, a very small region (Harari) received a much higher per-capita block grant transfer than a larger region (SNNPR), despite the fact that that the smaller region was known to be urban, economically affluent and developed.

5.30. **To resolve these problems, the federal government initiated a gradual shift to a new formula based on a “fiscal equalization” approach.** This approach was fully implemented in 2010/2011 (three years after its inception). The new approach is needs based, which allows a higher allocation of recurrent funding to regions with greater demand for public services. For example, regions with higher enrollments receive higher per capita recurrent allocations. Further, capital funding is also equity-oriented in the sense that lagging regions, in terms of public service provision, are favored in the allocations so that they have the means to advance by accelerating their production of the
appropriate types of capital stock. In addition, adjustments are made to the total (recurrent plus capital) allocations to adjust for intra-regional differences in revenue-raising ability, and to take into account economies of scale, as well as higher unit provision costs in more sparsely populated regions.

5.31. **The fiscal equalization approach was gradually implemented in several phases.** The allocated federal transfer to each region in the 2007/08 budget was derived by calculating the weighted average of: (1) the allocation to that region as computed by the new “fiscal equalization” approach; and (2) the allocation that would prevail if that region were to obtain the same share of the total transfers (to all regions combined) in 2007/08 as it did in 2006/07. The weights given to these two elements are 25 percent and 75 percent, respectively. In short, the 2007/08 allocations give a weight of 25 percent to the new “fiscal equalization” approach and a weight of 75 percent to the old approach that was based on the “three-parameter” formula. Similar calculations were made in the following years with the weight given to the “fiscal equalization” approach rising successively from 25 percent in 2007/08 to 50 percent in 2008/09, then to 75 percent in 2009/10, and then to 100 percent in 2010/11.

**Fiscal Transfers from Regions to Woredas**

5.32. **The budget for each woreda consists of transfers from the region and the woreda’s own revenues.** Block grants to local governments were first introduced in four regions in 2002, followed by the other regions. The block grant aimed at enhancing transparency in resource allocation and giving more autonomy to local governments. The implementation mode was not fixed or mandatory—some regions adopted the “three-parameter” formula, sometimes with some minor modifications; others experimented with different approaches. Regions are allowed to choose their own approach for making block grant allocations, as long as this is done in a nondiscretionary, formula-based manner. This illustrates a notable aspect of Ethiopia’s decentralized system—to give flexibility in order to adapt to local context. For instance, SNNPR pioneered the “unit cost” approach for making block grant transfers to woredas. Similar to the fiscal equalization approach, SNNPR’s unit cost approach allocates recurrent funding to woredas in a “needs-based” manner, with higher per capita recurrent allocations generally going to woredas with higher per capita public service provision levels. SNNPR’s “unit cost” approach was perceived to be effective, thus several other regions have since adopted the same approach. The original unit cost formula was then revised in 2006/07 with modifications to distribute the block via a two-step approach. Using the three-parameter formula, the block grants are allocated by the region to the zones in SNNPR (giving weights of 60 percent to the population, 25 percent to the development index, and 15 percent to the revenue effort of each zone). Next, each zone allocates block grants to the woredas within that zone, using a formula of its own selection—with most using the unit cost approach to make this allocation. The involvement of the zones in the new system of allocating block grants is in recognition of the high degree of ethnic diversity in SNNPR, with each zone representing one ethnic group, or a small number of ethnic groups.

5.33. **Woredas are responsible for the provision of primary education, which is the single most devolved category of sector expenditure.** Primary education accounts for 81 percent of the regional education recurrent budget. The woreda-level budget is usually dominated by salary expenditures, which account for almost 80 percent of total recurrent spending. A case study of budgets at the woreda level shows that spending after decentralization has increased in two of the largest regions—SNNPR and Oromiya, which contain 55 percent of the country’s population. In these two regions, woreda-level recurrent expenditures were nearly doubled after decentralization. Also, per-capita spending at the woreda level rose in all sectors. The study concluded that decentralization played a critical role in improving the equitable distribution of expenditure across woredas, and disadvantaged
woredas benefitted the most. The study also found a clear relationship between expenditure and education outcomes, including improvements in the examination pass rates and a decrease in grade repetition.

5-5 School-Based Management in Ethiopia

5.34. Ethiopia aspires to further deepen decentralization efforts by implementing school-based management (SBM). After the successful implementation of the first phase of decentralization, which delegated various management functions from national to regional level, and then from regional to district level, the country is exploring deeper SBM with the expectation of improving the effectiveness and efficiency of schools. This type of management typically involves transferring the authority for academic administration, financial and human resources management, and procurement to the school level. Currently, SBM is being implemented as follows:

- Both kebeles and schools have a high level of authority in the mobilization, retention and usage of local resources to support schools. School preparatory fees, supposedly a federal mandate, are fixed by PTAs. It is not specified which body has the authority to establish preparatory school fees.
- Schools have full authority over the management and spending of school grants, and it is at the school’s discretion to procure goods and services. Some schools exercise similar authority for block grants, while others do not. The central directives envision schools making only small procurements using petty cash.
- In 2015, the central MOE established the School Improvement Program Directorate to be in charge of school improvement plans and to have overall management of school grants. This validates the strong commitment of the government to institutionalize the school grant mechanism.
- Schools do not receive government budget funds for capital expenditures. There are no formal policies that authorize schools to hire principals, teachers, or staff; promote teachers or other staff; or reprimand principals. However, in practice, schools do hire teachers and other staff using local resources.
- Schools also have the authority to take simple disciplinary actions with respect to delinquent teachers and other staff, such as verbal and written warnings and the deduction of one-month’s salary. In practice, however, this authority is reduced to advising the kebeles.
- The mechanism for producing and disseminating school report cards is well-established using EMIS data, but the information is aggregated at woreda level and not by school. No individual school or student information is disclosed to parents.

5.35. To further advance SBM, Ethiopia still needs to overcome persistent challenges of resources and capacity constraints. The directives from the center state that the ultimate goal of the decentralization is for schools to become autonomous, owned and managed by the community in partnership with woredas and kebeles. For the school management committees (SMCs) to play its part effectively, a clear definition of the role of each agent (teachers, school principal, parents, PTAs and existing parent-teacher-student committees) and associated capacity building support is critically important. Furthermore, continued capacity building support is needed to monitor, for example, the implementation of the annual school plan, to audit the school’s statement of accounts on behalf of the community, and to review and improve the school’s annual report.

120 World Bank 2008.
Effective school leadership is known to be one of the most influential factors in improving education quality, as evidenced by research. In this regard, Yemen and Ethiopia face similar challenges to strengthen school leadership and overall SBM capacity, due to staff turnover, low qualification of teachers and principals, and unknown effects of existing training. In light of this, Ethiopia has adopted several new initiatives; for example, induction programs, a new masters-level program in educational leadership and planning to be delivered by public universities, and other professional development courses.

Experiences and Lessons from Ethiopia

Yemen could distill important lessons from Ethiopia’s experience, particularly since it was the sociopolitical background in Ethiopia that drove its decision to become a federal state and to decentralize its education system. In Ethiopia, the decision to move forward to a federal system with a decentralized education sector was an important part of the political response to a diverse set of demands for social change, which is highly relevant for Yemen as the country is currently going through drastic changes on its political economy. Ethiopia underwent decades of chaotic and insecure phases before reaching the decentralization decision. Despite such a fragile context right after the civil war and various conflict situations, Ethiopia achieved solid and positive outcomes in reforming its education system, with visible devolution of powers to the lower levels of the government, enabling local level empowerment as well as greater school and community involvement in decision making. Financial and human resources are now distributed more equitably than during the pre-decentralization era, and available evidence suggests that quality and scope of service delivery has significantly improved as a result. Yemen could follow this path in reshaping the education sector by:

1. Clearly defining roles and responsibilities at the state, district and school levels.
2. Giving sufficient authorities and resources to each level to carry out their duties, particularly at the district level—Yemen could possibly adopt a similar approach with woreda (district) level education offices exercising more authority and decision-making powers since it can be the closest locus for change and driver for SBM.
3. Constantly assessing needs for training and providing capacity building at all levels, aligned with the overarching visions and standards set at the federal level.
4. Defining an adequate financing formula that enables an equitable distribution of financial resources across regions and districts.
5. Building a solid monitoring and evaluation system in order to efficiently lead the decentralization efforts, based on data and evidence collected on a regular basis.

Yemen could adopt a similar approach to Ethiopia in the selection criteria when shaping the federal states and defining the roles of local level authorities. Ethiopia’s federal system design was based on ethno-linguistic divisions. Yemen is a highly tribal society with complex power dynamics on the ground. A mere geographical division to define a state would be quite limited and possibly dangerous given that it could threaten the power balance. The delicate and sensitive balance between tribal, ethno and political powers across regions should be carefully considered. Once the state division is determined, the powers to be delegated to each state, district, and community should be discussed and agreed upon. Ethiopia has entrusted and empowered the region to decide on the language of instruction and the use of the mother tongue has made a significant impact on student

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121 Verspoor 2008.
learning outcomes. Similarly, as noted in earlier chapters, consideration of the agricultural calendar in deciding local level curriculum has benefited many students and parents. Given that more than 70 percent of Yemen’s population resides in rural and agricultural areas, this idea of adapting specific elements of the education system to local needs and giving flexibility at the district level is particularly applicable.

5.39. **The pace, sequence of activities, and phased approach in Ethiopia was suitable for the scale of the reform, and Yemen should similarly consider an appropriate timeframe based on current circumstances and the country’s needs.** Ethiopia’s decentralization was implemented in two phases and it took 4-5 years to complete one phase, which gave sufficient time for each district and region to experiment, reflect and adapt to a new system and build capacity along the way. Trying several different financing formulae and making due modifications over years was also effective in Ethiopia in reaching the most adequate formula for each district. Decentralization should allow this type of flexibility and give room for some experimentation. The framework design should not to be excessively rigid from the beginning for each region and district, so they can search for the formulae and mechanisms best suited to them.

5.40. **It is important to clearly define the objectives of an education reform in order to adequately design measures to monitor its implementation.** For instance, in Ethiopia, an intervention to introduce school report cards has been piloted with support from international NGOs and with positive outcomes, albeit it on a limited scale. Under this pilot intervention, school report cards are diligently produced and disseminated; yet they do not disclose school-level information and only woreda-level comparisons are possible. The purpose of data collecting and reporting should be clear at the outset, especially since there are many tools that can be developed, but limited resources, so strategic choices should be made based on clear priorities. If Yemen decides to disseminate school level information to parents and community members, clear objectives should be set prior to rushing into the introduction of various instruments.

5.41. **Ethiopia’s decentralization reform is still ongoing and a work-in-progress, but Yemen could use its experience as a reference to map out its own road and milestones for decentralization.** In Ethiopia, some areas are still under development, such as linking student learning outcomes with teacher performance, and linking teacher evaluation with follow-up capacity building support. It also faces persistent challenges of securing school maintenance resources without overburdening parents and communities. The flow of funds and the allocation of human resources are still complicated, and some processes are still unclear to many staff at the regional and woreda level. Further information sharing to enhance transparency and to ensure consensus among different education authorities is yet to be achieved. Yemen could learn from this rich experience as it thinks through its road map for decentralized education in a federal state, in view of improving service delivery.
CHAPTER 6

SCHOOL-BASED MANAGEMENT

6.1. This chapter marks a transition from the discussion of how education functions under federalism particularly in relation to decentralization, to the introduction of school-based management (SBM). It outlines the conceptual framework and evidence-base that establishes the principles for enabling SBM to support student learning and improve learning outcomes. Additionally, this chapter provides contextualized examples of SBM from around the world, along with special topics that shed light on the factors that can make a difference in successful SBM implementation. Finally, the chapter reviews the status of Yemen’s SBM policies, their strengths and weaknesses, and recommendations for improvement.

6.2. Decentralization to subnational governments may be insufficient. A better system of collaboration between the national, regional and local centers of decision-making is necessary. Initial evidence indicates that, in order to improve schools and learning, increased autonomy for communities and school actors may be necessary. A way to decentralize decision-making power in education from the central government to the school level is known as school-based management (SBM). SBM can help bring parents and students closer to the providers of education, ensuring better access to pedagogical and managerial methods most suited to their needs. SBM activities also produce an enabling environment for principals, teachers and students, allowing for pedagogical variables, school inputs, and personal effort to work as intended.

6.3. Improved school management leads to better outcomes. It is becoming understood more and more through a growing body of evidence that high-quality management is strongly associated with better education outcomes. It leads to more efficient schools that have the autonomy to make decisions on budget, management, personnel, and everyday items that have an impact on the school environment and learning. This includes changing the environment in which decisions about resource allocation is made, where effective school-level decision-making can take place by school-level agents. It also means that local decision-makers are not only accountable to higher levels of authority at the district and central levels, but also to the greater school community who all, to some degree, have oversight roles whether they are policy-makers, supervisors or consumers of education services.

School Autonomy and Accountability

122 McLean and King 1999.
124 Bloom et al. 2014.
125 School-level agents include local stakeholders such as those represented by a school council, which could comprise a principal, local inspector, teachers, parents, community members and students.
126 Demas and Arcia 2015.
6.4. **School autonomy and accountability are key components of an education system that ensure education quality** (box 6.1). By transferring core managerial responsibilities to schools, school autonomy: (1) fosters local ownership and accountability; (2) helps reflect local priorities, values, and needs through increased participation of parents and the community; and (3) gives teachers the opportunity to establish a personal commitment to students and their parents. Increased school autonomy and improved accountability are necessary conditions for improved learning because they align teacher and parent incentives.  

Studies have shown a clear causal link between school autonomy and efficiency in resource use. Viewed in this context, school autonomy and accountability should be considered essential components of an overall strategy for improving learning outcomes. More local control helps create better conditions for improving student learning in a sustainable way, since it gives teachers and parents more opportunities to develop common goals, increase their mutual commitment to student learning, and promote more efficient use of scarce school resources.

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**Box 6.1. Defining School Autonomy and Accountability**

School autonomy is a form of school management in which schools are given decision-making authority over their operations, including the hiring and firing of personnel, and the assessment of teachers and pedagogical practices. School management under autonomy may give an important role to the school council, representing the interests of parents, in budget planning and approval, as well as a voice or vote in personnel decisions. By including the school council in school management, school autonomy fosters accountability.

In its basic form accountability is defined as the acceptance of responsibility and being answerable for one’s actions. In school management, accountability may take other additional meanings: (1) the act of compliance with the rules and regulations of school governance; (2) reporting to those with oversight authority over the school; and (3) linking rewards and sanctions to expected results.


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**Conceptual Framework**

6.5. **In the mid-1990s the concept of autonomy with accountability became increasingly important** and assumed different forms in different countries. The Programme for International Student Assessment (PISA) results suggest that when autonomy and accountability are combined, they tend to be associated with better student performance.

6.6. **Following this, a conceptual framework for the empowerment of communities was introduced.** Almost ten years after the concept of linking autonomy with accountability started to emerge, the World Development Report 2004 *Making Service Work for Poor People* introduced the framework, which depicts a “long” (or indirect) and a “short” (or direct) route to accountability. The report highlights the significance of a “short” route of accountability that runs directly from users (for example, citizens, clients and communities) to service providers (for example, schools), in addition to an indirect or “long” route of accountability where users hold service providers accountable through

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127 Bruns et al. 2011.
130 OECD 2011.
the state (which happens every 4-5 years when citizens can formally “voice” their concerns through voting (figure 6.1). School-based management has been referred to as an effective way to achieve the short route of accountability in the education sector.

Figure 6. 1. The Short and Long Routes to Accountability

Source: Adapted from World Bank 2003.

