

# THE USE AND USEFULNESS OF SCHOOL GRANTS: Lessons from **KENYA**

Mukirae Njihia and John Kiruru Nderitu  
in collaboration with  
Lawrence Barasa and Charles Khayira



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## List of abbreviations

<b>AEO</b>	area education officer
<b>ASAL</b>	arid and semi-arid land
<b>CAHA</b>	children affected by HIV and AIDS
<b>CDF</b>	Constituency Development Fund
<b>DEO</b>	district education office(r)
<b>DQASO</b>	district quality assurance and standards officer
<b>DSA</b>	district schools auditor
<b>ECDE</b>	early childhood development education
<b>EFT</b>	electronic funds transfer
<b>ESP</b>	Economic Stimulus Programme
<b>FPE</b>	free primary education
<b>GoK</b>	Government of Kenya
<b>GPA</b>	general purpose account
<b>KANU</b>	Kenya African National Union
<b>KCPE</b>	Kenya Certificate of Primary Education
<b>KES</b>	Kenya shilling
<b>KRT</b>	Key Resource Teacher
<b>MDG</b>	Millennium Development Goal
<b>MoE</b>	Ministry of Education
<b>MoF</b>	Ministry of Finance
<b>NARC</b>	National Rainbow Coalition
<b>OPEC</b>	Organization of the Petroleum Exporting Countries
<b>OVC</b>	orphans and vulnerable children
<b>SIG</b>	School Infrastructure Grant
<b>SIMBA</b>	School Instructional Materials Account
<b>SIMSC</b>	School Instructional Materials Selection Committee
<b>SMC</b>	school management committee
<b>TAC</b>	Teachers Advisory Centre

## Executive summary

This study is part of a regional research programme which included field research in four other Eastern and Southern African countries: Ethiopia, Lesotho, Malawi and Uganda. This programme was organized by IIEP-UNESCO between 2010 and 2012, in collaboration with UNICEF and the Centre for Education Policy Development (CEPD).

Researchers interviewed school principals, teachers, members of parent committees, parents, pupils as well as actors from District Education Offices to learn about the design and implementation of school grants in Kenya and investigate their impact on enrolment in schools, as well as on the general quality and equity of school life. In total 277 interviews were conducted. The researchers also collected and analysed quantitative data from school auditing reports of 150 schools across the country.

Introduced following a campaign promise of President Kibaki, the implementation of free primary education (FPE) in Kenya, reported to be quite chaotic at first, included two school grant policies: the School Instructional Materials Account grant (SIMBA) and the General Purpose Account grant (GPA). Whereas SIMBA covered school materials such as exercise books and pencils, GPA covered wages and transport.

Irregular and late disbursement was a major problem in all the schools visited and the researchers consequently recommended greater government planning of the transfers of these funds.

It became clear that there was little autonomy on the spending of the funds. The study established that all grants were accompanied by a circular from the Ministry of Education (MoE) – the FPE Grant Circular – which showed the breakdown of spending per vote head. It was learned that some schools did not prepare a plan for expenditure of the grant, as they simply followed these prescribed budget lines. Although many actors said that they appreciated the guidance the circular brought, easing pressure on decision-making at the school level and avoiding lengthy debates, a degree of frustration was expressed by several actors on the resulting lack of flexibility. Some, for instance, regarded the complicated process of seeking approval for transfers of unused funds to other budget lines as too restrictive.

The school grants' structure had to some extent promoted participatory decision-making in schools, as parents and teachers were members of committees involved in determining the use of the grant. However, owing to the lack of autonomy in the use of funding, the decision-making capacity of these committees was weak. As a result, the role of parents in the use of grants appeared to be mainly limited to the oversight of the logistics of certain expenditures: ordering the materials, confirming the material was received and ensuring it was fairly distributed between classes.

The grant had led to greater availability of teaching and learning resources. Data from 2009 revealed that exercise books were the leading expense, followed by repair and maintenance costs, staff wages and then textbooks. The data collected showed that the expenditure of schools tallied largely with the indications of the circulars, with a degree of under-spending on some of the vote heads and over-spending on others.

Related to this expenditure, many school level actors complained that they lacked training and admitted that they found balancing schools' accounts difficult. It was established that timely capacity development programmes on accounting and fund management would be welcomed by these actors.

A simple per-pupil allocation – KES (Kenya shilling) 1,020 or \$12 – was used to allocate the funds and opinion on the appropriateness of this formula was divided. Though



stakeholders commenting that introducing additional considerations into criteria would bring complications and possibly manipulation, it was established that this criterion could be inappropriate. While it could be seen as adequate for the vote head on textbooks and exercise books under the SIMBA grant, it might not be so for several of the vote heads of the GPA grant, such as wages, local transport and travelling. The researchers therefore recommended that the MoE consider revising the GPA allocation criteria to reflect the needs of each school better.

The study established that the schools' purchasing power had eroded over time. Based on the data from 150 schools, the grant amount shrank between 2003 and 2010, representing an underfunding of almost 40% by 2010. This decrease was quite consistent across schools. There was a widespread feeling that the government should increase the school grant to revert to its initial size, or at least relative to current market prices of goods and services. However, the stakeholders were often not prepared to make the MoE accountable for the diminishing allocation, appearing to sense that if they antagonized the government by asking questions about the grant, the privilege could be withdrawn.

The study uncovered that household contributions still represented an important share of many school budgets in Kenya. Their contributions were used to employ extra teachers, to improve school infrastructure and to cover examination fees or extra tuition. The sizes of these contributions were very variable between schools. Under the FPE policy, schools can only levy extra charges with the express authority of the district education officer (DEO), but researchers learned of cases where charges were being levied as local arrangements without the sanction of the MoE. The researchers noted that these charges presented a risk of discrimination for pupils who were unable to pay – for example, being unable to pay for extra tuition when this is attended by all other pupils.

In contrast, a common observation made by several school-level actors, including parents, was that the parents expected the government to shoulder the entire burden of FPE on their behalf. It was felt by school actors that FPE led parents to withdraw even their non-financial support from the school, on discipline issues for example. The researchers were of the opinion that awareness campaigns to sensitize parents on their expected role in the development of school could help reverse this trend.

Finally, the researchers found that the monitoring processes of the use of the grant require more government support in order to become effective. Monitoring was in part carried out by parents, but their level of input often depended on the management style of the school principal. External monitoring was carried out by the DEO, but it was hampered by inadequate personnel and lack of finances.

The general picture emerging from the research was that, notwithstanding certain challenges, the specific grants which were studied were highly appreciated by all actors and were believed to have had a positive overall impact on the schools. They had led to increased access to education, a greater availability of instructional materials, especially textbooks, and had promoted participatory decision-making in schools. Although in some schools parents were found to be less involved as a result of FPE, in others, in contrast, there was more contact between teachers and the community as parents no longer dreaded having to pay fees and were thus more inclined to attend school meetings.

# Introduction

## Why study school grants?

In a growing number of countries, a significant reform in educational management is under way: schools which in earlier years had very little or no say in their own financial management now receive grants directly from central authorities. While this trend is not new in OECD countries, it has an almost revolutionary character in many developing countries, because it breaks a tradition of centralized decision-making and control over financial resources.

These school grant policies were generally introduced to accompany fee-free education: grants were expected to make up for the loss of income due to the abolition of school fees. In addition, it was assumed that such grants will have at least four advantages:

1. There will be less bureaucracy than when schools have to wait for materials or funds from higher administrative levels.
2. Spending that is decided by the school actors, should be more relevant than when decisions are made by actors who are far from the school and less in touch with its needs or priorities.
3. Direct transfers to schools means that all funds arrive at the school level without any 'loss' to the different administrative levels (region, district).
4. Grants could also have a positive impact on equity if higher amounts are given to disadvantaged schools, for instance those located in poor and remote areas and those characterized by high numbers of orphans and by gender disparities.

In other words, school grants are expected to make a positive contribution to access, quality and equity. However, there can be a great distance between a policy and its implementation and the simple existence of school grants in no way guarantees that these improvements will be realized. So far, there has been little research on the way in which school grants are actually used within and by the schools. As commented by Buckland,

Many studies of school grants programs and school-based management interventions are based on analysis of program documents which describe the way in which initiatives were designed, and do not document sufficiently the extent to which and in what ways strategies were actually implemented on the ground, so that success or failure may often be more a function of failures or weaknesses in implementation rather than technical design (Buckland, 2011: 3).

## A research programme in Eastern and Southern Africa

The UNESCO International Institute for Educational Planning (IIEP) and UNICEF coordinated a research programme in Eastern and Southern Africa from 2010 to 2012, in order to understand better how the school grants policy is implemented in and by different schools, and to learn what its real contribution is to the grand policy objectives it is intended to serve. These findings contribute to define strategies that could feed into the design and accompany the implementation of school grants, so that they make a stronger contribution to these objectives.

After a pilot study in Lesotho from October to December 2010, the research was conducted in 2011–2012 as part of a regional research programme, including four other countries from Eastern and Southern Africa (Ethiopia, Kenya, Malawi, Uganda). The research was coordinated by IIEP in partnership with the UNICEF Eastern and Southern African Regional

Office (ESARO) and national offices; ministries of education; national research institutes,<sup>1</sup> and the Centre for Education Policy Development (CEPD, South-Africa).<sup>2</sup>

## The analytical framework

The research focused on one specific source of funding, namely grants transferred from central government to schools. Three criteria for the choice of schools were used: that the school is the recipient of these funds; that these funds arrive as grants and not as actual material resources; and that the schools have some autonomy in using these funds. The analysis therefore included all types of funding which met these criteria.

The following paragraphs offer some further explanation, and some examples of the specific interrogations that formed part of the research.

The contribution of school grants depends on the explicit *policy objectives*. The objective for instance may simply be to improve bureaucratic efficiency or it may be much wider, including overcoming disparities and strengthening school autonomy.

The objectives have an impact on the *criteria and the mechanisms for distribution* of the grant. A key question is: are the criteria simply based on the number of students or do they take into account certain characteristics of the school and its environment such as the number of pupils from disadvantaged groups or the number of out-of-school girls and boys?

The objectives also have an impact on the *total grant amount*. However, in many schools, the grants only form part of the *total financial resources available within the school*, as schools continue to collect some funds from parents or may receive contributions from non-government sources. It is crucial to be aware of the overall budget of the school and of the relative contribution of the schools grants. The arrival of funds at the school level does not automatically imply that these funds will be used for the benefit of the pupils and will lead to better quality and improved school functioning. Several related issues crop up.

A first series of issues concerns the *decision-making processes within the school*: what is the role of the principal, the teachers, the parents, and the students? Does the availability of these grants lead to a participatory decision-making process involving teachers, parents, the local community, and/or to improving the overall relationships within the school community?

A second series of questions concerns the *control mechanisms*, which have generally accompanied the transfer of grants to schools. Their effectiveness influences the use of the grants and their usefulness. Several questions may need to be examined here, related respectively to the actors, tools, and feedback:

- The *actors* who have the right to monitor and control can be inside the school, around the school (a school management committee [SMC] or a parents–teachers association [PTA]) or at higher levels within the administration.
- The *tools* could be simple financial reports or much more detailed audits, including an examination of the usefulness and impact of these funds.
- A third, regularly neglected issue concerns the *feedback*: what information is sent back to the school on the use of the grant, subsequent to monitoring and control? What action is taken in case of ineffective, incomplete, or incorrect use of the grant?

The decision-making and control processes help us understand the way in which grants are really used. This depends also on a third element, namely the *knowledge* that the different

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1. Addis Ababa University (Ethiopia), Kenyatta University (Kenya), Centre for Education Research and Training (CERT, Malawi), and Makerere Institute of Social Research (Uganda).  
2. A regional comparative analysis will be co-published by IIEP and UNICEF, separately from the *Country notes* published for each of the five countries.

actors have of the policy, and this depends, on the one hand, on their participation in the *policy formulation process*, and, on the other hand, on the *policy dissemination*.

When examining then the *actual use of the grants*, the research focused on questions such as: Are these funds used for inputs or activities which are known to have an impact on quality? Are they used more for the immediate benefit of teachers or of students or of both groups? Are the specific needs of disadvantaged groups such as orphans or poor pupils within the school or within society taken into account?

This intricate combination of factors leads us to the final and fundamental question, namely, what has been the *contribution of school grants* to the major policy objectives, be they the ones included in the explicit objectives of the national policy, or broader ones that the literature claims could be the result of such a policy?

## The research design

It will have become clear that several factors that help explain the contributions of the school grants policy are dependent on in-school processes. These processes can be very different from school to school, and therefore the use and usefulness of grants will also differ between schools. This has three fundamental implications for any research on this theme.

The first one is that we need to enter into the school, so as really to understand how decisions are made, what role different actors play, what knowledge and understanding they have of the policy, and who controls. Such questions are complex and delicate. The answers cannot be found through a simple study of policy documents, nor can they be answered through a quick survey at a distance. What is needed is in-depth and qualitative research into the functioning of the schools.

Secondly, we cannot limit ourselves to collecting opinions of a few actors within the school. Our interest is precisely in knowing the diversity of opinions between actors and the possibly unequal levels of knowledge and understanding. It is important therefore to interview various groups, from principal over teachers and parents to pupils.

The main data collection instruments were the following:

- interviews with a wide range of actors at school and district levels;
- consultation of relevant documentation such as reports on basic education indicators and on schools' financial management (when available, schools' accounts books and financial reports, schools' plans, SMC/PTAs minutes of meetings); a school profile gathering key education and financial data was completed by the school staff in each school;
- observation in particular on the use of school grants and quality of school infrastructures, on the information signposted in schools, and, where possible, on relations between school actors.

A third implication follows logically from the above: once it has been decided that each school will be examined in depth through detailed and lengthy interviews and through some observation, unavoidably the number of schools has to be limited. We decided to cover, in each country, a group of 12 schools (though the numbers are slightly different between countries). Those schools were chosen from among two or three districts in order to learn also about the role played by district offices. The group included in each country schools with varying characteristics, taking into account in particular their location (urban/rural) and the level of socio-economic development.

## Research in Kenya

In Kenya, the research focused on the Free Primary Education (FPE) grant. This grant was allocated to schools after the introduction of free primary education in the country in 2003, and in a context where local level actors were given more responsibilities.

This study took place between May and September 2011 and included primary schools in South and North Districts<sup>3</sup> in Kenya. The study was undertaken in two phases:

- Phase one, the qualitative research, was executed between May and July 2011. Qualitative data were collected through interviews with different stakeholders in 13 schools and two district education offices (DEO) (South District: seven schools; North District: six schools). At the school level, the following categories of stakeholders were interviewed: head teacher, members of the school management committee (SMC), parents, teachers, and pupils. At the district level, interviews were conducted with the district education officer (DEO), the district quality assurance and standards officer (DQASO), the district schools auditor (DSA), and the area education officer (AEO) who also doubles as the Teachers Advisory Centre (TAC) tutor. A total of 277 persons participated in the interviews with the following breakdown: 13 head teachers, 10 deputy head teachers, 57 SMC members, 55 parents, 59 teachers, 78 pupils, one DEO, one DQASO, two DSAs, and one AEO.
- Phase two focused on the collection of quantitative data and was carried out between August and September 2011. Researchers collected data from the two DSAs which targeted all the schools in the two districts (150 schools: South District: 39; North District: 111). The data were taken from the schools' audit reports issued by the DSA; they focused on the amount of grant received by schools per vote head (equivalent to a budget line) and on the schools' reported expenditure.

