

THE USE AND USEFULNESS OF SCHOOL GRANTS: Lessons from **LESOTHO**

Pulane J. Lefoka and Elodie Deffous
in collaboration with

Thabiso Nyabanyaba, Retselisitsoe Matheolane, and Thuto Ntseke



Lesotho

Country Notes

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List of abbreviations

AC	advisory committee
AIDS	Acquired Immune Deficiency Syndrome
BoS	Bureau of Statistics
CEO	chief education officer
CEPD	Center for Educational Policy Development
CRC	Convention on the Rights of the Child
DEO	district education officer
DRT	district resource teacher
DSD	Department of Social Development
FPE	free primary education
HIV	Human Immunodeficiency Virus
LSL	Lesotho loti
MC	management committee
MoET	Ministry of Education and Training
MoFDP	Ministry of Finance and Development Planning
NUL	National University of Lesotho
OVC	orphans and other vulnerable children
PSLE	primary school leaving examinations
SEO	senior education officer
SMC	school management committee
UNICEF	United Nations Children's Fund

Executive summary

This study is part of a regional research programme which included field research in four other Eastern and Southern African countries: Ethiopia, Kenya, 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). A pilot study was conducted in Lesotho from October to December 2010.

As part of the Free Primary Education (FPE) policy, introduced in Lesotho in 2000, the Ministry of Education and Training provided three new sources of resources to schools. Schools received support in kind in the form of teaching and learning materials, financial aid for school feeding programmes and a 'utility grant'.

Researchers interviewed school principals, teachers, members of parent committees, parents, and pupils from seven schools in Lesotho, as well as personnel from seven district education offices (DEOs), in order to learn about the design and implementation of this third source of funding – the utility grant. This research investigated the impact of this grant on school enrolment, as well as on the quality of the education delivered in schools and on equity within and between schools.

It was learned that the funding was to be exclusively spent on maintenance of the school buildings, electricity bills, and water bills. Schools were therefore found to have very little autonomy in the expenditure of the grant.

The per-capita allocation criterion of the grant – set at LSL (Lesotho loti) 8 (\$0.8) per pupil – was considered by several actors to be not appropriate. Although easy to calculate and track, as well as seemingly impartial, a majority of school actors were of the opinion that this formula failed to take into account the different needs of the schools.

It was also established that the size of the grant was too small in many schools to pay for both maintenance and utility bills. In most schools, after having financed the maintenance costs, the grant was insufficient also to cover utilities.

Delays in disbursement of the funds were common. The research team discovered several causes of these delays: schools failing to submit their enrolment figures on time; bank accounts of rural schools being closed because of irregular use; and overwhelmed capacities at the DEO. These delays often put a strain on school principals' relations both with suppliers and with parents. Since the introduction of FPE, only voluntary parent contributions are authorized in Lesotho, and, even when schools are in great need of support, principals struggle to convince parents to donate any money funds. When calls for donations are made, parents suspect the school management of embezzling FPE funds and this deteriorates the school staff's reputation in the community.

Different degrees of participation in decision-making on the use of the grants were observed in different schools, from entirely shared decision-making, to simple approvals of the decisions of the principal. This often depended on the management style of the school principal.

In terms of monitoring the use of the grant, the researchers concluded that existing control mechanisms are weak and the discretion of principals in the spending often goes unchecked. Although monitoring was actively carried out in some schools by school management committees (SMC), this was not the case in all of those visited. In a majority of schools, SMC members had not received training on the grant. This no doubt explains why there were several reports of a limited understanding of the school financial reports. It was explained to researchers that training had only been provided in the first year of

implementation of FPE. The researchers observed that this was worrying, as untrained SMCs acted mainly only upon the advice of the principal.

External monitoring was found to be equally weak. School principals were asked by their DEO to send financial reports on utility grant spending – signed by members of the SMC – on a quarterly basis. Further external monitoring of the use of the utility grant is hampered by a lack of resources of DEOs. Management of the school feeding programmes take up most of the personnel's time. A lack of effective enforcement or sanction procedures at its disposal meant that when the grant was put towards expenses other than maintenance and utility bills, such as the transport of school actors to training sessions, the DEO was normally forced to tolerate this discrepancy.

Several actors at the DEOs were of the opinion that further decentralization in school funding should not be carried out in Lesotho until the oversight on school principals' management of the funds is improved. Measures in this direction suggested by the researchers included: improving the effectiveness of the school board; increasing the frequency of visits of inspectors to schools, and employing specific auditors to monitor spending.

Although indirectly impacting the quality of education through keeping school infrastructure in a good condition, when asked about the effect of the grant on the quality of the schooling many actors pointed out that the direct objective of the grant was not to improve the quality of education. Other resources, such as learning and teaching materials and occasional parent contributions, were identified by most actors as more closely linked to any impact on quality.

The research established that overall the utility grant, as one of the funding sources provided as part of FPE, was appreciated by school-level actors in Lesotho. Many of those interviewed recognized that the utility grant was one of the tools of FPE which reduced the financial burden on parents and thereby widened access to education in the country. As a result, schooling has become accessible to categories of the population, such as orphans, who would have otherwise been deprived of their right to education.

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.

A pilot study was conducted in Lesotho from October to December 2010. The research was coordinated by IIEP and implemented in collaboration with the Ministry of Education and Training (MoET) in Lesotho, the National University of Lesotho (NUL) and the Centre for Education Policy Development (CEPD) in South Africa. The UNICEF office in Lesotho provided material support for the research.

A regional research programme was then conducted in 2011–2012, 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;¹ and the CEPD.²

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. In Lesotho, the focus was on the ‘utility grant’, which was developed by the government, through the MoET, as part of the free primary education (FPE).

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

The contribution of schools 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.

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.

- 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 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 question 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, neither 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. In each country, schools were chosen from among two or three districts – except in Lesotho as will be explained later – 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 Lesotho

As discussed earlier, a pilot study was conducted in Lesotho in 2010. Data were collected through field studies in a sample of seven schools visited between October and December 2010. The selection of the schools was undertaken in consultation with the MoET, namely with the chief education officer (CEO), primary sub-sector. It was conducted according to two characteristics of the school: first, whether the school was urban or rural; and second, the quality of management of the school.

The seven schools belong to one district and can be categorised as follows:

1. Three were well-managed schools with good school results. Two of these schools were located in a semi-urban area, and one in a rural area: they were the City, Village and Lake schools, respectively.
2. Two were medium-size schools with few management problems, located in semi-urban and rural areas. These were the Suburb and Hills schools.
3. One school (River) faced some difficulties in managing funds but has since been able to solve these; another (Tree) is still facing such challenges.³

The research was mainly qualitative. Interviews were carried out with a number of actors in each school, as detailed in *Table 1*.

Table 1. Actors who participated in the study by school and by designation

Name of school	Actors' designation	Sub-total number of actors	Total number of actors
Hills	Principal	1	15
	Teachers	2	
	School board	3	
	Parents	1	
	Learners	6	
	Senior education officer (SEO)* and senior accountant	2	
City	Principal	1	21
	Teachers	3	
	School board	2	
	Parents	4	
	Learners	10	
	SEO	1	
Village	Principal	1	19
	Teachers	3	
	School board + chairperson	3	
	Parents	4	
	Learners	5	
	SEO, accountant, and district resource teachers	3	
River	Principal	1	16
	Teachers	4	
	School board	1	
	Parents	4	
	Learners	4	
	SEO & senior accountant	2	

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

Name of school	Actors' designation	Sub-total number of actors	Total number of actors
Suburb	Principal	1	19
	Teachers	4	
	School board	4	
	Parents	4	
	Learners	4	
	SEO & senior accountant	2	
Tree	Principal	1	15
	Teachers	4	
	School board	4	
	Learners	4	
	SEO & senior accountant	2	
Lake	Principal	1	15
	Teachers	3	
	School board	1	
	Parents	4	
	Learners	4	
	SEO & senior accountant	2	
Grand Total			120

* A Senior Education Officer (SEO) is the head of the District Education Office in Lesotho.

This booklet

This report analyses and synthesizes the data collected during the pilot field research conducted in Lesotho in 2010.

It is composed of seven sections. *Chapter 1* examines the characteristics of the schools and their environment. *Chapter 2* focuses on the utility grant policy, 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 learned, and a final section, *Chapter 7*, provides relevant recommendations that emerged out of the research.