6.7. **The shorter route affords service users the power to more frequently provide feedback to providers to let them know how they are doing and to hold them accountable for good quality services.** For education, the short route allows for voice and inputs on decision-making at the school level for the direct clients—that is, parents and students. Decision-making at the school level is an important feature of this framework because it allows schools to assess their strengths and weaknesses and the needs of their students in order to make the necessary changes. The empirical evidence from SBM shows that it can take many forms or combine many activities with differing degrees of success (box 6.2).\textsuperscript{131}

\textsuperscript{131} Barrera et al. 2009.
Box 6.2. Different Paths to School-Based Management

In many countries, the implementation of SBM has increased student enrollment, student and teacher attendance, and parent involvement. However, the empirical evidence from Latin America shows very few cases in which SBM has made a significant difference in learning outcomes, while in Europe there is substantial evidence showing a positive impact of school autonomy on learning. Two approaches to SBM—the grassroots approach taken in Latin America, in contexts where the institutional structure was weak or service delivery was hampered due to internal conflict, and the operational efficiency approach taken in Europe, where institutions were stronger—coincide in applying managerial principles to promote better education quality, but they are driven by two different modes of accountability to parents and the community. In the Latin American model, schools are held accountable through participatory school-based management; while in the European model, accountability is based on trust in schools and their teachers. In either case, school autonomy has begun to transform traditional education from a system based on processes and inputs into one driven by results.


6.8. **SBM has three components that are critical for enabling better learning outcomes.** When a school or a school system does not function well, it can be a substantial barrier to the success of its students. The managerial components of a school system are a necessary but insufficient condition for learning. One can fix some managerial components and obtain no change in learning results or alter other components and get good results. What combination of components is crucial for success is still under study, but the evidence to date point to a set of variables that foster managerial **autonomy**, the **assessment** of results, and the use of the assessment to promote **accountability** among all stakeholders. When these three components are in balance with each other, they form a “closed-loop system” (box 6.3). Visually it is the closing of a circle of the three interrelated components. This is important for SBM since it transforms its components from a list of managerial activities (budgeting, salaries, hiring, curriculum, infrastructure, monitoring, and so on) to a set of interconnected variables that work together to improve system performance. If an SBM system is unable to close the loop, schools can still function but their degree of effectiveness and efficiency would be lower than if the system closes the loop.

Box 6.3. Closed-Loop Systems and SBM

The interrelations between autonomy, assessment, and accountability can be compared to a “closed-loop system”, or one in which feedback constantly informs output. In a closed-loop system, data does not flow one way; instead, it returns to parts of the system to provide new information that dynamically influences results. In the case of SBM, assessment, for example, both enables the autonomy of school councils to make informed decisions about school quality and also allows for accountability at a higher level, which can measure results at the school level and provide support as necessary. In a closed-loop system, all elements in balance are critical to achieving success.


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132 Bruns et al. 2011.
The Three “A”s Model: Autonomy + Assessment + Accountability

6.9. SBM can achieve closure of the loop when it allows enough autonomy to make informed decisions, evaluate its results, and use that information for accountability. Representationally, this is captured in the “Three A’s Model.” SBM can achieve balance as a closed-loop system when autonomy, assessment, and accountability are operationally interrelated through the functions of their school councils, the policies for improving teaching quality, and education management information systems (EMIS) (figure 6.2).

Figure 6.2. The 3 A’s Model as a Closed-Loop System

Source: Demas and Arcia 2015.

6.10. School councils are crucial for implementing school autonomy because they serve as representatives of the school clients: parents and students. As such, the school council can be a resource to school management in the process of tailoring school services to the needs of students. School assessments are the vehicles used by schools to determine their needs for change in pedagogical practices and to determine the training needs of their teachers. Both pedagogical changes and teacher training are determinant factors of teaching quality. Finally, the role of EMIS is integral to accountability because it is the mechanism for reporting on performance indicators (for example, internal efficiency, standardized test scores). EMIS can assist in enforcing accountability to the extent that it is fed data of good quality and it is used to produce reports that are informative to the school system, parents and society about the performance of the education sector.

The Three “A”s and SABER School Autonomy and Accountability

6.11. The Three “A”s framework serves as the architecture of the SABER School Autonomy and Accountability tool. As part of its education strategy, the World Bank has developed the Systems Approach for Better Education Results (SABER), which collects and analyzes comparative policy data and knowledge on various aspects of education systems around the world using evidence-based

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134 Bruns et al. 2011.
Education in Federal States: Lessons from Selected Countries

frameworks. The data, analyses and reports from SABER are intended to help countries systematically strengthen their education systems. One of the topics in the SABER initiative is School Autonomy and Accountability (SAA). The five main policy goals that are derived from the Three A’s model and that matter most for success in achieving better learning outcomes through SBM are summarized in table 6.1. The five SABER SAA policy goals are broken down into 24 corresponding policy actions. Each of these policy actions is supported by a series of questions that help to ascertain if policies, laws and manuals enabling these SAA activities exist and how well they are developed. Each policy goal is scored on a basis of its status and the results are classified as Latent, Emerging, Established or Advanced.

Table 6.1. SABER SAA Policy Goals

<table>
<thead>
<tr>
<th>Policy Goal</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Level of autonomy in planning and management of the school budget</td>
<td>Focuses on the degree of autonomy that schools have in planning and managing their budgets. This is desirable because it can increase efficient use of financial resources and give schools flexibility in planning and execution.</td>
</tr>
<tr>
<td>2 Level of autonomy in personnel management</td>
<td>Focuses on the degree of autonomy a school has in personnel management including principals, teachers and non-teaching staff.</td>
</tr>
<tr>
<td>3 Participation of the school council in school governance</td>
<td>Focuses on participation in school governance, and it is where parents can exercise real power as clients of the education system.</td>
</tr>
<tr>
<td>4 Assessment of school and student performance</td>
<td>Focuses on the regularity of measuring student learning with the intent to use results to inform stakeholders and make adjustments (managerial, pedagogical and personnel)</td>
</tr>
<tr>
<td>5 Accountability to stakeholders</td>
<td>Focuses on using information to promote accountability and reinforce better management of financial, operational and learning outcomes.</td>
</tr>
</tbody>
</table>

6.2 School-Based Management and Country Context

6.12. The contextual situation of a country plays a key role in selecting the right combination of reforms that allow SBM to reach its potential for supporting better learning outcomes. SAA reforms can take many shapes and forms and this is usually in response to the country’s political economy, local capacity, education goals, performance issues, and history, just to name a few contextual factors that may influence the policies and design of intended SAA measures. It is important to keep in mind that SAA reforms should be connected and balanced in a way that they can support one another (autonomy + accountability + assessment). As education systems evolve, the mix of interventions and policies should adjust to stay in alignment.

6.13. Many countries have introduced some form of SBM with the understanding that decision-making with accountability that is closer to the school level is advantageous for more effective school management and can lead to improved education outcomes. There are different depths to

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136 Other SABER topics include: Teachers, School Finance, Student Assessment, Early Childhood Development, Workforce Development, Education Resilience, EMIS, Engaging the Private Sector, ICT, School Health and School Feeding, and Tertiary Education.
what is meant by devolving autonomy and accountability to the school level and different country contexts usually influence the design and composition of SAA reforms. School grants are a popular way to provide resources directly to schools, but while they are a mechanism to transfer funds, that alone does not transfer autonomy or decision-making on how those funds are spent, nor does it imply accountability for expenditures. Some forms of SBM include community schools, which are the grassroots method of choice in Central America. Other forms of SBM that take the concepts further are autonomous schools like Australia’s Independent Public Schools, US Charter Schools and UK Academies. In high performing countries where educational institutions are strong, especially in the area of training and in the selection of good teachers, trust is the main element of accountability. Parents trust and support the system because the empirical evidence—shown by the results in international testing exercises such as PISA—indicates that it is producing good results. Nevertheless, even in high-performing countries, trust and professionalism flourish in a context of school autonomy and accountability. Additionally, most experiences demonstrate that success relies on building capacity at the school level to effectively carry out the new responsibilities.

**School-Based Management Approaches Organized by Regions of the World**

6.14. This section summarizes trends across the regions of the world in order to gain insights into different approaches to, and experiences with, SBM.

<table>
<thead>
<tr>
<th>Central America</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improve service delivery and access in a post-conflict environment</td>
</tr>
<tr>
<td>• Combat absenteeism, dropout, repetition</td>
</tr>
<tr>
<td>• Less focus on quality at initial stages; some learning gains</td>
</tr>
</tbody>
</table>

6.15. **El Salvador’s Community Managed Schools Program (EDUCO) was introduced in 1995 to address a gap in provision of education service from the central government after years of civil war.** Several neighboring countries introduced similar programs under similar contextual circumstances following internal conflict and post-war situations—Guatemala (PRONADE), Honduras (PROHECO) and Nicaragua (Autonomous Schools). The main purpose for El Salvador’s SBM initiative was to provide access to school for children in the poorest and most isolated rural communities. Other objectives included supporting community participation in education, improving the quality of preschool and primary schooling, and improving school-level management administration by allowing communities to identify and manage school priorities.

6.16. **Community associations were trained and given autonomy to administer funds, hire and fire teachers, and monitor and maintain infrastructure.** It should be noted that, despite the low literacy level of parents, with some basic training and guidance, parents were able to effectively manage these community schools. The increased capacity of parents through training, and their involvement in management and oversight in some critical areas, helped to foster school autonomy with accountability. They handled school grants allocated from the central level, and had authority to hire teachers locally. The community associations had the responsibility of financial and operational oversight—including making sure teachers were in class and fulfilling their duties. They retained the right to replace teachers if performance was substandard.
6.17. **The first impact evaluation confirmed decreases in teacher and student absenteeism.** However, it also confirmed that, by enhancing community and parental involvement in EDUCO schools, students’ reading scores were improved in comparison to traditional schools, which may have long-term effects on achievement.\(^\text{137}\) Other evaluations of EDUCO have shown significant increases in retention rates.\(^\text{138}\)

6.18. **In general, the Central American experience with SBM is better known for gains in internal efficiency indicators and less so in learning outcomes.** This may be due to these SBM programs putting more emphasis on the administrative and community participation aspects of reform, and less on school and student assessment that, under the circumstances, were better managed by the central technical authority rather than at the school level. Such an approach would not fix deficiencies in teacher knowledge and, by inference, increase learning. In isolation, school autonomy and accountability activities may improve the performance of process variables, such as school attendance, but may yield inconsistent results in terms of gains in test scores. If SBM is considered as a school-level system that includes the periodic assessment of teachers and students, along with incentives for improving teaching quality, then the impact of SBM activities related to increased autonomy and accountability may yield improved learning more consistently than at present.

6.19. **In more recent years, school systems in Latin America have revised their SBM models and are focusing more on achieving SBM’s longer-term goals of improving learning outcomes.** The models now tend to include activities that support education quality and accountability issues, particularly the use of student assessment information at the school level to improve teaching.

<table>
<thead>
<tr>
<th>Eastern Europe and Central Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Rapid decentralization, heavy focus on autonomy at the school level</td>
</tr>
<tr>
<td>• Low or no community participation</td>
</tr>
<tr>
<td>• Little dissemination of school or student assessment results left system with low accountability</td>
</tr>
<tr>
<td>• Autonomy without better learning outcomes</td>
</tr>
<tr>
<td>• Making changes to the SBM model to include accountability</td>
</tr>
</tbody>
</table>

6.20. **Many countries in Eastern Europe and Central Asia (ECA) focused on SBM in order to improve efficiency and quality of service delivery in an environment of a declining school-age population.** Decision-making power was quickly decentralized to school principals, but not much attention has been paid to the involvement of the wider community in school governance, and it is less common to find school councils or parents involved in management. This has limited the wider school communities’ ability to be involved in supporting the school and to hold it accountable for delivering high quality education.

6.21. **Bulgaria’s reforms provide a relevant example of the ECA approach.** In 2007, Bulgaria joined the European Union and, to catch up with the other EU members, it set its sights on improving productivity growth. One of the ways to do this was to improve the quality and relevance of the education system. The education system faced diminishing demand and an urgent need to implement

\(^{137}\) Jimenez and Sawada 1999.
\(^{138}\) Jimenez and Sawada 2003; 2014.
structural changes in order to remain efficient. In addition, low student achievement had been a serious challenge with less than a half of Bulgarian students reaching the Organisation for Economic Co-operation and Development (OECD) critical threshold of reading literacy and mathematics competency. So, the government set in motion a sweeping decentralization reform of the education system to promote greater school autonomy and more efficient spending. This produced impressive efficiency gains in spending at the school level, and set the foundation for better adjustment to local needs. However, there is no conclusive evidence that reforms improved learning outcomes, and lingering concerns remain about the accountability of schools to the local community.

6.22. **Bulgaria’s decentralization reform was based on an administrative-control model, where authority is mostly devolved to the school principals.** It increased the fiscal accountability to local or central authorities and empowered schools in decision-making. At the same time, the reform lacked social accountability mechanisms and the empowerment of schools did not entail the increased level of participation of parents and the community. While student assessments are conducted annually at grades 4, 7, and 12, results are not shared with the public. Parents have few avenues open to them to participate in the school decision-making process and lack the formal ability to support schools and hold principals accountable for school expenditures and results in learning outcomes. To correct this problem, Bulgaria is reviewing its model to include measures that strengthen the relationships of accountability between stakeholders to promote more effective SBM reform.

6.23. **In studies from Africa, SBM reforms or community participation were often emphasized to meet the increasing demands to access secondary education and improve the quality of education.** Generally, SBM programs in the Africa region have a high proportion of activities that support the development and capacity building of school management committees. Relatively less emphasis has been placed on accountability in finance, school operations, and learning. This reflects a common tendency to narrowly introduce SBM by focusing on activities supporting community participation that are often limited to the area of construction or rehabilitation of school facilities, instead of fully engaging in the planning activities to improve teaching and learning, for which parents and community members hold schools accountable. Providing a wider scope for community participation and more autonomy can produce better results. Communities delegated with greater autonomy will do a better job of maximizing existing capacity by eliciting more effort from teachers. In Kenya, providing school committees with funds to hire an extra teacher on a short-term contract had a positive effect on learning. School committees were responsible for hiring the contract teacher and were free to replace or keep the original contract teacher based on performance.