## This book

This report analyses and synthesizes the data collected during this field research in Kenya.

It is composed of seven chapters. *Chapter 1* examines the characteristics of the schools and their environment. *Chapter 2* focuses on the school grants policy developed in Kenya, its purpose, and the policy formulation and dissemination processes. *Chapter 3* analyses the criteria and mechanisms of the distribution of grants, while *Chapters 4* and *5* respectively focus on the use of funds at the school level and on the process of monitoring the use of the grant at school level. *Chapter 6* summarizes the main lessons learnt and *Chapter 7* provides relevant recommendations that emerged out of the research.

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3. To ensure anonymity, the names of schools and districts were replaced with fictitious names.

# 1. Profile of the schools and their environment

## 1.1 The North and South districts

The study covered two districts in Kenya, South and North Districts, each belonging to different counties. South District, together with nine others, forms one county. Similarly North District, together with seven other districts, makes up another. The two districts are very different.

South District borders Kenya's capital city, Nairobi, and its district headquarters are about 15 kilometres away. Consequently, its lifestyle is quite urban. North District, on the other hand, is about 130 kilometres from Nairobi and is predominantly rural.

South District, which is located in the central Kenya highlands, has rich, red volcanic soils and receives sufficient annual rainfall to make it a rich agricultural area which produces tea, coffee, maize, beans, and potatoes, as well as engaging in dairy farming. Its fertile soil and rainfall ensure a high level of agricultural production and Nairobi provides a ready market for farm produce.

In contrast, North District, located in the North plateau, is an arid and semi-arid land (ASAL). The area is rocky, with sandy soil which receives very little rainfall. The inhabitants grow maize, beans, cow peas, green grams (mungo beans), and cassava and rely mainly on the unpredictable rainfall for their agricultural activities; less than 5 per cent of farmers use irrigation from the North canal. The area is prone to famine due to frequent crop failures. At the time of the study, the district had registered failed harvests for three consecutive years.

South District has a higher income per capita than North District. Many of its inhabitants are employed in Nairobi and commute daily.

Although both districts have mixed ethnicity, each has a dominant ethnic group. The South District population is made up mainly of Kikuyu (90 per cent), while the remaining 10 per cent are mainly Luo, Luhya, and Kamba, who are immigrant workers on the coffee and tea estates. In North District, the Kamba are dominant (95 per cent), with the remaining 5 per cent made up of Kikuyu, Luo, Luhya, Swahili, and Somali, who work in businesses.

The main issue in South District is the scarcity of land. The high population density has led to subdivision of land into small plots which are not economically viable. As one head teacher met as part of this research noted, it is quite common to find three families settled in a 100-square foot plot of land, leaving no space for farming. This has forced most people to go into small-scale business, mostly selling milk and vegetables, both locally and in Nairobi. The head teacher also noted that most of the population lives in rented housing.

The community in the two districts can be divided into three segments: big business, formal employment, and the informal sector which includes small businesses, casual labourers, small-scale farmers, and the unemployed. In North District, very few members of the community are in big business or formal employment and the majority are small-scale farmers and small businessmen. Indeed, one head teacher from North District affirmed that the level of poverty in the area was high. A survey in his school revealed that 70 per cent of the pupils did not get enough to eat and only 20 per cent managed to get more than one meal per day. He also pointed out that 70 per cent of the pupils did not have shoes. According to a member of a school management committee (SMC) in South

District, only a small portion of the population was in big business (3 per cent) and formal employment (5 per cent). The majority of the population in the two districts was in the lower economic echelons with an average daily income ranging from Kenya shillings (KES) 70 (\$0.75) to KES 300 (\$3.20). One parent from South District confirmed that 'Raising KES 150 (\$1.60) per day is very hard'. SMC members from the same school added that the average income for most of the population was about KES 100 (\$1.00) per day and that poverty levels were high. In North District, a parent said that 'Life is very hard, especially due to the prevailing drought'. The parents confirmed that on average they earned about KES 2,000 (\$22) per month or KES 70 (\$0.80) per day. Such an income, according to a SMC member, is barely enough for food and clothing.

A deputy head teacher from South District noted that low income coupled with unemployment had made his area one of the most insecure in the district. The head teacher from the same school added that 'Security in the area is very poor. You can be car-jacked or shot at any time. There are also many sexual assaults on the schoolgirls. Every week there is a case of assault. Currently there are two cases of assault in the local police station involving the school pupils'. The school was forced to employ a day guard as burglars would strike even during the day and steal school items.

The study also established that there was a large number of orphans, especially in South District. Two head teachers attributed this to a high prevalence of HIV/AIDS due to the district's urban lifestyle and its close proximity to Nairobi. In one school in South District, the SMC estimated that about 10 per cent of the pupils were orphans, while the teachers pointed out that each class of about 40 pupils had about two total and five partial orphans. In another South District school, the teachers pointed out that in a class of 40, seven to 10 pupils are orphans, representing about 20 per cent of the pupil population. Some orphans are in the care of their grandparents while others live with other relatives. The teachers noted that the orphans are sometimes so desperate that they are forced to share the lunch of other pupils. Stakeholders in two schools in North District emphasized the challenge of children orphaned by HIV/AIDS. The two schools are located in commercial centres, with people from diverse backgrounds. In one of the two schools in North District, the head teacher pointed out that 22 pupils were total orphans while 110 pupils were partial orphans in a school population of 649. Another North District school counted a total of 150 orphans out of 688 pupils. On average one in five pupils were orphans. The local Constituency Development Fund (CDF) had constructed a dormitory in one of the schools in the local township to cater for orphaned children from the district. However, it was not yet operational.

Stakeholders from the two districts lamented the breakdown of the districts' social structure, which has a negative impact on education. A head teacher from South District observed the breakdown of the family unit, noting that about 50 per cent of the parents with children in school were single mothers. In addition, many parents were financially challenged to provide adequately for their children. This has had negative consequences on the school. Teachers from a school in North District made similar observations and spoke about 'reduced families' due to HIV/AIDS.

The *Basic Report on Well-being in Kenya* (Kenya National Bureau of Statistics, 2007), which ranked 67 districts on rural absolute poverty, placed South District in 2nd position and North in 47th position. South District had an overall incidence of absolute poverty of 21.6 per cent, compared to North District where it was 58.8 per cent.

## **1.2 Basic characteristics of the schools**

The legal enrolment age for primary education in Kenya is six years old. The school calendar is divided into three terms, with the first term running from early January to late March,

the second from early May to the end of July, and the third from early September to late November. Pupils have three long holidays in April, August, and December.

South District has 42 public primary schools and 49 private primary schools, an enrolment of 28,457 pupils (14,422 boys; 14,035 girls) in public primary schools, and 635 teachers (176 male teachers; 462 female teachers).

North District has 140 public primary schools and 14 private primary schools. A total of 43,648 pupils (22,138 boys; 21,510 girls) are enrolled in public primary schools, with 1,164 teachers (665 male teachers; 499 female teachers).

A number of stakeholders in the two districts stated that the more well-to-do members of the community did not enrol their children in public primary schools but opted for private schools. However, this trend was more prevalent in South District which actually had a higher number of private primary schools than public primary schools. One parent from a public primary school in South District stated that ‘Three-quarters of the children in this school come from poor families’. This was reinforced by a head teacher from South District who noted that the rich take their children to private schools while the poor take theirs to public schools. A parent from South District shared these sentiments, saying that ‘Kenya is for the rich, not the poor’.

High enrolment in private schools was not a major issue in North District, except in the township which is the district’s commercial hub. The head teacher of the local public primary school noted the huge income disparity in the township, adding that the bulk of pupils in the local school were from economically unstable families, as the wealthy business people sent their children to private schools in the town. The district had nine private primary schools clustered in the urban centres and 124 public primary schools. Enrolment in private schools in North District was hampered both by their scarcity and the financial means of parents.

Table 1 gives some characteristics of the sample schools.

**Table 1. Some characteristics of sample schools**

School	District	Location	Enrolment			Teachers			Classrooms
			Boys	Girls	Total	Male	Female	Total	
Oak	North	Rural	183	193	376	8	4	12	12
Cedar	North	Rural	343	345	688	6	13	19	17
Rosewood	North	Rural	272	300	572	3	15	18	17
Mahogany	North	Rural	582	528	1,110	16	7	23	23
Camphor	North	Rural	408	367	775	8	9	17	17
Eucalyptus	South	Urban	510	442	952	5	19	24	31
Cypress	South	Rural	431	449	880	3	21	24	19
Baobab	South	Urban	914	916	1830	6	35	41	35
Podo	South	Rural	305	292	597	6	9	15	14
Fig	South	Urban	592	551	1,143	6	22	28	32
Pine	South	Urban	485	443	928	3	20	23	22
Gravellier	South	Rural	561	562	1,123	7	18	25	24
Olive	North	Rural	284	254	538	8	7	15	16

Most of the schools had an inadequate physical infrastructure, with not enough classrooms, desks, or toilets. Only four schools out of the 13 had classrooms that had been built since the inception of FPE; three had been built with the help of other government



grants and one by parents. Construction of toilets was a major challenge for many of the schools because the grant provided was inadequate, either its amount was too small or this investment did not fit under any of the spending categories. However, the head teachers all agreed that the FPE grant had helped a great deal in the renovation of existing school infrastructure, especially classrooms.

Each of the 13 schools had a functional SMC which runs the affairs of the school. Most of the SMCs had a membership of 13 made up of the head teacher (secretary), eight parents (representing Grades 1 to 8), two district education board representatives and two sponsor representatives. The SMC has a chairman and a treasurer, both elected by the other members. The head teacher is not elected. The tenure for SMC members is one year and elections are held during the annual general meeting (AGM). Parents from each class meet separately and elect one person from their number to be the class representative to the SMC. The elections of the SMC are usually supervised by an officer from the DEO.

The key roles played by the SMC are:

- managing and budgeting the FPE grants as well as other funds received by the school;
- planning and approving school development projects and overseeing their implementation;
- mobilizing parents and other benefactors to support school programmes and development projects;
- acting as a bridge between the teachers, the parents, and the children;
- ensuring the smooth running of the school.

However, according to the South DEO, the level of effectiveness of the SMC varies from school to school, depending on the calibre of the members elected. The DEO noted that, 'Some schools elect responsible and educated SMC members while others elect hecklers', citing one school in the district which had such a responsible and dynamic SMC that some members of the public thought it was a private school. On the other hand, the North DEO rated the managerial skills of the SMCs in the district as average, citing a lack of continuous training and their short tenure. He noted that, 'Today you have a vibrant SMC which has taken a lot of resources to develop, then two years down the road you have a new team with different ideas'.

The North DEO, however, noted that, though the requirement for SMC members to be secondary school graduates was not realistic in all schools, by and large it had improved the calibre of SMC members as most of them were literate: 'Before FPE, you could find illiterate people holding the position of the SMC chairman by virtue of influence, for example the family [had] donated the school land'. The North DEO's office tackles many arguments between SMCs and head teachers, usually revolving around the management of resources. Most of these disagreements arise when head teachers fail to involve the SMC in decision-making.

## 2. School grants: Purpose, policy formulation, and dissemination process

### 2.1 The purpose of free primary education (FPE)

The government introduced FPE in 2003 to address the challenges of primary education in the country.

In the past, lack of access and poor retention had locked millions of pupils out of school. The different stakeholders seemed to be aware of the government's intended purpose in introducing FPE. Parents in a school in North District said that, 'FPE is a system of education that helps the poor parents take their children to school'. Parents in another school said that their understanding of FPE was that they were not supposed to contribute money to the school as it was the role of the government to fund primary education and provide learners with textbooks, exercise books, and writing materials. In return, FPE obliged them to enrol their children in school. One deputy head teacher interpreted FPE as meaning that, 'All children should be taken to school whether rich or poor'. Similarly, a head teacher said her understanding of FPE was that, 'Any child who is eligible for education should be able to access it and be retained'. Another head teacher saw the main objective of FPE as the enrolment of as many pupils as possible and provision of books; in other words, increasing access to primary education to as many learners as possible.

Teachers in one school viewed FPE as part of strategies to reach 'Education for All', stressing that it was the right of every child to receive an education. One SMC member understood FPE as '*Masomo bila malipo*' ('education without any payments'). Another SMC member saw FPE as '*kila mtoto apate elimu bila kulipa chochote*' ('every child to receive education free of charge'). This same SMC member said that FPE was meant to increase educational opportunities, especially for the poor. For the SMC chairman, 'FPE is a good gesture from the government that opened educational opportunity to many disadvantaged children. Education is a basic human right for every child'. For their part, pupils also viewed FPE as a system where parents do not pay anything for their education and books are provided. Others said: 'FPE is education that helps parents educate their kids. They use the money saved to do other things. Children from poor backgrounds can access education'.

### 2.2 Policy formulation and implementation

The majority of stakeholders pointed out that the origins of FPE could be traced to the political arena from a promise of FPE given by Mr Kibaki and his National Rainbow Coalition (NARC) party during the 2002 general election campaigns. One head teacher from North District noted that this party had a strategy to use the promise of FPE in order to defeat the then ruling party, Kenya African National Union (KANU) in the election.

The elections were held in late December 2002 and the NARC party won a landslide victory. Mr Kibaki was sworn in as president just a week before the schools reopened for the new academic year. During his maiden speech, he reiterated that his government would keep the promise of FPE. The new government had had no time to develop an FPE policy and the Minister of Education simply made an announcement in the media instructing parents to take their children to any public school and not to pay a single coin.

Only a minority of the school-level actors interviewed, especially parents and pupils, were not too sure what year FPE had been introduced. Most of the interviewees said they had learned about the planned introduction of FPE mainly through the media, as the subject

had generated a lively political debate at the time. As one of the parents from North District observed, 'FPE was the talk of the day'.

However, the fact that the proposition was first mentioned during the election campaigns led to a certain scepticism about FPE. A number of those interviewed in the two districts were initially sceptical; they thought it was a political gimmick, as illustrated by the examples below:

- 'I viewed FPE as a campaign tool which would be discarded after the general election'; 'When I heard of the idea, I believed it was not possible. Parents had a very heavy burden, and I was not sure the government would be able to bear it' (SMC members, South District);
- a SMC member from North District said she did not think education would be free, considering the money she was paying.