1. Profiles of the schools and their environment

1.1 The school environment

Globally, the seven schools studied share many characteristics. The population of the communities is usually poor, with only a few families doing better than the others. The majority of community members have attended little or no formal schooling. The chair of the governing board of City school stated: 'Many people living in this community did not even finish Standard 7'.

In most communities, the inhabitants are predominantly farmers, mainly working in crop and animal farming. There are a few exceptions to this: the community around Hills school, where people are predominantly miners or self-employed workers; in the City school community, people work in local industries; in Village and Suburb schools there are public works programmes or self-help jobs ('*Matšolo-a-iketsetse*'). These are prized and are rare. In some rural communities, a large proportion of the community works in the capital city, Maseru. Almost everywhere, a few people from the community are working in South African mines.

Several challenges have been highlighted by the respondents. Most people indicated that, while communities consist mainly of farmers, many of the respondents in Village school stressed how the reserves of livestock had been stolen or sold off for food during the last drought. Parting with their livestock has left the rural community around the schools with few resources to generate an income to get by.

In the majority of schools, the population includes a large number of orphans who in some cases arrived in the area because a relative was living there. The introduction of the FPE programme by the Government of Lesotho in 2000 has contributed to the rising number of orphans and other vulnerable children (OVC) in school. The Ministry of Finance and Development Planning (MoFDP) describes as an OVC any person who is below the age of 18; has lost one or both parents through death; lives with a grandparent, in a household headed by a child under the age of 18, with relatives, in an institution, or on the street; is either mentally or physically disabled; is subjected to exploitation either as a herd boy or as a domestic worker; or is abandoned.

The Lesotho Bureau of Statistics (BoS) (2011) undertook a study which provides statistical information on the number of children classified as orphaned and vulnerable. *Table 2* presents the number of OVCs in the country.

These children would never have spent a single day in a primary school classroom because their families could not afford to pay school fees. Now they can attend school. However, in the majority of schools studied, even though education is 'free', some children are still out of school because of the high level of poverty in the area. This was confirmed by one SEO who explained that the 'Opportunity costs prevent them from attending – their parents need them to work or look after siblings'. The SEO in the Northern district expressed yet another view related to socio-economic factors: the poverty of the village largely explains the 'Huge number of children who apply for secondary school bursaries'. The bursaries are provided by the government for secondary school students who cannot afford to pay for their secondary education.

Table 2. Number of orphans who attend school and those who have never attended, or have left school

District	School attendance	
	Still attending school	Never attended or have left school
Butha-Buthe	5,002	1,980
Leribe	10,825	2,331
Berea	7,900	1,185
Maseru	18,556	2,206
Mafeteng	7,872	970
Mohale's Hoek	8,812	1,503
Quthing	6,122	977
Qacha'Nek	4,140	397
Mokhotlong	5,515	863
Thaba-Tseka	6,624	905
All 10 Districts	81,368	13,317

Source: BoS, 2011.

There are few cultural disparities within the same community. Modern styles of managing communities in which councillors are jointly managers have been put in place. The relationships between the schools and the community continue to prevail. The principal of Suburb school puts this positive relationship down to the participation of the chief and the councillor:

The chief and the local government councillor are very supportive and constantly visit the school. The local government councillor, although not a member of the school board, attends meetings even if she has not been formally invited. The chief, too, regularly visits the school just to learn about how it is progressing and if there are any problems being experienced such as the school being attacked by robbers or to hear about such incidents. He is very helpful even in updating the school lists or figures of orphans and HIV+ learners.

The Basotho people of Lesotho are a monolingual nation and the communities that participated in the study share the same socio-economic and ethnic background.

However, Tree school is an exception as several altercations between the teachers and the villagers risked becoming endemic. According to one teacher, there was a huge education gap between the teachers and the villagers. As a result, the teachers generally do not respect decisions made by the school committee, which is mainly made up of villagers. As one teacher admitted: 'Some teachers look down on villagers'. This low regard for the status of villagers has contributed to several conflicts in the school. Some have even been covered by the media. Teachers in this school have called for the intervention of the minister because they had expressed a lack of confidence in the ability of the DEO to resolve the matter.

1.2 The schools: General information

Profiles of the schools

It is important to emphasise that all seven of the schools studied are under the FPE programme and therefore receive the utility grant. They are either government or church

schools rather than private schools, which still charge fees. Table 3 presents the main characteristics of the schools analysed during the research.

Table 3. Main characteristics of schools*

Name of the school	Location	Type of school	Size	Type of school structure	State of school buildings and equipment
Hills	Rural	Lesotho Evangelical Church school	300 pupils	2 committees: - advisory committee (AC) - management committee (MC)	Very basic infrastructure Lack of school materials
City	Semi-urban	Government school	685 pupils	School board**	Buildings in good condition Basic teaching and learning materials available
Village	Rural	Catholic school	886 pupils	School committee	Buildings in fairly good condition
River	Rural	Anglican Church of Lesotho school	Combined school with 321 pupils in primary school	Advisory committee	Old stone building in good condition. There is a new, recently refurbished brick building as well as a school built of brick and stone.
Suburb	Semi-urban	Government school	250 pupils	School board	New school with very good infrastructure and facilities New learning material available
Tree	Semi-urban	Catholic school	980 pupils	2 committees: - advisory committee - management committee	Solid infrastructures needing some renovation Lack of furniture
Lake	Rural	Lesotho Evangelical Church school	708 pupils	2 committees - advisory committee - management committee - creation of an advisory board to replace the other two	The school has a solid infrastructure. Some classrooms are built of bricks and others from strong stone.

* According to the *Lesotho Education Act of 1995* (Government of Lesotho, 1995), each church school has an Advisory School Committee while a Management Committee manages several primary schools in its jurisdiction. Advisory School Committees advise Management Committees on all matters related to education. Currently and according to the Government of Lesotho's 2010 Education Act, all schools should have school boards.

** School boards were created in 2010 (Government of Lesotho, 2010).

In this study, schools were able to assess their performance. For example, the Lake and River areas indicated that their schools perform well in the primary school leaving examinations (PSLE). The chairperson of River primary school expressed the view that the school's PSLE results have been improving since 2008. In 2008 there were four students who passed with a 'first' and only two failures out of 50 students who sat for examinations. The Lake school principal indicated that in 2009, performance of the Standard 7 students in the PSLE was very good. In 2009, the school produced 21 first-class students, 23 second-class students, and three third-class students. None of the learners failed that year.

The student population of the schools is quite homogenous. Pupils predominantly come from poor families. Many of the better-off families send their children to other schools, for instance in the capital city, Maseru. Nevertheless, several schools also have as students children from well-off families. For example, Village and Lake schools admit children outside their immediate areas. Village school, which is very popular, accepts children from as far-away as Maseru, as well as from outlying areas of its own district. Some of the students have to travel by taxi to school.

The principal of Village school says that parents bring their children to the school because of its good reputation, which is demonstrated by its performance in the PSLE. Similar comments were made by Lake school's principal, who highlighted issues pertaining to the culture of the school:

The school has a reputation for producing good results, particularly in the primary school leaving examinations, has hardworking teachers, instils good morals in learners, and as a result, continues to attract a lot of learners, not only from this village, but also from up to 10 other neighbouring villages. Furthermore, despite this being a Lesotho Evangelical school, it appeals to a lot of Roman Catholic parents and learners.

As noted above, the different schools provide information on their students or their school's performance. *Table 4* presents information on the performance of students in the seven primary schools that participated in the study over a period of five years.

In addition, the Institute of Education (2008) concluded that one of the reasons why OVCs dropped out of the school system was the fact that they did not have uniforms and would be attending school wearing worn out clothes. The principal of Lake school found ways of addressing such problems. At the time the study was being carried out, OVCs at Lake school were provided with a full uniform, thanks to the Department of Social Welfare. These learners were first identified at a meeting of the department with the community, and the school was also requested to add to the initial list. It was noted during the research that early in November 2010 a visitor had indicated that the purpose of the visit was to deliver shoes for needy learners. The school counsellor also assists with the identification of needy learners who should receive support from the Department of Social Welfare.

1.3 Schools' structures

Following a recent policy decision, each school within the FPE programme should have a school board, which deals with employment of teachers, discipline issues, and financial management, among other responsibilities. Members of the school board are elected by parents and teachers.

As shown in *Table 3*, at the time of this study most schools still had one or two school committees. Indeed, the transformation of 'committees' into 'boards' is a long process. Several schools indicated that the constitution of their boards had not yet been validated by the ministry. In the meantime, the board had to work with one or several missing members and without full clarity on the extent of its authority. This confusion is reflected

in the terminology used, with several schools still referring to ‘advisory committee’ and ‘management committee’.

