

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

Samuel Kayabwe and Rehemah Nabacwa  
in collaboration with  
Joseph Eilor and Rosemary Waya Mugeni



Uganda

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## List of abbreviations

<b>DEO</b>	district education officer
<b>DIA</b>	district internal auditor
<b>EFA</b>	Education for All
<b>HIPC</b>	Heavily Indebted Poor Countries
<b>MEO</b>	municipal education officer
<b>MIA</b>	municipal internal auditor
<b>MIS</b>	municipal inspector of schools
<b>MoFPED</b>	Ministry of Finance, Planning, and Economic Development
<b>MoES</b>	Ministry of Education and Sports
<b>NGO</b>	non-governmental organization
<b>PLE</b>	primary leaving examination
<b>PTA</b>	parent–teacher association
<b>PS</b>	primary school
<b>SFC</b>	school financial committee
<b>SFG</b>	school facilitation grant
<b>SMC</b>	school management committee
<b>SSA</b>	sub-Saharan Africa
<b>UGX</b>	Ugandan shillings
<b>UPE</b>	universal primary education

## 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, Lesotho, and Malawi. This programme was organized by IIEP-UNESCO between 2010 and 2012, in collaboration with UNICEF and the Centre for Education Policy Development (CEPD).

As part of the Universal Primary Education policy (UPE) introduced in Uganda in 1996, a ‘capitation grant’ programme was introduced in all schools in the country. This grant has also been occasionally supplemented in some schools by school facilitation grants (SFG), channelled mainly into maintenance and improvement of infrastructure. In order to learn about the design and implementation of this grant, researchers visited three regions in the country to interview school principals, teachers, members of parent committees, parents, and pupils. Fourteen schools were visited in total as well as three decentralized education offices (municipal or district), one in each region. The impact of these grants on enrolment in schools was investigated, as well as on the general quality and equity of school life.

Formerly, the grant was allocated on a per-pupil basis, which amounted to between UGX (Ugandan shillings) 555.50 (\$0.20) and UGX 900 (\$0.30) per pupil per month, depending on the grade. New allocation criteria were decided upon in 2007 and the amount is now only loosely tied to enrolment. Currently, part of the grant is fixed – set at UGX 900,000 (\$327) per school year – and part varies according to the overall yearly government envelope dedicated to the grant by the central government and according to school enrolment, which it takes into account. Based on the diminishing size of the funds reported by school accountants, this envelope appears to have shrunk over the years. It was established during the research that many actors thought that disbursements to schools are still made solely on the basis of school enrolment. A lack of awareness on the change in criteria and ongoing uncertainty has caused great discontent in schools, as, invariably, smaller amounts of funds are received than expected.

Greater autonomy in the spending of the grant was also introduced in 2007. Four major expenditure categories – teaching and learning materials, extra-curricular activities, administration, and management – were defined for the grant in 1997. The spending on these budget lines had to be 50 per cent on instructional materials, 30 per cent on extra-curricular activities, 15 per cent on school management, and 5 per cent on school administration. The new grant guidelines preserve these four categories, but no longer require that the allocations be proportional, leaving the decisions on how much to allocate to each category at the discretion of the District Education Offices (DEOs)/Municipal Education Offices (MEOs) and schools. In theory, these two actors decide the allocation between the different budget lines together. Encouraged by the new relative independence granted by these guidelines, it appears that in schools where certain school committees were active, initiatives were taken to divide up the funding between the four budget lines as they saw fit. Only a few negative opinions were heard related to this relatively autonomous decision-making process. One school actor warned that removing the strict proportional allocation criteria had meant that the grant was spent entirely on instruction materials and extra-curricular activities, thus neglecting school administration and management costs. Municipal officials also appeared to be hostile to autonomous spending. However, the researchers noted that their apprehension may have been due to the fact that so much leeway has complicated their grant monitoring tasks.

The research identified two school committees involved in decision-making: school financial committees (SFCs), made up of the heads of department for each subject and school management committees (SMCs), made up of members of the founding body, former



pupils, members of the local council, members of the local administration, teachers, and parents. After consulting members of staff to identify school needs, members of the SFC meet for several planning meetings to examine and prioritize these needs. School budgets emerge from these meetings, are reviewed and endorsed by the SMC, and then are sent to the DEO/MEO for approval. This bottom-up decision-making process was judged by most of those interviewed to be participative, transparent, and wholly respected by school principals. The latter are said to be obliged to follow the spending categories earmarked by the SFC. Exceptions to this procedure were noted in the northern region, with cases of school principals acting alone and marginalizing the SFC.

The level of involvement of the SMC in deciding the use of the grant appeared to be high in most schools, except in the northern region, where many actors openly criticized the SMCs as being ineffective, owing to lack of motivation, irregularities in appointment mechanisms, lack of financial incentives, and low levels of literacy of the members. In many cases in this region, SMCs neither organized parents' general meetings nor attended the meetings called by school principals.

Opinion was unanimous that the size of the grant was insufficient to cover school budgets. Its disbursement also suffered from many delays. It emerged that in reality all schools require parental contributions as an additional source of funding. This was found to be particularly true for the urban schools where, on average, 90 per cent of the school budget was derived from this source. With the introduction of UPE in Uganda, parent contributions became voluntary; however, schools often struggle to obtain such contributions. The research established that many parents currently believe everything linked to school attendance should be free, including school lunches. Despite being forbidden under the UPE guidelines, the research team noted that all the schools visited were devising indirect, and at times direct, ways of making parents pay their contributions, particularly to cover school lunches. Tactics included retaining report cards at the end of the term/year and not promoting pupils to the next class. It appeared from the research that one of several possible solutions to remedy this situation would be for the government to incorporate a feeding programme into the UPE reform. Furthermore, many actors would like to receive much needed SFGs more regularly.

In terms of monitoring the use of the grant, the researchers concluded that internal control mechanisms are in place in many schools, such as displaying the amounts on notice boards, but their effectiveness is questionable, particularly in the northern region. As for external monitoring, this was hampered by a lack of finances, with budgetary constraints preventing auditors from making regular visits to schools. It was learned that usually schools are only visited when there is cause for suspicion of misuse of funds.

The research team noted however significant disparities between the regions where the research was conducted. Schools in the northern region had much greater needs than those in the other two which were visited. In the northern region, the implementation of the grant policy appeared to be less standardized and most schools seemed overwhelmed by the rise in enrolment. Schools already suffering from poor infrastructure were faced with an extremely high pupil/teacher ratio, reaching over 100:1 in some cases. The rise in enrolment has also meant that the pupil/textbook ratio is high, a fact which is also true in the primary schools visited in the two other regions, although to a lesser extent. Additionally, it was also noted that absenteeism remains a problem in all primary schools across the country, most school principals reporting daily attendance of pupils as very irregular, especially in the afternoons for children for whom the cost of school lunches is not covered.

Overall, the research nonetheless established that UPE was appreciated by the population in Uganda, with many school actors recognizing that it has widened access to education in the country, opening schools to children from poorer families.

# 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 grant policy objectives it is intended to serve. These findings contribute to define strategies that could feed into the design and accompany the implementation of school grants, so that they make a stronger contribution to these objectives.

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

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

## The analytical framework

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

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

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

The objectives have an impact on the *criteria and the mechanisms for distribution* of the grant. A key question is: are the criteria simply based on the number of pupils or do they take into account certain characteristics of the schools and their 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 school 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 pupils? 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 or a parent–teacher association [PTA]) or at higher levels within the administration.
- The *tools* could be simple financial reports or much more detailed audits, including an examination of the usefulness and impact of these funds.
- A third, regularly neglected issue, concerns the *feedback*: what information is sent back to the school on the use of the grant, subsequent to monitoring and control? What action is taken in case of ineffective, incomplete or incorrect use of the grant?

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.

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*.

Then, when examining the *actual use of the grants*, the research focused on questions such as: Are these funds used for inputs or activities which are known to have an impact on quality? Are they used more for the immediate benefit of teachers or of pupils 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 be they 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, which 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 to really 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); aschool profile gathering key education and financial data was completed by the school staff in each school;
- observation in particular on the use of school grants and quality of school infrastructures, on the information signposted in schools, and, where possible, on relations between school actors.

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

## Research in Uganda

The international development target of achieving primary Education for All (EFA) by 2015 has led to the introduction of education programmes throughout sub-Saharan Africa (SSA) aimed at achieving EFA. Uganda has targeted the achievement of EFA through the implementation of a universal primary education (UPE) policy. An essential element of this policy was the replacement of the primary education school fee structure with a free-of-pay structure whereby the government has been extending ‘capitation grants’ to public schools since 1997. This grant has also been supplemented at times by school facilitation grants (SFG), channelled mainly into maintenance and improvement of infrastructure.

In Uganda, the research focused on the UPE capitation grant policy and covered a total of 14 primary schools in three districts and three regions.