6.24. **Several countries in Africa have invested in SBM to improve service delivery and address deficiencies such as access, absenteeism, and learning.** Nigeria, Ethiopia, Uganda, the Gambia, Madagascar and Senegal are just a few examples. In some of these countries, impact evaluations have

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139 Takeda et al. 2014.
141 Duflo et al. 2007.
highlighted important lessons. For example, in Madagascar, efforts were concentrated on three areas to strengthen SBM, mostly related to participation of the community. The first focused on training all key actors in the education sector on their respective roles and responsibilities (district, sub-district, and school level). Second, district administrators were equipped with operational tools and guidebooks explaining their use (for example, procurement sheets for school supplies and grants). Third, an increase in information flow was facilitated through report cards for schools and other levels. These efforts aimed to improve participation, build capacity, and foster information sharing to increase accountability. Results did not show much impact on district and sub-district levels, but at the school level there were significant positive outcomes with some nuances. Student attendance increased and test scores slightly improved in schools where school-level actors were trained. Additionally, teachers were more likely to create daily and weekly lesson plans that were discussed with their school directors.142

### East Asia and the Pacific

- A mix in terms of embracing SBM
- Education systems have been highly centralized, especially for personnel issues

6.25. **In East Asia and the Pacific, there is an interest in SBM as part of an overall decentralization of governance and an increase in community participation at local levels.** A regional piloting of an early version of the SABER SAA tool in 2012 provided an overall snapshot of several East Asian countries. Results revealed that budgetary autonomy at the school level was consistently well devolved with a few changes still necessary to be fully achieved. In contrast, for autonomy over personnel decisions, many countries have retained central control, with only a few devolving some authority to lower levels of government. The level of parental participation in the school council and the enforcement of accountability are mixed across the East Asia and Pacific countries that participated, with some doing well and others still at the early stages of development. In terms of school and teacher assessment, several countries have well developed assessments and only a few are at earlier stages. This suggests that, with just a little more effort, the majority of the East Asian countries would be able to compare the education performance of their schools, and teachers which would foster accountability throughout the school system.144

6.26. **The case of Indonesia provides an example of a highly centralized education system’s move to establish SBM.** Spurred by the Asian economic crisis that spanned 1998-2000, Indonesia mandated decentralization of the government in 1999 and education followed suit. The education system had a high disparity of education quality among provinces, districts or cities, and schools. In 2005, the introduction of the School Operational Assistance (Bantuan Operasional Sekolah - BOS) Program—a school grant program for all basic education schools—significantly strengthened SBM reforms. The main objectives were to reduce the financial burden for students, improve access to and raise the quality of basic education, and further support school-based management reforms that had started in 2003. To fill the gap between the national-level BOS grant that schools receive and their actual operating cost, some regional governments introduced in 2007 a local school grant that complements the national BOS grant. The aim is to reduce inequalities and introduce incentives for performance that have specific indicators that can be monitored.

142 Jesse et al. 2010.
143 Takeda, Demas, and Shibuya 2014.
144 Patrinos 2011.
6.27. **Indonesia’s BOS program set up and empowered school committees with the authority to plan and make decisions over non-salary operational expenditures.** It gave schools block grants based on a per-student formula and provided management training to school committees that were elected by the community into their positions. The block grants were used to pay for more student support activities and to hire more staff, with results showing a significant increase in teacher attendance and student scores in language and mathematics.\textsuperscript{145}

6.28. **The effects of the BOS program were seen to be generally positive.** It contributed to expanding access, particularly to poor and disadvantaged children. Enrollment rates grew at both primary and junior secondary level, with the largest increases within the poorest income quintile. Reductions in dropout rates and improvements in transition rates were also observed.\textsuperscript{146} Although there has been considerable progress, the assessment of the SBM reform in Indonesia indicates that it has not resulted in enough changes in school practices to have a significant influence on student learning. As a result, the MOE has identified the following changes to improve the model: (1) strengthen the capacity of the school councils, principals and teachers to implement SBM; (2) develop district capacity to support SBM; (3) provide the school councils, parents and the public with comparative information on the performance of schools; and (4) address resource disparities among schools.

6.29. **In the Middle East, Yemen, Morocco and Jordan have experimented with SBM for approximately 15 years.** Many others are also contemplating the potential benefits of SBM to improve service delivery for education, and they are considering how to approach it while navigating the political economy and other contextual factors. In the region, governance structures are characterized as retaining a centralized approach with only selected authority being devolved to regional levels or lower. In the case of Morocco, the policies supporting community participation have enabled the establishment of school management councils (SMC), yet their functionality is poor and they are generally ineffective for a variety of reasons. The SMCs are not authorized to handle funds, the composition of the SMCs is unbalanced with little representation from outside the school faculty—members do not have clear roles and can be unmotivated because they have little influence on school affairs or projects. Additionally, though student assessments are undertaken, little analysis of results, coupled with poor communication of results to stakeholders, leaves little leverage for accountability and few opportunities to identify weaknesses and request change.

6.30. **Budget and personnel autonomy are generally weak in the Middle East.** The establishment of school councils has facilitated community participation, but they are not fully functional due to the lack of autonomy and systemic capacity building support, unclear roles, and (in some cases) no funding to manage projects. A lack of information on school and student outcomes, weak use of EMIS, little voice for school councils, and low capacity prevent informed decision-making and accountability. In some cases, the policy foundations have been laid but policy implementation is lacking or unfunded.

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\textsuperscript{145} World Bank 2011.

\textsuperscript{146} World Bank 2010b.
and incentives and support for SBM from other levels of the education system are not in place. Placing decision-making closer to the school by eliminating some of the bureaucratic processes running through the hierarchical chain could allow higher levels to focus on policy setting, provision of guidelines, oversight, training and facilitating rather than approval of details from which they are far removed. With small synchronized steps that are linked in order to better support SBM policy implementation, the countries of the Middle East can make some important advances in service delivery and better learning outcomes.

6-3 Special Topics for School-Based Management

School-Based Management in Building Peace and Resilience

6.31. **SBM can be instrumental in building peace and enhancing school resilience in conflict or post-conflict situations.** Tools and resources such as the *Minimum Standards for Education: Preparedness, Response and Recovery* can be used to address the needs of communities while providing a harmonized framework to coordinate the educational activities of national governments, other authorities, and funding agencies. These standards give guidance on how to prepare for, and respond to, acute emergencies in ways that reduce risk, improve future preparedness and lay a foundation for quality education.

6.32. **Community structures can assist schools in becoming more resilient.** In Mali, school management committees helped refugees and their host communities to work together to restore education service delivery following the political crisis of 2012. A framework used to assess the impact of the crisis included the collection of data from school level participants about the risks resulting from the crisis, and the community and institutional assets needed to help displaced people and their host communities to cope. Respondents identified resources, strengths and opportunities within the education system and school-community relations. The MOE contributed with a redeployment of displaced teachers from the north to teach in the south, and facilitated strong community participation that helped increase education resilience. The assessment also helped policymakers understand the perspectives and needs of the different local stakeholders, allowing them to differentiate between the needs of refugee students and the needs of their host communities in the provision of support that would help refugee students return home. Findings reveal the importance of coordinating education with other core services such as community-based school feeding. The importance of community as a coping mechanism in Mali highlights the need to strengthen school-community structures for more effective and resilient education.

6.33. **Education can be a crucial entry point for addressing the drivers of conflict.** In Rwanda, education was recognized as the vehicle for positive social transformation that could reduce the likelihood of returning to violence. Schools became the common ground where parents could meet, rebuild trust and seek a common goal. To develop education policies that explicitly addressed social cohesion, the curriculum was modified to emphasize a culture of peace and promote positive national values, justice, tolerance, respect, solidarity and democracy. Curricular reform and the removing of social barriers took patience and time, since it required agreements on language, values, girls' access to education, and attention to children with special needs. To improve its impact, education found

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147 INEE 2011. The *Minimum Standards for Education in Emergencies* was developed by the Interagency Network for Education in Emergencies (INEE), of which the World Bank is a member.

148 World Bank 2013b; Reyes and Kelcey 2014.
support from complementary health and social programs that enhanced the education experience for children. In summary, the implementation of these agreements required communal ownership, trust, and time to develop. Schools relied on SBM because the central government was weak. Decentralization of education took hold by pursuing greater implementation authority at the school and district levels, greater accountability and operational efficiency, more responsive and efficient management, and continued capacity building.\(^\text{149}\)

**Flow of Funds and Equity**

6.34. ***There are several ways for funds to be transferred to schools.*** They include: central allocation to local government (district), direct transfer to schools, block or school grants, and formula financing, among others.\(^\text{150}\) To some extent, the method of transfer depends on how much decision-making authority over management of the budget is devolved to the local or school level. Even at the school level, some SBM programs transfer authority only to school principals or teachers, while others mandate parental and community participation through a legally established body, like a school council.\(^\text{151}\) Autonomy in the management of the budget at the school level is beneficial for school operations and for accountability since funds can be allocated to relevant areas in need and monitored by local stakeholders.

6.35. ***Formula financing can be especially useful in addressing inequities.*** Formulas can be simple or complex and there are benefits to both. A simple formula allows for transparency and easier monitoring. A more complex formula provides the opportunity to address multiple inequities (rural and urban, gender, socioeconomic, geographic, and so on) and provide incentives, but may make it less clear how much the recipient should be receiving. A comparison of select countries from Eastern Europe sheds some light on options for the design of per student formula funding—what can be covered in the formula, purpose of its application, expected outcomes, and to where the funds are transferred (box 6.4).

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\(^{149}\) World Bank 2013c.

\(^{150}\) A funding formula is a set of known criteria that is used to assign resources to schools in an objective and transparent manner (Ross et al. 1999).

\(^{151}\) Barerra et al. 2009.
School Based-Management and Positive Effects on Teacher Absenteeism and Performance

6.36. **One of the most common impacts of SBM reform is a reduction in teacher absenteeism.** Devolving personnel autonomy to lower levels of government (district) or even the school level can be controversial depending on the country context. However, there are education systems where personnel autonomy has not been decentralized that also enjoy significant impacts on teacher absenteeism through SBM. It is usually one of the first positive results to be seen from SBM.
reforms. Policymakers do not always have a good understanding of the causes of teacher absenteeism. Reduced teacher absenteeism may come about as a result of SBM by allowing schools to focus on the reasons teachers are absent. For example, findings suggest poor infrastructure, the need for better teacher management, and providing teachers more time in the classroom rather than attending to duties from a central authority, can all affect teacher attendance. Also, teacher absenteeism may be directly associated with the level of discretion in the policies for taking leave.

6.37. **Low teacher accountability and poor management leads to more absenteeism.** Effective SBM improves teacher management and accountability. A review of teacher absenteeism across countries found that absenteeism might be lower in countries with more devolved authority over teacher personnel. For example, in Peru and Ecuador, teacher absenteeism rates are 11 and 14 percent, respectively, as compared to Indonesia and India where they are 19 and 25 percent.

6.38. **Delegating personnel management authority to the school council has been shown to be beneficial for reducing teacher absenteeism and for motivating teachers to meet expectations.** It can also change the power dynamics at the school level. Teachers and teacher unions may oppose decentralized teacher management because it shifts the balance of power in favor of parents and the school. Thus, necessary measures should be taken to deal with the political economy of school management and the school stakeholders, particularly for changes in the area of personnel management authority. This can be done by promoting community and parental involvement in schools as support for service delivery and school personnel rather than as an oversight authority on what is going on in the classroom.

6.39. **Reductions in teacher absenteeism have been seen in schools with high and low levels of personnel autonomy.** The EDUCO schools example, where lots of power was provided to school councils in terms of hiring and oversight of teachers, resulted in a decrease in teacher absenteeism. In contexts with weaker devolution of personnel autonomy to the school, but strong parent participation, it is still possible to reduce teacher absenteeism. In the Gambia, schools that received a grant and management training for school staff and parents showed lower rates of teacher absenteeism and higher levels of student attendance. Additionally, in India, a reduction in teacher absenteeism and improvement in student learning was seen in Rajasthan through the use of a school-based monitoring system (video cameras) to ensure teachers are at school.

**School-Based Management and Quality of Learning**

6.40. **Targeted training for parents and the school committee on establishing learning goals for the school can be effective for improving student learning.** This approach puts the school community’s focus on learning and allows them to better support the teaching and learning efforts of the principal and teachers at the school. Mexico’s PEC Program (*Programa de Escuela con Calidad*), which increased

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154 Miller et al. 2008.
155 Rogers and Vegas 2009.
158 Blimpo and Evans 2011.
159 Duflo et al. 2008.
the responsibility of parents by involving them in the management of school grants, made the most difference in lowering repetition and failure rates in comparison to control schools.\textsuperscript{160} Targeted training to parents in school improvement planning and monitoring also significantly increased Spanish and mathematics scores.\textsuperscript{161} A similar outcome was reported in Niger through preliminary results of an impact evaluation of their SBM program.\textsuperscript{162} Schools in which the school management committee received targeted training to establish learning goals for the school and monitoring activities that supported those goals through the school improvement plan registered significant improvements in test scores. Schools without this targeted training to SMCs found the SBM program useful, but they did not record significant increases in learning outcomes.

6.41. \textit{School report cards can be an effective tool for monitoring and communication at the school level and beyond if they are kept simple and direct, and if there is capacity to use them.} School report cards can be a useful method for disseminating information to school-level stakeholders so that they can better understand the following:

(1) The criteria for assessing performance.
(2) The performance of the school from year to year and in relation to other schools in the education system.
(3) The actions that may need to be taken to improve performance.

Used in this way, school report cards engage parents and the community, and build a partnership in demand for better results and solutions for reaching the intended outcomes.

6.42. \textit{An example of school report cards used to increase parent engagement and school performance, and to promote accountability at the school level comes from the Brazilian State of Paraná.} This experiment, from 1999 to 2002, provides one of the clearest examples of large-scale information-for-accountability interventions in education in a developing country. The stated goals of the initiative were to increase parental knowledge about the quality of instruction in schools, and to raise parents’ voice in school matters at the school council and state levels. The initiative also aimed to increase awareness among school personnel about their schools’ instructional quality and academic performance. The report card combined the following school data:

• School characteristics (average class size and teachers’ qualifications)
• Test-based performance (4th and 8th grade test scores)
• Student flows (promotion, retention, drop out)
• Parental opinion and satisfaction with several aspects of the school
• Parental opinion on the availability of information on school performance and activities
• Comparative municipal and state averages for comparing performance of schools with those of neighboring schools

The relatively simple, 3-page summary of indicators was disseminated to parents and teachers at various local level workshops. Results were published in the state education secretariat’s monthly newsletter and widely disseminated through press releases and press conferences. While no rigorous evaluations of this experiment exist, anecdotal evidence suggests positive results. Parents engaged in discussions with teachers about how they might improve school performance and, through school councils, increased their voice in policy debates about education. The report cards acted as a

\textsuperscript{160} Skoufias and Shapiro 2006; Gertler et al. 2006.
\textsuperscript{161} Lopez-Calva and Espinosa 2006; Arcia et al. 2013.
\textsuperscript{162} Kunieda 2014.
management tool at the school level, providing a platform to support principals, teachers, student, parents and communities to discuss issues together, and as a driver of wider education reform.163

6-4 The Status of Yemen’s Current School-Based Management System and Policy Framework

6.43. The SABER School Autonomy and Accountability tool was undertaken in Yemen from December 2014 through March 2015. This resulted in a clearer understanding of Yemen’s policies to support and enable better learning through SBM. A full benchmarking diagnosis that identifies strengths and weaknesses in policy, plus follow on recommendations and examples from other countries can be found in the SABER SAA Yemen Country Report.164 Below is a summary of the status of Yemen’s SBM system and its supporting policy framework, including an identification of actions that could be taken to strengthen it.

Overall Strengths, Weaknesses, and Recommendations

6.44. Yemen has developed several important policies that support SBM; however, some key policies have not been enacted, some need to be funded, and some need to be elevated to decrees and implemented. Where this is most prominent is in the budget for schools. In addition, there are weak school councils, little information about school performance, and consequently little leverage for holding the government and service providers accountable. Developing and empowering local communities to better support their schools will provide more cohesion, motivate school staff, and allow for more efficient and timely direction of funds to areas that will make the most impact on learning and the learning environment at the school level.

Policy Goal 1: Level of Autonomy in Planning and Management of the School Budget.