In the schools studied that still have both an advisory committee and a management committee, their different functions seem to be clearly identified and there is little conflict between their respective domains of authority.

Table 4. Performance of seven schools over a period of five years

Name of school	Year	Total number of students who sat for exams	Number of 1st class passes	Number of 2nd class passes	Number of 3rd class passes	Number of failures
City primary school	2007	47	2	6	28	11
	2008	55	11	16	26	2
	2009	67	21	22	23	1
	2010	72	19	34	17	2
	2011	67	20	25	22	0
Village primary school	2007	171	69	58	41	3
	2008	164	71	53	37	2
	2009	106	61	33	12	0
	2010	130	59	41	26	4
	2011	115	48	42	24	1
Lake primary school	2007	67	12	25	29	1
	2008	53	16	21	14	2
	2009	47	21	23	03	0
	2010	73	18	31	21	3
	2011	104	14	35	45	10
Tree primary school	2007	146	9	25	101	11
	2008	147	2	28	95	22
	2009	126	4	13	73	36
	2010	141	3	22	92	24
	2011	133	2	7	77	47
Suburb primary school	2007	27	0	4	16	7
	2008	36	3	10	15	8
	2009	31	1	5	21	4
	2010	19	0	4	07	8
	2011	22	3	5	10	4

Name of school	Year	Total number of students who sat for exams	Number of 1st class passes	Number of 2nd class passes	Number of 3rd class passes	Number of failures
Hills primary school	2007	n.a.	2	3	26	5
	2008	n.a.	2	9	26	3
	2009	n.a.	5	13	7	0
	2010	n.a.	5	18	16	0
	2011	n.a.	7	20	14	0
River primary school	2007	n.a.	1	13	24	10
	2008	n.a.	4	11	31	2
	2009	n.a.	1	20	15	1
	2010	n.a.	2	9	27	2
	2011	n.a.	1	9	27	2

n.a.: not available.

Source: Calculated by authors based on examination results published by Examinations Council of Lesotho (ECOL).

School committees or boards were created to establish a partnership between the school and the community in order to increase the involvement of the community in school life. However, the experience with the seven schools revealed a number of challenges which may make it difficult for these committees or boards to function as genuine control mechanisms on the school's management, especially in financial matters. These challenges are:

- School committee members are usually elected on the basis of their position in the community rather than on the basis of their educational level. As a result, members of the school board often do not have the required skills, particularly to manage financial matters. For example, in the Suburb school, one committee member has been inactive for three years as he is too old to attend the meetings. Despite his age and his lack of financial skills, the parents elected him because of his important status in the community.
- Usually, members are elected for three years. However, the research revealed that in some cases committee members were in office for a longer period. In the Suburb school, for example, the school board was unchanged since the school was established in 2005. This calls into question the representative role of the committee and, most importantly, raises the issue of compliance with national rules.
- Finally, in the schools studied, the principals are members of the school committee. Most often they make the final decision, as they frequently are the only skilled persons with a good knowledge of educational issues and financial management. This position allows them to greatly influence the decisions made by school committees. As a result, this situation brings a new concern: the committees might turn into a way for principals to exercise their full authority over the school.

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

2.1 General information

There were differences of opinion amongst school respondents as to when the utility grant was introduced. Some actors thought that it had been introduced in 2001, others said 2005, and yet others said 2008. These different responses suggest a lack of communication on the issue of utility grants within schools, when they were introduced and what their purpose is.

Respondents generally agreed that the utility grant was meant to assist schools in the maintenance of their infrastructure. The board chairperson of Lake school indicated that 'The government realized that Basotho are poor people, and wanted to ensure that everyone has access to education'. The SEO gave detailed information on the grant's aim: 'To assist in the replacement of windows, locks, and doors, and to pay for water, electricity, and telephone bills'.

Among the material resources that schools need most are textbooks, garden tools, and sports kits and attire. However, the pupils at Lake school said that they 'Would like [their] school to be paved, to have electricity, and burglar proofed', demonstrating their knowledge of what the grant is for. Although the school is allowed to use the utility grant to purchase garden tools and sports equipment, the amount is limited.

With the exception of some parents and pupils at City school and one advisory committee (AC) member at River school who had vaguely heard about the policy through teachers, all those interviewed were well informed as to the purpose of the grant and the criteria for its allocation.

2.2 The policy formulation process

It appeared that school level actors did not take part in the formulation process of these policies. At the introduction of FPE in 2000 and the subsequent introduction of the utility grant, there was a great deal of confusion. The policies were implemented without consultation by the MoET with district and school level actors and this left many actors unsure of how they would be implemented. The MoET organized information meetings, but the level of participation varied among the groups, with usually only principals participating. During these meetings, schools were invited to participate in the FPE programme. As explained by the principal of City school: 'Proprietors were free to accept FPE or not, but it seemed that the government wanted to push this through'.

However, some principals were not able to attend the information meetings because they were either appointed to their position after these events had taken place or the school was not yet established. These views were shared by Village and Suburb schools. The principal at Village school had this to say: 'I knew nothing about this at the time; it was just started without our knowledge'. This was confirmed by the principal of Suburb school who said: 'Our school had not been established at the time that the policy was disseminated, so we were not informed'. The SEO of Village school shared the sentiments of Village school teachers. She admitted to not having been involved herself although she recalled that a 'Consultant had been hired by the MoET to develop the policy and undertake the first workshops for district officials at the levels of the SEOs and district resource teachers (DRTs)'.

2.3 The policy dissemination process

Communication and awareness-raising

All the school actors knew about the FPE policy through various information channels. Some principals were aware of the workshops organized by the MoET. In fact, before implementing the policy, the MoET had informed the public at national level through radio and television broadcasts and through distribution of government gazettes. The introduction of the utility grant followed and was a result of the FPE policy. In addition, information meetings were organized at district level.

The principal of Hills school explained that ‘We were told that we did not have to collect fees anymore and that pupils will be paid for under this programme’. In the months following these meetings, school actors have been informed about the grant through the principals, teachers, or the school committee members who had attended them.

A circular on the use of grants was distributed to all schools when the policy was introduced. This was confirmed by the SEO of the central district: ‘The office of the chief inspector has this [official document]’. Some principals, among them the principal of Tree school, confirmed the existence of a circular on the management of the utility grant, although she did not have it available at the time of the interview. In reality, the circular on the use of the grant was not available in the majority of the schools that participated in the study. Several schools had either not even heard about it, or heard about it but had never seen it. Only two schools use the circular. One of these two schools, the Suburb school, relies mainly on this document to deal with the management of grants. The circular is very helpful to this principal when putting together a report. However, the principal of Hills school keeps his copy at home and complained about its quality and that not all fields were covered.

Many pupils also know about FPE because it is printed on their stationery. Indeed the research teams observed that the hardcover notebooks and the pens used by the pupils were labelled ‘Free Primary Education’ in full. Parents from Urban and Foothills schools knew that their schools receive money from the government for maintenance of the school property.

Opinions differ from school to school on the usefulness of the information meetings to introduce the grant. This may indicate that the content varied, depending on the district or the understanding and interpretation of the policy of those in charge of disseminating it. At River school, the principal declared that the meetings addressed requirements for applying for the grant, the production of financial reports on its use, and the importance of supporting these financial reports with authentic invoices and receipts when submitting them. In contrast, the City school principal complained that no explanations were given to participants in these meetings on how to handle and work with the utility grant.

Analysis of the different schools also showed that school actors were quite sceptical when they first heard about the grant or attended these meetings. This scepticism may have been due to three factors:

1. In some church schools, such as Tree, school actors saw it as a way for the Government of Lesotho to take over church schools.
2. Some schools believed that the grant was a political decision; the government’s goal behind the grant policy was to attract more voters. Therefore, school actors believed that the FPE programme would never materialize.
3. There was doubt about the government’s ability to cover all of the costs for each learner. The principal of Lake school admitted that she expected to receive very low amounts under the grant scheme.

However, these fears evaporated after the first year of implementation of the grant and all school actors agreed that the utility grant was a good decision and the government had fulfilled its promise. The principal of Lake school admitted: 'The ministry stuck to its promises'. This unanimous response was a sign of acceptance that government genuinely intended to implement the utility grant.