A first set of six schools, in Lake Victoria municipality (central region),<sup>3</sup> was studied during the pilot exercise of the March 2011 methodology workshop, which launched the research programme in Eastern and Southern Africa. During this exercise, a group of researchers from Ethiopia, Kenya, Lesotho, Malawi, and Uganda visited six schools to pilot the data collection tools. Their findings were integrated into the analysis.

Following this first phase, the national reference group and research team decided to select two study districts: one from the post-conflict region (northern region) and one from the politically stable region (south-western region). The rationale for the selection of these two regions was to pick one poorly performing district (preferably a district participating in the Quality Enhancement Initiative project) from the post-conflict (northern) region and one of the best performing districts from the politically stable (south-western) region. Guided by the decisions made, the statistician attached to the Education Planning Department within the Ministry of Education and Sports (MoES) sampled the districts and schools using the league table of the MoES. The league table uses three key primary performance indicators: the net intake rate;<sup>4</sup> the primary completion rate;<sup>5</sup> and the primary leaving examination (PLE) performance index<sup>6</sup> for a particular year, each ranked independently. An overall rating is established for each district by calculating the average of the three indicators. Hence, districts (and schools) can be ranked as ‘performing well’, ‘performing fairly well’, or ‘performing poorly’ by using these three key performance indicators.

These selection criteria were adopted to compare and contrast performance of schools, in terms of both equity and quality, within the context of different socio-political and socio-economic backgrounds. Hence, Kagera municipality (south-western region) and Lake Kyoga District (northern region) were selected at random amongst the districts which fell under these criteria. In each of these local authorities, four schools were randomly sampled for inclusion in the study.

Between 21 June and 21 July 2011, the research team undertook the qualitative study, in which the eight schools selected in Lake Kyoga District (northern region) and Kagera municipality (south-western region) were visited.

This approach enabled the collection of qualitative data to generate information from a diversity of stakeholders/actors, both at school and district levels, including municipal

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

4. ‘Net intake rate’ refers to six-year-old entrants to the first class of primary as a percentage of six-year-olds in the population.

5. The primary completion rate is defined as the total number of pupils who registered for PLE in 2010, regardless of their age, as a percentage of the projected population at the official primary graduation age of 12 years for P7.

6. PLE performance index: candidates are weighted in each grade of passing with the best grade carrying a high weight and failures given a weight of zero. The actual weight is summed up and expressed as a ratio of the expected maximum weight attained by multiplying the highest weight with the number of candidates that sat the exams.

education officers (MEO), a district education officer (DEO), municipal inspectors of schools (MIS), a district internal auditor (DIA), municipal internal auditors (MIA), head teachers, teachers, parents, members and chairpersons of the school management committee (SMC), and pupils.

In total, 210 respondents were interviewed in the 14 schools visited across the three study areas (Lake Kyoga District, Lake Victoria, and Kagera municipalities).

## **This booklet**

This report analyses and synthesizes the data collected during this field research in Uganda. It is organized into six chapters. After presenting the approach taken to conduct this research in an introductory section, *Chapter 1* examines the socio-economic environment of the schools which were studied. This was undertaken in order to gain a clear picture of the communities that constitute the schools' catchment areas and which were affected by the policy. This chapter includes general information on the schools and provides the context in which the capitation grant is implemented. *Chapter 2* evaluates the level of consultation at the time of policy formulation and the level of policy dissemination. *Chapter 3* presents the allocation criteria of the grant as well as the level of awareness of the key actors in the different schools in this regard. This chapter also explains the distribution mechanism of the funds and the knowledge of actors on this mechanism. *Chapter 4* discusses the different sources of funds (including the grant) that contribute to the school budgets and examines the degree to which the key actors at the school level are involved in the decision-making process on the use of the grant. *Chapter 5* examines the extent to which the key actors at school level and outside the school are involved in monitoring the use of the grant. Finally, *Chapter 6* presents conclusions that can be made on the policy as a whole, incorporating the opinions of key actors.

# 1. School profiles and environment

## 1.1 The school environment

Overall, the environments of the 14 schools included in the study can be grouped into two homogeneous categories. The four schools in Lake Kyoga District are rural and have been characterized by a period of political instability for more than two decades. They share a uniform socio-economic environment which is quite different from the schools in the urban areas of Lake Victoria and Kagera municipalities.

The communities around the schools studied in Lake Kyoga District were generally characterized by the school actors as poor subsistence farmers who depend on the production of seasonal crops (sesame seeds, beans, cassava, groundnuts, and millet) and the rearing of goats and pigs for both cash and food security. The research team observed large tracts of bush land lying unused in the school catchment areas, punctuated by pockets of crop fields. Such large tracts of unproductive land could partly be an indication of the insecurity that prevailed in the area for more than two decades and partly because returnees have not yet found the time or the energy to go into full production. This is made worse by a lack of access to agricultural inputs. Owing to deep-seated poverty in the district, both parents and teachers reported that most parents cannot afford to pay for the school lunches of their children. Worse still, despite the fact that parents who do not pay these lunch fees are encouraged by UPE guidelines to pack a lunch for their children as they go to school, only about 30 per cent of the parents can afford to send their children to school with this midday meal.

Teaching hungry children (sometimes by hungry teachers) has a significant impact on the quality of education and leads to poor academic performance. The DEO in Lake Kyoga District agreed: 'The practice of not packing lunch for children greatly affects afternoon attendance for children in upper primary (P4–P7) as they are supposed to appear for afternoon classes'.

As for the urban areas studied in the two other districts, they share similar heterogeneous socio-economic configurations according to the information provided by both parents and teachers. The communities are made up of mid to high socio-economic families, such as owners of big businesses, senior public servants, mid-level workers and traders, and low-level income earners including retailers, fishmongers, and market vendors. Employed either in the private or public sector, all the parents in 8 out of 10 of the schools visited in both municipalities were able to provide lunch for their children in some form, either a packed lunch, a lunch provided at school, or a meal at home.

In the other two schools, Memorial and Naval, this was sometimes a problem. One parent reported that: 'The surrounding community where some of the pupils come from is very poor, parents cannot even afford food for children either at school or at home'. This was confirmed by both pupils and one chairperson. Researchers observed several sad situations, one pupil for example said: 'I work all night, get tired and come to class when I am very hungry ... This is the usual pattern of my life as I depend on someone who does not want to listen to my problems'. Hunger prevents pupils from focusing, this therefore erodes the quality of their education.

## 1.2 General school information

All 14 schools were mixed schools, enrolling both boys and girls. Three were managed as partly day and partly boarding schools. The remaining schools were day schools.

## Enrolment

**Table 1. Evolution in pupil enrolment in the studied schools**

Name of school	District/ municipality	Region	Number of pupils (2006)	Number of pupils (2007)	Number of pupils (2008)	Number of pupils (2009)	Number of pupils (2010)	Number of pupils (2011)
Lowland Primary School	Kagera municipality	South-western region	-	376	-	310	267	289
Kagera Progressive Primary School			292	272	261	283	310	311
Kagera Primary School			Unavailable*			1,635	1,825	1,801
Martyrs' Primary School			511	595	624	728	732	683
Murchison Falls Primary School	Lake Kyoga District	Northern region	412	408	458	410	549	658
Lake Kyoga Primary School			685	630	730	780	335	399
Blue Nile Primary School			373	305	362	446	487	511
White Nile Primary School			Unavailable**			398	455	
Christian Parents' Primary School	Lake Victoria municipality	Central region	-	-	-	-	-	416
Indigenous Preparatory Primary School			-	-	-	-	-	1,035
Community Primary School			-	-	600	541	526	520
Memorial Primary School			-	-	-	-	-	1,249
Western Primary School			-	-	-	-	-	641
Naval Primary School			-	-	-	-	-	318

\* School records destroyed by fire.

\*\* Records not left behind by outgoing head teacher.

Source: school profiles.

It is difficult to draw any general conclusions about enrolment patterns in the studied schools. In a few, enrolment remained quite stable over the years. In several others, there were quite dramatic changes. In Lake Kyoga Primary School, enrolment has been divided nearly by two within five years. Indeed, in 2006, Lake Kyoga Primary School was the largest school of the four selected in the district; in 2011, it became the school with the lowest enrolment. Between 2007 and 2008, there was a homogeneous increase in enrolment in the three other schools studied in the northern region.

Between 2009 and 2011, Kagera Primary School (in Kagera municipality) remained the school with the largest number of pupils, even though its enrolment slightly decreased



between 2010 and 2011. Over the same period, enrolments have increased in two other schools studied in this district, and quite quickly so in Martyrs' Primary School, while in the Lowland Primary school, enrolment decreased slightly.

Although data are missing on schools studied in Lake Victoria municipality, available data on Community Primary School indicate a steady decrease in enrolments over a three-year period.