Status: The non-salary operational budget is prepared and managed by the central and regional level of government in Yemen. The government has a policy of decentralizing basic and secondary education expenditure management to the governorate level but not to the school level. In practice, the key responsibilities of either personnel or operational budgets remain at the central level. School committees are only responsible for executing a small portion of the operational budget that is allocated to the school for supplies or incidentals, if they receive any. In 2008 a per capita financing formula was created to calculate the amount of operating funds to be transferred from the Ministry of Finance (MOF) directly to the school, but this policy and formula is not being used.165 Currently, fiscal transfers for education are embedded into a governorate’s budget with no line items for educational activities. A portion of each governorate’s budget is transferred to the district level, which

163 Bruns et al 2011.
164 Al-Seyani (forthcoming).
165 In 2008 a Vice Prime Minister’s Order established a per capita financing formula to calculate the operating budget for all schools in Yemen based on the number of students and level of education of the school. In 2013 the Ministry of Finance and Ministry of Local Authority approved the principles and criteria to distribute additional budget to the local authority for schools in remote rural areas where costs are higher (YR 12,000 for basic education and YR 14,000 for secondary schools). Based on the Cabinet Decree in 2008 and the Ministerial Decree in 2013, schools across Yemen are categorized into 4 groups in terms of operational budget. To date both Decrees have not been implemented because of the difficult situation of Public Budget in Yemen and the need for more discussion between MOE and MOF to set the rules of transfer and monitoring and auditing.
handles capital expenses. Essentially, no operating budget is received by traditional public schools. Only schools that are part of the School Development Program that is being piloted in a few governorates, with support from the government and donor partners, receive a small amount (US$1,500) directly from project funds. All printing of textbooks and procurement of other materials are handled centrally. Schools rely on parent contributions to cover everyday costs—paper, chalk, and minor supplies. However, schools do have the latitude to raise funds from other sources, such as private business and non-governmental organizations.

**Recommendations for Budget Autonomy:** Yemen already has a per capita financing formula, which needs to be implemented. It is recommended that the MOF and MOE negotiate an agreement on the rules to transfer the funds directly to schools (for example, by setting up school bank accounts, recognizing the school committee’s responsibility to monitor, and relying on policies that already exist for internal and external auditing at the school, district and governorate levels). The MOE should communicate clearly what the formula is, how funds will flow, and keep it simple to foster transparency, accountability and stakeholder knowledge. Schools in governorates piloting the School Development Program already receive direct transfers of funds. Since there are regulations in place for schools to comply with financial management and transparency, and oversight rules, implementing direct transfers to schools should carry a low technical risk, but capacity-building activities would still be needed. The MOE should use the experience gained from piloting the School Development Program to further simplify procedures in order to avoid bottlenecks and bureaucracy. For major capital projects, it is recommended that the district level continue handling the budgeting and execution of these activities. However, for simpler repairs and maintenance, the per capita formula transferred directly to schools would allow for timely and efficient improvement of the school environment. With the actual transfer of operating budget to schools, school committees would be well placed to plan, manage, and monitor the expenditures using the school improvement plan and established guidelines for budget management. Consultation with school committees and the wider community to assess their situations and needs in a post-conflict environment can help to identify incentives to ensure all children are back at school, including girls, minorities, those with disabilities, the poor and displaced. Proper training of school committees to build their knowledge and capacity to handle funds, coupled with periodic follow-on coaching, would bolster compliance and help them to ensure funds are directed to pressing needs.

**Policy Goal 2: Level of Autonomy in Personnel Management**

**Status:** Public school teachers and non-teaching staff are hired by the governorates according to the number of new hiring needs approved by the central government in Yemen. All staff in the education system are civil servants and, as such, they are initially hired according to civil service rules with an MOE job description.166 Once teachers are hired at the governorate level, they are approved at the central level, assigned a number, and entered into the payroll. The governorates have the authority and responsibility for school director appointments and the deployment decisions for both teachers and non-teaching staff. Governorates and local authorities (district level) conduct teacher evaluations, although communities and parents contribute to monitoring teachers’ attendance. Based on Republican Decree No. (269) year 2000 on the Regulations for the Law of the Local Authority, responsibility for the performance evaluation of school principals rests with the Executive Office in

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166 The advisory (Fatwa) issued by the Ministry of Civil Service considers this to be an agreement between the new employee and the Ministry of Civil Service to work as a teacher, which outlines the new employee’s career level, main function group, functional category, and wages. The Ministerial decree of MOE outlines the employee’s tasks and the governorate in which he or she will perform the tasks for the first time.
the district (Article 142). Although the law gives the district level responsibility for evaluation, in practice this does not happen. The governorate level implements transfers and removals of school directors.

**Recommendations for Autonomy in Personnel Management:** For all sectors in Yemen, the hiring and movement of civil servants is highly centralized. To provide more flexibility, less bureaucracy, and a better response to local needs more effectively, the government should consider making changes to policy among the Ministry of Civil Service, line ministries, and local authorities to decentralize authority further to the district level. For the education sector, this could also include allowing some voice to districts and schools on staffing needs, contributing to evaluations, and easing the bureaucratic process that requires governorate sign off on promotions and movements within and across districts. The Rural Female Teacher Contracting Scheme piloted through the World Bank-financed projects for the past years is a successful case. It allows for a local response to a locally voiced need for teachers. As a result, more female teachers in targeted rural areas are put in place and they have contributed to higher enrollment and retention of girls both at basic and secondary education levels.

**Policy Goal 3: Participation of the School Council in School Governance**

**Status:** The MOE has developed legislation and detailed guidelines to govern and administer school committees and father and mother councils. The school committees are elected and have term limits. While all schools should have school committees, the MOE, through the support of development partners, has only been able to pilot participatory school-based programs in a few governorates. The pilot programs have facilitated the school committees to prepare and implement school improvement plans based on a fixed school operational budget provided from the central level (grant of $1,500). School committees at pilot schools are responsible for executing the expenditures and coordinating with the community. They also retain the right to review the financial report and have a voice on some school inputs. Schools hold general assemblies to report to the wider school community.

**Recommendations for Participation:** Efforts should be made to build the capacity of the school committees and father and mother councils to execute their mandates. This includes technical assistance, simplification of guidelines and management tools, and direct allocation of some operational funds to schools so that they are empowered to plan, make decisions, implement, and monitor the school’s stated goals for improvement. Technical assistance for bookkeeping, creating school improvement plans focused on learning, reporting and monitoring, would assist in ensuring accountability for the authority devolved to the school. Given the likely post-conflict situation, increased participation of the community could alleviate critical areas that need immediate attention, including access to a safe school environment for all children with sufficient teachers and school supplies. On a temporary basis, the government may want to consider authorizing districts or schools to hire contract teachers. To encourage regular attendance and retention of students, school grants for community-based school feeding could also be considered at the primary level.

**Policy Goal 4: Assessment of School and Student Performance**

**Status:** There are no criteria established by the MOE to assess schools. Yemen does not have school assessments, and there is no policy on whole school assessment. It does conduct observations of individual teachers in the classroom, but these activities are not tied into a wider review of school performance. The MOE has developed standardized examinations, which are conducted annually at 9th grade (of basic education) for purposes of transition to secondary school and 12th grade (3rd grade
of secondary education, the graduation year). Test scores are currently communicated at the student level on an individual basis, and there are no analyses or comparison of aggregated student results across schools or over time. Thus, there is no basis available to judge if schools are doing well or if they can or should do better with the communities involved. Schools do not use student assessments to make pedagogical adjustments or to change school materials.

**Recommendations for School and Student Assessment:** The main recommendation is to establish a policy requiring school assessment with some core criteria on which to measure school performance. The overarching purpose would be to enable schools and the education system to track their performance and use information garnered from the assessments to continue improving, and compare performance over time and with other schools in the area. It would also allow for knowledge exchange among schools or districts in order for them to learn from and help each other. A variety of activities and approaches could be included in school assessments. Flexible guidelines for districts and schools on how and when to carry out the assessments would be useful so that schools can further customize to fit their needs. Finally, it would be important to disseminate the school assessment results widely for accountability purposes, but also for rewarding improvements and finding solutions for areas of weakness. The newly developed EMIS would be an important tool to support the packaging and dissemination of data to the school level for this purpose, and should be further developed to carry out this task.

**Policy Goal 5: Accountability to Stakeholders**

**Status:** There are no guidelines for the use of the results of student assessment, nor is the MOE required to conduct comparative analyses of student performance, leaving little room to use performance results to improve the delivery of education. A lack of information also prevents learning accountability. Regulations at all levels, including the school level, have been established and implemented in order to increase compliance of school operations and financial management rules.

**Recommendations for Accountability:** In combination with strengthening assessments and the analysis of results, the MOE should establish simple guidelines on what the results mean and how to use results to make improvements at the school level. This type of simplified information can assist those within the school system, as well as parents and the community, to monitor and make sure that the right supports, incentives and/or penalties are in place, and the right adjustments are made to enable better delivery of education in a suitable learning environment.
CHAPTER 7

IMPLICATIONS FOR YEMEN AND THE WAY FORWARD

7.1. Despite the current situation of severe conflict and political instability in Yemen, there appears to be a general consensus across the various opposing factions on the proposal for the formation of a federal state. Yemen is in a state of deep transition, with different groups defending their social and economic interests within a fragile political framework. Although the timeline for the cessation of violence and instability is not yet clear, the National Dialogue Conference outcomes that were approved by all political affiliations suggests that any political accord after the current hostilities cease would include a federal state and more regional autonomy. This increased regional autonomy would take into account the ethnic and social differences that have fueled the conflict. The creation of a federal state may help to reduce tensions and stabilize the political climate, since regional and religious differences would be able to coexist while still allowing Yemen to keep its political identity as a nation state.

7.2. The creation of a federal state is likely to lead to a new social contract in education and a deepening of decentralization. The current conflict is a manifestation of a deep discontent with the concentration of power and resources that generated political corruption and low levels of service performance by public institutions. The same type of discontent led to the Arab Spring, which was a generalized demand for more democracy in the region. The disconnect between education and the labor market, and the lack of government accountability, makes it reasonable to conclude that there is a need for a new relationship between government and schools, as well as a new social contract between parents and schools based on social accountability and enhanced trust between service providers and beneficiaries. In this scenario, schools would get more operational autonomy and wider support through close collaboration with parents and community members to improve student learning.

7.3. This chapter summarizes issues related to the provision of education within a context of federalism, with the objective of helping the Government of Yemen reorganize its education sector during the conflict and post-conflict stages. It presents a summary of the experiences of four federal case study countries and derives key lessons that may help Yemen improve its education access, equity, and quality under a federal system. Although there is an emphasis on decentralization, lessons are also learned from federal systems in which education is centralized. These latter cases are important to review because they illustrate the motivation behind the decision to decentralize or maintain a centralized system, and the important realization that decentralization is an approach, not an end in itself.

7.4. This section summarizes the experiences of the case study countries in the earlier chapters in the crafting of their federal frameworks for education, the allocation of functions to different levels of
government within the federation, and the implications for Yemen. It is structured around the study framework with the following education functions: (1) Education Politics and Policy; (2) Education Planning and Financing; (3) Education Management and Service Delivery; and (4) Education Monitoring (figure 1.1). Where applicable, it includes supplementary information about the experiences of other countries in order to highlight specific points.

**Education Politics and Policy**

7.5. **Political crises can be converted into policy opportunities for education reform.** In moving towards a new federal system of government, Yemen has an opportunity to examine options for establishing new ways to form education policy, including the election of leadership, the enactment of laws, and the development of goals for education. This opportunity allows Yemen to take stock of the issues fueling the current discontent with the education system and to look to other countries for ideas on how to address these issues. In the case of Ethiopia, it is clear that the political crisis—the far-reaching unrest of the 1980s—created an opportunity for the initiation of social and educational reforms in the early 1990s. The current crisis in Yemen can ultimately be an opportunity for defining a federal system of education that is less fettered by old political agreements or constraints.

7.6. **Devolving power to lower levels of government can be the most appropriate course of action in cases where local needs differ across the country.** Decentralized structures and agreements in a federal system must come from political and policy consensus. These decisions are not only technical issues, but also political ones, as they involve power being devolved from the central government to lower levels of government. In Ethiopia, the decentralization of education was part of a national approach to overall decentralization—the result of a complete political realignment that took the country from being highly centralized in the 1970s and 80s, to devolved power in the regions in 1991. For Malaysia, an overarching objective of a centralized education system was to help achieve national unity; with a centralized approach the government considered that educational equity would be easier to reach.

7.7. **The devolution of power can, however, be a complicated, lengthy, and politically difficult process.** As attested by the case studies, and like many education reforms, it takes time to restructure education systems, and gradual implementation may be required. Phasing the process of major education reform, as seen in the Malaysian and Ethiopian case studies, provides a clear path for all concerned and allows for the time required to build capacity at the various levels. Transformation may be uneven across the country depending on capacity and local needs and conditions. For example, in the United Arab Emirates (UAE), one emirate had the capacity and political will to assume almost all education responsibilities from the center. Decentralization policies take years to implement because policies and politics change over time, requiring an adjustment to the decentralization process in the interim. In Mexico, the decision to decentralize education began in 1992 and it is still in progress. In cases where education management is highly politicized, creating specialized agencies for planning, teacher education, curriculum and examinations may be beneficial as they are less susceptible to political interference.169

7.8. **Decentralization agreements should be fluid, flexible and amendable in order to constantly adapt to a changing environment and context.** Mexico’s agreement was the result of negotiations with the teachers’ union, state governments, and the national legislature to ensure broad support for the

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169 UNESCO 2011.
federal share of total expenditures. However, decentralization policies are continually being adjusted in Mexico to reflect financial, social, and political conditions. In Ethiopia, the delegation of authority has evolved over time, giving increasing authority to lower levels of government as experience accumulates. In Malaysia, despite the fact that the system remains highly centralized, there are serious plans to implement school-based management. Therefore, Yemen’s debate over decentralization of education should be constant and continuous, with political willingness to allow for flexibility and adaptation to local needs.

7.9. The decentralization of education under federalism is not a sufficient condition for improving access and quality, but it is a good catalyst for improving system effectiveness and efficiency. It is very important to recognize at the outset that the main problem for education in Yemen is low access, particularly for girls, and low quality. Approximately 2 million children of school age are not in the system, only half of the students entering 1st grade ever finish the 9th grade, and there is substantial gender inequality. Moreover, it is widely recognized that student learning is low, with 4th grade students ranking last in the 2011 Trends in Mathematics and Science Study (TIMSS) test. Education decentralization is a mechanism that may improve the performance of other policies that directly address the education access and quality issues of Yemen.

7.10. There should be a focus on school improvement and student learning as the basis of education system reform, while building in measures to ensure accountability of the system. Without trust and accountability, especially at the school level, any organizational changes in the education system will not produce the inherent motivation needed for system improvement. Teacher capacity, motivation and accountability are key issues to consider, as teachers are the most important factors in effective student learning in the classroom. In Mexico, the political power of the teachers’ union has been a deterrent to accountability, while in Malaysia, Ethiopia and the UAE, system accountability is more driven by centralized supervision. In all case studies, there is evidence that school accountability and quality of learning could be improved by promoting parent and community participation under school-based management, coupled with adequate capacity building support, and this approach is highly recommended for Yemen. School committees and father and mother councils should work closely with principals and teachers to create a climate of trust and support for the school. The participation of parents should develop within a framework of mutual trust and accountability.

Education Planning and Financing

7.11. Education system planning and financing is likely to be guided by the distribution of roles and functions across the various levels of government. Although federalism does not automatically imply a decentralized education system, in most cases around the world it does. Hence, system planning and financing is bound to revolve around the functions assumed by each of the main three levels of government (central, state, and district) and schools.