However, there were some differences in depth of knowledge about the FPE grant. At River school it was very clear that most actors did not know about the grant. Interestingly, one of the parents is a member of the governing body but he emphatically indicated that 'As a member of the school board I am not aware that the government is putting money into the school accounts for school activities. [Asking the researcher] Can you tell us how much the school receives and why government is sending money to our schools?' Learners from River school mentioned that they thought the maintenance activities in their school were carried out using money from fundraising activities. Parents from the same school indicated that they wondered why they were always called to meetings in which reports were given about how money had been spent.

Overall, apart from a few isolated instances, everyone was very aware of the fact that people no longer had to pay fees. This was demonstrated in an interview with some learners at City school: 'We like FPE because we do not have to pay fees anymore. It is more equal'. However, the interviewees did not make a clear distinction between the information campaign accompanying the introduction of FPE and the introduction of the utility grant. It is thus difficult to know which specific channels and what mechanisms were used for the dissemination of both these policies. It seems that communication was mainly carried out on FPE and not on the utility grant itself. Additionally FPE, and the utility grant to a slight extent, continue to benefit from advocacy undertaken annually as the country celebrates Education for All (EFA) day.

Training

Procedurally, the DRTs are responsible for briefing and/or training newly appointed school principals. According to the SEO, once the DRTs were trained in the policy, they trained the other district staff, school principals and school management team members on the policy. It was expected that training sessions would be held once a year to mentor young principals. However, in many schools, no training was provided after the first year of implementation of the grant. As a result, the majority of actors were not trained because they arrived after the implementation had started.

This was the case for the principals of Hills and Suburb schools. The principal of Suburb school was not in post when the school first received its utility grant: 'The previous principal told me how to manage the utility grant'. Both principals explained that today there is no specific training on the utility grant itself but only on financial management in general. The SEOs from the Central and the Southern districts confirmed this, highlighting that the current workshops no longer focus on the utility grant but on financial management. Both school and district level participants agreed that the workshops on the management of funds are very important but not all the current school-level participants were given the opportunity to attend.

The teachers of Hills school confirmed that the previous AC had been trained on grants management but the current committee had not.

Overall, all the stakeholders agree on the importance of training on financial management. However, some school-level participants need regular refresher courses while others need training in basic financial skills, especially members of the school boards. A common opinion was that if training is not provided, principals of schools will continue to manage finances at the expense of the management committees who should play a significant role in the management of the utility grant.

As to the quality of the training, principals were globally satisfied. However, some of them expressed concerns as regards the duration and content of the training sessions. Indeed, the principal of City school suggested that sessions should be longer in order to prepare principals more completely. As for the content, principals were only introduced to basic accounting: 'When it comes to practical matters, I still have many questions'. Both the SEO and the principal of Village school also believe that the content of the training is not of a good quality. Information on the purpose and use of the grants gets 'watered down' through the cascade process and because of the lack of funds for training sessions. This has been especially the case in the last few years. However, the cascading model of training used by the MoET also has some advantages. Its major advantage is that it reduces inadequately trained personnel at the school level. It is also reduces training costs that may be incurred by bringing different stakeholders from the same schools for training.

The fact that only principals receive training is also worrying for the good management of the school, as the SEO of the Southern district explained: 'School management teams have had no training so the danger is that they will rely on the principal for knowledge'. This situation now seems to be accepted by every actor as the way things should be: 'We think the trainings are useful as they inform and equip principals with knowledge and skills on how to manage the school grant' (Teachers, Suburb school).

3. Criteria and mechanisms for grants distribution

3.1 Criteria

This section looks at the criteria for grants distribution and what is required of schools in order to obtain the funds.

Almost all the interviewees were well aware of the current criteria for distribution: LSL 8 per year per child enrolled (\$0.8). In Village school in particular, all those interviewed were familiar with it. The exception was River school where learners and parents had no idea about the existence of the utility grant or its purpose. In a few other schools, the level of knowledge of the criteria for distribution varied: in Tree school for example, only the principal was fully aware of the criteria and of the exact amount of the grant, while the others had no idea about it.

Some school actors were very satisfied with the distribution criteria. Teachers in the Suburb school said, 'We are happy with the criteria used for allocating the school grant. We do not see another formula'. A few others questioned it. According to the principal of Hills school, it should take the school's needs more into account: 'Those people should visit schools to see the needs of schools'. The chairperson of the governing board of City school felt that orphans should be considered: 'I can support the idea that orphans get a bigger grant from the government'.

However, it was pointed out that such a policy could lead to difficulties. Firstly, providing more funding for orphaned learners could result in the temptation for principals to record a higher number of orphans than actually exists at the school. This was mentioned as a risk by the SEO of the Central district. Secondly, giving a larger grant for orphans could only be justified if this money is specifically spent to improve their schooling, a view shared by a teacher of City school: 'Schools with orphans could get more money only if these funds are used for specific programmes for these children'. The additional difficulty inherent in the idea of using extra money for orphans can only be addressed by increasing awareness about the new criteria.

In order to receive the utility grant, schools must complete a school census form indicating their enrolment. The grant is calculated from this. This mandatory document for the allocation of grants is carefully supervised by DEO staff which intervenes when they suspect that something is wrong. Usually, the main issue facing DEO staff is the number of students. Indeed, it can happen that schools increase their enrolment on the census form in order to receive a bigger grant. However, DEOs know the schools located in their district, as explained by the SEO of the Southern district: 'we know our schools: when we suspect that something is wrong with the numbers, we do a headcount. The inspectors or the DRTs do so'. This was confirmed by the DRT of Tree school: 'We know the schools and when we suspect foul play, we go to the school to do a headcount of students'.

In addition to the school census, schools must send a quarterly financial report to the DEO detailing how they have spent the grant, accompanied by receipts. The schools studied revealed that receipts are not always seen as a compulsory condition for the release of the grant by all actors. The research showed that in fact such a requirement is difficult to respect by school actors for many reasons: first, the small amount of the grant makes providing quarterly reports very difficult. Several school actors also mentioned the difficulty of presenting a receipt for every item of expenditure. The principal of Village school explained: 'We have to submit receipts but sometimes this is a problem since local transport, for example, does not issue them'. Finally, the preparation of such reports

considerably increases the principals' workload. The principal of Suburb school had this to say: 'I am a full-time principal and a full-time teacher. Preparing quarterly reports is very demanding and adds an extra load to a person who is already overwhelmed'.

Submission of reports differs from one school to another. While some school principals, such as the one from Suburb school, confirmed that they send the report on a quarterly basis, others, such as the principal of Tree school, admitted to sending it only once a year. The Tree school principal explains: 'The school is at liberty to send the report yearly'. While in principle schools are not at liberty to submit reports at their convenience, it seems they do so anyway.

DEO staff seemed to be aware of the difficulties faced by schools in providing such reports. As a result, they are flexible and tolerant concerning their content. This was confirmed by both the SEO and the DRT of Suburb school: 'No matter how poor the information supplied by the school, the grant is transferred to schools'.

However, the principal of Tree school explained that at least some form of yearly report is mandatory for receiving the grant: 'If a school does not submit this information, it is definitely not given the grant'.

3.2 Mechanisms

The utility grant is transferred directly from the MoET to the schools' bank accounts according to the amount calculated by the DEOs and in accordance with the enrolment stipulated on the school census sent by the schools to the DEOs.

However, the process of disbursement differs slightly from one district to another (and between schools within a same district). Firstly, whereas some schools are informed by their DEO that the money is in their bank account, such as Hills school where the principal declared receiving 'a quotation from somebody in the DEO', others are not notified that the money has been transferred. This was the case for City school. It is up to these schools to keep checking with their banks if the transfer has been made. However, such verifications have a cost. Travelling to the bank each time is an expense. The cost of collecting the grant in some cases exceeds the amount of the grant itself and having to check regularly whether it has arrived only makes the situation worse. School actors strongly shared the opinion that the MoET should solve these transfer problems.

Secondly, to withdraw money, schools also need three signatories. However, this prerequisite appears not to be strictly controlled, depending on the bank. In Hills school, for example, one of the three signatories recorded at the bank is no longer a member of the advisory committee. Because the procedure to change a signatory is, according to the principal, too difficult, she admitted to going with only one signatory.

Finally, grants should be transferred to schools at the beginning of the school year, in January. All schools, with the exception of Suburb school, complained about delays in receiving funds. To illustrate her complaint, the principal of City school explained: 'The school got it in November, October, and August in 2008, 2009 and 2010 respectively'.