### **Physical infrastructure**

In terms of their physical infrastructure, half the schools in each study area had a reasonable number of classrooms, some were newly built, using non-governmental organization (NGO) or extra government funding in the form of school facilitation grants (SFG), while the other half experienced shortages in terms of space as a result of the high enrolment following the introduction of UPE. Schools in the northern region for instance had critical infrastructure problems. Many pupils were taught in temporary mud and wattle classrooms constructed by parents. The research team noted that these temporary structures lacked sufficient light. In fact, some of the structures had no windows at all and the schools had no access to electricity. The pupils in classrooms in the new buildings were unhappy about the sorry state of the classrooms in which their peers were taught: 'Other children in P4 and P5 are still attending classes from mud and wattle structures with leaking roofs. Those having an eyesight problem and seated at the back may not be able to read what the teacher writes on the blackboard'.

The working conditions in schools in the south-western and central regions were also problematic. Classrooms were either dilapidated or congested because most of the buildings had been built when the pupil population was very low. According to the head teacher of Kagera Progressive School, 'A classroom that was designed to accommodate only 15 pupils is now accommodating about 50 pupils as a result of the influx due to UPE'. This problem of overcrowding was noted by pupils as well: 'We need more classrooms and teachers. Right now, we are 203 pupils in P7 and in each stream we are as many as 70 pupils'.

In terms of staff houses, these were found to be adequate and appropriate in only 2 schools out of the 14 included in the study, one from the central region and one from the south-western region. The rest of the schools in the two regions had provided housing for some of their teachers, but others were living in accommodation privately rented by the teachers themselves. As noted by a head teacher from the south-western region, when teachers live far away from the school, it becomes difficult to hold them accountable if they either arrive late or do not show up to teach. This has a direct impact on the quality of education. In the northern region, in all the schools visited, the teachers and most of the head teachers stay in temporary mud and wattle grass-thatched structures constructed by parents.

### **Repetition of school years**

The study established that in most of the schools included in the study, there were cases of pupils repeating years of their education in spite of the assurance of automatic promotion under the UPE policy. The study encountered cases where head teachers denied having repeaters in their schools, while other actors in the same school admitted they were present. For example, one head teacher in the south-western region, perhaps aware that the UPE guidelines do not encourage repetition, was tempted to respond defensively that there were no repeaters in the school (hence a 'nil' in *Table 2*). On the other hand, the pupils in the same school, quite innocently, reported that they knew cases of a handful of repeaters in all grades from P4 to P7.

Teachers in all the schools visited, as well as some parents, especially in the central and south-western regions, were very critical of the long-term effects of automatic promotion. They saw the fact that children are promoted to the next class before they are ready as being a disservice to the country's development. The policy was noted by key school actors as a double-edged sword against quality education. First, they believe that it makes pupils pay limited attention to their studies since they are not worried about being made to repeat a class. Second, they argue that even the teachers are relaxed because whether they teach or not, at the end of the year every pupil just gets promoted to the next class, regardless of the quality of their learning. One DIA from Lake Kyoga District summed it up: 'The policy of automatically passing every child is a death threat to the education system as it promotes quantity rather than quality and this is a political issue. Who of the district and ministry officials have kids in UPE schools? So what are we doing to those parents with kids in UPE schools?' Respondents strongly suggested that the policy of automatic promotion be revised. This demonstrates that the ministry did not succeed in explaining the rationale behind this policy to all school actors and that some are still to be convinced of its relevance and usefulness.

**Table 2. Some selected quality performance indicators in the schools included in the research**

Name of school	Region	Number of pupils (2011)*	Number of teachers on payroll (2011)	Pupil/teacher ratio	Number of repeaters (2011)	Number of dropouts (2010)
Lowland Primary	South-western	289	14	20:1	Nil	21
Kagera Progressive Primary	-	311	10	31:1	Nil	01
Kagera Primary	-	1,801	41	43:1	267	64
Martyrs' Primary	-	683	15	45:1	Nil	Nil
Murchison Falls Primary	Northern	658	6	109:1	62	08
Lake Kyoga Primary	-	399	7	57:1	47	05
Blue Nile Primary	-	511	7	73:1	81	18
White Nile Primary	-	455	7	65:1	62	43
Christian Parents' Primary	Central	416	17	24:1	n.a	n.a
Indigenous Preparatory Primary	-	1,035	29	35:1	n.a	n.a
Community Primary	-	520	16	32:1	100	46
Memorial Primary	-	1,249	30	41:1	n.a	n.a
Western Primary	-	641	23	27:1	n.a	n.a
Naval Primary	-	318	10	31:1	n.a	47

n.a: not available.

\* See *Annex* for the evolution in pupil enrolment 2006-2011.

Source: Individual school profiles.

## Daily attendance

Daily attendance of pupils was reported by head teachers as being very irregular in all the day schools visited, especially in the afternoons. This was confirmed by the relevant DEO, MEO or MIS for each one of the schools. Three different causes explained the high levels of absenteeism. Firstly, as noted previously, many pupils do not report back to school in the afternoon if they go home for lunch, preferring to loiter in town with street children or to earn pocket money washing cars or selling sugar cane. This was more of a problem in the south-western region. Secondly, some children's parents or guardians ask them

to carry out domestic duties, such as tilling land. This is particularly common during the planting season, which coincides with the second school term. This practice was noted by every head teacher of the schools visited in the northern region. Thirdly, some children's parents or guardians prevent them from attending school on weekly market days, asking them to sell merchandise (e.g. food, fish, baskets). This was noted by some head teachers and SMC members as a problem among schools in the central region. One head teacher from the central region commented that he felt such absenteeism on market days was justifiable given the circumstances: 'Sometimes we feel that the regular absence of pupils from school is acceptable as their intention is to support their parents or guardians'.

All these practices contribute to irregular attendance at school, which can lead some children to completely drop out of school (*Table 2*). However, these were not the only reasons for pupils dropping out of school. Girls especially were reported to be dropping out of school owing to early pregnancy or marriage. Other pupils simply moved to other schools.

### **Pupil/teacher ratio**

The ratio between the number of teachers on the payroll and the number of pupils in a given school shows a wide discrepancy between schools in the northern region and those in the central and southern regions (*Table 2*). Schools with more or less the same number of pupils in both the south-western and central regions have twice as many teachers on the payroll, in some cases more than twice, as schools with the same number of pupils in the northern region. Hence, there is a very high pupil/teacher ratio – ranging from 57:1 to 109:1 – among the schools studied in the northern region compared to a relatively low ratio – between 20:1 and 45:1 – for schools in both the central and south-western regions. This was a very surprising finding given that all the schools are UPE public schools. The research team was not able to explain this difference while still in the field; it only came to light during the analysis stage. This high pupil/teacher ratio in the schools visited in the northern region could partly account for the characterization of Lake Kyoga District as one of the 12 most poorly performing districts countrywide.

It was surprising to note that in pursuit of better performance and quality education, 11 of the 14 schools hired extra private teachers. The numbers ranged from 2 to 10 teachers, depending on the parent-teacher association (PTA) resource envelope from which they were paid a salary. These teachers supplemented the government-paid staff. However, while the schools studied in the northern region, with the highest pupil/teacher ratio, actually needed more teachers than schools in the other regions, these schools were able to hire the least number of private teachers. On average, only two were hired per school. This indicates the extent to which the resources of schools in the northern region are constrained. Indeed, for the same reason, according to one head teacher, all of the schools visited in the northern region hired unqualified but affordable private teachers as their salary is negotiable and much lower than that of a qualified teacher. In one school, for instance, the two private teachers were each paid a salary of only UGX 50,000 per month (\$20), compared to a qualified teacher who is paid UGX 270,000 per month (\$108). From the point of view of providing quality education, the research team noted that hiring unqualified teachers is a disaster for UPE schools in the northern region.

### **Gender balance**

On average, schools which were visited in the south-western and central regions had more than twice as many female teachers as male teachers. It appears that this high number of female teachers in the south-western and central regions is due to demographic factors, rather than a deliberate gender imbalance skewed in favour of female teachers. The opposite was true for schools in the northern region where on average each school included in the research had only one female teacher. However, in rural areas of northern

Uganda, one head teacher in this region explained the gender imbalance as being partly cultural: ‘Most parents in the northern region never used to send girl children to school, preferring to get them married at an early age to secure a dowry. This source of wealth enabled boys to attend school’.

### School needs

All 14 schools were critically in need of instruction materials, particularly textbooks. According to both teachers and head teachers, this has been caused by the increasing number of pupils in UPE schools. The textbook/pupil ratio was reported to be, on average, 5:1 for municipal schools in the south-western and 9:1 for those in central regions. Although the ratio for the northern region schools was not calculated, it is most likely that the situation is much worse. As a remedial measure, parents are encouraged to buy textbooks for their children, but, according to pupils in different schools, this doesn’t work: ‘The fact [is] that there aren’t enough textbooks at the school, we are always asked to buy our own textbooks but most of our parents cannot afford them’.