7.12. Education system planning should start with a three-way dialogue between federal and state authorities and the Ministry of Education (MOE). The dialogue should focus on the provision of education services and the fiscal revenue projections for the region. It could involve other stakeholders, such as local education authorities, the civil service administration, non-governmental organizations (NGO), and district governments, for instance. The dialogue would include defining the education goals and strategy, the financial and operational resource constraints, the basic allocation of resources, and the most adequate formula for allocating resources to each region to ensure transparency and equity.
7.13. **A federal funding formula is necessary to facilitate the implementation of federal obligations to foster educational equity.** A core issue in a federal system is the design of the fiscal transfers that will pay for education. Part of the total cost of education is paid by the federal government, which makes direct grants to the states or regions in the federation. In both Mexico and Ethiopia, the federal share of public expenditures in education is around 80 percent, leaving the remaining 20 percent to state and local governments. Until late 2014, the federal government in Mexico used a complex funding formula to calculate the fiscal transfers to the states in the federation. The calculations are complicated, as they required sophisticated systems for tracking budgetary expenditures at the state and local levels. In Ethiopia, the funding formula is a lot simpler and implemented by each state after receiving the federal block grant. This second stage in the education funding allocation attempts to compensate *woredas* for their level of poverty and development, population size, their efforts at generating revenues, and their level of educational performance. It is also important to note that the funding formula had to be modified and implemented in stages in order to improve interregional equity. Malaysia’s funding formula is fairly comprehensive in its approach to student equity by allocating funds to students in poverty, children in remote areas, children with special needs, indigenous children, and refugees. Yemen has a funding formula based on enrollment, but it is not being implemented. This is a good start for further refinement that could include specific components for promoting performance and equity.

7.14. **The financial contributions from the regions must be based on their capacity to generate fiscal revenues.** Yemen’s own experience has shown that, if the government transfers insufficient funds to the governorates, the latter will likely ask parents to pay for the additional financial needs, or private education picks up the slack in service provision, and both parents and the private sector are severely financially constrained, resulting in a challenge to fill the gap. In essence, devolution of educational responsibilities without funding would simply be an abdication of financial federal responsibility. If the federal government wants to promote educational equity, the federal share of expenditures in education should be tailored to the equity needs of each region (through increased funding to compensate for the educational lag of poorer regions) and to the local capacity to generate revenues that could be assigned to education. The case of China raises interesting issues in this respect (box 7.1). A key aspect for Yemen is the preparation of a funding formula that takes into account the fiscal space of the regions under a decentralized framework.

7.15. **Even in the presence of a funding formula, there is a risk that local school financing in a federal system may be insufficient.** In Ethiopia, the federal block grant under the control of *woredas*—intended to cover salaries and operational expenditures—was insufficient to cover school expenditures, requiring schools to involve parents in covering the shortfall. As a result, the federal government created the School Grants, which supplement school funding and is under school control. Recent evidence indicates that the system of school grants has helped reduce parental expenditures that were previously required to supplement the shortfalls in the block grants. Mexico and Malaysia constantly monitor school costs to ensure that financing requirements are adequate at the school

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170 The basic components of Mexico’s funding formula include, for each state: (1) the percentage change in federal per student expenditures from one year to the next, (2) the percentage change in student enrollment from the previous year, (3) the index of education quality, and (4) the percentage contribution to per student spending. Keeping the results of this formula updated is a significant challenge.

171 UNESCO 2013.

172 Kelil et al. 2014.
level. Yemen would need to cost out the basic package for service provision in each region and monitor the federal and local contributions to school financing to ensure that funding remains adequate.

**Box 7.1. Decentralizing and Recentralizing—Lessons from China**

In the 1980s, China initiated a decentralization policy including additional sources of funds, such as school-run enterprises, non-tuition fees, donations, and surcharges. Additional funding helped increase education access, enabling China to achieve its goal of nine years of universal compulsory education and the eradication of illiteracy by the year 2000. However, decentralization also increased inequality in education spending per student, with urban areas spending 80 percent more per student than rural areas. To improve financial equity China initiated a policy in 2002 to centralize the funding of compulsory education to the levels of central and provincial governments and restricting local authority to generate revenues from student fees. This change led to an improvement in the total funding of compulsory education, but it did not reverse the increasing inequalities in per student spending—rural schools in particular still did not get enough funds, and were restricted in their ability to raise them locally. The experience has had some negative effects on the relationship between schools and local government, including poor administrative coordination and power struggles, affecting teacher management and incentives. The lesson drawn from China’s experience suggests a need for strengthening financial equity and initiating reforms to motivate and empower local governments to raise their own revenues.

*Source: UNESCO Bangkok 2010.*

**Education Management and Service Delivery**

7.16. **Clear and mutually exclusive roles for national and subnational entities should be defined in the management and delivery of education services.** There should be well-defined and mutually exclusive roles for the central Ministry of Education, for the state and district offices, and for schools. This includes the areas of: human resources and fiduciary management, construction and maintenance of schools, setting educational standards, curriculum design and teaching materials, learning materials, and teacher recruitment, promotion and salaries. Mexico and Ethiopia have been able to clearly define these managerial functions across the levels of government. In Malaysia, although the education decentralization process is at its very early stage, the roles and responsibilities at each level are being defined in the *Malaysia Education Blueprint*. In the UAE, changes to the distribution of functions across the national and subnational entities have changed over time, but are clearly stated in laws.

7.17. **Planning should take into account the reasons why it would be beneficial for some components of the education system to remain centralized.** Not all functions and authorities need to be decentralized and the decision of what to decentralize and what to keep central differs for countries according to the local conditions. Yemen should determine a best scenario that fits the country situation and desired outcomes. Reasons to maintain central control of some functions include:

1. **Technical efficiency.** This includes: management of specialized personnel (such as statistical analysis, research and test design); economies of scale in the purchase of inputs (such as textbooks and other items requiring large contracts); and implementation of federal functions (such as EMIS, regulatory functions, policy design, and central financing).

2. **National markets.** A centrally located information system for recruiting prospective teachers and

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173 Healy and Crouch 2012.
principals may make more sense than disconnected local markets.

(3) **Jurisdictional spillovers.** A centralized argument applies to some specialized centers, like schools for the blind, where it would be more efficient to have a centralized provider.

(4) **Equity perspective in capital expenditure.** The provision of school infrastructure and core learning equipment could be managed centrally for the reason that many governorates and districts are fiscally very poor and would not be able to provide those inputs to all schools in their jurisdiction. In order to reduce inequality and to maintain safe learning environments, it may be suitable for the central government to be in charge of providing core infrastructure and equipment to schools.

7.18. **The intermediate management of teachers, logistics, and infrastructure is necessary in both centralized and decentralized federal education systems.** State and district offices play an important administrative and logistical intermediary role. In Mexico, the state education offices are responsible for the delivery of educational services in basic education, including special modalities for indigenous populations, children with special needs, and teacher training. In addition, they provide inputs to the MOE on the development of national plans and programs for basic education and teacher training in order to adjust for regional differences. In Ethiopia, the structure of intermediate management is even more complex as it requires significant coordination between regions, zones, and woredas, all of which have policy and managerial responsibilities. In the UAE the educational zones are responsible for education delivery while adjusting for the conditions of each Emirate; their focus is on the logistics of education delivery. Overall, the importance of intermediate management should be a key aspect of education delivery.

7.19. **Delegation of managerial authority should be realistic and determined depending on the lowest level of government with the technical capacity and political authority to implement it, ensuring that fiscal resources are appropriately available or provided.** Even when states and local governments want to assume more responsibilities—perhaps reflecting local political and social interests in managing more funds and resources—decisions should be based on evidence that they have the technical and managerial capacity and the political authority to assume them. This includes an assessment of their capacity to generate local resources, and deliver educational services that meet federal standards. The optimal distribution of roles and functions across levels of government will therefore vary across federal countries due to differing capacities at each level. For example, management of teacher recruitment, employment and pay (which accounts for a large majority of education funds) takes place at various levels in Asian countries, as shown in box 7.2.

**Box 7.2. Recruitment, Employment and Payment of Teachers in Asia**

Given that the recruitment, employment and payment of teachers is by far the largest public expenditure category for basic education (often 70 percent or more of recurrent spending on education), an examination of the division of responsibility for these tasks across central, regional, and local governments, and schools can provide a proxy measure of the degree of centralization or decentralization of an education system. The table below shows this information for countries in Asia. In all of these countries, teacher pay scales are set by the central government. For most of these countries, recruitment, management and payment of teachers fall to the central government, although there is some variation. It should be noted that, in many cases, basic pay scales are centralized as a reference point, with regional and local governments able to make adjustments for location and other factors.
A core list of functions that are usually centralized in federal countries can be identified. The capacity of the new federal education institutions to fulfill their responsibilities makes all the difference in ensuring the national character of the education system: equitable financing, quality assurance and accreditation, flow of information for efficiency and accountability, mobility of students and teachers, national validity of diplomas and credentials, and a unifying influence on national identity. To those ends, the evidence from the case studies indicate that federal systems have some clearly identified centralized education functions, including:

1. The core laws of education, which define the inter-institutional relationships within the federation and the guidelines for private education
2. National plans for education development
3. The minimum number of school days and hours and the national school calendar (although there may be good reasons for regional or local adaptations)
4. The national education curriculum, which defines core subjects, minimum standards and the basic requirements for graduating from each education level
5. A national system for reporting education performance
6. The regulatory framework for school and student assessment
7. The minimum standards for teachers and schools
8. The minimum financial transfers to subnational governments earmarked to education
9. The core recurrent expenses for regular maintenance of school facilities
10. The regulatory framework for international cooperation in education

There is a core list of functions that federal countries often decentralize to the regional level. Evidence from the case studies suggest that some functions could be decentralized to the regional level of government, including:

<table>
<thead>
<tr>
<th>Country/government</th>
<th>Central government</th>
<th>Regional government</th>
<th>Local government</th>
<th>School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
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<tr>
<td>Cambodia</td>
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<td>Hong Kong (China)</td>
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<tr>
<td>India</td>
<td>X</td>
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<td>Indonesia</td>
<td>X</td>
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<td>X (District)</td>
<td>X</td>
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<tr>
<td>Japan</td>
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<tr>
<td>Lao PDR</td>
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<tr>
<td>Malaysia</td>
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<td>Mongolia</td>
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<td>Singapore</td>
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<tr>
<td>Sri Lanka</td>
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<tr>
<td>Thailand</td>
<td></td>
<td>X</td>
<td></td>
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</tbody>
</table>

*Only accredited schools.

(1) Development of regional goals and strategies for education, both of which would be aligned with the federal goals and strategy
(2) Regional planning to meet the regional goals
(3) Distribution of federal and regional funds to districts and schools
(4) Hiring and firing of principals and teachers—at the district level depending on managerial capacity
(5) Adaptation of the federal salary scale to regional conditions
(6) Ensuring compliance of federal rules for human resources
(7) Financing of major infrastructure, with school construction management delegated to the districts depending on local capacity
(8) Adaptation of federal education standards to regional conditions (such as language of instruction, textbooks and school calendar)
(9) Textbook distribution
(10) Materials purchase
(11) Test supervision and regional databases
(12) Supervision and reporting of district and school performance
(13) Requests for teacher transfers

7.22. **There is a core list of functions that are often decentralized to the school level:**

(1) Hiring and firing of non-teaching staff
(2) School goals and school planning
(3) Management of the school’s operational budget
(4) Minor maintenance
(5) Teacher evaluation and supervision
(6) Local fundraising
(7) Parent and community participation

7.23. **Local managerial capacity must be reinforced.** Programs to improve technical capacity at the regional and district levels during the process of decentralization must be implemented hand-in-hand with the delegation of various functions to local entities. A lesson in this regard comes from Ethiopia, where the approach to decentralization had to be redefined after realizing that some woredas had problems with teaching quality, and a limited ability to pay for their share of financing. Mexico had to implement national programs to address financial equity and teacher and school accountability. Both countries have ongoing training programs for principals and district-level administrators. Malaysia is planning to decentralize education from the ground up by implementing school-based management. However, the government recognizes the need to bolster local capacity for management and decision-making before embarking on any significant changes. In the UAE, education developments appear to have moved at a faster rate than the capacity at the regional and school levels can manage, hence the reliance on central control and the need for large-scale capacity building programs before school-based management can be successful. Likewise, in the move to decentralized education in Bosnia and Herzegovina, it seems that the time required for state-level agencies to develop the capacity to oversee the delivery of education services had been significantly underestimated.\(^{174}\)

7.24. **Comprehensive manuals and training programs can be used to address the local capacity building needs.** In the case of Ethiopia the Blue Book is a good example since it is the reference of record for guiding local authorities on the regulations and logistical and operational procedures for school management at the regional and woreda levels. In Mexico, the federal government has used a

\(^{174}\) UNESCO 2011.
combination of state manuals and state-level training, with operational manuals and training implemented by federal programs targeted to poor and disadvantaged areas. In both countries, the decision to decentralize functions was taken first, and then the authorities implemented the measures necessary to improve capacity at the state, municipal, and school levels. Yemen could also consider undertaking this type of assessment of capacity as part of the initial stage of moving to federalism in order to identify adequate levels of devolution of responsibilities to each state or district.

7.25. **Administrative overlaps and excessive bureaucracy should be avoided.** One of the possible dangers of devolving authorities for education to lower levels under a federal system is the increase in administrative positions that tend to be repeated in different levels of government. However, high levels of overlapping functions are not exclusive to decentralization. Malaysia, for example, is a case where a highly centralized system has generated an excessive bureaucracy, which may have been a by-product of the managerial inefficiencies inherent to centralization. For Yemen, the lesson learned is that it needs to keep administrative functions to a minimum, aligning personal incentives with accountability in order to limit bureaucratic processes. To that end, Yemen would need to use financial and managerial indicators to keep track of its administrative costs.

**Education System Monitoring and Evaluation**

7.26. **The distribution of functions across all levels of the education system requires a constant flow of information in both directions.** Informed decision-making at any level requires good data and analysis. Sharing of information also facilitates monitoring and accountability. The four case study countries have well-functioning EMIS that have been instrumental in system management. For example, in Mexico and Malaysia, parents have access to different indicators of school and student performance. This access to information is key for reinforcing the short route to accountability discussed in chapter 6.

7.27. **Monitoring and evaluation at the school level are crucial for sustaining system performance.** In Mexico, indicators of internal efficiency flow upward from the school to the municipal delegations of the MOE, and then to state education offices. The states send aggregated information to the MOE for the production of indicators of system performance. In Ethiopia and the UAE, the information required creating indicators of internal efficiency flow from the schools to the woredas or educational zones, and then they are aggregated and processed at the MOE. In Malaysia, the district education offices (DEO) play an intermediary role between the school and the MOE in the collection of information, which is processed centrally and distributed to the regions and DEOs. In all four countries, information on student learning is collected by a national assessment system and then sent back to the schools, along with an analysis of student performance. Yemen should take advantage of school-based management to set up systems for monitoring school and student performance. From there, regular assessment of system performance should be undertaken.

7.28. **Monitoring of school-level indicators should start at the school.** Parent participation should be a basis for providing community support to the school, and also the cornerstone for school accountability. Teacher and student attendance, basic management indicators, and basic learning outcomes should be monitored by schools and parents, and fed upward to higher levels of administration. School report cards, wall displays and school dashboards are simple tools that allow for monitoring at the school level.
7.29. **System evaluation also starts at the school level.** Regular school assessments, in combination with teacher and student testing and evaluations, need to be followed to improve system performance, accountability and to enforce system-wide goals. The conceptual framework established by school-based management, where autonomy, assessment and accountability reinforce each other should serve as the guide for monitoring and evaluating strategies.