While sceptical at the launch of FPE, several actors changed their appreciation of the programme after it had been implemented for some time:

- A head teacher from South District indeed thought 'FPE would not succeed and would collapse just like the School Milk Programme' – the School Feeding Programme launched in 1979, which ended in the late 1980s with the introduction of Kenya's structural adjustment programme. But she stressed that her perception had since changed, after witnessing FPE in action.
- Similarly, some parents said that they had been doubtful as to whether FPE would succeed, and, when it started, they adopted a 'wait and see' attitude.
- The South DEO had thought FPE could not work, as he feared the government did not have the capacity to finance it. His attitude changed too once he had witnessed FPE being successfully implemented.

The North DEO, on the other hand, believed that FPE would work right from the beginning, noting that the government led by the former ruling party, KANU, had already taken some initiatives towards the attainment of the Millennium Development Goals (MDGs), which include the attainment of universal primary education (UPE).

Most of the school-level actors and the two DEOS said that they had not been consulted on FPE policy formulation. However, the two district school auditors (DSAs) indicated that before the inception of FPE, in 2002 they had participated in a national study organized by the Ministry of Education (MoE) to determine levies charged by primary schools and their management. According to one auditor, two major findings of the study were that schools were charging unnecessary levies, and that both implementation of projects and accountability for funds were very poor. The auditor believed that these findings informed the government's decision to harmonize and take over the charges.

The FPE programme was rolled out in the whole country in early 2003. It had not been piloted and had no guiding policy. According to the teachers, head teachers, SMC members, and parents, this created two major problems in January 2003.

Firstly, the new policy led to over-enrolment in schools. One teacher from South District said that, 'Children came to school, big and small, and even those who had not passed through pre-school'. The head teacher and teachers in one school indicated that when FPE started, there was chaos in the school owing to high enrolment in the face of inadequate resources.

Secondly, there was no common understanding of FPE and what it entailed. As a head teacher from South District noted, 'Education was declared free but stakeholders were not guided on how free'. Consequently, school-level actors, and especially parents, adopted a literal understanding of FPE and assumed that the government would meet all the costs of their children's education. This was articulated by a parent who complained that, 'I have not fully understood FPE as I thought it would include books, uniforms, food,

and buildings'. A teacher from South District stated that when FPE started, 'There were many hiccups. Parents didn't know what "free" meant and many children came into overcrowded classes. It took time for the government to come up with a strategy'. This confusion within schools was highlighted by several actors:

- A head teacher from North District observed that owing to this literal approach by parents, in 2003 many pupils in her school were sitting on the floor as parents were not willing to provide desks.
- 'When the schools opened for the new year in January 2003, there was confusion all over; people did not know how to go about it; no policy, no books, no desks; pupils came to school empty-handed; over-age pupils who were unruly, enrolled' (Teacher, South District).
- Another South District teacher added that the confusion was left to the head teacher to handle. This was very difficult bearing in mind that the school received no money from the government until halfway through the school year.

Many schools admitted that they faced financial challenges; there were pressing needs but it was not until March 2003 that they received the first grant from the government. According to one SMC chairman from South District, 'Things were very tough', and he conceded that it took two to three years for the situation to stabilize.

## 2.3 Policy dissemination

### *Guidelines*

The study established that between February and March 2003 the government sent KES 28,000 (\$308) to each school through the DEO. However, there were still no guidelines on how to use the grant. As a South District head teacher noted, 'There were no policy documents in place and therefore things were done in an ad hoc manner'. The North DEO observed that since the head teachers were not briefed on how to spend the first grant, a number of them went on spending sprees which later created problems with the MoE. He noted, however, that with time, things were streamlined. The following guidelines have since been developed:

1. **FPE Grant Circular:** The study established that all the grants (except the first FPE grant) are accompanied by a circular from the MoE which shows the amount of the grant allocated per pupil and the breakdown per vote head. The head teachers and the SMC were all aware that the school is not allowed to spend the grant before it has received the circular, which normally comes from the MoE through the DEO.
2. **Orange Book:** This additional set of policy guidelines is produced annually and provides titles of textbooks recommended and approved by the MoE. A school cannot purchase a textbook that is not recommended in the Orange Book. Again, teachers were not consulted in the compilation of the Orange Book, which they did not appreciate. One North District teacher retorted, 'We teachers know what to teach and which books are good. We really have problems with this ... yellow ... orange book'. Teachers pointed out that some very good textbooks are omitted from the Orange Book while some recommended titles have glaring deficiencies and factual errors. They expressed fear that there might be collusion between publishers and MoE officials.
3. **Green Book:** This book gives guidance on how the FPE grant should be used. One head teacher said that they have christened it the 'Green Bible' as they have to consult it constantly.
4. **Head Teachers Manual/Handbook:** gives guidance on how to manage FPE.
5. **Procurement Guide:** educates on the public procurement process.

6. **Tendering Guide:** explains how to tender for goods and services.
7. **SIMSC Book** (School Instructional Materials Selection Committee): explains how to order and terminate suppliers' contracts.

Only the first two of the above guidelines, the FPE Grant Circular and the Orange Book, were mentioned frequently by the stakeholders, and in the majority of schools only the head teacher had a good grasp of the content of the FPE Grant Circular. Each school received only one copy and it was in the custody of the head teacher. In a number of schools, teachers and SMC members said that the head teacher normally reads the FPE Grant Circular to them. In many other schools, the teachers had only heard about the FPE Grant Circular but they had never seen it. Of the 13 schools visited, there was only one school where a member of the SMC was in possession of a copy of the FPE Grant Circular, dated 23 May 2011. Of the 13 schools, only in one did the head teacher share the FPE Grant Circular with the research team. However, the teachers from across the two districts were familiar with the Orange Book. Most were members of the SIMSC in their schools and were obliged to use the Orange Book in selecting and purchasing textbooks. The Green Book was mentioned by only two of the 13 head teachers.

### ***Training***

The study established that the government had launched several training programmes for the different actors focusing on the FPE policy and its implementation. Eleven of the 13 head teachers had received training for one week in 2003 after the introduction of FPE. Several head teachers had received training around 2006 and 2007. The training for the head teachers was usually held at the district headquarters, although several of them stated that it was held at the zone level and one said that it was conducted at a teacher training college.

Most head teachers described the training as focused on management and accounting and it was conducted by officers from the DEO. One South District head teacher noted that 'Training was useful because head teachers had no knowledge of accounting'. In contrast, one North District head teacher lamented that the training was tilted in favour of management and provided little to improve accounting skills, adding that 'We have to put the records in an accounting system but I have not been trained; that's a problem'. Indeed, a number of the head teachers from the two districts conceded that the training was too short and did not give them a full grasp of accounting procedures, and admitted that they usually hire professional accountants to prepare their school's books of accounts. This admission by the head teachers was supported by the North DSA who stated that expecting head teachers to master accounting skills in one week was overly optimistic.

The training was also aimed at deputy head teachers and senior teachers. One South District deputy head teacher was trained in 2007. Two head teachers received their first training this same year; at the time, one was a deputy head teacher and the other a teacher. Though the training for deputy head teachers was more or less the same as that given to head teachers, there was greater emphasis on the management of textbooks because deputies were considered the custodians of instructional materials in the schools. Training was also provided to members of the SMC. In 2003, the SMC executive members in all the South District schools (i.e. the chairman, the treasurer and one other member) received training alongside the head teachers. Most responded that the training lasted two to three days and focused on management, procurement, tendering, and interacting with head teachers and teachers. One South District SMC chairman stated that the training was very useful and observed that schools whose members ignored the training ended up having problems.

During the interviews, there was a feeling among the ordinary teachers in some schools that they were neglected when it came to training on FPE. Teachers from one of the schools

in South District complained that they were the agents of the implementation of FPE but were not trained or consulted as part of the process. Teachers from one North District school indicated that they had never gone for any FPE training but just ‘hear of workshops of which we do not get reports from the head teacher’. There were nonetheless teachers from two schools in North District and one school from South District who stated that between 2003 and 2004 they received training focused on the FPE grant. This training of Key Resource Teachers (KRTs) took six months and dealt with management of FPE resources. It was carried out in two rounds, the first for three teachers of mathematics, English, and science, and the second for two teachers of social studies and Kiswahili. The teachers described the training as very useful.

The parents said that they had not received any formal training on FPE. However, they were usually called for meetings in schools where the head teachers briefed them on their FPE roles and obligations.

The stakeholders all agreed that when FPE started there were numerous training programmes but they appear to have fizzled out. Several school-level actors had last heard of any training on FPE in 2007. This decline in training was confirmed by the South DEO who noted that his office had not received funds for training for the last two years. The North DEO noted that ‘There was more training in the formative years. In the last three to four years, it has been assumed that the programme has taken off’. One South District head teacher stated that she could do a better job with more training and lamented: ‘The government is very poor in training people. We have never been trained properly on how to manage FPE and hence we are usually assisted by other head teachers who had knowledge on how to work out the books’. This last statement points to the external support provided by other head teachers who are more experienced. In fact, a head teacher from South District pointed out that she had received training in 2004 to be a peer trainer, i.e. a head teacher who will train newly appointed head teachers. She confirmed that she had been training new head teachers and added that this training was informal, based on goodwill, and designed within the context of mentorship.

A senior officer from the MoE headquarters FPE desk observed that the ministry allocated money for training only three times: in 2003, 2004, and 2007. The two DEOs added that, owing to non-allocation of funds for training, some of the newly appointed head teachers had not been trained, while a number of those who had been trained earlier had already retired. The training of SMC members was a particular challenge because of their short tenure of service of only one year. The South DEO noted that it is not cost-effective to train them and called for the extension of their tenure to three years, noting that ‘You train them and in the next AGM, they are kicked out’.

## 3. Criteria and mechanisms for grant distribution

### 3.1 Criteria

Most of those interviewed were aware of the basic criterion for the distribution of the grant to schools: it is based on the number of pupils enrolled. Nevertheless, the per pupil allocation was not clear to many of them. Since the inception of FPE, the allocation per pupil has been officially pegged at KES 1,020 (\$11.20) per annum. However, the head teachers and teachers pointed out that this amount has since declined and even more so in the last two years. When asked, the head teachers could not give the current per pupil grant allocation in their schools. This is understandable when one looks at the way the grant is disbursed.

To start with, the grant is really two grants: the School Instructional Materials Account grant (SIMBA) and the General Purpose Account grant (GPA). Ordinarily, the school receives three disbursements of each of these two grants in a school year. Thus, to arrive at the amount of per pupil allocation in a given year, it would be necessary to add up the six different disbursements then divide this amount by the enrolment. Even the head teachers had difficulty in stating the amount allocated per pupil in a given year and many were doing the calculation for the first time when questioned by the researchers. They were more used to working with the lump sum grant received by the school for each of the two accounts. From the lump sum, the head teachers could see that the grant had been declining but many of them appeared shocked after doing the calculation and realizing that the per pupil allocation for their school had dropped by almost 49 per cent.

The interviewees did not know why the government had chosen enrolment as the criterion for grant allocation and opinion on the appropriateness of this criterion was divided. Some school-level actors were comfortable with this approach with one SMC member saying that all children are equal irrespective of the environment. However, in many schools this question generated a lively debate among the interviewees; many felt it was inadequate as it did not address the unique needs of a given school.

Most of those interviewed felt that the per pupil allocation criterion is appropriate for the SIMBA grant but should be reviewed for the GPA grant. The main arguments given by the interviewees are given below:

- 'It is normal to receive funds per child, because every child costs the same. However, there could be a distinction between regions and, within cities, between slums and the city centre' (North District head teacher).
- 'A school with 70 pupils has the same needs as one with 400 pupils for some vote heads like watchman and local travel' (North District Head teacher).
- Another North District head teacher added that because of this criterion small schools underpay their guards and warned that, 'If Ministry of Labour officers were to visit the schools, the management would have problems'.
- The DSAs noted in particular that the per pupil allocation criterion for the GPA grant was inadequate for wages, local transport and travelling. One DSA observed that under the current criterion, 'A head teacher who requires KES 500 (\$5.50) to travel to the DEO office gets the same treatment as one whose school is in town and a walking distance to the DEO office'. The other DSA noted that staff wages are the same, irrespective of the size of the school.

One DSA proposed that the amount for the local travel and travelling vote head should be based on distance and journeys made and not on the number of pupils. Teachers in

one school suggested that the government should consider individual school needs as a separate criterion because some schools have more developed infrastructures than others. For instance, they explained that several schools in the district received money from the School Infrastructure Grant (SIG) in 2008 which gave them an advantage over other schools with weaker infrastructure.<sup>4</sup> They alleged government favouritism of these schools.

One head teacher proposed that some vote heads should be given an equal amount regardless of school size and that the grant should be overall based on prevailing market rates. The South DEO supported this and observed that ‘Funding a football team costs the same for a big or small school’.

Some parents felt that the government should undertake a needs assessment survey for each school before allocating the grant. The North DEO, while conceding that the criterion was not the fairest, felt it was simpler than the alternatives. He argued that introducing other considerations, such as poverty levels, would bring complications and possibly manipulation.

### 3.2 Mechanisms

The study established from the head teacher, teachers and SMC that grant funds are transferred directly into the school’s bank account by the MoE through an electronic funds transfer (EFT). Parents in many of the schools did not know exactly how money reaches the schools. It emerged that upon the introduction of FPE, schools were instructed to open two bank accounts: one for the SIMBA grant and the other for the GPA grant. The North DSA confirmed that the school must provide the MoE with the two bank accounts to receive the grant.

All those interviewed agreed that the DEO has no direct role in the disbursement of the funds. However, the DEO verifies and forwards the schools’ enrolment data to the MoE, and forwards the MoE Grant Circular to the school heads once the money has been disbursed.

It is important to note that the school cannot spend the grant before receiving the MoE Grant Circular. A head teacher pointed out that at times money for the two accounts is not disbursed at the same time, noting that ‘Sometimes one account could have money and not the other’.

There are no stringent conditions for the release of the funds, although the major condition is the submission of a school’s enrolment data to the MoE. This was confirmed by teachers, head teachers, and SMC members. The South DEO added that to qualify for the grant, the school must also be registered as a public learning institution and given a Teachers Service Commission (TSC) code.

The interviewees pointed out a number of problems concerning the distribution of funds. Late disbursement was a major problem in all the schools in the two districts. Head teachers felt that the grant should be sent to the schools at the beginning of the term but this was rarely the case. According to the North DSA, ideally money for each block should be released before schools reopen, that is, in December, April, and August. However, sometimes schools receive money in the middle of the term. According to the South DSA, in practice the schools receive the grant three times a year as follows:

- February/March: first disbursement
- May/June: second disbursement
- September/October: third disbursement

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4. The SIG is given by the MoE via the School Infrastructure Improvement Programme within the wider Kenya Education Sector Support Programme. The grant is meant to enable schools to renovate existing structures as well as construct new ones. The North DEO stated that it is his role to identify the schools that will benefit from this grant.



The North DSA noted that even these timelines are not very consistently followed, citing the example of 2008 when schools received the third instalment of the grant in December when they had already closed. Because of such inconsistencies, it was not clear, especially to school-level actors, how many times they were supposed to receive the grant in a given year. Many head teachers said that the longest delay they had ever experienced was in 2008.