### Administrative structure

Administratively, all the schools included in the research were directed by well-qualified teachers (three of whom were females), some with school certificates, many with diplomas obtained from national teacher colleges and a few with specific Bachelor of Education university degrees. Regardless of their different academic qualifications, they all had experience as heads of school administrations (*Table 3*).

**Table 3. Head teachers’ academic qualifications**

Name of school	Head teachers’ qualifications
Lowland Primary School	Diploma in Education (at the time of the study, he was pursuing a Bachelors’ degree in education)
Kagera Progressive Primary School	Bachelor of Education degree
Kagera Primary School	Diploma in Education
Martyrs’ Primary School	Bachelor of Education degree
Murchison Falls Primary School	Diploma in Education
Lake Kyoga Primary School	Bachelor of Education degree
Blue Nile Primary School	Diploma in Education
White Nile Primary School	Certificate in Education
Christian Parents’ Primary School	-
Indigenous Preparatory Primary School	-
Community Primary School	Bachelor of Education degree
Memorial Primary School	-
Western Primary School	-
Naval Primary School	-

Source: Data collected during school visits.

Other important actors in the schools were the deputy head teachers, of whom there was either one or two per school, depending on pupil enrolment. These school actors serve as chairpersons to the school finance committees (SFCs), which are made up of the subject departmental heads. Below the departmental heads are the other classroom teachers. At the lowest level of the administrative structure, the pupils and head teachers

reported that there is a ‘prefect system’ under which pupils elect their representatives. This administrative structure is consistent in most schools.

### **School management structure**

In all 14 schools visited, the teachers, head teachers, and parents identified two major structures involved in the management of school affairs: the school management committee (SMC)<sup>7</sup> and the PTA. However, awareness among pupils about these bodies was not uniform across all the schools included in the research. In the northern region, for example, most pupils were not aware of the difference between SMCs and PTAs, whereas in the south-western and central regions, the difference appeared clearer.

#### *(i) The school management committee*

Across all 14 schools in the three regions, there was a high level of awareness among teachers and head teachers of the different categories of stakeholders represented on the SMC. Parents and several SMC chairpersons on the other hand were not familiar with the different categories of SMC members. The following stakeholders were represented on the SMC: school founders, former pupils, members of the local council, members of the local administration, teachers, and parents. In addition to the different categories of stakeholders represented on the SMC, each SMC must have a chairperson, a vice-chairperson and a treasurer. For most schools, these three were all individuals who had taken part in founding the school.

Just as there was a common understanding between both teachers and head teachers about the different stakeholders constituting the SMC, in all 14 schools both actors had similar ideas of the responsibilities of the SMC. These were listed more or less as follows: making development plans and approving budgets; examining income and expenditure of the schools; ensuring that government funds are properly accounted for; monitoring the effectiveness of teachers; overseeing teachers’ discipline; overseeing the recruitment of private teachers and providing the school with a vision for improving performance. Although the school actors were not able to list all of the 15 functions of the SMC defined by the UPE guidelines, those mentioned were all within their mandate.

While there were similarities between teachers and head teachers on information about SMCs in most schools, there was also a degree of confusion in a few cases. For instance, surprisingly, two chairpersons of the SMC from the south-western region did not know (but could only guess) the exact number of members constituting the very committees they were heading. Several SMC chairpersons did not know which member carried out what function on the committee. In particular, there was confusion and inconsistency among those interviewed inside the same school with regard to the composition of SMCs, the number of members and their representative bodies.

In most schools, following the identification of representatives from different stakeholder groups, the list of SMC members is submitted by the head teacher to the founders of the school for approval before it is sent to the MEO or DEO for the final appointment. While this was the democratic procedure for constituting SMCs in nearly all the schools visited, in one school all the powers appeared to have been usurped by the municipality. The research team was not able to establish why this was the case for this school. The head teacher of this school noted that, with the exception of the teachers’ and parents’ representatives who were directly elected, the rest of the SMC members were identified and appointed by the municipality without even consulting the head teacher nor those appointed: ‘We don’t know on what basis we were chosen for the SMC. We just received an appointment letter from the municipality requesting us to take up the positions if we were willing’.

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7. School management committees are statutory organs representing the government at the school level.

The effectiveness of the SMCs appeared to vary from region to region. While parents, teachers, and head teachers in the central and south-western region reported that the SMCs were very effective, the reverse was true for all but one of the SMCs in the northern region schools. In this northern region, teachers, head teachers, the DEO, and even parents openly accused the SMCs of being ineffective. Their lack of effectiveness was demonstrated in two ways: they did not call parents' general meetings (some SMCs had gone for as long as two years without convening meetings); and/or they did not attend meetings called by head teachers, thereby abandoning head teachers to manage the schools on their own. The teachers, head teachers, and the DEO advanced two possible reasons for this indifference among SMCs in the schools from the northern region. One was a lack of morale among SMC members due to their lack of financial compensation for being a member of this board. As one DEO stated, 'SMCs demand for some facilitation/allowance whenever they are called for meetings, yet schools cannot afford. This means that the SMCs that are supposed to sit twice a term don't meet at all, leaving the burden of school management to be shouldered by head teachers and the chair of the SMC'. The other factor was the low level of education among SMC chairpersons, none of whom had attended school beyond P7. This was an obstacle to articulating and analysing issues in meetings that had an impact on the functioning of the schools.

In contrast, the effectiveness and influence of SMCs in the central and south-western regions can be measured from the opinions of parents, teachers, and head teachers. One teacher commented, 'We have a SMC that is very active, they don't wait for government funds. They, together with the PTA, have been involved in a number of projects. The PTA mobilizes the resources and the SMC manages the funds to ensure that they are used properly'. A parent from this same school shared the opinion of this teacher: 'The SMC is very active, it has good control of the school affairs and we are always informed of whatever the committee does during the parents' general meetings. These are held once every school term'. A head teacher from another school said the following about the SMC in his school: 'An SMC member can come to the school and go direct to the kitchen to check what we are preparing for children. In general, the relations with SMC are good. I listen to their advice and always respect it'.

However, the research team noted that the influence of SMCs was much stronger in day schools than in boarding schools. SMCs in boarding schools such as Martyrs' and Kagera Progressive have minimal influence in the management of school affairs, as the largest proportion of funds used for running the schools is generated by PTA contributions. In such schools, PTAs (informally) wield more influence than SMCs in the management of school affairs.

#### *(ii) The parent-teacher association (PTA)*

Unlike the membership of SMCs where different actors in some schools gave different numbers of members, this was not the case with the PTAs. All the key actors across the schools which were visited, including the chairperson of the SMC, head teachers, and teachers were unanimous that the PTA was made up of parents and one teachers' representative. Altogether, there were nine members including the chairperson. Most head teachers and SMC chairpersons noted that the PTA is responsible for budgeting and handling miscellaneous activities of the schools, all of them being outside the realm of the capitation grant. These include the teachers' welfare, salaries for support staff such as private teachers, maintenance and repairs of physical infrastructure, utilities (electricity and water), etc.

The second major function of PTAs is to mobilize resources for sustaining the schools. These are found by asking parents to either donate their time or an amount of money to the school. Mobilizing parents to participate in 'manual labour' was pointed out as the major role of PTAs in the schools visited in the northern region. This mobilization

was specifically for the construction of temporary staff quarters, which were a common feature in all the four schools visited by the research team.

Finally, PTAs play a key role in ensuring that all children go to school. Thus, the PTA acts as a link between the parents and the SMC. This was specifically mentioned by one chairperson of the SMC: 'The PTA acts as the mouthpiece and ear for parents'.

*(iii) Pupils' associations*

At the lowest level of the school management structure are the pupils, without whom the schools would not exist. They are organized into formal pupils' associations in only 75 per cent of the schools visited. In schools where they are not established, such as in the Lake Victoria school, pupils lamented that their role is reduced to that of spectators/consumers as they are not involved in any discussions or deliberations. The pupils from Lake Victoria school suggested that their voice should be heard on critical issues that may have a direct impact on pupils.

## 2. The school grants policy

### 2.1 Policy formulation

All of the stakeholders, both at schools and at the level of the local government (district/municipal level), agreed that they had never been consulted before the formulation and implementation of the UPE policy. The stakeholders felt that UPE was a political decision which did not involve technocrats or any other stakeholders at the local government level. Members of the SMCs, head teachers, teachers, and some parents complained that UPE was introduced as a political decision in fulfilment of the pledge of the incumbent President, made in 1996 when he was campaigning for re-election. Nonetheless, all the school actors agreed that, in principle, UPE was and is still an admirable programme. However, instead of a phased approach, it was implemented in a hurried manner. This implementation left a lot to be desired. As one member of an SMC stated: 'There should not have been blanket implementation of UPE throughout the country. It should have been done in phases starting with some selected schools especially in rural areas with a high poverty index. Public schools which catered for the affluent neighbourhoods should have been exempted from UPE as not everyone is equally hungry'.