The interviewees gave several reasons for these delays:

- Several interviewees explained that a number of schools do not use their accounts much. By the time the MoET deposits the money, the school account is closed and the money is sent back to the MoET, thus creating delays.
- According to some SEOs, delays are often due to the fact that schools do not send their school census on time.
- Some school actors mentioned that there was confusion within the DEOs, thus delaying the disbursement of grants. The principal of Hills school explained that the school experienced delays last year because the report 'was misplaced in the DEO office. They suspected I did not bring the report'.

- According to the senior accountant of the DEO of Hills school, school delays are often explained by the fact that DEOs have a considerable workload which includes the checking of the different school censuses and the long procedures involved in the school feeding programme. Such a workload can explain the delays with which DEOs submit their reports to the MoET, thus delaying the disbursement of funds.

These delays create two major problems for schools:

- School actors, and often principals, are forced to advance money for urgent expenses. For example, sometime in 2010, City school owed LSL 1,000 (\$111) for its water bill and its water supply was nearly cut off by the water company. As a result, the principal had to pay from her own pocket to be refunded when the grant arrived. Similarly, in those schools where school actors use the grant for travel expenses such as in River and Hills schools, teachers and principals had to use their own funds.
- Delays in receiving the utility grant have hurt relations between the schools and their community. Since the implementation of FPE and the introduction of the utility grant, parents do not want to pay anything. When funds do not reach the schools, they suspect school members of keeping the money for their individual needs. This was confirmed by a teacher of City school: 'We explain the delays but they don't believe us'.

4. Use of funds at the school level

4.1 The school budget: General characteristics

The utility grant is not the only source of income for schools. The majority of funds that schools receive in addition to the grant are collected through fundraising activities that are organized by almost all schools. These activities usually consist of a special day called a 'fun day', when both teachers and students dress up in costumes, as well as including other activities such as concerts, sports events, or movies. On these days, learners are charged between 50 lisente (cents) (\$0.05) and LSL 1 (\$0.1), depending on the school. Other schools make money by engaging in various income-generating activities.

At Village school, it became increasingly clear that there are multiple sources of funding. The utility funds are only part of the funds available, although no one was prepared to state exactly how much is collected from other sources. This may be because it is used as petty cash and so is not normally banked. The principal disclosed that:

The renting of the seven 'flats' or rooms would alone add some LSL 3,500 (\$390) per annum, while selling sweets brings in at least LSL 700 (\$78) yearly. The school generates money from different sources – selling vegetables from the garden; selling wood from the trees; selling sweets to the children; renting out the flats to the caterers at the rate of LSL 50 (\$5) per month; and we also rent out the (cooking) pots at the rate of LSL 3 (\$0.3) per month to the school feeding caterers.

The funds generated through these different activities are used to pay travel expenses for teachers, to finance trips for pupils or to support OVCs who cannot afford to pay for their participation in cultural and other school activities.

In addition to these funds, some schools ask for contributions from parents. Since the introduction of FPE, such participation has to be voluntary. This was made very clear by several SEOs such as the one at Central district: 'Parents can contribute but it should not be enforced'. The principal of Hills school tries to overcome this problem and asks for parents' contributions by showing them what is missing in the school budget in order to draw their attention to the needs of the school.

However, the majority of schools experience the same reaction from parents: since the introduction of the grant, parents refuse to contribute given that education should be free. Despite the problems this may create, school actors seemed to understand such reactions. The chair of the governing board of City school declared: 'The parents refuse to contribute and they have the right to do so'.

Some church schools, such as River school, receive donations from the church. However, this is not the case for every church school. A few school actors of Hills school, which is also a church school, have complained. They believed that, because they are a church school, their grant was smaller than the one given to government schools. Although this is purely an assumption and is mistaken, a feeling of unfairness towards church schools clearly came through in the various interviews conducted at this school. There may be three different reasons. Firstly, church schools are often told by DEOs that they can raise money from the church. This is despite the fact that in Hills school for instance, this church contribution seemed to be minimal. Secondly, the funds provided under the grant obviously come from the government, which may give some people the impression that the grant could favour government schools over church schools. Thirdly, the study also revealed that some church schools are concerned that government schools have better facilities because of the growing size of their enrolment. Some of these new schools are more attractive to parents and students than the church schools with their deteriorating infrastructure. This indirectly affects funding for church schools. The principal of Tree

school explained that ‘Government schools are being built at a high rate in the area and are attracting learners because of their better facilities, and as a result the overall amount received by the school has been declining over the years’.

In some cases the community helps the school. Local businesses sometimes help City school with food or material; but they never give cash.

Overall, the research showed that total school budgets can vary widely, mainly because of the different resource mobilization capacities of principals and the socio-economic situation of the school population.

In addition to the utility grant, all schools benefit from a school feeding programme implemented under FPE. It is distinct from the utility grant and the money is directly transferred from the MoET to the caterers’ bank account. The caterers are chosen by the school from among the community members, and the majority of them have children enrolled in the school. The principal of Hills school explained that the caterers ‘do the feeding with their own expenses and the government pays them at the end of each month LSL 3 (\$0.3) per learner per school day’.

This important amount of money sometimes becomes a real source of friction among and between teachers and community members. Three school interviewees indicated some conflict when teachers from the school called a local radio station to complain that the principal and the advisory committee members were corrupt and were giving contracts for the school feeding programme exclusively to their own friends. However, this was the only school that provoked such accusations.

4.2 The utility grant: Amount

The total amount of the utility grant is easy to predict because, as explained previously, it corresponds to the student roll multiplied by LSL 8 (\$0.8) per child. Clearly, a higher school enrolment entails a greater amount of the grant. In the seven schools studied, the grant ranges from LSL 7,000 (\$780) in Village school to LSL 2,000 (\$223) in Suburb school. This generates problems among very small schools. For them, collecting the grant may cost more in time and travelling to the bank than they receive in funds. The SEO of the Southern district declared that ‘Some schools never bother claiming or drawing down their funds’.

The chairperson of the governing board at City school explained that in 2003 the grant was LSL 5 (\$0.5) per child, and since 2006 it had increased to LSL 8 (\$0.8) per child. Schools were generally consistent in their responses, but in a few cases interviewees differed on the amount of the grant. For instance, the principal and the chairperson of Lake school said it was LSL 8 (\$0.8) per learner, while the teachers said LSL 5 (\$0.5). While most of the respondents agreed that the amount had increased, there were a few individuals who claimed it had remained at the same level.

When asked to comment on the amount of the grant, several interviewees complained. For example, teachers from Suburb school believe it should be LSL 15 (\$1.6) per student and several school actors in Hills school consider it should be LSL 20 (\$2.2) per student. According to the chairperson of City school, the amount of LSL 8 (\$0.8) per child ‘supposes that we don’t have anything to repair’.

What was evident from the interviews, however, was that school actors had difficulty in accepting that the grant is only meant to cover what schools already have in place and is not expected to be spent on developing the school. Indeed, they generally did not consider this amount in terms of the set objectives of the grant – maintenance – but rather in terms of the broader needs of the school. Even when the additional projects that the school wanted to develop were rather minor, the utility grant was insufficient.

When asked for examples of items they would like to be able to spend the money on, the teachers at Lake school indicated that they would like to buy shoes for needy learners. The grant is too small to cover this. Similarly, in Village school the chair of the school committee complained that the grant is not enough for the ‘piggery and poultry projects that were terminated because of lack of funds for feeding [the animals]’. The principal of Hills school said: ‘Some aspects are not covered [by the grant]: in sporting activities, to feed people ... as a result, we have to collect fees for that’.

Finally, some school actors felt that the school funds had declined since the introduction of FPE. Schools used to collect more when they were charging school fees than what they were given with the grant. The main difference at present lies in the fact that with the fee-free education policy, the government provides schools with different funds or materials. The utility grant is one of three new sources of support for schools. The others are funds for daily school feeding which go to caterers, and support in kind in the form of teaching and learning materials. The ministry is to provide all of these to each school every year.

Some actors closely involved in the school budget seemed to be aware of this. The principal of River school explained, ‘Expenditure of the school was higher before the grant because the school had to buy stationery as well’.

For many schools, the difference between the present situation, with fee-free education, and the time when parents still paid fees is that the total amount of cash now available in schools is smaller: school fees were indeed higher than the utility grant amount. In most of the schools visited it was not possible to compare present budget figures with those of seven or more years ago. Such data were generally not kept; principals had changed, some schools were new, not all parental contributions are fully voluntary, and they may not always appear on the books.