The TAC tutor from South District gave two reasons for the delays: sometimes there are delays in disbursement of the grant from the MoE, while in other cases there are bank-related problems. Schools in his zone experienced delays when dealing with a particular bank.

Because of these delays, in 2011 the MoE had tried to establish a formula to make fund disbursement more regular and clear: 50 per cent first term, 30 per cent second term and 20 per cent third term. A head teacher from North District said: 'This year, the first payment of 50 per cent arrived on time in February'. Because the research team visited the school in May, the school had not yet received the second disbursement. However, most schools visited by the researchers in June admitted that they received their second disbursement between the fifth and the sixth week of the second term. The researchers had no way of knowing whether the third disbursement would be made in the third term.

The head teachers noted that when the grant was delayed for a long time, they had no choice but to ask parents to buy the necessary instructional materials for their children, such as exercise books and pens. Other schools reported that they are forced to sign memoranda of understanding (MoUs) with their workers to work without pay for the duration of the delay and agree to be paid a lump sum once the grant is received. Such delays cause inconvenience as the schools may lack essential supplies. As one South District teacher noted, 'Sometimes we suffer a lot when [there are] money delays and parents are not willing to contribute'. The delays are also stressful for head teachers. One from South District confessed: 'We are forced to break the law and secure goods on credit'. Receiving goods on credit is not only against the Public Procurement Act but also eliminates competitive bidding by suppliers which could result in schools paying more for the goods.

Irregular allocation of the grant to schools was cited as another challenge. Two schools, one from North District and the other from South District, reported that they received the SIMBA grant only once in 2009 and once in 2010. Another school reported that in 2010 it received money for the SIMBA grant but not for the GPA grant.

Another challenge was the delay in receiving the FPE Grant Circular. This circular, which accompanies the disbursement, shows the per capita allocation by vote heads. Schools are not permitted to spend the money before receiving it. A South District head teacher cited the example of the 2008 disbursement when the grant was received in the school's bank accounts but could not be spent for three weeks as the school had yet to receive the circular.

Misdirected transmission of the grant was another problem cited by the two DSAs as well as the North DEO. This usually happens when two schools in the country share a name and the money gets mixed up or when schools give the wrong bank account number. One school in South District experienced this problem in 2010 when its grant was sent to another school with a similar name in a different district but with a smaller enrolment. The issue was reported to the DEO who sorted it out within a week.

## 4. Use of funds at school level

### 4.1 The school's financial resources

The study established that the majority of schools had two types of budget: the FPE grant budget and project-specific budgets funded from other sources, such as development projects in the school supported by parents and well-wishers.

Some schools prepared a budget for their FPE grant, while others did not. In South District, several actors stated categorically that they did not prepare a budget for the FPE grant as they simply followed the prescribed budget lines in the MoE circular:

- 'The government guidelines on how to use the money are quite clear and there is no need to prepare a budget. The guidelines are the budget' (South District head teacher).
- 'One cannot talk of a budget as the exercise involves implementing what is prescribed by the government under the various vote heads' (South District head teacher).
- 'The government makes a budget for us, so why should we waste time making another one?' (South District SMC member).

Among schools which *did* draw up a FPE grant budget, these fell into two categories:

- Schools that prepared one before the arrival of the grant, which was the case for three North District and one South District schools. These schools indicated that they were aware of the expected FPE grant. When the budget is bigger than the FPE grant that is eventually received, they re-prioritize and remove some items, or ask parents to bridge the deficit.
- Schools that developed a budget after receiving it (three North District and one South District schools). They indicated that they are guided by the amount received and the budget lines as given in the MoE circular. This position was supported by the South DEO.

The study established that during its nine years of existence, the FPE grant has emerged as the main source of funding in the majority of schools. However, apart from the FPE grant, the study established the existence of other funding sources for schools. These are:

1. parents' contributions,
2. income-generating activities,
3. Constituency Development Fund,
4. Economic Stimulus Programme,
5. orphans and vulnerable children grant,
6. the School Feeding Programme grant,
7. Early Childhood Development Education grant,
8. philanthropists,
9. the School Infrastructure grant,
10. the Special Needs Education grant.

#### 1. Parents' contributions

There are four categories of parents' contributions. Parents' fees were firstly used to employ **extra teachers** in nine out of the 13 schools visited. FPE had led to increased enrolment at a time when the government was slow to employ teachers because of financial constraints. The schools were thus forced to employ the teachers themselves.

The number of teachers employed by parents in each of the nine schools ranged from one to four, and parents' contributions towards this initiative ranged from KES 80 (\$0.94) to KES 450 (\$5.30) per pupil per term. Many of the parents acknowledged the reality of teacher shortages and did not seem to mind these payments.

The second form of contribution by parents is for **specific projects** in the school. Four schools had undertaken development of physical infrastructure such as paving of the assembly ground, constructing toilets, fencing, roofing of buildings, and building classrooms. For instance, parents in one North District school had pooled their resources by contributing KES 400 (\$4.70) each for the construction of two new classrooms. Parents in another North District school had contributed KES 200 (\$2.40) for fencing the school compound and KES 500 (\$5.90) for roofing several classrooms. In 2010, parents from a South District school contributed KES 400 (\$4.70) each for the construction of toilets.

Surprisingly, the study found that parents from the poorer North District gave more support to the development of the physical infrastructure of their schools than their counterparts from South District which has more resources. Despite shortages of classrooms in several South District schools, none had benefited from a classroom built by parents since the introduction of FPE. One SMC chairman from a South District school lamented the reluctance of parents to support school development projects adding that 'It took me (as chairman) more than one year to get KES 50 (\$0.59) from each parent to renovate toilets'. A head teacher from a South District school deplored the fact that the implementation of the school's five-year strategic plan had stalled for lack of support from parents. She observed that the first priority in the strategic plan was to pave the assembly ground and, even after agreeing with parents that each of them would contribute KES 500 (\$5.90) for the project, one year later only six out of the 550 parents had paid the money. This reluctance of parents to contribute towards improvement of their schools' infrastructure could be tied to the fact that parents took FPE literally. As a head teacher noted of the parents in her school, 'Instead of being stakeholders, they are spectators. They believe education is free'.

The third form of contribution by parents is related to **examinations**. Parents in five of the schools were paying money every term to facilitate assessment of their children by purchased exams, ranging from KES 20 (\$0.24) to KES 300 (\$3.50) per child per term. The study established that these are commercial examinations sold by publishing houses. The teachers identified two of them, JESMA and TARGET, as the most popular brands. Ironically, teachers seemed to have more faith in these externally set examinations than in school-based assessment which was actually catered for by one of the vote heads in the SIMBA grant.

The fourth form of contribution by parents is much more costly and rather unfair. It is for payments made to teachers for **extra tuition** to pupils outside official school hours. Though this practice is not sanctioned by the MoE, such supplementary teaching was practised in all the 13 schools visited. The school-level actors explained that FPE placed a heavy workload on the teachers owing to the increase in enrolment. This required the extra tuition so as to cover the curriculum adequately. Under this programme, learners would report to school early and be taught from about 7:00 am before the commencement of the official lessons at 8:00 am. Learners would also be taught an extra lesson in the evening after the end of the school day, at around 3:30 pm. Learners also attended school on Saturdays and were taught several lessons from 8:00 am to around 1:00 pm. In some schools, pupils were also given extra tuition for two weeks during the April and August school holidays.

With the exception of two schools, one in South District and the other in North District where teachers taught for free, the other 11 schools charged parents for this extra tuition. This fee was charged per pupil and ranged from KES 330 (\$3.90) to KES 1,500 (\$17.60) per

term. In the majority of schools, this extra tuition was focused on the upper primary levels, especially Grades 6, 7, and 8. The money raised for this extra tuition was neither reflected in the schools' budget nor the schools' books of accounts as it was paid to and managed by the respective class teachers who organized the teaching with the other teachers and made payments for services rendered.

These fees are important incentives for teachers as they make up a significant addition to their salary. However, not all the parents could afford to pay the fee which had consequences for their children. Though a majority of the head teachers and teachers insisted that those who were unable to pay were not penalized, parents and pupils thought otherwise. In two schools, it emerged clearly that pupils who were unable to pay these charges were sent home. At another school, pupils pointed out that some of their colleagues who are unable to pay for tuition are denied the academic report card at the end of the term. They also claimed that on weekdays, defaulters are sent to lower classes during the extra tuition hours. In another school, pupils who are unable to pay for extra tuition are allowed to attend these lessons during the week but are excluded on Saturdays. This exclusion has serious ramifications for the academic success of pupils from poor families as they do not receive full coverage of the curriculum.

In summing up the four categories of contributions made by parents to schools, it is clear that, in spite of the FPE policy, they still make a significant financial contribution. However, it is not possible to give a national average of parents' contributions since the charges and payments vary from one school to the other. For instance, in one of the South District schools, parents of students in Grades 6 to 8 were cumulatively paying KES 1,200 (\$14.10) per term. This adds up to KES 3,600 (\$42.40) per year and is more than three times the government grant. Parents of students in Grades 1 to 5 were paying KES 800 (\$9.40) per term, translating into KES 2,400 (\$28.20) per year which is double the government grant.

Not all parents were comfortable with these numerous charges. In one school they complained bitterly about them and one of them commented that '*hatuoni maana ya free education*' ('they did not understand the meaning of free education'). It is important to note that under the FPE policy, schools can only levy extra charges with the express authority of the DEO. However, as one SMC chairman stated, 'Most of these charges are local arrangements as they are not sanctioned by the MoE'. In most of the schools, decisions to levy charges are passed by acclamation during the AGM and other parents' meetings.

## **2. Income-generating activities**

Five schools out of the 13 visited were engaged in various income-generating activities. One school in South District generated income by harvesting trees for timber and firewood. The researchers could not establish how much income the school obtained from this activity as it was ongoing when the school was visited, but the head teacher insisted that the school needed the income to pay the school guard because the FPE grant was insufficient. Two schools rented out their premises: one in North District generated KES 5,000 (\$58.80), the other in South District generated KES 120,000 (\$1,411.80) per year. Another South District school generated KES 100,000 (\$1,176.50) per year from selling coffee and napier grass from its farm and a North District school made about KES 7,000 (\$82.40) annually from selling hay from its compound.

## **3. Constituency Development Fund**

Five of the 13 schools in the two districts received financial support from their respective CDFs. In the preceding two years, three schools in North District had received a total of KES 654,000 (\$7,694), shared evenly, for renovation of school buildings. The CDF also constructed a dormitory in one of the three schools in North District, at a cost of

KES 500,000 (\$5,882). Once operational, it will cater for 20 to 30 orphans from the entire North District, providing schooling, accommodation, and a feeding programme. In South District, the CDF had financed the construction of classrooms and toilets, and had also bought desks for some of the schools.

The head teachers noted that CDF funds were not given automatically and the school had to take the initiative by identifying a need. They then had to develop a proposal with a work plan and a budget. The proposal was then presented to the CDF committee. However, the SMC still had to lobby elected leaders, such as area councillors, who are the ward representatives in the local government.

There was a significant variation in the management of CDF funds in the two districts:

- According to the head teacher of a South District school, CDF funds are project-specific and the school is not given cash. If a school's application is successful, the CDF advises the SMC to open a bank account with four signatories (the SMC chairman, head teacher and two managers from the CDF) into which the money is deposited. The head teacher and the SMC do not handle CDF cash as the CDF issues cheques directly to contractors who have provided services to the school. This requirement is meant to curb misappropriation of funds.
- CDF conditions were not as stringent in North District as in South District. North District head teachers noted that once a school's proposal had been given a favourable response, the CDF issues a cheque directly to the school. The project is the responsibility of the head teacher and the SMC and the CDF sends its officers to monitor and evaluate its implementation.

#### **4. Economic Stimulus Programme (ESP)**

The study established that some schools received financial support from the ESP to upgrade their infrastructure. This government-financed programme covers all sectors and is run by the Ministry of Finance (MoF). Money is distributed to the various ministries for implementation of flagship projects within their jurisdiction. In the education sector, the flagship projects include developing two model primary schools and two secondary schools as future centres of excellence in every constituency. Since the country has 210 constituencies, this translates into a total of 420 model primary schools and 420 secondary school centres of excellence. To achieve this status, the schools that have been identified are given money for the building and renovation of their physical infrastructure.

Two of the 13 schools studied had benefited from this programme, one in South District and one in North District. Each school received a grant of KES 3.5 million (\$41,176) for this purpose in 2009/2010. As a result, the South District school was able to construct three modern classrooms and renovate some of its other facilities. The school in North District built two modern classrooms and carried out major renovations on the older ones.

According to the head teachers, ESP funds are transmitted to the school's bank account electronically from the MoF headquarters. However, the money is tied into a chequing account and all payments, whether for materials or services, are made by cheque. The head teachers noted that for the construction of new classrooms and the renovation of old ones, the school is obliged to advertise an invitation for tenders. The opening of the tenders requires the presence of the district procurement officer (DPO) and the DEO. The classrooms are constructed using a standard blueprint designed by the Ministry of Public Works whose officers supervise the work to ensure compliance.

Apart from construction of modern classrooms, the ESP had other components through other ministries but which ended up benefiting schools. The school in North District which benefited from new classrooms also received an ESP grant of KES 20,000 (\$235) from the Ministry of Fisheries Development for the partial construction of a fish pond.

At the time of the school visit, parents had yet to raise the KES 45,000 (\$529) required to complete the project. Two other South District schools had benefited from ESP grants of KES 60,000 (\$706) each, channelled through the MoE, to plant trees within their compounds. The schools did not handle this cash but the MoE facilitated the planting through a youth empowerment programme known as *Kazi kwa Vijana*. Money for tree planting was disbursed to 20 schools per constituency. Thus, 4,200 schools in the country benefited, across all 210 constituencies.

#### **5. Orphans and vulnerable children (OVC) grant**

One school in South District acknowledged receipt of an OVC grant of KES 100,000 (\$1,176), one in 2008 and one in 2009. The money provides care for OVCs in the school in areas that are not catered for under the normal FPE grant, such as school uniforms.

#### **6. School Feeding Programme (SFP) grant**

Two of the six schools in North District have been included in the SFP. When the researchers visited them between May and June 2011, they were in the second week of the programme. By the time of the study, North District was experiencing a severe drought and had registered three failed harvests. Famine was already affecting learner attendance and participation. One school had received a grant of KES 94,000 (\$1,106) while the other had received KES 128,000 (\$1,506), both from the MoE. At the school level, this money was being managed by the head teacher and the SMC. During a later visit to the North DEO in November 2011, the researchers learned that a non-governmental organization (NGO), Plan International, had launched a SFP in all the schools in the district while the government was financing it in 31 schools.

#### **7. Early Childhood Development Education (ECDE) grant**

At present, early childhood development education, which precedes primary education, is not free in Kenya. Some schools reportedly have received the ECDE grant from the government. One school in South District received KES 53,000 (\$624).