Although there was no grassroots consultation prior to the policy announcement, officials from the MoES noted that the policy was discussed at high levels among academics and parliamentarians back in 1992 before it was passed by government as a White Paper on Education. The policy then took five years to be implemented, and, when it took off, it coincided with the fulfilment of the president's campaign pledge of free education.

### 2.2 Policy dissemination

Despite the lack of consultation at grassroots level, some effort was made to make all stakeholders aware of the objectives of the programme. Even pupils knew of the benefits of the programme. One even stated that: 'UPE enables children to access free education through government provision of money for buying teaching and learning materials and undertaking school furniture repairs'. Hence, awareness about the objectives of UPE was very high among all the key actors at the school level.

The study revealed several modes of communication through which the UPE policy was disseminated to the local communities. First and foremost, there was heavy use of print and electronic media, which targeted all the stakeholders, though it was more available to those who could afford the cost of accessing information from the media. The second mode of communication was through announcements made in churches and other gatherings such as lower-level council meetings. Third, some house-to-house visits were made by the local leadership, informing people to register and send their children to school. This method targeted those members of the community who may have missed the UPE message sent through the other communication channels.

At the local government level, through its respective departments at district and municipal level, the MoES organized seminars for head teachers and the chairpersons of SMCs. They, in turn, were expected to mobilize and sensitize others at school level (teachers, parents, and pupils) and at local level (other community members). The research team was informed by the DEOs/MEOs in each district, or by the DIA/MIA or MIS, that since the kick-off of UPE in 1997, occasional workshops had been organized by local governments to refresh and/or train new head teachers and SMCs in financial management issues. Training on the capitation grant was included in these sessions. This was confirmed by head teachers. The research team noted that these occasions were opportunities to raise the school actors'



level of awareness about the UPE policy. However, it was noted that, since then, such workshops have not been organized regularly due to budgetary constraints at the local government level. Instead, the tendency has been to organize training workshops only when it is felt to be a very urgent need, usually following massive recruitments of new head teachers or SMC members. Indeed, some newly appointed head teachers, especially in the northern region, confirmed that they had attended such two-day seminars, but that the latter were not comprehensive due to budgetary constraints. One head teacher explained that during his 14-year service as head teacher, 'Only three trainings have been done, and these were at the request of head teachers'.

One DEO reported that nowadays, when new head teachers are appointed, they are not given any training in financial management. Some head teachers admitted that they still find it hard to account for the funds spent and would appreciate more training in basic accounting principles (for example, how to make cashbooks, write vouchers/cheques) as not all schools can afford to hire accountants. They had received such training in the past when the Teacher Development and Management System (TDMS) project was still functional. According to this same DEO, this function should currently be performed by the finance department within the Ministry of Local Government but is not, allegedly due to a lack of transport and day travel allowances.

Lastly, some schools visited in the south-western region noted that since the introduction of UPE, the head teachers and the SMC have made sure that they talk about UPE during the parents' general meetings, which maintains parents' awareness of the continuation of the programme.

The study also revealed that there are guidelines on use of the grant and that this is one of the mechanisms for raising the stakeholders' level of awareness. These guidelines are kept in the office of the head teachers in all the schools visited. Teachers and parents in all the schools from the northern region reported that the guidelines are not easily accessible to other members of staff. Many of the teachers and members of the SMCs had never seen them. In the central region, only two schools out of the six reported having free access to the guidelines. In one school in the central region, school actors (teachers and SMC members) had never even heard of these 'UPE guidelines'. It was only in the south-western region that three out of four schools had open access to this document.

This lack of access to the guidelines hindered awareness-raising of the capitation grant among school actors. One education department official in the northern region regretted this deeply:

Head teachers keep two types of documents: (i) UPE Capitation Grant Guidelines (May 2007); (ii) Guidelines on Policy Planning, Roles and Responsibilities of stakeholders in the implementation of UPE for districts and municipal councils. But the problem is that head teachers appropriate the documents to the extent that when they are transferred to another school, they take them with them. Appropriating documents is a deliberate move by head teachers to deny other actors at school level from learning the details of the grant so that they (the head teachers) can spend money as they wish without anybody pointing a finger at them.

## 3. Grants distribution criteria and mechanism

### 3.1 Distribution criteria

Overall, while all the head teachers and teachers interviewed were aware of the grant, there was confusion over the actual allocation criteria. Most only knew about the previous allocation criteria calculated on a per capita basis. Only the head teacher at Lake Kyoga Public School in the northern region knew how the allocation was currently calculated for each school. As a result, head teachers, teachers, and even a majority of the MEOs for Kagera and Lake Victoria municipalities were unaware of the difference between the capitation grant allocation criteria set when UPE was first introduced in 1997 and the revised capitation grant allocation criteria in use since 2007/2008.

Formerly, the capitation grant allocation criteria followed a per pupil formula, set at UGX 555.50 per pupil per month (\$0.22) for classes P1 – P3, and UGX 900 per pupil per month (\$0.36) for classes P4 – P7. However, currently, part of the grant is fixed – set at UGX 100,000 per school per month (\$40) for nine months of the school calendar – and part is variable in accordance with the level of the resource envelope provided by the central government. This variation determines the amount received by local governments and their respective schools. The revised capitation grant criterion stipulates that the variable part of the grant is established by *total ceiling – total fixed grant/total enrolment x respective local government enrolment*. The research team observed that the grant depends heavily on donor funding, in particular on resources generated from the debt relief under the Heavily Indebted Poor Countries (HIPC) initiative that has been accorded to Uganda by the World Bank/International Monetary Fund since 1998.

In other words, the amount that a school is expected to receive per pupil is not the same every year or quarter. This amount depends on the total budget– the ‘total ceiling’ – made available by the central government, which differs from year to year and from quarter to quarter. It is precisely this change in yearly amounts and the resulting impression of inconsistency which leads to confusion among the school actors.

Given the confusion and frustration provoked by misinformation on the variable grant allocation criteria, teachers in all 14 schools were totally unaware of the minimum of UGX 100,000 per school per month (\$40). Surprisingly, some head teachers (at least three of them – one per region) were not aware of the existence of this fixed grant allocation criterion. On the other hand, all the MEOs and DEOs were fully aware of the fixed grant allocation criterion.

Among parents, in the south-western region awareness of the criteria used in allocating the grant, be it the variable or the fixed part, was very low. Parents from Kagera Progressive Primary School said the following: ‘Ordinary parents do not know the criteria used, even some of the politicians don’t know ... We are just happy to receive the grant because it’s a contribution anyway’.

Because of this lack of awareness of the revised guidelines, head teachers and teachers have tended to think that disbursements to schools continue being made solely on the basis of school enrolment. This lack of awareness and ongoing uncertainty has indeed caused great discontent among those implementing the UPE programme. These actors have accused the government of reducing instead of increasing the grant rate, despite the inflation. Most of the school actors in all the schools visited had negative views about the appropriateness of the grant allocation criteria. However, as already suggested above,

some of these views were not fully backed by awareness of the changes in the allocation criteria that came into force with the new UPE Capitation Grant Guidelines in 2007/2008, and which operationalized the Education Act 2008. Consequently, some of the views on the appropriateness of the allocation criteria were based on misinformation.

In spite of the misinformed views of the school actors about the appropriateness of the grant allocation criteria, some opinions are still relevant, such as the view that special needs of small/new schools should be taken into account. This point was made by head teachers and teachers in both central and south-western regions:

The criteria are not workable at implementation level, as it treats both old and new schools equally, as if they have the same needs, with variations only based on enrolment. Small and newly established schools, such as this one, being in their infancy stage, tend to have more needs than old schools and should therefore be considered differently from well-established schools.

One MEO felt that ‘bigger schools should get a bigger threshold’. He explained that because of the development of private schools, there is a decrease in pupil enrolment in public schools, schools which used to have large enrolments now have fewer children and therefore receive a small grant. Nevertheless, the public schools concerned have a large infrastructure to maintain. Overall, he believed that the introduction of the grant benefited small schools, which receive more, while large schools are receiving less. The MEO made the following remark: ‘The allocation criteria should take into account the characteristics of each school on a case-by-case basis’.

Another view on the inappropriateness of the grant allocation criteria which stood out, expressed by most school actors, concerned the failure by the district or municipal authorities to take into consideration the increasing pupil enrolment figures submitted by schools. The head teachers and teachers observed that schools are required to submit monthly returns on enrolment to the district/municipal councils, and these returns always show an increase in pupil enrolment. However, there has never been a corresponding increase in the amount of money disbursed. Teachers at Kagera Progressive Primary School said that: ‘It’s not an appropriate criterion because the money given doesn’t change even when the number of pupils increases. We give the MoES monthly returns but they don’t update their data’.