**Summary**

7.30. **Table 7.1 generalizes the allocation of functions for education service delivery seen in federal states that have decentralized education.** These functions may be a useful reference for Yemen to the extent that they potentially represent attributions that could be given to the federal, regional, district, and school levels. The distribution of functions across different levels of governance is a suggestion based on the review of other countries’ experiences and lessons learned. The final choices will depend on the negotiations among stakeholders, and the decisions should be based on evidence and well-defined priorities. It should be noted that decentralization is not a final, but an ongoing process, and some flexibility should be given in order to adapt to a constantly changing environment and diverse local needs, especially under a post-conflict, fragile situation. A detailed account of the different functions delegated to central, state and local governments, as well as schools, in each of the case study countries is listed in the appendix B.

7.31. **Education system development under federalism is a work in progress.** All four case studies in this report show that education system development under federalism is a continuous effort, and the gap between the goals of an education system and its performance is what drives change in the ways that education policy is implemented. The case studies yield these basic lessons for Yemen:

1. **There is a trend toward decentralization, but there is an underlying logic for some functions to remain centralized.** In all case studies, some basic functions remain centralized, including national standards, the basic curriculum, student assessment, and system evaluation.

2. **Centralized functions may be adapted to local conditions.** In some of the case studies, regions are allowed to make modifications to textbook content and language, to adjust the school calendar, and to add their own goals to the national education goals. Yemen is a tribal society with diverse populations and the social and economic development is not homogenous across regions, therefore giving such flexibility to adapt to local needs will be important.

3. **The implementation of a funding formula is key for fostering educational equity.** A negotiated definition of educational funding with federal and local obligations that are based on equity provisions is crucial for the political sustainability of decentralized education. But more important is compliance with the funding formula.

4. **The intermediate management of teachers, logistics, and infrastructure is important and should be reinforced** in both centralized and decentralized systems. State and district offices play an important administrative and logistical intermediary role.

5. **School-based management should be strengthened and expanded, along with associated capacity building support at all levels.** Even in countries with a high degree of centralized decision-making, there is a trend toward giving schools more managerial responsibilities for their routine operations and planning. In this regard, Yemen would benefit from applying a school-based management framework and should incorporate it into its federal framework for education management.
Table 7.1. Potential Distribution of Education Functions Under a Federal System for Yemen
### Function | Potential Actions
--- | ---
**Politics and Policy**

**Election of leadership** | Federal minister elected by the head of state. Minister chooses high-level officials. Any federal staff working in the regions elected by the federal ministry. Regional and district-level technical staff selected by regional authorities.

**Enactment of laws** | Federal education laws enacted by the federal legislature. Regions adapt federal education laws as allowed by federal legislation. Regions may adjust the school calendar, language of instruction, and curricula.

**Education goals** | Federal goals and strategy set centrally, with the regions and schools selecting their own goals, but all goals in alignment.

**Planning**

**Education plans and program design** | The federal ministry develops the plan of action for the federation. Each region develops its own regional plan under the federal guidelines, and schools develop their own action plan.

**Financing and budgeting** | Federal fiscal transfers to regions executed under a funding formula that enforces regional equity. Regions combine federal and regional funds to allocate financing to their districts, and send funds directly to schools. School budgets composed of regional transfers and local contributions. Local contributions off-budget to promote local incentives and force the federal and regional authorities to maintain their contributions.

**System Management and Service Delivery**

**Human resource management** | Federal authorities develop standards for teachers and principals, manage database on teachers, develop and enforce the salary scale, evaluate teacher policies, and produce demand and supply projections for teachers. Regions or districts are in charge of teacher and principal hiring and firing. Regions are in charge of management of the regional database, development of adaptations to the salary scale to fit the regional market for teachers, and enforce teacher and principal supervision. Districts supervise schools to ensure compliance with regional and federal performance standards and handle school requests. Schools can request teacher transfers to fit their own needs, and could hire contract teachers subject to regional approval.

**Construction and maintenance** | Central ministry in charge of planning and financing of federal infrastructure. Regional governments are responsible for school infrastructure financing, design, and contracting, while districts are responsible for construction supervision and major maintenance. Schools are responsible for minor school maintenance.

**Setting educational standards** | Federal minimum standards developed centrally, and regional standards allowed if aligned with federal standards.

**Learning materials production and distribution** | Federal ministry sets standards and finances regions through fiscal transfers. Regions in charge of textbook and materials design, printing and distribution. If there are economies of scale, the federal ministry may perform some of these functions.

**Learning assessments** | Federal ministry sets national standards, and performs test design and statistical analysis of test results, maintains statistical database, and provides overall supervision and reporting of results. Regions are in charge of test administration, reporting of results, and the management of the regional database. Schools assist in test administration and in the reporting of results to parents.

**Monitoring and Evaluation**

**Monitoring and supervision of service delivery** | Federal ministry sets standards. Regions supervise districts and school performance. Schools perform teacher supervision.

**Evaluation of system outcomes and quality** | Federal ministry in charge of evaluating the performance of the entire system and the regions. Regions supervise district and school performance.
7.2 School-Based Management—Implications for Yemen

7.32. Yemen already has some elements of school-based management (SBM) that could be strengthened and deepened. The application of the Systems Approach to Better Education Results (SABER) School Autonomy and Accountability (SAA) methodology in Yemen helped to assess current policies in school autonomy and accountability. The results have highlighted some key lessons and actionable items, including:

(1) **Autonomy in the planning and management of the school budget.** Currently, non-salary education expenditures are managed by existing governorates. Whether under a federal system or not, education budget planning and management would need to undergo a significant change to allow the transfer of non-salary funds directly to schools so they can effectively plan and manage activities that best support school improvement. It is clear that Yemen has made steps by already establishing a per capita financing formula that takes into account some equity measures (rural versus urban). Clear rules for the transfer of funds and communication of these rules are key to enabling real decision-making and management at the school level. It also alleviates delays caused by bureaucracy.

(2) **Autonomy in personnel management.** Yemeni teachers are civil servants, which makes it difficult for districts and schools to choose teachers better suited to their needs. The relevant laws and regulations should be modified to give regional and local governments enough authority to contract and manage their own teachers and allow schools to voice their personnel and skills needs.

(3) **Role of the school committee in school management.** School committees have limited authority and responsibilities to participate in school management due to a lack of funds and little information upon which to make decisions. To improve accountability and promote more community support, school committees should be trained to improve their capacity to use planning and management tools, and given real authority over school management decisions.

(4) **School and student assessment.** Irrespective of the decision to decentralize education or become a federal state, it would be advisable for Yemen to establish school assessments and use the results of assessments of school and student performance to improve the pedagogical, operational and management practices at the school level.

(5) **School accountability.** At a minimum, Yemen should implement simple accountability mechanisms, such as school report cards and the publication of assessment results on the school premises in ways that parents and society can clearly understand.

Table 7.2 shows some practical recommendations that implement the lessons learned in school-based management. These recommendations are a short list of a larger set of recommendations outlined in chapter 6.

<table>
<thead>
<tr>
<th>Policy Domain</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget autonomy</td>
<td>• Define clear rules on transfer of funds directly to schools and begin to use the per capita financing formula.</td>
</tr>
<tr>
<td></td>
<td>• Implement transfers starting in the regions with better technical capacity to gain experience, but set a schedule to phase in across all regions.</td>
</tr>
<tr>
<td></td>
<td>• Enforce existing auditing requirements.</td>
</tr>
</tbody>
</table>
### Policy Domain: Personnel Autonomy

- Allow districts and schools to select their own teachers and decentralize hiring and firing decisions.
- Bring evaluations of education personnel closer to their immediate supervisors and establish clear, uniform criteria for evaluation.

### Policy Domain: Community Participation

- Provide technical assistance to build capacity of school committees, including basic school management, oversight, and understanding assessment results.
- Give school committees in remote areas direct transfer of funds and managerial responsibilities to cope with conflict and post-conflict situations.
- Simplify existing detailed guidelines and manuals for developing school improvement plans and monitoring and reporting. Simplify the school improvement plan approval process enabling timely release of funds.

### Policy Domain: Assessment

- Develop a policy and guidelines for annual school assessment, for example school self-evaluation.
- Disseminate results of school assessment to the school system and the public.
- Analyze student assessment at an aggregated level and share performance results with districts, schools, and the public.
- Develop school-level manuals for using assessment results to improve classroom practice.

### Policy Domain: Accountability

- Develop a simple communication tool that explains school and student performance results.
- Establish clear guidelines on how to use results to make improvements at the school level.
- Enforce existing financial management and operational policies on reporting compliance and oversight of regional, district and school levels.

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### 7-3 Education in Conflict and Post-conflict Situations

#### 7.33

**Education within a conflict or post-conflict environment creates opportunities for promoting peace, building social cohesion, and strengthening the role of education in social development.** The first impulse of MOE staff in countries in conflict or post-conflict situations is to focus on the rehabilitation of damaged education infrastructure, the provision of educational materials, and the reestablishment of education services to resume functions as soon as possible. However, this concern often fails to take advantage of the contributions that education can bring to peace, stability, and social cohesion. This section introduces different ways in which Yemen can use education as a vehicle for promoting peace and social cohesion at the school level, with upward positive effects that benefit the wider community and higher levels of government. These additions to education policy will most likely be components of any concerted efforts by international organizations during the conflict and post-conflict phases in Yemen, and should be considered as part of the negotiations among the opposing factions in the dialogue phase.

#### 7.34

**Setting flexible education goals in a conflict or post-conflict situation is essentially a political process that requires the building of a consensus among the representatives of all factions in the conflict.** Federalism and decentralization are themselves political decisions aimed at redistributing power. Therefore, the reconfiguration of education policies to fit a federal and/or decentralized framework is also a political decision, and the inclusion of all political stakeholders in the decision.
process is crucial to give education policies political legitimacy and sustainability. The experiences of Colombia, Ethiopia, Lebanon and Rwanda, among others, show that including all the fighting factions in the process of setting education goals and education policies was crucial for resuming education services in ways that promoted peace and stability. An inclusive dialogue around education should address the expectations of participants about the timetable for the achievement of education goals, and the sequencing of education policies. To manage these expectations requires that the dialogue be evidence-based, and that the assigning of responsibilities at different levels of government be made on the basis of regional and local readiness.

7.35. **As in peacetime, education planning and financing during times of conflict should be guided by equity in education access and quality.** In a situation of conflict or post-conflict, some compensatory measures for marginalized regions or demographic groups may be needed to bring them up to par. A number of issues may need to be addressed in education planning and financing under such conditions, such as:

- The formation of working groups with representatives of each of the factions in the conflict to develop an informed consensus about the issues that need to be resolved in education.
- The assigning of funding priorities for school infrastructure in geographical areas directly affected by the conflict.
- The assigning of rapid response teams in charge of coordinating education delivery with humanitarian efforts by donors.
- The allocation of human and financial resources to activities that foster community reconciliation, such as sports and recreational activities.
- The implementation of school security measures that make students feel safe and more willing to attend classes and stay in school.
- The inclusion of resources for intensive training of school committees and stakeholders at the district and school levels on school governance and conflict resolution.

7.36. **In addressing issues of equity, clear and mutually exclusive roles across all levels of government for the management and delivery of education are crucial.** For decentralization to be effective, the roles and responsibilities for education management should be very clear, since they are the benchmarks against which stakeholders can evaluate the results of education delivery. This is especially true in the area of education equity, where each of the regions in conflict needs to ensure that their children will have the same opportunities as the children of the other regions. An illustrative example comes from Afghanistan and is shown in box 7.3. Once the roles and responsibilities are clear, then schools and the regional education authorities can make the operational adjustments needed to deal with several important issues that arise in conflict or post-conflict situations, including:

- The reform of the curriculum to foster reconciliation, social development, and peace.
- The coordination of education activities with humanitarian activities, such as feeding programs, emergency shelter, refugee management and infrastructure management.
- The inclusion of psychosocial support in school activities and management.
- Coordination with agencies implementing peace-building activities.
- The inclusion outreach activities to parents and community leaders.

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175 Reyes 2013; World Bank 2005; Smith and Vaux 2003
176 Reyes 2013; World Bank 2013c.
• The incorporation of civic education in the curriculum in earlier grades, and the use of sports as a means to enhance harmony among children of opposing factions within the school’s area of influence.

The inclusion of peace-building approaches in education has been used with success in several countries during their post-conflict phase, including: Schools Zones of Peace in Nepal, Social Cohesion School Plans in Colombia, Education for ex-Combatants in Sierra Leone, and Education for Internally Displaced Populations in Lebanon.¹⁷⁷

7.37. Monitoring and evaluation starts at the school level. Monitoring and evaluation should be thought of as the constant flow of information across all levels of the education system, from schools to the central MOE, and from the central MOE to the school. Monitoring education in conflict and post-conflict conditions is an especially sensitive issue because every faction in the conflict wants to know how they are faring under new management. Based on the experiences of other countries, education authorities should pay attention to the incorporation of monitoring activities at the school level to identify the different bottlenecks that impede progress in the provision of education to refugee and internally displaced children, to children with disabilities and special psychosocial needs, to children who were out of school, and to children who may need to be attended lest they drop out. To that end, the efforts in Jordan and Palestine on the utilization of school-based methods for monitoring and action are worth studying.¹⁷⁸

7.38. The school is the frontline institution that can check on the effects of the conflict on students, where many of them may be suffering from post-traumatic stress disorders and where there is likely to be an inflow of refugee and internally displaced children. Hence, education authorities should assist school principals in the process of adjustment, where the school may become a hub for coordinating humanitarian and assistance activities, such as school nutrition programs, psychosocial assistance programs, and community development. To address these issues, the education sector in conflict and post-conflict areas have to make adjustments in policy, planning, management, and monitoring activities. Such adjustments may include the adoption of school-based management practices that would enhance the participation of parents in school management, the training of teachers in the detection of stress and trauma among students, the continuous monitoring of the school catchment area to identify out-of-school students, and the inclusion of non-academic staff that can help children with psychosocial support, nutrition and refugee assistance.¹⁷⁹

¹⁷⁷ Reyes 2013; CfBT 2012; Novelli and Smith 2011; INEE 2004.
¹⁷⁸ UNICEF MENARO 2015.
Box 7.3. Decentralizing of Education in a Situation of Conflict—Lessons from Afghanistan

In Afghanistan, the Ministry of Education (MOE) has delegated substantial management responsibilities to the provincial level, including financial and human resource management. The country has 35 subnational entities (34 provinces and Kabul) with 423 districts, and each province has multiple entities dealing with public education service delivery, such as the Provincial Council, the Provincial Governor’s Office, the Provincial Education Directorate (PED), the Provincial Treasury, and the Provincial Civil Service Committee. Public education is directly provided by the government, unlike other sectors in Afghanistan where NGOs and private parties provide services under contract. Public education employs more than 200,000 teachers and administrative personnel, all of which are civil servants. Since 2008, Afghanistan has experienced the following key challenges:

- **A duplication of roles across the central and subnational entities, resulting in low efficiency and poor accountability.** While guidelines are in place to define management mechanisms, they assign powers to both the central ministry and the provincial governors. Interviews with a sample of PED directors found that half perceived that they were answerable to the central MOE and the other half responded that it was their provincial governor. As a result, the MOE appears to lack management control of the PEDs, and therefore has limited ability to enforce its policies and standards, resulting in fragmented outcomes in the quality of service delivery. Having dual lines of authority (ministerial and provincial) is problematic, particularly when the two do not communicate closely.

- **Little control of PED’s over the allocation of financial resources to schools.** Provincial governors, who are appointed by the President, use their discretionary powers to control their education budget, while the MOE keeps control over its own budget, leaving PEDs with few resources to manage autonomously. PEDs are under constant pressure to respond to requests from Governors and the MOE but have no resources to respond effectively. A funding formula exists for the overall financing allocation from the center to the provinces, but is often ignored, resulting in little transparency in the resource allocation decisions.