#### **8. Philanthropists**

A number of schools received financial and material support from philanthropic individuals and organizations. A school in South District received a grant of KES 2.1 million (\$24,706) from the Organisation of Petroleum Exporting Countries (OPEC) and Government of Kenya project to construct two modern classrooms. The same school had received a grant of KES 400,000 (\$4,706) from a local bank which was used to renovate the school buildings. World Vision, an international NGO, was also visible in North District where it had donated desks, water tanks, and school uniforms in two schools.

### **4.2 The amount of the FPE grant**

Surprisingly, many of the school-level actors fumbled when asked about the amount of the grant their schools had received and the school's official per capita allocation. Apart from the head teachers who seemed to have at least some grasp of the figures, most other stakeholders at the school level seemed lost on the issue of the amount of grant allocated over the years. There are three possible reasons:

- One is a lack of access to information on the amount of grant received by the school. In a number of schools, school-level actors, including teachers and parents, stated that when the grant is received, the head teacher normally reads the figures to them which they soon forget. The FPE policy states that the figures should be displayed on the school notice board where they are accessible to all. However, in the majority of schools, the charts showing the grant amount allocated to the school

as well as the expenditure were mounted inside the office of the head teacher, thus limiting their accessibility;

- There is also the fact that the grant arrives in two different accounts, in three instalments, and is managed by different actors. In a number of schools, the SMCs could point out the amount of GPA grant received in either one or two instalments, but not the SIMBA grant. Similarly, teachers could give the figures for the SIMBA grant received in either one or two instalments, but not the GPA. This could be due to the fact that the SMC handles the GPA grant while the teachers deal with the SIMBA grant through the SIMSC. A number of head teachers also could not give the total amount of the grant received but seemed more familiar with the various instalments. This betrays the fact that the majority of school-level actors do not look at the school's annual financial picture as a whole. They usually budget for each disbursement received but they do not add up the three budgets in the year to establish the total allocation to the school;
- The third reason is that the amount of the grant received is never constant and keeps fluctuating from year to year. One head teacher observed that the FPE grant has been diminishing over the years adding that 'One cannot tell what is coming and when'.

The official total of the SIMBA and the GPA grant together should be KES 1,020 (\$12) per learner per year. Thus, the absolute amounts received by different schools differ, depending on their size. The larger the school, the greater the total amount received but schools are not informed in advance of the amount of grant that they will receive.

At first glance, it seems easy for a school to calculate the amount of grant to expect since it would just need to multiply the official figure by the enrolment number submitted to the MoE. However, the reality is quite different. There was general consensus among school-level actors that the per capita allocation was not only inadequate but that it had been diminishing since 2003 and that there was no consistency in the amount of grant disbursed from year to year.

Parents in one South District school indeed said that the grant was inadequate noting that, 'At certain times the water is disconnected, textbooks are insufficient and sometimes we have to buy exercise books'.

The SMC chairman of a South District school complained about the irregularity of the grant disbursement as well as the fluctuating amounts adding that, 'Our hands are tied since we cannot demand money from parents and yet the school needs are more than the money allocated'.

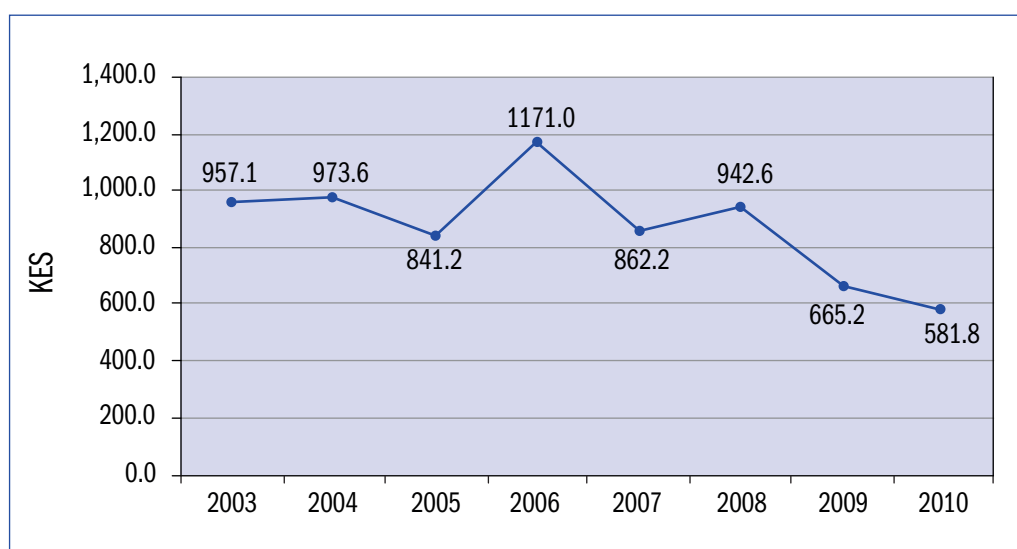
The researchers collected data on the total FPE grant allocations to the schools and their enrolment from 2003 to 2010 so as to plot the evolution of the amount received over the years. They collected data on the total grant allocated to each school annually from 2003 to 2010 as well as the total enrolment for each year. This enabled the researchers to compute the per capita allocation and to plot a profile for each school showing the allocation trend from 2003 to 2010. *Table 2* shows the per capita grant allocation for the 12 schools from 2003 to 2010. The figures are weighted averages arrived at by dividing the total grant allocated to a school in a given year by the total enrolment in the same year.

**Table 2. Per capita grant allocation for the 12 schools, 2003-2010**

School	2003	2004	2005	2006	2007	2008	2009	2010
Oak	1,310.3	871.3	1,036.2	1,378.9	712.2	986.9	872.4	939.7
Pine	1,129.8	1,078	355.7	1,596.3	122.7	620	709	399
Baobab	925	1,272	981	1,004	986	1,041	562	638
Olive	938	1,073	1,057	1,395	1,029	971	685	593
Rosewood	988	1,029.6	118	538	1,280	1,050	701	488
Cypress	1,004.4	608.8	1,061	1,302.8	720.9	751.3	407.4	720.2
Camphor	1,197	895	711	1,254	668	745	656	486
Podo	350	892.2	1,053.6	654.7	1,015	1,125.1	1,522.7	395
Cedar	1,192.6	584	856.6	1,368.6	674.2	977.9	675.7	464.7
Fig	786.5	907.7	1,113.5	1,397.4	914.2	1,077.9	814.3	714.2
Eucalyptus	765.1	834.3	1,039.4	1,382.3	1,020.9	1,014.6	690	679.1
Gravellier	898	1,637	711	780	1,203	951	544	465
<b>Average</b>	<b>957.1</b>	<b>973.6</b>	<b>841.2</b>	<b>1,171</b>	<b>862.2</b>	<b>942.6</b>	<b>665.2</b>	<b>581.8</b>

Source: Data collected from schools.

As illustrated by Table 2 and Figure 1, all the schools had registered a drop in the per capita grant allocation from 2003 to 2010. All the profiles had the same shape, starting on a high level and dropping over time. They indeed confirmed the concerns raised earlier by the school-level actors that the per capita grant had diminished drastically over the years. The per capita grant allocation is rarely KES 1,020 (\$12) for most of the schools. In several instances, it is above the official figure, but in the majority of cases it falls below the official figure.

**Figure 1. Per capita grant allocation for the 12 schools, 2003-2010**

Source: Data collected at school level.



Figure 1 shows that on average, the per capita grant allocation for the 12 schools has dropped over the years from KES 957.1 (\$11.30) in 2003 to KES 581.8 (\$6.80) in 2010, representing a drop of 39.2 per cent.

To confirm these findings, the study also collected data from the two DSAs on the audited accounts for all schools in the two districts for 2009. These data captured 150 schools (39 in South District and 111 in North District). They revealed that in 2009 the average per capita allocation for the two districts was KES 595.1 (\$7). This figure does not differ significantly from the data collected from the 13 schools. It also strongly reinforces the qualitative data collected through interviews from the school stakeholders who indicated that the per capita allocation had diminished by almost 50 per cent. This per capita allocation falls short of the policy per capita allocation by KES 424.9 (\$5).

It is disturbing that the majority of stakeholders had never sought an explanation from the government on the diminishing grant. When asked whether she had ever tried to find out why the funding was being reduced, a South District head teacher confirmed that she had not but added that she assumed that the government had no funds. However, her body language suggested that she felt that it would not be an appropriate question to ask her bosses. When the same question was put to the SMC in the same school, the chairman stated that, '*... Kitu cha kupewa huulizi maswali*' ('you do not look a gift horse in the mouth'). Another member of the same SMC responded that, '*hatuwezi kuuliza kwa sababu hatujui kama ni haki yetu*' ('they could not query since they were not sure whether the government's FPE grant was a right or a privilege'). This response exposes an underlying fear that if they antagonized the government by asking questions about the grant, the privilege could be withdrawn. The stakeholders were not prepared to make the MoE accountable for the diminishing allocation. However, a South District head teacher said that the school had raised the issue with the DEO who promised that their concerns would be delivered to the MoE. The school never received any feedback.

According to one head teacher and his teachers, the grant got reduced over the years because schools had attained a textbook/pupil ratio of 1:1. However, they felt that the basis for estimation of this ratio was not correct. Indeed, according to them, many of the books bought in 2003 were no longer in use, either because of changes in the syllabus or because they were worn out. The teachers also pointed out that, according to the policy, the life span for books is three years for Grades 1 to 3 and four years for Grades 4 to 8 but 'The MoE seems to be ignoring this while focusing on the total allocation for textbooks since 2003'.

### 4.3 Deciding on the use of the FPE grant at the school level

As already mentioned, the SIMBA and GPA grants each go to a different bank account. The SIMBA grant is purely for the purchase of instructional materials while the GPA grant is used for salaries, repairs and maintenance, etc. In the majority of the schools, the picture that emerged is that the decision-making on the use of the two grants is fairly participatory. However, as stipulated in the FPE policy, each grant is managed by a different set of actors.

The study established that decisions on the **SIMBA grant** are made by the SIMSC. All 13 schools had a functional SIMSC. By and large, its composition is as follows: head teacher (chairperson), deputy head teacher (secretary), eight teachers, representing Grades 1 to 8, and two parents' representatives. In some schools, the SMC chairman is a member. A few schools with a small number of teachers (10–14) included all the teachers in the SIMSC.

The decision-making process was similar in most of the schools. After receiving the grant in the bank account, the head teacher would inform the SMC and the teachers. The SIMSC would then meet and deliberate on the school's needs against the available funds. The

decision-making function lay with the teachers as they were the best placed to select the instructional materials. The eight teachers who were class representatives normally consulted their fellow subject teachers so as to agree on what instructional materials to buy. The teachers pointed out that the selection of textbooks is guided by the Orange Book, which stipulates which books can be bought, as well as by the public procurement procedures. Once the SIMSC agrees on what materials to buy, it also identifies the supplier and issues an order. When the materials are delivered, the SIMSC is there to receive them. If all the parties are satisfied with the delivery, the SIMSC issues a cheque to the supplier who in turn issues a receipt. It was noted that the role of parents in the SIMSC is not to help in the selection of the books to be bought as they are not technically in a position to do so, but to ensure that books are budgeted for and that there is fairness among the classes. The time that elapses between the receipt of the grant and the delivery of books in the schools ranged from one to three weeks. The interviewees seemed to be happy with this decision-making process. For example, teachers in one of the schools in North District were happy as 'They can identify their needs without a major influence of the head teacher who just guides us through the process'.

Decisions on the use of the **GPA grant** are the responsibility of the SMC. All 13 schools have functional SMCs. Once the grant is received, the head teachers first inform the chairman and treasurer of the SMC before calling a full SMC meeting. Teachers and pupils are involved in GPA decision-making indirectly by identifying the school's needs and forwarding them to the head teacher for discussion and prioritization by the SMC. Once the SMC agrees on the priorities, authority is given for withdrawal of the money for implementation. In all the schools, it is the role of the head teacher to implement the spending of the grant.

In the course of the interviews, it was clear that, though the SMC makes decisions on the GPA grant, the de facto power holder is the head teacher. In all the schools, the head teacher presented the school needs to the SMC, hopefully having discussed them with the teachers and pupils. In one school the head teacher stated that he guides the processes. According to him, 'I am on the ground more than the SMC'. In another South District school the head teacher emerged as being stronger than the SMC when he noted that he consults the teachers and the pupils on areas that require attention and presents this to the SMC for approval. The head teacher further added that if he wanted to squander the GPA grant, it would not be difficult since he is the one who keeps the money and uses it after it is withdrawn from the bank.

The study also established that in most of the schools the parents in general were not directly involved in the decision-making process on how to use the grant. This could be due to the assumption that parents are heavily represented in the SMC and know about its activities. School management made the decisions and later reported them to the parents during school meetings.

It is noteworthy that the head teacher is the only person involved in both committees and thus is the one with the most influence on the use of FPE funds.

No major problems were reported by the school-level actors in the decision-making process. The only notable challenge was prioritization of needs due to the inadequacy of the grant. When the needs are too numerous and resources are scarce, there is the potential for disagreements or dissatisfaction. For example, teachers in one school expressed dissatisfaction with the way the GPA grant was used, saying that they were at times kept in the dark and that their requests were not considered. However, the major bone of contention was that their request for transparent roofing sheets for some classes which were very dark during gloomy weather had not been considered. Nevertheless, the teachers conceded that some of their requests were considered, which suggests that inadequate resources could be the main culprit rather than the decision-making process itself. The North DEO, however, said that infrequent arguments in schools usually

revolved around the management of resources and his office was sometimes called upon to intervene. He observed that this usually happens when the head teacher fails to involve the SMC in decision-making.

#### 4.4 Use of the FPE grant

Schools have no autonomy in using the FPE grants. Their use is predetermined by the accompanying guidelines showing the allocation per vote head which schools are expected to respect.

Tables 3 and 4 show the allocations per vote head as outlined in two MoE circulars (MoE, 2011a and b) dated 11 January 2011 for the first tranche of the FPE grant for the financial year 2010/2011. The official circular contains only the first three columns but the researchers have computed the last two columns on percentages to capture the weight of each vote head, both within each respective grant (SIMBA or GPA) and the overall grant (SIMBA plus GPA).

**Table 3. SIMBA grant, January 2011**

S/No.	Vote head	Allocation per pupil (KES)	% of SIMBA grant	% of total FPE grant
1	Textbooks	80.00	29	17.4
2	Textbook maintenance	5.00	1.8	1.1
3	Exercise books	120.00	43.6	26.1
4	Supplementary readers and reference materials	35.00	12.7	7.6
5	Pencils	23.00	8.4	5
6	Dusters, chalks, registers	7.00	2.5	1.5
7	Charts and wall maps	5.00	1.8	1.1
	<b>Total</b>	<b>275.00</b>		

Source: MoE, 2011a.