### **3.2 Distribution mechanisms**

In most schools, the teachers, the head teacher, and the chairperson of the SMC reported that funds are released by the government to the district/municipal account and then directed to school accounts on a quarterly basis. The DEO from Lake Kyoga District described the process as follows: ‘UPE Funds are sent to the District General Collection Account, from where they are transferred to the Education Sector Account. The Education Department makes a payment schedule of all schools, based on which a cheque is written in respect of all the schools on the list and deposited to Stanbic Bank Gulu where all schools have accounts’.

However, disbursement of funds to school accounts by the local authorities was reported to be dependent (but not stringently so) on the condition that the school has opened a bank account, has accounted for the previous grant it has received, and has submitted updated enrolment data. In all three regions, none of the schools reported to have been denied access to the grant on account of failure to fulfil these conditions.

In spite of the fact that all 14 schools complied with the grant release conditions, there was a general complaint from many district actors, MIS or DIS, MEO or DEO, and DIA or MIA, as well as from school-level actors about the insufficiency of the grant disbursed by

the central government. This was made worse by the fact that inflation was not taken into consideration. It was unfortunate to note that while it is a requirement under the UPE Capitation Grant Guidelines 2007 that the MoES and Ministry of Finance, Planning, and Economic Development (MoFPED) give reasons for a discrepancy between the amount requested and the amount released by the central government to a district/municipality, the study noted that neither the districts or municipalities nor the schools are ever informed about this. Actors are left to speculate as to why the amount was reduced. Failure to inform the affected schools is sometimes also compounded by delays in the release of funds, especially at the beginning of the first school term when the needs are the greatest. As one head teacher pointed out, 'This mode of quarterly release would be OK if funds could be released at the start of the quarter. Most times the releases come late, for example, funds for the third quarter have not yet come, yet the school term is already more than halfway to the end'.

When such delays occur, most schools either depend on soft loans from banks, or resort to buying teaching and learning materials on credit from their suppliers or borrowing from the PTA account. The head teachers observed that in accessing alternative funding sources, schools base their borrowing on the expectation that the government will honour their approved annual work plans and budgets. Failure by government to honour the approved budgets, which were drawn up on the basis of indicative planning figures in the first place, puts schools in a very difficult situation vis-à-vis their suppliers, especially if materials were bought on credit.

## 4. Use of funds at school level

### 4.1 The school budget

Overall, it emerged that all the school budgets operate on two sources of finance: the UPE capitation grant and the PTA (parental) contributions. This was confirmed by all the key school actors. There are, however, some minor/irregular sources of extra funds for some schools, especially the urban schools in Lake Victoria and Kagera municipalities. Among such sources are church contributions, rental income from hiring out halls or playgrounds, and school projects.

Of the 14 schools only 2 relied more heavily on the capitation grant than on the PTA contributions. This is shown in *Table 4*. This means that despite the capitation grant releasing parents from paying tuition fees, the amount is not sufficient to meet the full cost of a basic education. Hence parents still contribute to the financial support of the schools. This is particularly true for the urban schools where, on average, about 90 per cent of the school budget is derived from PTA contributions. There was only one exception where one urban school relied 100 per cent on the capitation grant.

#### UPE capitation grant

The UPE capitation grant is the amount of money received by UPE schools from the central government, channelled through their respective local authorities. From the data on the evolution of school budgets collected from all 14 schools, it was evident that the amount of the capitation grant disbursed to schools has varied (though not greatly) over the years. This can be explained by evolutions in school enrolment and by the variable nature of part of the capitation grant, as explained previously.

The study encountered some confusion as to the amount of the grant each school received, as the quotes provided by different actors at school level were inconsistent. The question was whether this was due to a lack of transparency on the part of the head teacher, who doubles up as the accounting officer for the grant, or a lack of awareness on the part of other school actors, perhaps because of their limited involvement in the day-to-day management of the grant. For example, the Indigenous Preparatory Primary School in the central region showed that while the school profile completed by the head teacher for the research team quoted UGX 5,527,884 (\$2,167) coming from the capitation grant for 2009/2010, this figure did not correspond with the one posted on the wall outside the head teacher's office, which was UGX 6,119,923 (\$2,400). The teachers too indicated a different amount of UGX 1.8 million per quarter (\$705), making a total of about UGX 7,000,000 (\$2,744) for the year 2009/2010.

**Table 4. Distribution of school budget for 2010/2011**

Name of school	Region	Capitation grant (UGX)	Income from other sources* (UGX)	Total budget (UGX)	Proportion of capitation grant (%)
Lowland	South-western	1,370,000 (\$537)	1,804,500 (\$707)	3,174,500 (\$1,244)	43
Kagera Progressive	South-western	869,750 (\$341)	69,970,600 (\$27,439)	70,840,350 (\$27,780)	1.2%
Kagera Primary	South-western	12,370,993 (4,851\$)	76,204,800 (\$29,884)	88,575,793 (\$34,735)	14%
Martyrs'	South-western	4,060,000 (\$1,592)	561,373,200 (\$220,146)	565,433,200 (221,738\$)	0.7%
Murchison Falls	Northern	4,245,300 (\$1,664)	5,240,000 (\$2,054)	9,485,300 (\$3,719)	45%
Lake Kyoga	Northern	2,454,989 (\$962)	1,500,000 (\$588)	3,954,989 (\$1,550)	61%
Blue Nile	Northern	3,024,414 (\$1,186)	672,500 (\$263)	3,696,914 (\$1,449)	81.8%
White Nile	Northern	2,691,001 (\$1,055)	3,597,000 (\$1,410)	6,187,901 (\$2,426)	42.8%
Christian Parents'	Central	2,947,753 (\$1,155)	68,889,600 (\$27,015)	71,837,353 (\$28,171)	4.1%
Indigenous Preparatory	Central	5,527,884 (\$2,167)	24,000,000 (\$9,411)	29,527,884 (\$11,579)	18.7%
Community Primary	Central	n.a	20,212,300 (\$7,926)	-	-
Memorial	Central	n.a	38,968,800 (\$15,281)	-	-
Western	Central	2,700,000 (\$1,058)	90,000,000 (\$35,294)	92,700,000 (\$36,352)	2.9%
Naval	Central	2,431,187 (\$953)	0	2,431,187 (\$953)	100%

\* Income from other sources mostly is limited to parents' cash contributions for whatever reason; church donations; and rental income from the rental of school facilities (such as a school hall or a football pitch).

n.a : not available.

Source: Computed from the school profiles.

### PTA contributions

Formally, since the beginning of UPE, the government has permitted urban schools to collect PTA contributions of UGX 10,400 per pupil per term (\$4.2) to offset costs which could be particular to an urban setting, such as utility expenditures (electricity, water, etc.). In practice, however, since the capitation grant does not cover all the school's needs, parents are charged PTA contributions not only in urban areas, but also in rural areas, where they are asked to contribute something towards the PTA budget. However, the amount of money charged by rural schools (northern region) was found to be lower compared to that charged by urban schools. It ranged between UGX 2,000 (\$0.8) and UGX 3,000 (\$1.2) per child per term for rural schools. Indeed, in 6 out of the 10 urban schools included in this study, the parental contributions to PTA were much higher than the amount (UGX 10,400 – \$4.2) prescribed by the UPE guidelines (Table 5). While the figures quoted in the table are largely those reported by the head teachers (as the top

administrators of the schools), there were several cases where other actors in the same school reported varying amounts to the research team. This has led to confusion and doubt as to who declared the correct amount. For example, the head teacher for Indigenous Preparatory PS reported that children in P1 to P3 pay UGX 30,000 (\$12) per term, while those in P4 to P7 pay UGX 40,000 (\$16). On the other hand, the accountant stated UGX 35,600 (\$14) per term for P1 to P2, and UGX 40,000 (\$16) per term for P3 to P7. The SMC members said that parents pay UGX 40,400 (\$16), regardless of the grade of their child.

While Table 5 should be interpreted cautiously in terms of its accuracy owing to differences in the amounts stated by different actors in some schools, it shows the variety of budget line items that parents must contribute to in order to enable their children to attend schools in an urban setting. As the table demonstrates, not all schools have the same budget line items, nor do they charge the same amount for a particular item.

**Table 5. Distribution of PTA contributions (in unit cost per pupil per term)**

PTA Breakdown	Unit-based charges for different urban schools per child per term									
	Lowland *	Kagera Prep **	Kagera ***	Martyrs' ****	Christian Parents' ****	Community **	Indigenous Preparatory **	Memorial **	Western **	Naval
Utility expenditure	10,000 (\$4)	238,500 (day pupils) (\$93.5)	10,400 (\$4.1)	204,200 (day pupils) (\$80)	10,400 (\$4.1)	10,400 (\$4.1)	40,000 (includes lunch) (\$15.7)	10,400 (\$4.1)	49,900 (day pupils) (\$19.5)	-
Meals		40,000 (day pupils) (\$15.7)	30,000 (\$11)		2,000 (\$0.7)	1,500 (\$0.6)		1,500 (\$0.6)		-
Boarding fee		590,500 (boarding) (\$231)		245,900 (boarding) (\$96)					252,500 (boarding) (\$99)	-
Coaching fees					10,000 (\$4)					
Church fees					1,000 (\$0.4)					
Parents' Project			26,400 (\$10.4)							
Building fund		35,000 (\$13.7)								
Maintenance		36,000 (\$14)								

Source: \* Teachers and parents \*\* Head teacher \*\*\* Pupils \*\*\*\* Parents and head teacher.