This situation is partly due to a previous political decision that allowed a dysfunctional management of education in order to engage in political patronage to keep the peace among opposing factions. In light of such challenges, the government has started to invest in empowering parents’ councils and promoting school-community engagement and school-based management in order to foster school improvement. By tapping into existing community-based assets, Afghanistan hopes to improve provincial-level decentralization, leading to better education service delivery. This would entail the development of an improved governance framework equipped with systematic capacity building support and communication and reporting mechanisms.

Afghanistan’s experience suggests that:

1. Decentralization of administrative roles alone will not bring efficiency gains; rather, it could result in the duplication of roles, enforcing weak accountability of subnational institutions. Namely, it could result in more institutional bureaucracies and less accountability. Therefore, clear and mutually exclusive roles and responsibilities at all levels are paramount for the proper functioning of decentralization.

2. Decentralization within a complex political scenario can take a long time to be implemented adequately; hence, the next level of decentralization (to districts) needs to be thoroughly assessed before implementing.

3. Systematic and well-designed capacity building efforts are key to ensuring that subnational education bodies can successfully undertake their roles, and regular evaluation of activities need to be built into the implementation design.

4. When properly optimized, schools and communities can provide a strong base to help children affected by conflict to restore hope and build resilience.

*Source: Altai Consulting (forthcoming 2015).*
7-4 The Way Forward

7.39. The deep political transition in Yemen provides an opportunity for implementing important reforms in education policy, management and service delivery. The fact that the social and economic interests of different groups are at the root of the current conflict indicates that upcoming policy changes in education will most likely need to address issues of access, quality and equity in education across regions. Taking into account the experiences identified in the case studies and those of other countries, there are some important implications for the way forward for Yemen, summarized in this section, and which can serve as a checklist for policy reform under federalism.

(1) The main ideas about the decentralization of education under a federal system should be defined through dialogue among the main stakeholders, and should lead to the drafting of the decentralization agreements. This is a step that requires an initial effort from the head of state to engage a high-level policy dialogue among education stakeholders representing different constituencies at the national and regional levels to define the main ideas around the responsibilities of the federal and regional government. The purpose of this dialogue would be to give the MOE the political backing that it needs before implementing a politically sensitive decision, and to show that there is a consensus on the need to improve educational performance by devolving some functions to lower levels of government where reactions to needs can be swifter and more efficient.

(2) The MOE should follow up and lead the design and planning of education decentralization in direct collaboration with representatives of the regional governments, the Ministry of Finance and other line ministries. The focus of this dialogue would be on clear agreements about complementary roles and responsibilities, and a timetable for implementation. This is perhaps the most important step for implementing the decentralization of education, as it requires the clear but careful alignment of the federal goals with the goals of regional governments. Decisions need to be made based on clearly defined priorities, and on evidence of the capacity of institutions at the different levels to undertake their new roles. The details of the agreements should be based on criteria for mutual trust and shared accountability.

(3) The MOE should implement school-based management to improve education service delivery and enable better learning outcomes in a post-conflict environment. School-based management has proven to be an excellent tool for reinforcing the social contract between parents and the school, as well as a tool for improving the efficiency of financial resources and for supporting the short route to accountability. It has also been shown to help improve the scope and quality of education service delivery. Yemen already has in place a pilot project that has successfully applied policies for budget planning and management, for the management of teachers and school staff, and for the participation of parents in school management. Now it needs to strengthen and scale up this effort using the evidence-based principles for effective SBM coming from the SABER SAA analysis and by drawing on good practices from other countries.

(4) School level activities should also include components directly related to peace building and resilience. Conflict areas rely on schools as hubs for coordinating humanitarian efforts, to attend to displaced children, and be common grounds for social cohesion. The MOE should be proactive in making modifications to the curriculum, to enabling school-level management, teacher and parent training, and school-level monitoring to benefit the community and Yemen at large in the pursuit of peace and stability.
(5) The strengths and weaknesses of the Yemeni education system should be carefully assessed by the MOE for the purposes of determining capacity levels and assigning roles and targeting capacity building efforts accordingly. This assessment should review the existing management of education at regional, district, and school levels to determine their capacity for delivering education, and their potential for receiving more managerial authority in technical tasks above the school level, such as selecting teachers and principals, managing districts, and producing higher enrollment and better learning outcomes. Such assessment should be part of the current exercise of developing the Yemen Integrated Education Vision. It is also important to operationalize EMIS, as the software and tools under Yemen's EMIS is quite comprehensive and, once implemented thoroughly at the school level, it can generate a lot of useful data and indicators to inform further policy making on decentralization and SBM.

(6) The MOE should develop an implementation plan for the transition of education under federalism that is simple, clear and realistic. This includes: defining a timeline with clear roles and responsibilities for central, regional and district offices; defining the sources of revenues at the central, regional, and local levels; and apportioning expenditures accordingly to avoid unfunded mandates. The implementation plan should include a solid mechanism for monitoring and evaluation to ensure regular data collection. Based on such data, further decisions can be made on how to improve the first phase of decentralization, the approach that was shown to be effective in the case of Ethiopia.

(7) Build capacity and use the timeline to transfer authority incrementally. The Government of Yemen and the MOE should use the agreed timeline to transfer authority incrementally in order to reduce failure and allow for the build-up of local managerial capacity. It should be ensured that capacity building is a key component of education policy, and that training is aligned with personal incentives to make its results sustainable. In light of the current situation in Yemen, it may be more realistic to take a phased-approach, starting with a series of simple, feasible activities, and then moving on to the more complex ones involving a deepening of decentralization authority. The case of Egypt in piloting large change is of interest in this respect (box 7.3).

Box 7.3. Lessons from Decentralization in Egypt

Egypt has undergone a process of decentralization that appears to be a textbook case of the issues discussed in this report. At the heart of the decentralization efforts are: political will, gradual commitment from stakeholders, detailed manuals and regulations as complements to legislation, constant monitoring and evaluation, and the alignment of education plans with the education budget.

(1) Political motivation
- Response to pressures from the Muslim Brotherhood
- Young progressive professionals at the MOE
- Positive experience from a pilot in Alexandria

(2) Stakeholders receptive, but no political will results in short-term goals and building blocks for the future
- Egypt started with a pilot project in Alexandria, without having to make big changes in the law. From Alexandria it expanded to 7 of 20 governorates.
Planning for education under federalism should be for the long term with recognition of the importance of buy-in from various stakeholders. Education under federalism is not just the approval of a legal framework, but also the implementation of a common goal. The legal framework is just another manifestation of the plan for attaining the common goals. Yemen already has quite strong policies in many areas that are not being implemented, and which are partially based on a lack of information and transparency. Through consultation, information sharing, and awareness raising campaigns to promote consensus building, it is important to widely secure support to ensure the actual implementation of these policies on the ground.

Source: Bernbaum 2011.
APPENDIX A

Understanding Mexico’s Funding Formula

Mexico’s funding formula for allocating federal funds intends to move all states towards a national mean by rewarding those states with large enrollments (relative to total enrollment in the country), and those states that make more effort in contributing to total per student expenditures. In addition, the formula seeks equity by allocating funds on the basis of education quality in each state; however, the index to measure quality is still under development. The funding formula is:

\[ T_{i,t} = T_{i,t-1} + (FAEB_t - FAEB_{t-1})(0.2C_1_{i,t} + 0.5C_2_{i,t} + 0.1C_3_{i,t} + 0.2C_4_{i,t}) \]

\[ C_1_{i,t} = \frac{B_{i,t}}{\sum_i B_{i,t}} \]

\[ C_2_{i,t} = \frac{M_{i,t-1}}{\sum_i M_{i,t-1}} \]

\[ C_3_{i,t} = \frac{(IC_{i,t-1}M_{i,t-1})}{(\sum_i IC_{i,t-1}M_{i,t-1})} \]

\[ C_4_{i,t} = \frac{(G_{i,t-1}/FAEB_{i,t-1})}{(\sum_i (G_{i,t-1}/FAEB_{i,t-1}))} \]

\[ B_{i,t} = ([FAEB_{t-1}/MN_{t-1}] - [T_{i,t-1}/M_{i,t-1}])M_{i,t-1} \]

Where:

- \( T_{i,t} \) is the total allocation of federal funds for state \( i \) in year \( t \). It is the result of adding up the funds allocated in the previous year \( T_{i,t-1} \) plus a new amount estimated on the basis of several additional factors as explained below. The amount \( T_{i,t} \) is also adjusted for inflation.

- \( T_{i,t-1} \) is the total allocation of funds to basic education and teacher colleges in the previous year \( t-1 \).

- \( FAEB_t \) is the total amount in the national budget allocated to basic education and teacher colleges for the current year \( t \). Under normal circumstances this amount should be larger than \( FAEB_{t-1} \), the total amount allocated to basic education and teacher colleges in the national budget in the previous year \( t-1 \). Hence the expression \( (FAEB_t - FAEB_{t-1}) \) is simply the total additional funding allocated over the previous year.

- \( M_{i,t-1} \) is the public enrollment in basic education in state \( i \) in the previous year \( t-1 \).

- \( MN_{t-1} \) is the national public enrollment in basic education in the previous year \( t-1 \).

- \( IC_{i,t} \) is the Index of Educational Quality for State \( i \) in year \( t \). The Ministry of Education is still developing this index. For now they are adding this portion of the formula to the ratio of state to national enrollment \( C2 \). For countries without this index, \( IC \) could be represented by the ratio of the number of extremely poor people to the total number of extremely poor in the nation.

- \( G_{i,t} \) is the total expenditures in basic education by the state, with state funds.
The coefficients allocating the additional amount of FAEB for the year t among the States are estimated as follows:

C1 is the ratio of B for state i in year t, to the total B for all the states in the federation. B_i,t is a complicated number formed by these amounts:

\[ \frac{\text{FAEB}_{i,t}/M_{N,i,t-1}}{\text{Ti},t-1/M_{i,t-1}} \]

is the ratio of the total budget allocated to basic education and teacher colleges for year t-1 to the total public enrollment in basic education and teacher colleges in the country. As such, it estimates the national expenditures per pupil in the previous year.

Hence, the expression \( B_{i,t} = \left( \frac{\text{FAEB}_{i,t}/M_{N,i,t-1}}{\text{Ti},t-1/M_{i,t-1}} \right) M_{i,t-1} \) takes the federal per student allocation for the country in the previous year, subtracts the per student allocation for the State i in the previous year, and the resulting difference (which should be positive) is multiplied by the state i public enrollment M in the previous year. The resulting \( B_{i,t} \) is divided by the total \( \sum B_{i,t} \) yielding a ratio of the state’s per student funding received the previous year, by the total federal funds per student received by all states. The net effect of \( B_{i,t} \) is to move the allocations for each state towards the national mean.

The expression C2 is simply the proportion of total enrollment represented by the enrollment in state i in year t in the previous year. This coefficient smooths out the federal allocation by ensuring that a large portion of the added funds for year t relate to a state’s enrollment. Hence, larger states will get larger shares of the added funds.

C3 depends on the index of education quality IC, which is yet to be defined. The 10 percent of the added funds allocated to this factor is being assigned to C2 for now.

C4 allocates additional funds on the basis of each state’s own effort at funding education with state funds. The expression \( G_{i,t-1}/\text{FAEB}_{i,t-1} \) estimates the size of the state’s own contributions relative to the federal contribution, and the expression \( \sum_i (G_{i,t-1}/\text{FAEB}_{i,t-1}) \) represents the average contribution of all states to the grand total of federal funds. Hence, the ratio of these two expressions rewards states that make an effort to contribute above the mean ratio of state to federal funds.

APPENDIX B

Comparison of Education Functions and Roles Across Federal System Levels in Case Study Countries

<table>
<thead>
<tr>
<th>Level</th>
<th>Policy</th>
<th>Planning and Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Election of leadership</td>
<td>Enactment of laws</td>
</tr>
<tr>
<td>Central</td>
<td>MOE authorities appointed by the President</td>
<td>Legislature enacts laws and MOE creates national operating rules</td>
</tr>
<tr>
<td>State</td>
<td>Governors select state education leaders</td>
<td>States comply with laws and modify federal operating rules</td>
</tr>
<tr>
<td>Municipal</td>
<td>State selects municipal education leaders</td>
<td>Complies with laws and rules</td>
</tr>
<tr>
<td>School</td>
<td>State and municipality select school leaders</td>
<td>Complies with laws and rules</td>
</tr>
</tbody>
</table>
## MEXICO
### Management & Service Delivery