**Table 4. GPA grant, January 2011**

S/No.	Vote head	Allocation per pupil (KES)	% of GPA grant	% of total FPE grant
1	Support staff wages	55.00	29.7	11.9
2	Renovations, building of toilets, repairs, maintenance, and improvement (RMI) of physical facilities	60.00	32.4	13
3	Activity	22.00	11.9	4.8
4	Quality assurance (school-based examinations)	15.00	8.1	3.3
5	Local transport and travelling	15.00	8.1	3.3
6	Electricity, water and conservancy	5.00	2.7	1.1
7	Telephone/box/postage	10.00	5.4	2.2
	<b>Total</b>	<b>185</b>		

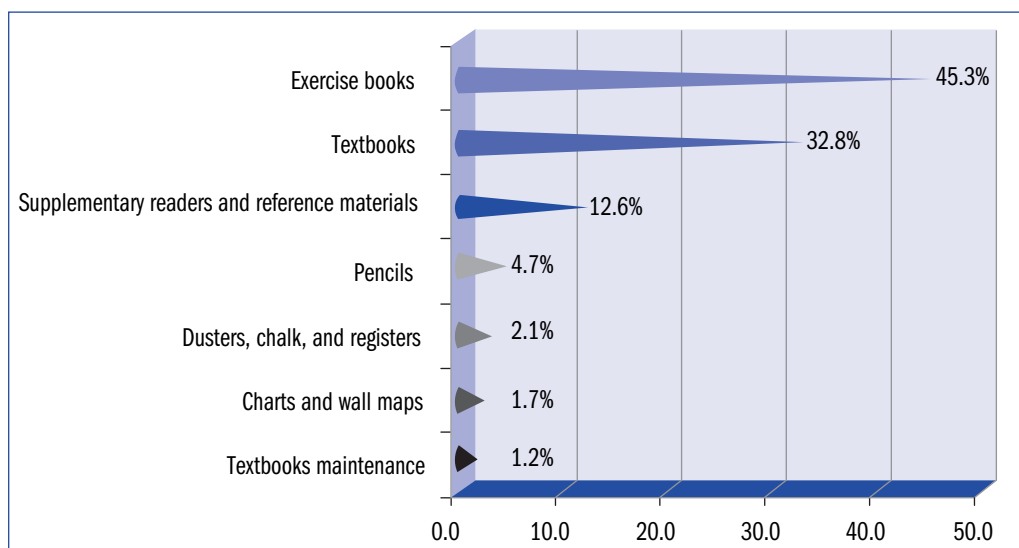
Source: MoE, 2011b.

Table 3 shows that in the SIMBA grant released to the schools by the MoE in January 2011, exercise books were expected to take up the lion's share with 43.6 per cent within SIMBA and 26.1 per cent within the overall FPE grant. They were followed by textbooks with 29 per cent within SIMBA and 17.4 per cent within the overall grant. Supplementary readers were in third position within SIMBA at 12.7 per cent and in fifth position in the overall grant at 7.6 per cent.

Table 4 shows that in the GPA grant, the vote head for RMI was supposed to receive the lion's share of funds with 32.4 per cent and was in third position overall with 13 per cent. It was followed by support staff wages which took 29.7 per cent within GPA and were in fourth position overall with 11.9 per cent. Activity was third at 11.9 per cent within GPA and sixth overall with 4.8 per cent.

The data collected from the 2009 audit reports of 150 schools in the district seem to tally largely with the figures above as given in the official ministry circulars. Figure 2 shows SIMBA grant allocation per vote head for 150 schools in the two districts in 2009.

**Figure 2. Allocation per vote head as a percentage of the total allocation in SIMBA account**

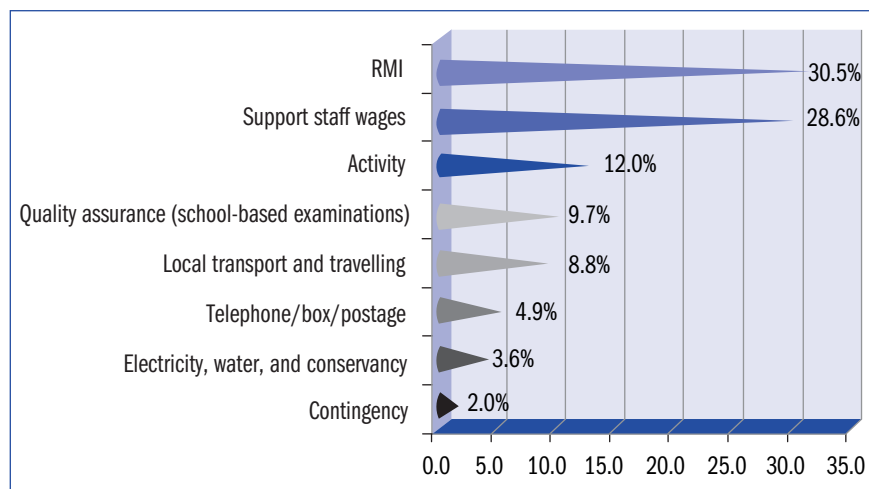


Source: School Audit Reports, District Schools Auditor.

Figure 2 shows that what was allocated to the schools in 2009 conforms to the allocations given to schools in January 2011 as illustrated earlier in the circular. Just like the circular indicated, exercise books were in first place followed by textbooks while supplementary readers were in third position.

The GPA grant for 2009 also corresponded with the January 2011 allocation as outlined in the circular. Figure 3 shows GPA grant allocation for 150 schools in the two districts in 2009.

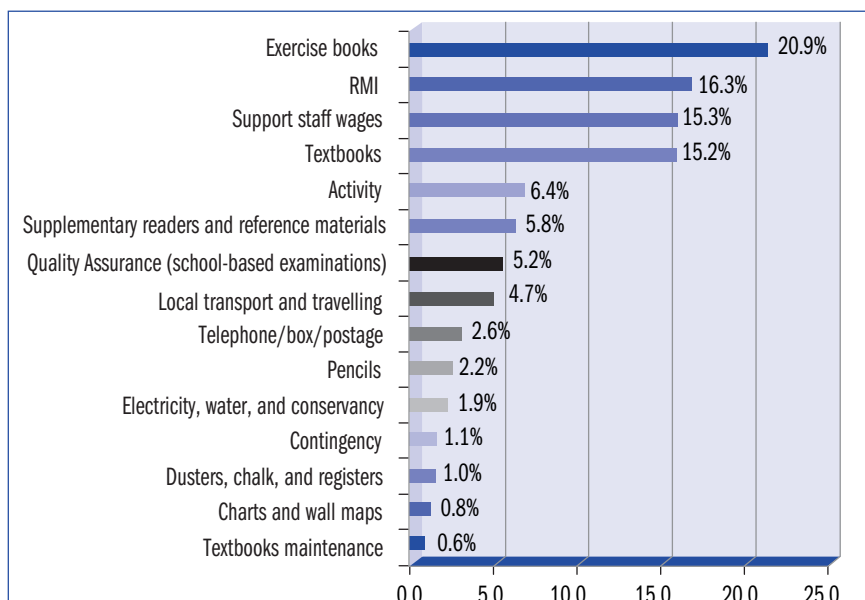
**Figure 3. Allocation per vote head as a percentage of the total allocation in GPA account**



Source: School Audit Reports, District Schools Auditor.

Figure 3 shows that what was allocated to the schools in 2009 conforms to the allocations given to schools in January 2011 as illustrated earlier in the circular. As the January 2011 circular indicated, in 2009, RMI received the largest share of GPA at 30.5 per cent, followed by support staff wages at 28.6 per cent. The third largest share was activity at 12 per cent. The study also sought to establish the share of each vote head as a percentage of the total FPE grant for 2009. The results are given in Figure 4.

**Figure 4. Allocation per vote head as a percentage of the total allocation (SIMBA and GPA)**

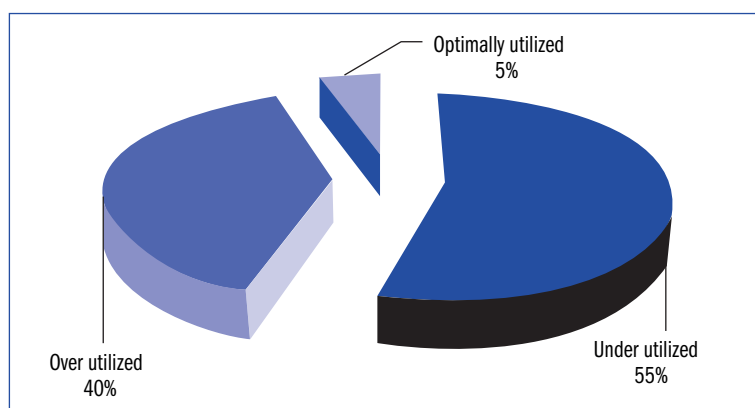


Source: School Audit Reports, District Schools Auditor.

Figure 4 shows that when the 2009 FPE grant allocated to the 150 schools in the two districts in 2009 is taken as a whole, exercise books were the leading cost at 20.9 per cent. RMI took second position at 16.3 per cent while support staff wages was in third position at 15.3 per cent. Textbooks were the fourth biggest cost at 15.2 per cent. These four vote heads made up 67.7 per cent of the total FPE grant for these schools in 2009. The expenditure trend amongst the different vote heads is a good indicator that schools really stick to the guidelines provided in the FPE Grant Circular.

The study also sought to establish the extent to which the schools used the FPE grant. The study used auditors' reports for 150 schools in the two districts, comparing the total amount spent by a school by the close of the 2009 financial year, with the total amount of grant allocated to the school during that year. The analysis indicated that the mean expenditure was 98.4 per cent. This suggests that most of the schools in the two districts did not spend their entire allocated amount. Further analysis indicated that 55 per cent of schools underspent their allocation while 40 per cent of the schools overspent their allocation and even incurred extra expenses outside the FPE grant allocated for that year (Figure 5). This scenario of over-spending was very clear in the qualitative study where most of the stakeholders indicated that the amount allocated is never enough. It is important to note that only 5 per cent of schools used the FPE grant optimally with accounts that read zero at the end of the year.

**Figure 5. Level of FPE grant utilization by schools**

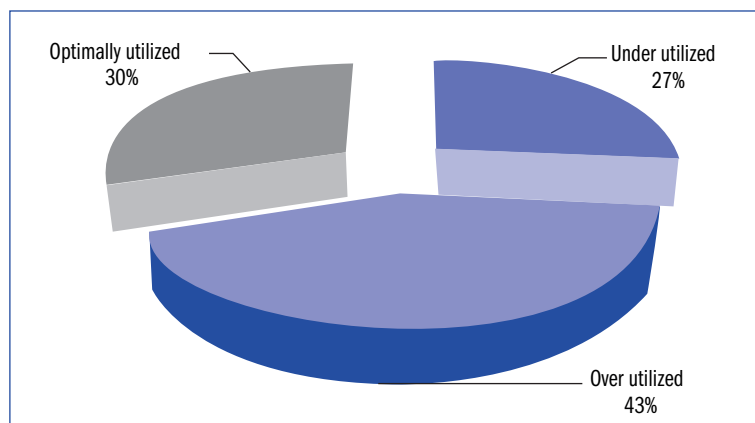


Source: School Audit Reports, District Schools Auditor.

The study established that the schools with the highest over-expenditure exceeded their allocation at 122 per cent, while the schools with the least utilized expenditure were underspending at 63 per cent.

In the SIMBA account, 43 per cent of the schools over-utilized their allocation, even incurring extra expenses (Figure 6). Further analysis indicated that 27 per cent of the schools did not exhaust the entire amount allocated to them. This suggests that these schools had some surplus in their accounts by the end of that year. It is significant to note that 30 per cent of schools optimized their allocation with a zero balance in their accounts at the end of the year.

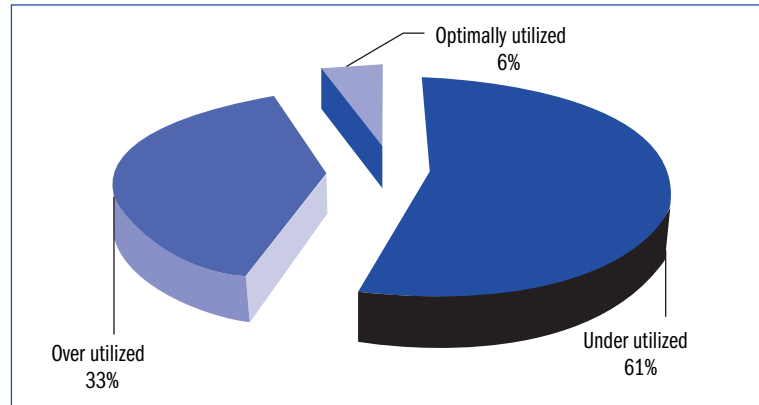
**Figure 6. Level of utilization of SIMBA grant by schools**



Source: School Audit Reports, District Schools Auditor.

The study further revealed that the GPA account was the most underutilized by the schools. Most of the schools (61 per cent) did not fully utilize this account against 33 per cent of the schools that over-utilized the account, with only 6 per cent utilizing their account optimally. Figure 7 summarizes the percentage of FPE grant spent by schools in the GPA account.

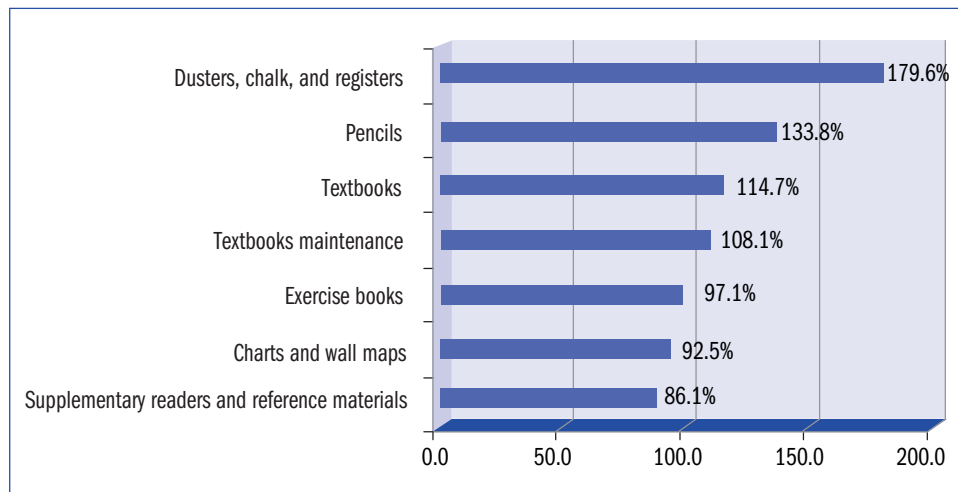
**Figure 7. Level of utilization of GPA grant by schools**



Source: School Audit Reports, District Schools Auditor.

A comparison of Figures 6 and 7 shows that of the two grants, the SIMBA was the most over-utilized by schools in the two districts. Thus, most schools overspent in this account and even financed the account using extra funds over those allocated in a specific year. The study went further to establish the level of utilization of these funds by vote head. The results for the SIMBA grant are given in Figure 8.