The amount of parent contributions is agreed upon during the parents' general meetings. An exception to this was observed in schools in Atiak sub-county, in the northern region, where, according to the parents, should the school wish to charge parents fees, the sub-county local council is involved in the final decision as to what each parent in any of the schools in the sub-county should pay<sup>8</sup>. Otherwise, the study revealed that all but one of the schools in the study (Naval Primary School<sup>9</sup>), whether urban or rural, charged parents extra fees. Both teachers and head teachers reported that most parents appreciate and understand the need for parental contributions, but some simply cannot afford them. The head teacher at Murchison Falls stated the following, 'As much as parents realize the need

8. At the time of the study, schools in Atiak sub-county were charging UGX 3,000 (\$1.2) per pupil per term.

9. The Naval School is a military-based school, so parents were excused from PTA contributions. Instead, the Ministry of Defence assists the school with payment of utility bills, civilian teacher meals, and a top-up allowance of UGX 35,000 per month per civilian teacher (\$14).

to contribute towards the financial maintenance of the school, some of them lack the capacity to fulfil their obligations due to poverty'. It was estimated by school actors that about 30 to 50 per cent of parents in the northern region are not able to contribute, while in the south-western and central regions, about 25 per cent cannot afford to contribute<sup>10</sup>.

Despite the provision under the UPE guidelines that 'Pupils should not be discontinued from schooling or forced to repeat classes purely on grounds of poor academic performance, or be sent away from school for failure to pay for meals', the research team noted that all the schools visited were devising indirect, and at times direct, ways of making parents pay their contributions. Some tactics included: (i) retaining report cards at the end of the term/year and not promoting pupils to the next class (e.g. Lowland PS and Murchison Falls PS); (ii) making children undertake communal labour in lieu of cash payment (e.g. Community PS); (iii) talking to parents and giving them more time to look for the money (e.g. Indigenous Preparatory PS); (iv) asking parents to transfer children to other schools in case the first three options fail (e.g. Indigenous Preparatory PS); and (v) ignoring the UPE guidelines and sending children back home to collect the money (e.g. Blue Nile PS). Witness accounts of school actors on tactics used by schools to make parents pay included the following statement by an SMC member at Indigenous Preparatory Primary School: 'When the school year ends and the parents haven't paid, the child has to go to another school. If the school makes parents' contributions voluntary, you may never get anything from parents'. A parent at the same school said: 'If parents can't pay, they are given more time to comply'. A pupil at Lowland Primary school said 'Our parents pay UGX 10,000 per child (\$4). If a child fails to pay, you are not given a report card and without this card, you can't be promoted to another class'. At Martyrs' school, the following very clear statement was made by the head teacher: 'The money sent to us as a grant is very little, it can't sustain a big school like this. To be entirely honest, this school doesn't rely on this grant – here we can freely send children back home due to failure to pay school fees, which other UPE schools can't do'.

## 4.2 Decision-making and use of the grant

### Decision-making

The key school actors in all the schools visited had common characteristics on how they made decisions on the use of the grant. The actors made specific reference to their decision-making as participatory and transparent. Two main actors were singled out in the decision-making process of the grant: the school management committee (SMC) and the school finance committee<sup>11</sup> (SFC), bodies that are highly representative of a diversity of stakeholders.

At the beginning of the financial year, each school, through its head teacher and SFC, prepares a school development plan which includes the annual work plan and budget. In order to draw up the plan, each head of department consults members of staff to identify their needs. These needs are vetted and prioritized during several planning meetings. The annual budget preparation is guided by the indicative planning figures drawn up by MoFPED and channelled to schools through their respective local governments. However, whatever budget the school develops, it is subjected to a review and endorsement by the SMC before it is sent to the district or municipal education office to be integrated into the sectoral plan and budget. This decision-making process was well known to all the key school actors including head teachers, teachers, and SMC members.

Upon receipt of the grant issued by the central government through the district/municipal authorities, the chairperson of the SFC asks the heads of departments to submit their

10. It was rather hard to establish how many parents, in a given school, had difficulty in paying the extra fees.

11. The SFC is made up of subject heads of departments and is chaired by a deputy head teacher.



requests for consideration. The committee looks at the requests and compares them with both the school development plan and the amount of the grant received. Members of the committee then prioritize the spending categories and allocate funds. At this stage, the allocation is in a draft budget form, which is presented to the SMC for consideration and final approval. Thereafter, cheques are written and funds withdrawn by both the SMC chairperson/treasurer and the head teacher. Following the withdrawal, the head teacher carries out the spending according to the spending categories earmarked by the SFC.

Teachers and head teachers reported that for the entire decision-making process head teachers have no direct influence over the decisions of the committee: 'While the head teacher is a signatory to the school account and the accounting officer for all the school budget funds, he doesn't influence the budgetary allocations – the finance committee is fully independent'. The role of head teachers in the decision-making process is limited to giving advice to the SFCs and implementing the budgetary decisions approved by SMCs as well as reporting on the spending.

This was confirmed by the DEO of Lake Kyoga District:

Head teachers are not supposed to be involved in decision-making at school level. It is the School Finance Committee that is supposed to sit and divide up the given funds; this decision, together with the school development plan and school budget, is then submitted to the SMC for approval and endorsement. Head teachers only come in to make requisitions, purchases, and accountabilities.

The lack of involvement of parents in the decision-making process on use of the grant was mentioned by the parents themselves in all four schools in the northern region. One explained:

As parents, we would have liked our school to be fenced so that our children are safe. These children, having been born and raised in the Area Development Programme (ADP) camps for too long, are not yet disciplined. So they need proper control while at school, but we have no voice since we are not involved in decision-making on the use of school funds ... We also need a special room for counselling our young girls who are reaching puberty and those out of school. However, voicing this need is not easy as we lack a platform since we are never called for decision-making meetings.

In this region, parents complained that the SMCs and PTAs take a long time to call parents' general meetings where the parents' needs and concerns would have been raised.

However, school actors in the other regions, such as the head teachers and teachers, reported that, although parents are not directly involved in decision-making, parents' voices are heard through their representatives on both the SMCs and PTAs. This lack of direct involvement on the part of the parents in decision-making was therefore not seen as an issue in the two other regions.

While the study did not reveal any anomalies in the decision-making process on use of the grant in both central and south-western regions, in the northern region (with the exception of one school) teachers reported cases of head teachers hijacking the decision-making functions of the SFC. Teachers at Lake Kyoga pointed out that there was lack of transparency in the use of the grant:

We never get to know how much grant the District Education Office sends, the head teacher just writes on the noticeboard the amount he found on the account and that's what the SFC uses to do the budgeting ... There are many times when the committee doesn't sit to allocate the money, but instead, the head teacher and the chair of the SMC do the allocation. For example, last year 2010 the SFC only sat twice to allocate the grant, yet the grant comes four times a year.

The DIA remarked that 75 per cent of the head teachers in the Northern District do not involve their SFCs in decision-making. The involvement of SMCs in decision-making is also not effective as they are usually sidelined by the head teachers. The DEO of Lake Kayoga District suggested corrective measures: 'We are of the view that DEOs should have a role to play in decision-making by way of sanctioning payments. Otherwise, some head teachers manipulate usage of funds to suit their needs as long as they can collaborate with chairpersons of the SMC or take advantage of their low literacy levels'.

### **Use of the grant**

Despite the anomalies noted in the northern region, all the actors in the schools visited reported that, as defined in the guidelines, the capitation grant is divided between four categories of expenditure: teaching and learning materials, extra-curricular activities, administration, and management.

All of the key stakeholders, both at the district level (MIS/DIS, MEO/DEO, and DIA/MIA) and the school level (head teachers, teachers, and chairpersons of the SMC) in all three districts complained of the insufficiency of the grant. They blamed the government's failure to undertake periodical reviews of the grant, despite skyrocketing inflation, and the rise in pupil enrolment. This shortfall in funding had a definite negative impact on the achievement of the grant's objective. One teacher remarked that the amount given was 'Just a drop in the ocean considering what it takes to keep the school effectively operational'. While all the stakeholders at district, municipal, and school levels strongly recommended that the amount be increased to keep up with inflation, no one could suggest an amount by which the grant should be increased as no one had the capacity to do the calculations.