<table>
<thead>
<tr>
<th>Level</th>
<th>HR &amp; fiduciary management (financial &amp; procurement)</th>
<th>Construction &amp; maintenance</th>
<th>Setting educational standards</th>
<th>Curriculum design &amp; teaching methods</th>
<th>Learning materials: production &amp; distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>Executive, MOE and teachers union define national agreements</td>
<td>Defines national standards</td>
<td>MOE sets national standards</td>
<td>MOE sets basic curriculum and school calendar</td>
<td>MOE designs and provides textbooks and basic materials</td>
</tr>
<tr>
<td>State</td>
<td>State adjusts national agreement in collaboration with state teachers union</td>
<td>Adjusts national standards; funds and supervises infrastructure investments</td>
<td>Complies with national standards and adjusts some standards</td>
<td>State can add to national curriculum and school calendar</td>
<td>Distributes textbooks to municipalities and provides additional pedagogical materials</td>
</tr>
<tr>
<td>Municipal</td>
<td>Complies with state agreement</td>
<td>Supports state in building supervision; supervises school maintenance</td>
<td>Complies with state standards</td>
<td>Complies with state regulations</td>
<td>Distributes textbooks and materials to schools</td>
</tr>
<tr>
<td>School</td>
<td>Complies with state agreement</td>
<td>Responsible for ordinary maintenance and small infrastructure</td>
<td>Complies with state standards</td>
<td>Complies with state regulations</td>
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<tr>
<td>Level</td>
<td>Management &amp; Service Delivery (cont.)</td>
<td>Monitoring &amp; Evaluation</td>
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<td></td>
<td>Learning assessments</td>
<td>Teacher recruitment and promotion</td>
<td>Teacher salaries</td>
<td>Monitoring &amp; supervision of service delivery</td>
<td>Evaluation of overall system outcomes &amp; quality</td>
</tr>
<tr>
<td>Central</td>
<td>MOE sets policy on learning assessments and analysis and distribution of results</td>
<td>MOE signs off on labor agreements</td>
<td>Basic policy set in labor agreements between Government and national teachers union</td>
<td>Sets standards. Manages national system of reporting educational performance at state and municipal levels</td>
<td>Sets standards. Manages evaluation of national programs delegated to the state level, analyzes and reports on student performance at all education levels, analyzes and reports on international student assessments</td>
</tr>
<tr>
<td>State</td>
<td>Implements national assessment system</td>
<td>Appoints and deploys principals and teachers</td>
<td>Supplements teacher pay under state agreements</td>
<td>Implements data collection system and feeds into EMIS. Reports data and indicators at state and municipal levels</td>
<td>Analyzes and reports on state-level performance. Evaluates school performance at municipal and school levels</td>
</tr>
<tr>
<td>Municipal</td>
<td>Logistical support to state</td>
<td>Supervises teacher transfers and supports state in teacher policy</td>
<td>Manages payroll or supports state in payroll management</td>
<td>Collects and organizes school-level data for the state</td>
<td>Supports state evaluation of municipal level education</td>
</tr>
<tr>
<td>School</td>
<td>Implements assessments at the school</td>
<td>Evaluates teacher performance and reports to municipal and state levels</td>
<td></td>
<td>Reports school data to municipal, state, and central authorities</td>
<td>Evaluates teacher performance</td>
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<tr>
<td>Level</td>
<td>Policy</td>
<td>Planning and Financing</td>
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<td></td>
<td>Election of leadership</td>
<td>Enactment of laws</td>
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<tr>
<td>Central</td>
<td>Supreme Council (made up of the rulers of each emirate) selects the Minister of Education (for all of UAE except Abu Dhabi)</td>
<td>Cabinet brings draft laws before the Federal National Council—their amendments must be brought to the Supreme Council</td>
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<td></td>
<td></td>
<td>Education goals are developed by the MOE—these apply to all of the UAE except Abu Dhabi. For Abu Dhabi, education goals are developed by ADEC.</td>
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<td></td>
<td>The MOE (for all of UAE except Abu Dhabi) and ADEC (for Abu Dhabi) plan education programs</td>
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<td></td>
<td></td>
<td>MOE assigns budget. Federal revenues come from the emirates, but there are no guidelines for the contribution of each. Abu Dhabi provides the bulk of the central budget.</td>
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<tr>
<td>Emirate</td>
<td>Each emirate has a monarch. Some emirates have their own Executive Councils and departments that reflect the federal government</td>
<td>Laws are enacted in areas not covered by federal law, as outlined by the constitution</td>
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<td></td>
<td></td>
<td>Implements federal goals</td>
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<td>Education Councils have local initiatives, where they do not conflict with federal-level initiatives</td>
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<td></td>
<td></td>
<td>The constitution allows for wealth and natural resources to remain in the emirates, but they can allocate additional funds to education within their area.</td>
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<tr>
<td>Educational Zone</td>
<td>The MOE (or ADEC) appoints the Educational Zone leaders</td>
<td>Complies with laws</td>
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<tr>
<td>School</td>
<td>The MOE (or ADEC) appoints school leaders</td>
<td>Complies with laws</td>
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<td></td>
<td></td>
<td>Schools decide how to use a small budget (within some guidelines).</td>
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<tr>
<td>Level</td>
<td>Management &amp; Service Delivery</td>
<td>Setting educational standards</td>
<td>Curriculum design &amp; teaching methods</td>
<td>Learning materials: production &amp; distribution</td>
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<tr>
<td>Central</td>
<td>MOE regulates teaching profession, hires, deploys, and fires teachers, except in Abu Dhabi, where ADEC manages teachers.</td>
<td>MOE and ADEC (for Abu Dhabi) plans and allocates funding to infrastructure, supervises construction of all schools</td>
<td>MOE and ADEC (for Abu Dhabi) sets goals and standards for the sector, and sets and monitors performance standards</td>
<td>MOE prepares and oversees the curriculum</td>
<td>Centrally provided to the zones for distribution to the schools</td>
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<tr>
<td>State</td>
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<tr>
<td>Zone</td>
<td>Supports MOE or ADEC teacher management</td>
<td>Supports MOE or ADEC infrastructure building and maintenance</td>
<td>Implements MOE/ADEC goals and standards</td>
<td></td>
<td>Distributes textbooks and materials to the schools</td>
</tr>
<tr>
<td>School</td>
<td></td>
<td></td>
<td>Implements MOE/ADEC goals and standards</td>
<td>Implements curriculum</td>
<td></td>
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<tr>
<td>Level</td>
<td>UNITED ARAB EMIRATES</td>
<td>Monitoring &amp; Evaluation</td>
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<td></td>
<td>Management &amp; Service Delivery (cont.)</td>
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<tr>
<td></td>
<td>Learning assessments</td>
<td>Teacher recruitment and promotion</td>
<td>Teacher salaries</td>
<td>Monitoring &amp; supervision of service delivery</td>
<td>Evaluation of overall system outcomes &amp; quality</td>
</tr>
<tr>
<td>Central</td>
<td>MOE and ADEC (for Abu Dhabi) administer 12th grade exit test and learning assessments for grades 3, 5, 7, and 9. They also coordinate participation in international assessments.</td>
<td>MOE recruits and deploys teachers, (ADEC in Abu Dhabi).</td>
<td>Teacher salaries are set by the MOE (for teachers outside of Abu Dhabi) and ADEC (for teachers in Abu Dhabi). Salaries are paid directly from the center to teachers.</td>
<td>MOE and ADEC (for Abu Dhabi) monitor and supervise teacher performance in collaboration with staff at the education zones</td>
<td>System performance is monitored and evaluated by MOE with assistance from education zones</td>
</tr>
<tr>
<td>Emirate</td>
<td>Supports MOE or ADEC management in the administration of assessments</td>
<td>Supports MOE or ADEC management in teacher supervision</td>
<td>Supervises teacher performance</td>
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<td>School</td>
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<td>Level</td>
<td>Policy</td>
<td>Planning and Financing</td>
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<tr>
<td></td>
<td>Election of leadership</td>
<td>MOE Minister appointed by the Prime Minister</td>
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<tr>
<td>Central</td>
<td>Enactment of laws</td>
<td>Legislature enacts education laws prepared in collaboration with MOE</td>
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<td></td>
<td>Development of education goals</td>
<td>MOE and the Executive set education goals that feed into legislation</td>
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<tr>
<td></td>
<td>Education plans &amp; program design</td>
<td>MOE develops <em>Education Master Plan</em> updated in the <em>Blueprint 2013-2015</em> plan</td>
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<tr>
<td></td>
<td>Fiscal resources: raising &amp; budgeting</td>
<td>School funding is done directly by the MOE using a complicated per capita formula with many earmarks tied to school subjects, school operations, poverty, and other variables.</td>
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<tr>
<td>State</td>
<td></td>
<td>Implement laws</td>
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<td></td>
<td></td>
<td>Implement state-level goals</td>
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<td></td>
<td></td>
<td>Implements state-level master plan</td>
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<tr>
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<td>Bypassed by the central MOE</td>
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<tr>
<td>District</td>
<td></td>
<td>Implement laws</td>
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<td></td>
<td>Implement district-level goals</td>
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<tr>
<td></td>
<td></td>
<td>Implements district-level master plan</td>
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<td>Local governments manage a small portion of the budget—pension and benefits, and some ad hoc funding for sports and school resources</td>
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<tr>
<td>School</td>
<td></td>
<td>Abide by laws</td>
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<tr>
<td></td>
<td></td>
<td>Implement school-level goals</td>
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<tr>
<td></td>
<td></td>
<td>Implements school-level master plan</td>
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</tr>
<tr>
<td>Level</td>
<td>HR &amp; fiduciary management (financial &amp; procurement)</td>
<td>Construction &amp; maintenance</td>
<td>Setting educational standards</td>
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</tr>
<tr>
<td>Central</td>
<td>Salary and most non-salary expenses are managed by the MOE.</td>
<td>MOE assigns priorities and financial resources, and executes construction</td>
<td>MOE sets all national standards</td>
<td>MOE develops the national curriculum. In transition to new system with more participation by states and districts in coordination, training, and supervision</td>
<td>MOE designs, produces, and distributes all learning materials to schools with the support of state and district offices</td>
</tr>
<tr>
<td>State</td>
<td>Bypassed by the MOE</td>
<td>Bypassed by MOE</td>
<td>Provides inputs to MOE</td>
<td>Participates in the development process. Will coordinate implementation.</td>
<td>Supports MOE in distribution of materials to schools</td>
</tr>
<tr>
<td>District</td>
<td>Bypassed by the MOE</td>
<td>Manages school maintenance</td>
<td>Provides inputs to MOE</td>
<td>Participates in the development process. Will coordinate training and supervision.</td>
<td>Supports MOE in distribution of materials to schools</td>
</tr>
<tr>
<td>School</td>
<td>Schools manage only petty cash.</td>
<td></td>
<td>Collaborates with MOE</td>
<td>Participates in the development process</td>
<td></td>
</tr>
<tr>
<td>Level</td>
<td>Management &amp; Service Delivery (cont.)</td>
<td>Monitoring &amp; Evaluation</td>
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<tr>
<td></td>
<td>Learning assessments</td>
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</tr>
<tr>
<td>Central</td>
<td>MOE in charge of the assessment system—national examinations, international assessments, and school-based assessments.</td>
<td>MOE sets policy for monitoring and supervision. By 2016 reforms will delegate monitoring and supervision responsibilities to states and districts.</td>
<td></td>
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</tr>
<tr>
<td>State</td>
<td>Supports MOE in implementation of assessments</td>
<td>By 2016, monitoring and supervision responsibilities will be at the state and district levels</td>
<td></td>
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</tr>
<tr>
<td>District</td>
<td>Supports MOE in implementation of assessments</td>
<td>Support states in policy implementation</td>
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</tr>
<tr>
<td>School</td>
<td>Supports MOE in implementation of assessments</td>
<td>Implements school-based student assessment and reports results to MOE</td>
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<tr>
<td></td>
<td>Teacher recruitment and promotion</td>
<td></td>
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</tr>
<tr>
<td>Central</td>
<td>MOE recruits and deploys teachers. Upcoming reforms will assign recruitment and deployment to states and districts.</td>
<td>MOE sets policy for monitoring and supervision. By 2016 reforms will delegate monitoring and supervision responsibilities to states and districts.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>State</td>
<td>Upcoming reforms will assign recruitment and deployment to states and districts.</td>
<td>Implement MOE policy</td>
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</tr>
<tr>
<td>District</td>
<td>Upcoming reforms will assign recruitment and deployment to states and districts.</td>
<td>Implement MOE policy</td>
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<tr>
<td>School</td>
<td>Principals will evaluate teacher performance in 2016 under pay for performance policy</td>
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<tr>
<td></td>
<td>Teacher salaries</td>
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</tr>
<tr>
<td>Central</td>
<td>MOE regulates the teaching profession. Upcoming reforms will recruit among top 30% of graduates. Salaries are competitive and set by MOE. Pay for performance begins in 2016</td>
<td>MOE sets policy for monitoring and supervision. By 2016 reforms will delegate monitoring and supervision responsibilities to states and districts</td>
<td></td>
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</tr>
<tr>
<td>State</td>
<td>Implement MOE policy</td>
<td></td>
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</tr>
<tr>
<td>District</td>
<td>Implement MOE policy</td>
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<tr>
<td>School</td>
<td>Principals will evaluate teacher performance in 2016 under pay for performance policy</td>
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<tr>
<td></td>
<td>Monitoring &amp; supervision of service delivery</td>
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</tr>
<tr>
<td>Central</td>
<td>MOE sets policy for monitoring and supervision. By 2016 reforms will delegate monitoring and supervision responsibilities to states and districts.</td>
<td>MOE sets policy for all assessments</td>
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<tr>
<td>State</td>
<td>Implements assessment policy for national tests and international assessments</td>
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</tr>
<tr>
<td>District</td>
<td>Implements assessment policy for national tests and international assessments</td>
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<tr>
<td>School</td>
<td>Implements school-based student assessment and reports results to MOE</td>
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</tbody>
</table>
## Education in Federal States: Lessons from Selected Countries

### ETHIOPIA

<table>
<thead>
<tr>
<th>Level</th>
<th>Policy</th>
<th>Planning and Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Election of leadership</td>
<td>Enactment of laws</td>
</tr>
<tr>
<td></td>
<td>MOE Minister appointed by the President</td>
<td>Legislature enacts education laws</td>
</tr>
<tr>
<td><strong>Region</strong></td>
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<tr>
<td></td>
<td>Regional education bureau staff appointed by Regional authorities</td>
<td>Region enacts regional rules for curriculum and textbooks, and implements national laws</td>
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<tr>
<td><strong>Woreda</strong></td>
<td></td>
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<tr>
<td></td>
<td><strong>Woreda</strong> staff appointed by <strong>woreda</strong> authorities</td>
<td>Implement national and regional laws</td>
</tr>
<tr>
<td><strong>School</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Headteachers appointed by <strong>woreda</strong> education offices.</td>
<td>Abide by laws</td>
</tr>
</tbody>
</table>
## ETHIOPIA

### Management & Service Delivery

<table>
<thead>
<tr>
<th>Level</th>
<th>HR &amp; fiduciary management (financial &amp; procurement)</th>
<th>Construction &amp; maintenance</th>
<th>Setting educational standards</th>
<th>Curriculum design &amp; teaching methods</th>
<th>Learning materials: production &amp; distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Central</strong></td>
<td>Sets standards for civil service and teachers</td>
<td>Sets minimum standards for learning and teachers</td>
<td>Sets national standards for learning and teachers</td>
<td>No curriculum design; tech and professional support on teaching methods to regions</td>
<td>Sets standards for learning materials</td>
</tr>
<tr>
<td><strong>Region</strong></td>
<td>Overall supervision of payroll and personnel benefits. Payroll driven by pupil-teacher ratios.</td>
<td>School construction managed by Woreda education offices</td>
<td>Develops regional curriculum</td>
<td>Regions in charge of curriculum design. Tech support on teaching methods to Woredas</td>
<td>Prints and distributes textbooks</td>
</tr>
<tr>
<td><strong>Woreda</strong></td>
<td>Hiring and firing of teachers; payroll management</td>
<td>Support to supervision of new infrastructure; in charge of school maintenance</td>
<td>Implements standards</td>
<td>Implement curriculum and teaching methods</td>
<td>Prints and distributes textbooks</td>
</tr>
<tr>
<td><strong>School</strong></td>
<td>Supervision and management of teachers</td>
<td>Minor school maintenance</td>
<td>Implements standards</td>
<td>Implement curriculum and teaching methods</td>
<td>Distributes textbooks among students</td>
</tr>
<tr>
<td>Level</td>
<td>Management &amp; Service Delivery (cont.)</td>
<td>Monitoring &amp; Evaluation</td>
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<td></td>
<td>Learning assessments</td>
<td>Teacher recruitment and promotion</td>
<td>Teacher salaries</td>
<td>Monitoring &amp; supervision of service delivery</td>
<td>Evaluation of overall system outcomes &amp; quality</td>
</tr>
<tr>
<td>Central</td>
<td>Sets standards for exams and for certification</td>
<td>Sets standards for all personnel; standards are listed in the <em>Blue Book</em></td>
<td>Salary rules and salary levels set in the <em>Blue Book</em></td>
<td>Overall system supervision</td>
<td>Monitors learning outcomes and regional performance</td>
</tr>
<tr>
<td>Region</td>
<td>Implements testing process</td>
<td>Select and promote teachers under <em>Blue Book</em> standards</td>
<td>Supervises compliance of <em>Blue Book</em> standards by <em>woredas</em>. Payroll management for secondary schools.</td>
<td>Supervision of performance in <em>woredas</em></td>
<td>Manages evaluation indicators at <em>woreda</em> level</td>
</tr>
<tr>
<td>Woreda</td>
<td>Administers testing</td>
<td>Select and promote teachers under <em>Blue Book</em> standards</td>
<td>Implements standards for salaries, hiring and promotion. Payroll management for primary schools.</td>
<td>Supervision of schools and teachers performance</td>
<td>Manages evaluation indicators at school level</td>
</tr>
<tr>
<td>School</td>
<td>Supports testing process</td>
<td>Supervises teachers and gives input on performance and promotion to <em>woredas</em></td>
<td>Manages teachers</td>
<td>School supervises teacher performance</td>
<td>Sends data to <em>woreda</em> for performance indicators for the school</td>
</tr>
</tbody>
</table>
REFERENCES


Kunieda, Nobuhiro. October 30, 2013. "Our school has improved - Towards the improvement of pupil' performance through well-functioning and capable school management committees" Presentation to World Bank on School Environment Improvement Project, Phase 2. Senegal and Niger. JICA.