**Figure 8. Level of utilization of SIMBA grant by vote head**



Source: School Audit Reports, District Schools Auditor.

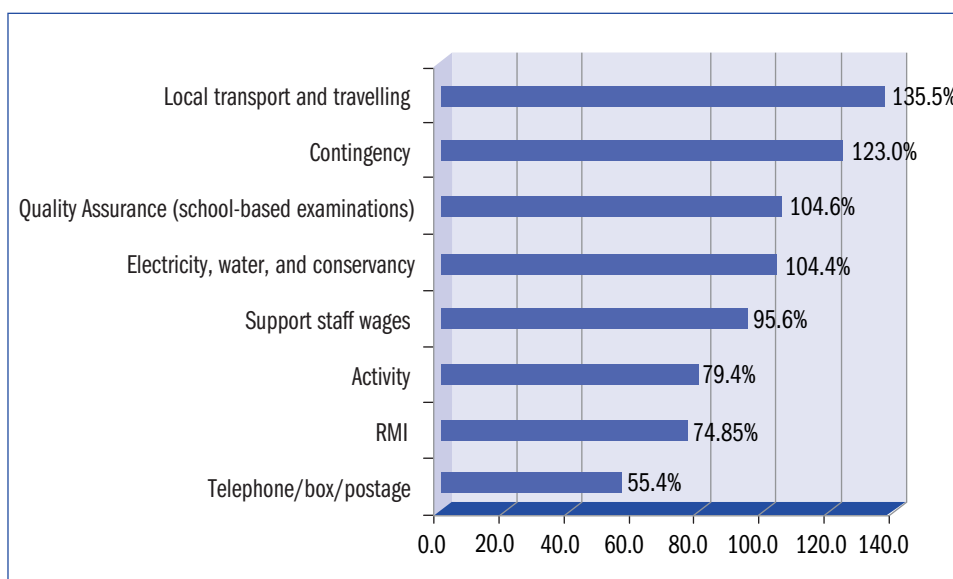
Under the SIMBA account, the analysis indicated that the mean level of utilization is 116 per cent: on average, the vote heads over-utilize the funds allocated to them. Out of the seven vote heads in this account, 57 per cent of them overspend their allocated funds. The vote head that overshoots its allocation most severely is the one for dusters, chalk, and registers at 179.6 per cent. Another vote head that experienced overspending was for pencils at 133.8 per cent. During the school interviews, head teachers and teachers pointed out that the amounts allocated to these vote heads were quite low and below

market prices. Consequently, schools were obliged to look for extra funds for these vote heads.

On the other hand, the study established that the most underutilized vote head is that of supplementary readers and reference materials (86.1 per cent) followed by that of charts and wall maps (92.5 per cent). This finding is confirmed by the interviews, and especially for the latter item, where school-level actors complained that wall maps and charts are long-lasting yet they are allocated funds every year.

The level of utilization of the GPA grant by vote head is given in Figure 9.

**Figure 9. Level of utilization of GPA grant by vote head**



Source: School Audit Reports, District Schools Auditor.

The study established that 50 per cent of the GPA vote heads are over-utilized while 50 per cent are underutilized:

- The most over-utilized is local transport and travelling which is overspent by 35.5 per cent. This finding agrees with the qualitative findings which indicated that most stakeholders would prefer a uniform allocation in this vote head as opposed to allocation based on enrolment. The other vote head that is overspent is contingency, by 23 per cent.
- On the other hand, the most underutilized vote head is telephone, box and postage (by 44.6 per cent), suggesting that schools are only able to spend 55.4 per cent of the funds allocated to them. This finding supports those from the qualitative study which indicated that most head teachers rarely use post office boxes in the era of modern technology, but rather cell phones. They are more likely to utilize the contingency vote head to buy air time (under contingency) instead of utilizing the one on telephone, box, and postage to avoid audit queries. This partially explains why the vote head on telephone, box, and postage is underutilized while contingency is over-utilized. It is significant that the vote head for renovation of classrooms, building of toilets, repairs, maintenance, and improvement of physical facilities (RMI) receives the lion's share of allocation in the GPA and overall is second only to exercise books. However, when it comes to utilization of RMI's vote head, all the funds are not fully used and this vote head is underspent. The analysis indicated an underspending of 25.2 per cent; only 74.8 per cent of these funds are fully utilized.



Though opinion was divided on the merit of the guidelines, generally, the majority of stakeholders favoured them and with good reason, as illustrated by the quotes below:

- ‘Guidelines enable me to convince the SMC and parents better on how to use the grant. Without guidelines, you would be pushed to pump all money into only one area’ (Head teacher);
- ‘If you are given money without guidelines, you will use it the way you want and you may overlook some areas’ (Head teacher);
- ‘If you follow government guidelines, there will be very few problems. Guidelines create discipline and reduce impunity’ (Head teacher);
- ‘Allocation based on vote heads is okay as they ease the work of budgeting. What is required is just to increase the amount. For example, for GPA the allocation is KES 40,000 (\$470.60) yet the school needs more toilets. If the CDF will not give funds to the school, I don’t know what to do’ (Head teacher);
- ‘The guidelines enhance accountability and control, unlike when the money is allocated in a lump sum’ (SMC member);
- ‘Without the guidelines, there would be politics’ (SMC member);
- ‘Without them, all the money would go to local transport and travel’ (South DEO).

However, the minority who opposed the guidelines argued that they treated all schools in the same way, even though each institution had its own unique needs and priorities. As one South District deputy head teacher said: ‘I am not happy with the guidelines. Government priorities are not the priorities on the ground’. According to him, the school should be empowered to identify its needs first, which it should then give to the government and then wait for the allocation. This view was also shared by a SMC chairman who suggested that government should request a proposal from the school and then allocate money according to the needs as outlined in the proposal, as ‘Each school has its own priorities’. A head teacher said that though she was not opposed to the guidelines per se, they should be flexible so that a school can make alterations in consultation with the DEO. The head teacher noted that, at times, some of the allocations are totally unrealistic, pointing out that pencils are sometimes allocated 50 cents per pupil while the cheapest pencil costs 10 times more in the market.

Stakeholders also faulted the laborious process of seeking approval for virement (money transfer from one vote head to another) from the DEO. One North District head teacher claimed that ‘It is not a good method that we should ask for approval. The bureaucracy of going to get permission is not good, when emergencies arrive at the school level. Some areas should be protected, while for others they should be looser’. Another North District head teacher also took issue with the long period required for approval of virement and noted that when the need arises, ‘You write the letter and proceed’.

The study established that virement without seeking the approval of the DEO, though limited, was practised in a number of schools. One head teacher and several teachers cited the vote head on wall maps in the SIMBA grant as an example: ‘Instead of allocating more money for wall maps, we need more books. However, the policy says there is no virement. It is, however, done as you cannot buy wall maps every term whereas you do not have enough textbooks. Sometimes we do what is right on the ground but wrong according to the policy’. Another head teacher said that although she was in favour of the guidelines, room should also be given for virement. She explained that virement is practised on some vote heads. For example, the vote head for electricity – which sometimes the school is without – is used to supplement the vote head for wages whose allocation is usually insufficient to pay the school guard. These revelations by the head teachers were confirmed by a DSA who observed that, ‘Some head teachers do vire without consulting the office’. Another DSA pointed out that in 2010 seven head teachers in his area of jurisdiction faced disciplinary action for virement of vote heads without authority.

Within the SIMBA grant, the restriction on how to use the money went beyond the vote heads. Teachers could not buy any textbook of their choice. Textbooks could only be bought from an MoE approved list as given in the Orange Book. Teachers from the 13 schools were unhappy with this requirement. They noted that some of the textbooks recommended in the Orange Book are substandard while some very good books on the market are excluded. The teachers indicated that they are often forced to buy out of their own pockets better quality books, which are not included in the Orange Book but needed for their own reference.

## 5. Monitoring and control of the use of the FPE grant

### 5.1 At school level

Monitoring at school level is done in various ways. Firstly, the use of the FPE grant is governed tightly by the MoE guidelines which indeed dictate the schools' budgets. As several school-level actors pointed out, they do not even prepare a budget since the guidelines are as good as one. As a result, there is little need for specific control mechanisms within the schools. Secondly, the FPE policy is designed to ensure the participation of several stakeholders in decision-making, ranging from the head teacher to parents.

For the SIMBA grant, the study established that the key decisions on what instructional materials to buy are made by class teachers and subject teachers in the SIMSC. Parents are also represented in the SIMSC where their role is to ensure that books are not only budgeted for but that they are delivered and issued to pupils. Parents in the SIMSC also play the role of ensuring that all classes and subjects are treated fairly. Apart from the two parents who are members of the SIMSC, the larger parents' body plays a critical monitoring role. One head teacher stated that parents are involved in monitoring of distribution of textbooks and exercise books to the pupils and added that parents usually compare what is issued in their school with what is given in the neighbouring school; if there is a deficiency on their side they complain. This kind of monitoring, according to the head teacher, forces all the schools in the area to provide uniform provisions. This was confirmed by the parents themselves when they indicated that they usually compare what their pupils are given in the school and what pupils in the neighbouring schools receive.

The GPA grant, which is managed by the SMC in all the schools, also undergoes thorough monitoring. To start with, the configuration of the SMC under FPE ensures that parents are the majority. Thus, to a large extent, the SMC represents the interests of the parents. Many of the schools also reported that when they receive the GPA grant, the SMC meets and prioritizes the school's needs before calling a parents' meeting where they are informed of the amount received and the proposed activities. At this stage, the parents provide their input. In many schools, parents confirmed that they visit the institutions to monitor the progress of the various projects as well as the quality of the work. Thus, the study established that monitoring of the FPE grant at the school level involves different school-level actors. As a North District head teacher observed, 'Everybody is a supervisor for the other. The SMC assesses, the parents look at the quality of work done and are shown the purchased items'. However, the head teacher is the key actor as he/she is not only the school's accounting officer but also the only person involved in both management committees (SIMBA and GPA), which strengthens his/her monitoring power in the school.

Thirdly, the South DEO also pointed out that complaints received at his office are usually an indication that people are monitoring what is happening at the school level. Various school-level actors expressed satisfaction with the internal monitoring process which helped ensure effectiveness, transparency, and accountability in the use of the grant. As one parent stated, '*Ukora umeisha. Hakuna chenga chenga*', meaning that corruption had been wiped out and every one had to keep to the straight path. One SMC member and a group of teachers pointed out that internal monitoring ensured that, 'Schools got value for money', adding that their school had at one time returned substandard goods to the supplier.

The researchers noted, however, that the success of internal monitoring was to a large extent dependent on the management acumen of the head teacher. In two schools in

North District, where the head teachers' management styles seemed autocratic and closed, the school-level actors did not express faith in the internal monitoring process. In one school, the head teacher suggested that parents were not playing an active monitoring role and said that there was a need to improve the monitoring capacity of parents. The head teacher suggested that, 'Guest speakers could be invited to educate parents on their rights and monitoring role'. However, during the interviews parents from the same school complained that they were being kept in the dark noting that, 'There are many things which are not right. We are just given a list of what is done and how much is spent and we don't know if it's true or not'. One example that the parents gave was the construction of an expensive school gate while the entire school compound was not fenced.

In the other school in North District, the head teacher stated that, 'Parents do not ask questions on what has been done, maybe owing to ignorance. Teachers ask questions such as when will the books be bought. But they never ask about the amount of grant received. They feel that the head teacher is their boss and they should not poke their nose into his business'. Teachers at this school said that there was no transparency on the part of the head teacher in the use of the grant and their level of involvement in its use was limited. The teachers pointed out that the FPE grant allocation figures were no longer displayed on the school noticeboard and no one dared to query why. One teacher from the school warned that, 'Money matters are very sensitive and therefore we are not concerned. We leave it to the head teacher and the SMC'. One teacher concluded that, 'The process of internal monitoring is not effective'.

## 5.2 External monitoring

External monitoring is carried out by officers, mainly from the DEO and sometimes from the MoE head office. As set out in the work plan, the MoE head office makes field visits twice a year and is supposed to cover 2.5 per cent of the schools in the country. The DEO team consists of the AEO (TAC tutor), DQASOs and the DSAs and visits schools at least twice a year. They should cover 100 per cent of the schools. It has been pointed out that when officers from the DEO visit schools to carry out an 'inspection', they stay for most of the day and check everything. They visit the classrooms where they verify that pupils have textbooks and exercise books. They inspect the buildings to ascertain what renovations have been carried out. The auditor looks at the financial records. At the end of the exercise, they hold a meeting with all the teachers, the deputy head teacher and the head teacher and point out the strengths and weaknesses of the school. During a subsequent visit, the district team usually checks whether the previous recommendations have been acted upon.

According to the North District DQASO, the TAC tutors should visit the schools every term: 'TAC tutors can indeed visit each school once a term; they cover 16 to 21 schools'. She explained that the TAC tutors are generally local and have previously been teachers and head teachers. She described them as 'Advisers to the head teacher and to the teachers'. Although the main tasks of the TAC tutors and DQASOs are to provide schools and teachers with advice and to control curriculum delivery, they also inspect finances. The TAC tutor in South District confirmed that during school visits, he checks the cash book to ensure correct entry. This was confirmed by the South District DQASO who explained that TAC tutors have a newly developed assessment instrument that now includes financial management, noting that, 'In the old assessment instrument, we were not supposed to look at financial management, but now we are supposed to'. Such a situation may lead to problems as the TAC tutors are not trained for such work and they may not be in a position to exercise legitimate authority: their closeness to schools can also make it difficult for them to denounce any mismanagement. One head teacher emphasized that 'They do a layman's job because they are not experts'. A senior officer from the MoE headquarters

questioned the expanded mandate of TAC tutors to cover finances, noting that it lacked legal backing.

The work of the DSAs is solely to look into school finances. They accompany the DQASO team on scheduled school visits, although, ordinarily, they rarely visit schools unless a problem has been reported. At the end of the year the school head teachers submit their books to the DSAs for auditing, meeting them at a central point for four or five days. At the end of the auditing exercise, the auditor provides the school with a report which is copied to the DEO. Most head teachers consider this report useful as a guideline which highlights the areas that require improvement. At the school level, only the head teacher and the SMC are privy to the content of the auditor's report. Teachers and parents in all the schools claimed that they had never seen the report, though a number of them said that they were informed whenever the school was audited and that they were always given a positive report.

The district auditors acknowledged that they face a number of challenges, most importantly the lack of personnel and insufficient finances to carry out audit visits. Each auditor had very few officers, yet each group was in charge of both primary and secondary schools in several other districts. For example, the North District schools auditor, who was in charge of seven other districts and over 1,000 schools, had only six auditors to work with. Field visits were also sometimes hampered by financial glitches. There is no money for this activity at the district level and they must wait for funds from MoE headquarters. Since there is no consistent pattern for releasing these funds, the scope for planning at the district level is severely limited. For instance, when the researchers visited the auditors in September 2011, they learned that the last audit for schools was for the 2009/2010 financial year, meaning that they were lagging behind by one year. The auditors added that because of the increasing number of schools and the unchanged number of auditors, school financial reports cannot be checked as deeply as they should.