4.3 The decision-making process for the use of the utility grant at school level

This section focuses on the way schools manage their budgets and the decision-making process for the use of the grant.

With some simplification, a distinction can be made between three broad scenarios:

- In a first case, the decision-making process is truly participatory, as in Lake, Hills and Suburb schools, and is usually made in two steps. First, teachers and the principal meet to identify school needs and prioritize the necessary expenses according to the funds available. Then, the budget is shown to the school committee members for discussion and approval. In Hills school, parents are informed during a meeting at the end of the school year where they are shown the financial report which is explained to them, even though they had expressed their wish to be more involved in the decision-making process. However, in these schools the principal usually makes the final decision, even when the process appears to be inclusive.
- A second scenario is a very non-participative process. This is often due to the fact that principals usually have the best financial skills and may consider other school actors not competent enough to be involved in financial decisions. This is the case in Tree school where the principal considered meetings with teachers ‘a waste of time as meetings can last a while’.
- A third and final scenario was observed, when the decision-making process is relatively participatory, but the principal has the best knowledge of financial matters and this gives him/her a certain advantage on budget-related matters. Such a position may lead the other actors to accept the principal’s suggestions automatically. This is what emerged from the interview of the City school principal: ‘I am free to budget with the help of teachers, and the management committee just comes in to approve it, but they usually accept it’.

The study of the seven schools revealed discrepancies in the preparation of a budget by schools. In some schools such as Suburb, the expenses made against the grant are seriously considered and accounted for. The principal explained that she first ‘Identifies a need, makes a list of needs according to priority, and then asks parents, students and the management committee for their opinion’. Then the plan is implemented to either buy or pay for a service provided to the school and expenses are accounted for. In other schools, such a well-defined process does not take place. In River school, for example, during the interview the principal made it clear that school actors do not practise systematic budgeting in the use of the utility grant: ‘We did not draw up a new budget because we felt that the previous year’s budget is still relevant’. Similarly, in Tree school the principal admitted to not drawing up a budget: ‘The grant is really not making sense therefore there is no need for a budget’.

The study also revealed discrepancies in the decision-making process on the use of the utility grant among the seven schools. Although in the majority of schools, the principal usually has the final say, the involvement of other actors such as board members and teachers differs from one school to another.

Situations where a great deal of authority resides in one individual can be dangerous. In many cases it can often lead to bad relations between school actors and may create management problems. As one SEO said, ‘When the board is involved, things go smoothly’. The nature and depth of the involvement of the board depends not only on the official rules, but also (if not more) on the personal relationship of the principal with the members of the board, particularly the chairperson. When there is a relationship of trust, simple involvement in the decision-making process seems to be more important to the board members than the actual decision-making. This was obvious in City school where, even if it was clear that the principal has the final say, the chair of the governing board described the relationship with the principal as close: ‘We always meet, we can take decisions’. This closeness and trust may not be unrelated to the fact that the board was closely involved in the recruitment of the principal in this school. The chair of the governing board indeed confirmed: ‘We had problems with the previous principal, who was chosen by the ministry. The committee interviewed this principal and we were happy with her’. However, such scenarios are not without risk: the researchers were of the opinion that mutual trust can turn into complicity and to the exclusion of all other actors, though this was not the case in any of the seven schools studied.

4.4 Use of the utility grant

Stakeholders generally knew that the utility grant is meant for regular maintenance and repairs (mainly broken windows), and the paying of utility bills. One SEO presented the usual spending patterns of schools within the country: ‘Outside of Maseru, most money is spent on transport; some schools there have nothing to maintain and no water or electricity bills to pay. Inside Maseru, most money goes to water and electricity’. This was confirmed by the principal of City school – located near Maseru – who confirmed that almost the entire grant was spent on the water bill.

It appears, therefore, that there are cases for which the formula is less appropriate. Although the grant can be sufficient for medium-size schools with no utility bill or only a water bill, it is not necessarily the case for very small schools or for medium-size schools with both water and electricity bills.

However, there was one common misinterpretation on the use of the utility grant, namely the possibility of using it to cover the costs of transport of principals and teachers. The principal of Hills school, for example, believes that, ‘Workshops are included in the maintenance grant’. This confusion is due to the fact that before the implementation of the grant, schools charged fees and could use these fees on transport. One SEO explained:

‘Now that there are no fees anymore, they still continue spending on transport, which is no longer allowed’. This proscription raises a question of how schools, especially in the rural areas, are expected to meet their travel needs related to school workshops. However, SEOs are aware of the situation and generally accept that some funds are spent on transport as, according to the SEO of the Southern district, ‘In the rural schools it is necessary for their effective running’.

The interviews revealed other incorrect uses of the utility grant. In Village school, for example, grants are spent on catering for the exam evaluators. Similarly, in City school, a part of the grant is used for uniforms for the soccer team. Even if the DEOs consider these uses unacceptable, they confessed to not being able to sanction schools and admitted that sometimes schools have ways of hiding spending on items which are not catered for within the rules of utility grant use.

Such specific guidelines for the use of the utility grant have led some school actors to question the concept of school autonomy. For example, some teachers of Suburb school believed that there is no autonomy since the MoET actually specifies what the money should be used for. They consider that these restrictions affect the extent to which schools can be considered autonomous in using the utility grant for the identified school needs. This again shows that school actors have difficulty in accepting that the aim of the grant is to help schools to maintain what they already have and not to help them develop new services.

5. Monitoring and control of the use of the utility grant

5.1 At school level

At school level, the school board has the responsibility to ensure that the principals and staff have spent the money according to what has been agreed upon. Financial reports on school expenditures are prepared, usually by the principal, and submitted to the committee for approval before being sent to the DEO. The DEO requests that these reports be signed by three signatories: the principal and two members of the school committee.

In Suburb school, the process is even more transparent as the reports are also sent to the parents. This represents an indirect way of monitoring the use of the utility grant on their behalf. Similarly, at Hills school, parents are shown the financial reports at the end of the school year so that they can understand the decisions concerning the school budget. As a parent member of the advisory committee pointed out, 'They put a document on the board of the school to show how the money was used'.

During certain meetings, parents are also very involved in the monitoring process. One parent at Hills school confirmed: 'Some of us often ask, "Why did you do this and that?"' Similarly, parents at Lake school reportedly ask questions relating to how the grant money is used compared to fundraising money, and want to know the distinction between learners' needs that are catered for by the government and those that are not.

In addition to parents' satisfaction with the financial management of the school, teachers at City school were confident that 'we know what the principal does with the utility grant', and considered that 'in other schools, it may not be like that'. At Village school, any items purchased are shown to staff and any members of the school committee who happen to be in the school. The school committee chairperson is often involved in the purchase of items. The financial books are also easily accessible at the school.

While some of the participating schools respect such a transparent process, this is not the case at Tree school. The teachers explained that the principal 'keeps records for all funding sources and does the financial reports on her own'. As a result, the principal was the only one satisfied with the process at the school level. This situation is similar to the one at River school where teachers indirectly indicated that the principal's wife (also a teacher at the school) knew more than they did as teachers.

Church-owned schools also report to their management committee, a church structure (which is currently being phased out in favour of school committees). According to the chairperson of the school committee at Lake school (who is also a member of the management committee), in case of problems with financial reports, the management committee would call the relevant people to account. This has never actually happened.

Even when principals submitted financial reports to the committee, some school actors did not fully understand the contents of the report as they were usually not involved in the budgeting.

As a result, school actors sometimes do not consider their monitoring role to be effective because they are not familiar with the figures involved. For example, this was the case at River school where teachers explained that they are given the reports but are 'not in a position to say anything on the use of the grant as they are never involved'.

However, the chairperson of the board at River school felt there were enough control measures, because the board was given a report on the use of funds. She indicated that

if the funds have been misappropriated, the principal would probably cover it up by indicating that the funds have been used for maintenance purposes such as fencing the school yard. This suggests some level of mistrust of the principal. It is at this school where parents could not answer questions regarding the control of funds because they did not know about the grant.

According to the SEO there are cases where ‘these meetings [to inform parents of the use of finances] do not take place; some principals do not organize them’.

Despite these challenges, there appears to be acceptance of the need for monitoring by the various stakeholders. For the Lake school principal, for example, the involvement of school actors not only contributes to effective management, but also helps to guide expenditure and ‘prevents extravagance’ on the part of the school.

Among the suggestions for improvements in the monitoring and control of the use of school grants, teachers at Lake school put forward: ‘The process of controlling the budget could be improved by doing the budget and reporting on the use of the money in a professional manner; we need training to achieve this’.

5.2 By external actors

As mentioned above, schools must send financial reports to their DEO on a quarterly basis. To achieve this, one SEO explained that he sees his role as one of trying to enforce a culture of reporting by refusing a school financial report if it is not signed by three members of the school board. He wants school boards to be knowledgeable and to carefully check the reports: ‘Reporting is not really a pre-condition but we make them believe it is’.

Once received, financial reports are kept within the DEO and are only referred to the MoET if there are discrepancies. In such cases, DEO staff may look into such reports during audits. However, in the majority of these schools audits rarely or never take place.

In addition, some SEOs admitted that they have no real disciplinary sanctions at their disposal if schools did not respect the guidelines on the grants: ‘All we ever do when we are not satisfied with the reports is to call the principal to discuss the budget’. The accountant’s office, responsible for financial matters at the DEOs, pointed out that under the present arrangements their offices have not been called upon to advise SEOs, let alone the schools, on the proper format of financial reporting or appropriate financial management systems.

Some school actors have complained about external monitoring. However, these complaints were not about controls as such but concerned the lack of feedback and technical advice, especially in terms of financial management. Indeed, one SEO confirmed: ‘We do not send feedback to schools on their reports’. Several actors at Hills school seemed disappointed by the fact that ‘we spend time on these reports but they never give feedback’.

Also, there are few visits from inspectors; in some schools no visits were mentioned. In City school, for example, the principal stated: ‘This school did not get any such visits this year as the inspectors tend to spend more time on schools with most management problems’. However, she believes that more monitoring by the MoET is needed in every school in order to get ‘better use of school funds’. According to her, the inspectorate needs to visit each school for at least two full days per year as they are ‘good resource persons to give advice on financial management’.

The DRTs visit schools more regularly than inspectors do. Their main task is to offer pedagogical advice to the principal and to teachers. Some principals felt that the DRTs should include advice on financial management or even financial control. However, not everybody agreed and one SEO suggested: ‘DEOs should have their own auditors’. Having

such officers would relieve the DRTs of the additional responsibility of having to deal with the utility grant instead of focusing on their main assignment: supporting teaching and learning.

A member of the school board at the Suburb school indicated that he was impressed with the control mechanisms put in place by the ministry. For this member, 'This is good practice since it provides checks and balances to ensure that people given responsibility do not misuse the utility grant for their own personal needs'.

6. Conclusions

This concluding section presents the main findings from the seven schools studied. The conclusions are presented according to the issues discussed in the report, and are accompanied by several policy recommendations.

6.1 Policy formulation and dissemination of the utility grant policy

Overall, the actors interviewed were well informed on the FPE programme and on the existence of the utility grant in the school system.

The actors at the schools included in the study revealed that the policy had been introduced without much debate. The Institute of Education (2008) also confirmed this lack of discussion. Participation in the political debates that took place concerning the school fees and the utility grant policy among officers in DEOs and teachers in schools was therefore minimal.

However, especially at the initial stages of implementing the policy, training programmes were organized for school principals and school boards. In recent years this training is no longer being conducted and there is no more general induction training for school principals. This has very negatively affected the implementation of the grants within the schools.

Guidelines which are intended to support the implementation of the utility grant policy at school level are usually not available and, if they are, they are not adhered to in the schools. Such failure to follow the set guidelines may explain misinterpretations by some school actors on how the grant should be used. It would also explain their complaints about their lack of knowledge and basic skills. Perhaps the DRTs, given that they are in the schools more often than the DEOs, could be given the task of also helping principals and schools with problems of financial management. However, since they, too, are not necessarily competent in matters of financial management they would themselves need training in this area. Moreover, any additional tasks for the DRTs should be considered carefully as they have many other very demanding tasks. The main task of these DRTs is to support the pedagogical needs of teachers at the school level.

6.2 Criteria and mechanisms for grant distribution and size of grant

The present formula, which establishes the allocation criteria, namely a fixed amount per pupil (LSL 8 – \$0.8), has several advantages. First, it provides schools with a form of financial security and an easily predictable amount of funding, thus facilitating financial management for school actors. Second, because everybody is aware of the grant allocation to other schools it also creates a feeling of fairness between schools. Finally, a simple formula like the one used for the utility grant allows everybody, including many parents, to be aware of exactly how much each school receives. This transparency makes it much easier for teachers, parents, and to some extent school management boards to exercise some form of control. The schools can be expected to achieve more effective and more useful spending. City school had this to say: ‘The grant helped us very much. Before the utility grant, there were differences between children, as some parents could not pay. The utility grant has lessened the dropout. It is there to serve the needs of the children’. Parents in this school added: ‘It is a good policy because everybody’s child goes to school regardless of the socio-economic status of their families’.

Despite these advantages, some actors questioned the distribution criteria for two main reasons: first, because they are not really aware of the rationale behind this amount and

because they feel that there are cases for which the formula is not appropriate. Second, the formula does not allow schools to take the initiative to address their specific needs.

Concerning the appropriateness of the amount, several interviewees pointed out that, even if the purpose of the grant is to cover only and exclusively the maintenance expenditure of schools, the amount of the grant is sufficient only for medium-size or large schools without water or electricity bills. For most very small schools, the cost of collecting the grant may be more than it is worth. The amount of the grant also appears to be insufficient for medium-size schools with both water and electricity bills.

Several interviewees stressed the need to allocate the grant according to a school's needs (location, number of OVCs, and several considerations), or according to a school project, which could thus complete the utility grant. This would allow a school to take some autonomous action and to respond to the specific problems it encounters. At present, the existence of the grant does not reinforce genuine school autonomy.

This raises a question: If school needs are not taken into account and if the MoET forbids any kind of parental contribution, then will it become more advantageous for some schools not to be under FPE?

At present the majority of schools experience delays in receiving funds. The reasons for such delays vary from one actor to another. Indeed, several actors identified the late submission of financial reports by schools to the DEO as the main reason for the delays with which the grants are received at school level, while schools consider that these delays are the responsibility of the district and central administration. Also, discussions with several DEO members of staff stressed the huge amount of work they have in dealing with school feeding reports which are prepared monthly and which take up most of their time, at the expense of the management of the utility grant. In addition, they complained about the lack of a common format that each school could follow so as to prepare their report.

Delays force school actors, often principals, to advance money for urgent expenses. This may also in some cases have a negative effect on the relations between schools and their community since some parents suspect the staff of keeping back the money for their individual needs. However, the fact that funds received for one year can be spent into the next year and the fact that grants always do arrive, helps to overcome the difficulties created by these delays.

There are other concerns about the distribution of the utility grant. Some schools expressed the view that government-led schools receive more financial support than the other schools. However, the DEOs have indicated that this early policy has since been changed. According to the Suburb school principal: 'As a government school we used to receive a government subvention and then we were allocated a utility grant. The subvention differed among government schools. It ranged from LSL 4,000 (\$445) to LSL 11,000 (\$1,226). The criterion that was followed in allocating a 'subvention' to the extent that there was a difference was never disclosed. The principal believed that the change from 'subvention' to utility grant could have been as a result of church schools or their proprietors complaining about discrimination. Apparently the government decided that all schools would receive a utility grant instead of a 'subvention'. Perhaps the government realised that having two forms of grant would be interpreted as discrimination against church schools. The Suburb principals concluded that, as government schools, they were not consulted when the government changed the policy to offer all the schools a utility grant. They were simply informed that the school would no longer be allocated a government subvention but would receive a utility grant instead.'

6.3 Decision-making and monitoring

In principle, decision-making and control of the use of funds is participatory. Decisions are made by the principal in consultation with teachers and at times with members of the school committee or board. Actual spending requires signatures from three people, including the principal and the chairperson of the board or committee. Control at the school level is exercised by the board and, at times, by parents at parents' meetings, while DEOs exercise external control.

However, it emerged from the study of the different schools that even if these mechanisms actually exist, decision-making on the use of the grant is fairly centralized and mainly rests with the principal. Therefore, although scenarios differ from school to school, it seems that the good management of a school is not dependent so much on the existence of different internal authorities but rather on the skills and personality of the principal, and on the relationships between the principal, teachers, and board members.