Other external officials who monitored grant use by schools were from the CDF and those managing the ESP. The CDF had assisted a number of schools with the construction of classrooms, toilets, and other physical infrastructure. Officers were usually sent to schools to audit the progress made. Schools which had benefited from the ESP projects were also audited by officers from the line ministries.

## 6. Overall assessments

### 6.1 Contribution to access, equity, quality, and school functioning

Overall, the various interviewees were satisfied with the FPE policy. One major reason was the positive impact on children's access to schooling: poor children who previously could not afford to go to school were now enrolled and they paid no fees. As one SMC member put it, 'Children from the poor are accessing education just like those of the rich'. One parent added: 'FPE has brought the poor to school. Many street children came to school after FPE was introduced'. Another SMC member noted that before FPE parents had to pay KES 10,000 (\$118) to secure admission for their children, which was beyond the scope of many, thus making the school elitist. Poor parents in the school's catchment area would be forced to enrol their children in schools that were far away but, as one parent from the school put it, 'FPE has broken the barrier of cost'. Thus, FPE had a positive impact on equity with both socio-economic and gender dimensions.

FPE also had a positive impact on gender equality as more girls started attending school. In the past, in the face of inadequate resources, some families gave preference to the enrolment of boys. Alongside access, FPE also enhanced retention as pupils were no longer being sent home to ask parents for fees.

It was noted that this enhanced access and retention under FPE had a ripple effect in wider society in four ways: first, there were no idle children loitering in the village; second, the security of the children was guaranteed while they were in school; third, FPE had helped reduce cases of child labour; fourth, illiteracy in the community was being reduced.

However, some stakeholders argued that though FPE had ensured equality with regard to access, the same could not be said about retention as some pupils missed school owing to issues such as hunger, lack of sanitary pads, etc.

The relationship between FPE and the quality of education drew mixed reactions among interviewees. On the one hand, the availability of instructional materials, especially textbooks, was given as a major milestone of FPE which had led to improved quality of education, especially when combined with the increase in pupil attendance. Head teachers and teachers acknowledged that FPE had helped a great deal in the acquisition of textbooks unlike in the past when parents were expected to buy them. Most of the schools had attained a textbook/pupil ratio of 3:1 for most subjects, unlike in the past when only four or five pupils in a class of 40 could afford to buy a textbook. On the other hand, the high pupil/teacher ratios in most of the schools, inadequate classrooms, and parental abrogation of responsibility were seen as detrimental to the quality of education. As one SMC member observed, 'Quality of education has been compromised owing to the shortage of teachers. In addition, performance has declined'. Parents from one school had this to say: 'Quality of education is going down owing to overcrowding in classes, compared to the few available teachers. Academies (private schools) are performing better'. With the advent of FPE, performance in KCPE (Kenya Certificate of Primary Education) had improved for some schools and declined for others. A parent in another school stated that 'FPE assisted pupils to access school but quality issues were not addressed'.

Many interviewees were happy about the participative process in the internal functioning and management of the school that had been engendered by FPE. Indeed, a wide range of actors now make decisions on the use of funds. Such a situation, combined with the tight guidelines, has brought more transparency and accountability, thus minimizing cases of misuse of funds.

FPE had fostered harmony in the school environment as parents did not feel harassed by financial obligations. 'The head teachers were called tax collectors', said one head teacher. FPE has created a good relationship between the parents and the teachers, which perhaps explains why parents' attendance at school meetings is quite high with an average attendance of about 80 per cent at school meetings. Indeed, there was consensus that parents were more involved under FPE. Everywhere, parents were members of the SIMSC where they played a monitoring role in the purchasing of textbooks. As one head teacher pointed out, 'If you call them (parents) for a meeting, they come immediately. Initially they thought they would be told to bring money'. Parents confirmed this: 'Before FPE parents were not involved in the internal functioning of the school as they feared being told to pay the still existing fees. They were thus used to absent themselves from the meetings'. This view had the support of one head teacher: 'A school meeting today is highly attended as parents know they will be told of what government has done but not told to contribute anything. They like to be involved in what the government has done'. This reflects the fact that parents are keen to monitor the utilization of the FPE grant.

However, FPE also had a negative effect on the participation of parents (financial or otherwise). One head teacher noted that, 'Some parents have some negativity as they are waiting for Kibaki (President) to provide more assistance'. This comment captured a similar observation made by several school-level actors, including some parents themselves, that the parents expected the government to shoulder the entire burden of FPE on their behalf. Head teachers and teachers noted that FPE gave parents the 'free' mentality which reduced their level of contribution to school affairs despite attending school meetings in high numbers. Teachers had plenty of stories of parents who would not buy their children an exercise book or a pencil when the school stock was exhausted simply because education is 'free'. An SMC member said that the concept 'free' is misunderstood and noted that, 'It should not be called free education as it has misguided parents'. 'SMC was strong but now you cannot make a pupil pay; parents' attendance in meetings was good as they would be eager to discuss their money but now they do not care to attend. FPE has helped the community, kids who were out of school are now in school, but not the school which is challenged by personnel and infrastructure deficits' (SMC chairman).

One teacher noted, 'FPE made parents withdraw even their non-financial support from the school'. 'FPE had taken parents outside the fence' (Head teacher). Teachers in most of the schools lamented that FPE had led to parental abrogation of responsibility, leaving everything to the teacher and thus compromising quality. The attitude of the parents under FPE was aptly captured by one deputy head teacher who observed that, 'For the parents, the teacher is Mr. "do-everything" and they are told "These are your children now". The parents want us to discipline their children, even for things that happen at home'. It was apparent to several teachers that FPE had relieved parents totally of their responsibility to their children, including discipline issues. This view was also shared by some of the parents who observed that, 'FPE has made parents relaxed. They do not want to do even the little they can do'.

The introduction of FPE also created a heavy workload for the teachers due to increased enrolment. More children attended school amid a country-wide shortage of teachers due to the government not being able to employ them. Deputy head teachers complained that SIMSC duties were overwhelming them on top of their normal duties, such as teaching and ensuring discipline. The head teachers noted that FPE was accompanied by a great deal of paperwork and accounting. One head teacher said that at times she is forced to go to school over the weekend to deal with the paperwork and lamented that, 'Before FPE, you could afford to employ a secretary to assist with paperwork but now you cannot as the FPE grant does not have such a provision'.

FPE had a different impact on the SMC and its role. On the one hand, the availability of the grant and the accompanying guidelines has eased the work of the SMC. As one

SMC member put it, their work was easy as they were no longer ‘squeezing money from parents’. On the other hand, there was some feeling that FPE had reduced the powers of the SMC as well as their room for creativity and innovation with regard to the school’s development. This was supported by one head teacher who observed that ‘SMC is less involved as they are guided by the circular and vote heads on what to do and therefore cannot think freely on how to develop the school. They have to wait for the FPE grant and its circular’.

The FPE policy had a positive impact on the composition of the SMC. The new policy was that SMC members should be educated at least to secondary school level. Although this threshold was impossible to meet in all the schools, a majority of SMC members were fairly literate which was good for the schools. Literate SMC members can read and comprehend the various policies governing FPE and cannot be easily manipulated.

## 6.2 Challenges

The study captured a number of challenges of the FPE grant policy which cut across all the schools. The first concern that was raised in all the schools was that the FPE grant was inadequate to meet the schools’ needs. The study clearly established that rather than increasing over the years to keep abreast with annual inflation, the grant had actually shrunk. As a result, schools’ purchasing power had become eroded over time and they could not meet all their needs. The schools did not have enough textbooks, while the school workers were poorly paid. One of the head teachers pointed out that this contravened the labour laws. Suggestions were made for the grant to be increased; some actors said that it should be tripled while others gave a figure of KES 5,000 (\$59) per child enrolled per year.

Another challenge of the grant was that it only catered for repairs and maintenance but not for the building of new infrastructure. Many schools were grappling with shortages of essential infrastructure such as new classrooms. This was further complicated by the upsurge in enrolment with the advent of FPE and the fact that parents had pulled back from school development initiatives after the introduction of the policy: In only one of the 13 schools had parents pooled their resources and constructed some classrooms. The lack of adequate classrooms led to congestion in the existing classrooms and a number of schools had some classes with over 60 pupils. Stakeholders suggested that the grant should be expanded to cater for the construction of school infrastructure. There were also calls for awareness-raising of parents so that they could take charge of their obligations under FPE.

Late and irregular disbursement of the grant was cited as another challenge by the schools. Ideally, as pointed out by one auditor, the money should be paid out to the schools in December, April, and August before they open for a new term. However, this has never been the case and the money is usually released a month after the schools have opened. When the researchers began visiting the schools in the third week of term two of 2011, the schools had yet to receive the grant. It was not until the fifth week that they received it. The year 2008 was cited as the worst in terms of delays: schools received their first disbursement early in the year and the second one in December. This delay and irregularity in the release of the grant by the MoE made it difficult for managers at the school level. For example, as most head teachers confessed, it forced them to secure materials on credit which is against the Public Procurement Act. These delays and irregularities also forced parents to buy instructional materials for their children, which was akin to taking them back to the pre-FPE era. All the stakeholders agreed that the grant should be released before schools open for a new term to facilitate the smooth running of activities.

The criterion which dictated the amount of grant allocation was also criticized by both school-level and non-school actors. There was general agreement that, whereas the




per capita allocation was appropriate for the SIMBA grant, it was not for the GPA grant. Schools with small populations were disadvantaged as some costs, such as salaries for workers, rental of postal boxes, and transport, are the same for both small and large schools. One suggestion was that, at the very least, the GPA grant should reflect current market rates. Another suggestion was that the FPE grant should be tailored to the unique needs of a specific school or region to address the many existing disparities. As one head teacher observed, 'Some regions are more challenged than others and would require more resources'. This has clearly disadvantaged some schools who may require more funding.

Several other challenges were mentioned, which are not directly related to the grant. Firstly, and as discussed earlier, the schools receiving the two grants have a high pupil/teacher ratio, which has an impact on quality. Secondly, the FPE grant did not cover the cost of early childhood development education (ECDE). Many of the schools had ECDE units which were fully financed by parents. Payment of fees for ECDE was a bottleneck for some parents and some opted to keep their children at home and enrol them directly in Grade 1 of primary school at the age of six. Many of the interviewees felt that ECDE should be made part of FPE and that the total cost should be met by the government.

## 7. Recommendations

The following recommendations are based on those put forward by the school and district level actors met over the course of the research. Although some have emerged from the researchers' analyses of the observed grant policies and their implementation, most of the suggestions were recorded during the interviews and were formulated by school actors themselves.

- 1. The government should consider increasing the school grant relative to market prices of goods and services.** The study established that the FPE grant was inadequate to meet the schools' needs which have increased since 2003. Allocation of the grant has also ignored inflation rates which have continued to increase since the inception of the FPE policy. Furthermore, Ministries of Education and Finance should undertake a survey to determine the unit cost of primary education.
- 2. The government should include a budget line on building and construction.** Many schools are grappling with shortages of essential infrastructure such as new classrooms, toilets, etc. as a result of upsurge in enrolment with the advent of FPE. Although the government has started an Economic Stimulus Programme to assist some schools to build the infrastructure they need, only a few have benefited from it. Yet most poor parents cannot raise money for construction.
- 3. Policy-makers should mount awareness campaigns to sensitize different actors, particularly parents, on their expected role in the development of the school.** Parents should be reminded that they are key stakeholders in education and therefore should not take a hands-off approach in the development of schools under the guise of 'free education'.
- 4. The Ministries of Finance and Education should ensure timely and regular disbursement of school grants by developing a disbursement time plan.** The study established that, in most instances, school grants arrive in schools late and are irregular. As pointed out by local actors, the grant should be paid out to the schools before they open for a new term, i.e. in December, April, and August. However, this is rarely the case since the grant is usually released a month or two after the schools have opened. The delay and irregularity in the release of the grant make operations at school level difficult and head teachers are, among other issues, sometimes forced to secure materials on credit which is against the Procurement Act.
- 5. The government should improve the criteria for disbursement of the GPA grant to address the uniqueness of each school.** The study established that uniform allocation of the grant assumes that all schools were at the same level of development at the inception of FPE, which was not the case. This has clearly disadvantaged some schools which may require more funding. While most actors have no issue with the allocation of the SIMBA grant, they felt that allocation of the GPA grant should be based on the needs of the school. For example, with the current criteria, schools that are far away from the DEO's office should get an equal or larger allocation for transport than schools that are near the DEO's office where the head teachers need not take a vehicle but can just walk. Other unique characteristics of schools which may require attention are special needs education, children affected by HIV and AIDS (CAHA), etc.

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6. **Government should increase the number of teachers to reflect the increase in enrolment or adopt alternative modes of curriculum delivery.** The introduction of FPE led to increased enrolment without a commensurate increase in the number of teachers. This has two consequences: first, it compromises the quality of teaching as increased enrolment has translated into a heavier workload for teachers; and second, it increases the direct cost of education to parents as some schools were forced to employ extra teachers. The policy-makers should therefore increase the number of teachers in proportion to the enrolment, or adopt alternative modes of curriculum delivery such as e-learning.
  7. **Provide regular refresher courses for head teachers and teachers on accounting and management of the school grant.** The study established that most head teachers had difficulty in maintaining or even balancing school accounting books. In most cases they hire freelance accountants to assist in accounting. This introduces an extra cost to the school budget. Policy-makers should provide regular refresher courses for head teachers, their deputies, and teachers to facilitate prudent management of the grant.

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## The paper

In a growing number of countries, a significant reform in educational management is under way: schools which, in earlier years, had very little or no say in financial management, now receive grants directly from central authorities. The actual impact of school grants on quality and equity needs deeper investigation because it is strongly influenced by the design and implementation of grants; the simple existence of such grants does not guarantee success.

IIEP-UNESCO and UNICEF coordinated a research programme in Eastern and Southern Africa from 2010 to 2012, in order to better understand how the school grants policy is implemented in and by different schools, and to learn what its real contribution is to the grand policy objectives it is intended to serve. The research covered Ethiopia, Kenya, Lesotho, Malawi, and Uganda, through a collaboration with Ministries of Education, national research institutes, and the Centre for Education Policy Development (CEPD, South-Africa).

In Kenya, the research was implemented by researchers from Kenyatta University, in collaboration with the Ministry of Education and the UNICEF Country Office. The school grant has two components focusing on very different needs: the School Instructional Materials Account (SIMBA) and the General Purpose Account (GPA). They were introduced together with the Free Primary Education programme (FPE), in 2003.

The present study examines the use and usefulness of school grant policies in Kenya, with specific attention given to five key themes: the policy formulation and dissemination process, criteria and mechanisms for grant distribution, the actual use of the funds at the school level, the existence of control mechanisms, and the contributions of grants to access, equity and quality. The last chapter provides a set of recommendations for improvement of the policy.

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