Similarly, while internal control mechanisms are in place and are clearly defined, in practice such control does not always work: mechanisms can be bypassed, particularly by school principals. Indeed, the success of this process depends on the effectiveness of the board. When it is not well trained on the purpose and implementation of the utility grant and on its responsibilities in this regard, it mainly acts upon the decisions and advice of the principal. The principal's new position was emphasized by one SEO: 'Now, this is the principal's show'. In several schools, the committees or boards were not functioning properly with many members absent; nevertheless they continued to be used as formal control mechanisms. As a result, they exercised little if any control. FPE appears to have strengthened the position of principals while weakening the authority of boards and reducing the involvement of parents.

External control mechanisms are also weak as DEOs and DRTs are more supportive than controlling. When DEO staff are confronted with financial management problems in a school, they are more eager to help the school overcome the problems than to apply sanctions. Although DRTs visit schools regularly, they are not well placed to exercise financial control; their role is to support teaching and learning. There may be a need to examine the possibility of auditors being put in place to audit professionally the use of the utility grant. One SEO and several of the senior accountants who participated in the interviews stressed the importance of auditing the use of the utility grant by the MoET. However, it is worth mentioning that in the schools studied in this pilot, there seems to have been few problems with financial management. This may be in part because the amounts to be managed are small. In the one school where there may have been suspicion of mismanagement of the utility grant, the teachers brought the matter into the open. What is more worrying is that in another school where teachers have expressed their suspicions that there has been some mismanagement, the school committee appeared completely ignorant of the existence of the utility grant.

The overall conclusion is that existing control mechanisms are fairly weak and much relies on the honesty of the principal. This led one of the SEOs to argue that further decentralization of funds to the schools would lead to significant problems and that more 'prisons would have to be built' if this took place. According to an assistant accountant, 'The utility grant should not be decentralized to schools given the low level of knowledge about finances evident in schools'.

6.4 Main strengths and challenges of the utility grant policy

There are two somewhat conflicting conclusions on the impact of the policy on equity. On the one hand, the majority of interviewees declared that they were satisfied with the implementation of both the FPE programme and the utility grant policy as they have helped give poor children access to education. Several schools, such as River and Suburb

schools, pointed out the rising number of children who have registered in the school since the introduction of FPE. The emphasis was in particular on orphans who would not be in school if it were not for FPE. As such, equity has been interpreted simply as ensuring that learners, regardless of their socio-economic background or status, have access to education. It can be said, therefore, that FPE and the utility grant have contributed to equity. Interviews with pupils showed how much they appreciate these interventions.

However, some school actors regretted that FPE and the subsequent grant policy are not doing more to reduce all disparities. As pointed out by the principal of Village school, 'A poor school will remain poor'. In addition, the level of support by the MoET to each school – consisting of the utility grant, school feeding programme and teaching materials – does not take into account the different financial situations of the schools. The study has revealed that the total budget of each school can be quite different not only because of the socio-economic situation of the school population but also because of the different mobilization capacities of the schools' principals. In this sense, substantial equity issues remain and still need to be addressed in more significant ways.

It is difficult to draw any conclusions on whether the grant has an impact on the quality of schooling in Lesotho. The grant was not meant to contribute strongly to quality improvement, considering that it is a small amount and is meant for a specific purpose: the maintenance of school facilities. What does seem clear is that the utility grant has allowed the schools to keep their infrastructure in a reasonably good condition. The teachers at Lake school feel that the utility grant has managed to have an impact on the infrastructure of the school and the quality of the school environment has improved: 'It does not look as untidy as it would if we did not receive the utility grant'.

At the same time, the MoET, through the provision of teaching and learning materials, has tried to have a more direct impact on the quality of teaching, especially as regards classroom interactions. In terms of this funding, Lake school suffered problems both of delay and of poor quality of materials supplied by the MoET, which was responsible for providing textbooks: 'The school had not received textbooks for the past three years despite having submitted requisitions each year. Textbooks are old and worn out, as a result. No explanation has been given to the school for the non-provision of textbooks. Linked to this is the issue of delays in supplying stationery, particularly in recent years. When the stationery is eventually supplied, some of the pens do not write and the stationery is inadequate' (Principal of Lake school).

Perhaps also more directly related to the quality of schooling is the fact that the government provides children with at least one meal a day. In general, the experience of learners at school has been enriched because the utility grant is coupled with school feeding. According to the principal of Lake school, learners do not have to worry about going hungry. For the teachers in the same school, 'Children from poor families are able to participate in various activities'.

The introduction of FPE did not put an end to learners dropping out. Some schools located in poor areas still face a significant number of dropouts, showing the limitations of the grant policy. Indeed, the introduction of the grant has provoked a huge increase in enrolment rates in primary education but in the medium term it appears that the grant is not enough to retain the poorest students in school. Students of Hills school explained that 'They have to look after cattle'. This was confirmed by Suburb school learners: 'There are various reasons that contribute to this drop out: some learners look after animals, and others are responsible for taking care of their siblings'. The Lake school participants indicated that the policy should continue, but that the amount of the grant needs to be increased, with fewer restrictions attached in terms of what it should be spent on.

Since the implementation of the FPE in 2000, boys have outnumbered girls in absolute terms in primary education, although their completion rates still lag behind those of girls.

One of the reasons cited is that boys usually drop out of school at the secondary school level. The FPE programme has changed the composition of the student population in primary schools. The traditional practice had been that boys were prone to interruptions in their schooling due to being forced to skip school to herd animals from a fairly early age and did not generally make it far into their schooling.

It is also worth mentioning that many actors stated that the FPE policy in general has changed the relationship between the school and the community. According to the SEO, principals and teachers, parents are increasingly distancing themselves from participating in school activities because they believe that the government is responsible for everything and that there is no need for them to contribute anything. This finding is similar to the one found by the Institute of Education (2008). Teachers at Tree school indicated being 'Disappointed with the parents' attitude towards playing a parental role in school affairs'. The understanding is that the role not only includes contributing in monetary ways but that participating in meetings and contributing in decision-making would be regarded as equally important as far as learning is concerned. Similarly, because the government communicated extensively the fact that education is totally free of charge and that parents' contribution is no longer mandatory, some parents no longer want to participate financially, as explained by one parent at Hills school: 'With the FPE parents are not taking part any more or contributing to the school's activities. Participation in discussion is relatively better, but discussions on financial issues are worse as parents don't want to discuss about this now'.

7. Recommendations

Based on the issues raised above, the following recommendations have been drawn up:

1. The **amount of the utility grant should be increased** as several schools could not cover all their maintenance expenses.
2. School staff, particularly the principal and board members, should **receive more training** on the use, management, and monitoring and control of the utility grant, to help equip them for their new financial role.
3. At present, the existence of the grant does not reinforce **genuine school autonomy**. Providing schools with a certain amount of leeway on expenditure of the funds on items other than maintenance could be considered. This would enable schools to respond to the specific problems they encounter.
4. There is a need to **define the role of parents** so that they become involved in their children's schooling, not only when they participate financially.
5. There is a need to **balance the authority between school committees and principals**. Members of school committees should participate actively.
6. **Delays in disbursement of funds should be reduced** as they have a negative effect on the functioning of schools. The MoET should improve its strategy for distributing the utility grant by simplifying the bureaucratic process. On their part, school actors should also be made aware that delays in the delivery of their school census will create delays in receiving the funds.
7. **School inspection should be improved**: school inspectors should visit the schools more regularly as schools are left somewhat alone with their new responsibilities.
8. There is a need for the **creation of auditors** from the MoET.
9. The **MoET should** help the assistant accountant's offices and DRTs **advise on the quality of the financial reports** submitted by schools, as most are inadequate. However, the quality of financial reports should not yet be a condition for non-payment.
10. The MoET should devise a **strategy for providing information to small schools about the availability of their grant**. This would reduce the amount of money spent by such schools on checking whether the grant has already been deposited in bank accounts.
11. Every school has an important proportion of orphans, whose schooling has largely been encouraged by the FPE programme. However, they are still very poor children and some do not even have shoes or uniforms to go to school. Many interviewees suggested that **the neediest children should be assisted even more**.
12. Linked to the previous recommendation, the **per-pupil allocation formula of the grant could be reviewed and could take into account other needs of the school**, such as its location or the number of OVCs.

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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).

The study was conducted in Lesotho in 2010, in collaboration with the National University of Lesotho (NUL), the Ministry of Education and Training (MoET), and the UNICEF Country Office. The utility grant was introduced subsequent to the launching of the Free Primary Education policy in 2000.

The present study examines the use and usefulness of this school grants policy in Lesotho, with specific attention given to six 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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