Previously, guidelines were issued with the disbursements which dictated that the spending between the four budget lines – teaching and learning materials, extra-curricular activities, administration, and management – should be proportional, at 50 per cent instruction materials; 30 per cent co-curricular activities; 15 per cent management; and 5 per cent administration. The new UPE guidelines (2007) keep these four categories, but no longer require that the allocations be proportionally fixed, leaving the decisions on how much to allocate to each category at the discretion of the DEOs/MEOs and schools. Actors at these two levels must decide together the allocation proportions between different budget lines. However, the guidelines place a limit on the amount of money of the total UPE capitation grant release (up to 20 per cent) that a school can keep for contingency expenditures.

The UPE Capitation Grant Guidelines 2007 also provide schools with some leeway to transfer funds between activities. The Guidelines state that: 'The DEO or MEO and head teachers should sit and agree on percentages that fit the situations/reasons of the schools in the area. Flexibility is acceptable but should be agreed upon' (MoES, 2007).

However, the school actors provided mixed answers regarding the level of autonomy schools have in using the capitation grant. While the head teachers in the eight schools reported that they had some level of autonomy, in only four schools were teachers and SMC chairpersons of the same opinion. They agreed that there was autonomy as long as the diversion of funds was reported by the SFC and sanctioned by the SMC: 'The SFC can reallocate funds. Like now, we are preparing for music competition, if we realize there is need for more funds, we request to move funds from one vote head to another. We write to the municipal office telling them about this need – we have to justify the need for the transfer'. In contrast, however, in other schools the teachers and SMC chairpersons denied the existence of any autonomy in the transfer of funds between different budget lines. The DIA of Lake Kyoga District and the Finance Officer of Lake Victoria municipality strongly asserted that the UPE guidelines do not permit autonomy: 'Schools are not

autonomous in the use of the grant. Schools have to abide by the guidelines. We are not happy to see deviations from prescribed expenditure lines – by schools doing what they like, they make our work difficult’.

The research team noted that some municipal officials tried to discourage schools from diverting from a common grant distribution criteria set up by the old guidelines so as to ease their work in monitoring and reporting to their superiors.

The research team considered that, in principle, giving some level of autonomy to schools in the use of the grant makes sense in order to cope with unforeseen occurrences. However, expenditures continue to be skewed towards two major budget line activities: teaching and learning materials and extra-curricular activities. Both of these need more funds than other budget lines, i.e. administration, and management. This will continue putting other budget line activities at a disadvantage until the amount of the grant is increased so that all the budget lines can be equitably catered for. Some teachers also had views on the negative effects of autonomy: ‘The effect of schools having some level of autonomy has led to a scenario where most of the grant is spent on instruction materials and extra-curricular activities, sparing a very small amount, if any, for other activities’.

### **4.3 Decision-making in the use of PTA contributions**

The PTAs are largely composed of parents and teachers of a particular school. Like SMCs, they elect their own representatives to constitute a PTA executive board ... Moreover, their responsibility parallels that of SMCs in that PTAs’ main function is to oversee the smooth implementation of parental contributions to the budget expenditure lines.

PTA contributions are applied to a range of spending categories agreed on by the PTA finance committee during a budget planning meeting and approved by the SMC as the supreme management body of the school. Although not necessarily the same across all schools, the spending categories include, but are not exclusively limited to: private teachers’ remuneration; construction and maintenance of school buildings; the purchase of food; medical care; wages (for porters, accountant, typist, and guard); teachers’ housing and transport; teachers’ cost-of-living top-up; and tea breaks for teachers. Although PTA expenditures are managed by the PTA executive, they are also overseen by the SMC.

## 5. School grant monitoring and control

### 5.1 At school level

Overall, teachers and head teachers reported that internal monitoring at the school level was carried out in three distinctive ways. The first mechanism involves both the SFCs and the SMCs. These two bodies oversee the use of the grant, both before and after the procurement of materials, to ascertain whether what was agreed during the SFC planning and budgeting process had been or was in the process of being carried out.

A second mechanism mentioned by head teachers is the display of the amount of the grant received each quarter on notice boards outside the head teachers' offices. This was particularly useful as a monitoring mechanism for parents. Although head teachers adhere to this display requirement, some parents reported that most parents do not have the reflex to read notifications on the notice boards.

The third mechanism of internal monitoring at the school level is through attendance of parents at general meetings at the end of the year. In these meetings, the parents are informed of how the funds have been used. Unfortunately, as one of the head teachers commented, 'On this occasion of the parents' general meeting, you cannot guarantee that all parents will attend, but the majority come ... and there is a lot to say, not only about UPE'.

While school actors reported that the internal monitoring mechanisms described above were in practice in the schools visited in the south-western and central regions, the research team found it difficult to establish the existence of internal monitoring mechanisms among the schools in the northern region. The head teachers reported that internal monitoring is carried out by the chairperson of the SMC, the treasurer of the SMC, and heads of departments who constitute the SFC. While the head teachers' response is the ideal setting for internal monitoring, the teachers strongly observed that: 'In practice, it is always the head teacher who is both the implementer and overseer of himself'. The head teachers were defensive on this question, stating that heads of departments and the SMC take part in internal monitoring, but many teachers' statements contradicted this. Otherwise, this observation of teachers was confirmed by the DIA in a general comment about the status of internal monitoring in Lake Kyoga District: 'Practically and generally, it's the head teachers singlehandedly in control of everything including funds. They draw and spend. There is no participation of teachers in internal monitoring of financial resources in almost 75 per cent of the UPE schools in the district'.

In all the schools visited in the three regions, it was unusual for parents to engage in internal monitoring. Parents in both the central and south-western regions observed that their involvement is not essential since they have representatives on the SMC who have the responsibility to oversee grant management and implementation by the school administration. The SMCs produce reports which are presented to the parents during general meetings. The parents reported that they are always satisfied with the report: 'During the general meeting, parents do get a financial report, but I don't remember what is included in this report – I never want to go in depth. As long as my children can come to school, they are given lunch, there is chalk for the teachers and teachers do not ask for more money, I am satisfied'. The research team noted that while this mode of internal monitoring and control works well for parents in urban schools where SMCs hold regular meetings, for rural schools where committees take longer to call general meetings, parents are denied the chance to find out what is happening or what happened to the grant.

The MIS and DIA reported that although head teachers and members of SMCs in the south-western and central regions were well educated, they could both benefit from more advanced training on how to monitor the use of the grant. It was noted that even the SMC chairpersons, all of whom are well educated, having been primarily public servants in the past (now retired), are not well versed in accounting procedures, with the exception of one chairperson who was a qualified accountant.

## 5.2 External monitoring

External monitoring and control of the grant were reported by school actors to be a function of auditors at both the central and local government levels. In addition, other senior executives of education department officials including the MIS/DIS and the MEO/DEO should routinely visit the schools. During their visits, the auditors check the books of accounts, using performance indicators to prepare their assessment report for a particular school. According to the UPE Capitation Grant Guidelines, auditors from the district/municipal levels should visit each school once every quarter, i.e. four times a year (MoES, 2007).

While the arrangement described above is the ideal means for external monitoring and control countrywide, the study noted some differences in carrying out external monitoring between schools visited in the south-western and central regions and those in the northern region. In the south-western and central regions, teachers and head teachers reported that monitoring visits by the MIAs were irregular, allegedly because of logistical constraints facing the local authorities, leading to, on average, one visit per school per year. Worse still, auditors from the central government were reported to be even more irregular, in most cases only visiting schools that are experiencing problems such as financial mismanagement issues. In the northern region, both the sub-county accountant and the DIA have the responsibility to visit schools on a quarterly basis. However, none had ever visited any of the four schools included in the study, certainly not during the period in which the current head teachers had been in control. The DEO explained that, given the limited financial resources for operational costs, the DIA usually visits those schools where there is cause for suspicion of misuse of funds. For example, Blue Nile Primary School experienced accountability problems in the past when the former head teacher was in control. This was the only time the DIA visited the school for trouble-shooting. Four years later, in July 2011 (the time of the study team visit), there had not been another visit. The research team noted that this ‘fire-fighting approach’ has the potential to encourage shrewd head teachers to misuse the grant as long as they are careful enough not to cause suspicion to warrant a visit from the DIA. The lack of external visits to any of the schools visited by the research team in the region was perceived by the DIA of Lake Kyoga District as emanating from a lack of financial support for field work activities: ‘Externally, I am supposed to visit each school at least once a year, but this rarely happens due to lack of sufficient facilitation for field visits. In a year, only about 50 per cent of the schools are visited. If government wants value for money spent on UPE, the Internal Auditor should be provided with transport facilitation’.

## 6. Overall conclusions and assessment

This section presents conclusions based on the views of stakeholders who participated in the study on the UPE capitation grant. As mentioned at the beginning of this report, the stakeholders included pupils, parents, teachers, head teachers, members of the SMC, and relevant district/municipal officials. Interestingly, despite the diversity of stakeholders, their views on the strengths and weaknesses of the grant and their opinions on the way forward are very similar. This section focuses on those key aspects of the grant that were found to either cut across all schools, urban or rural, or that are specific to either an urban or a rural setting.

### 6.1 Equity implications

Overall, the school actors in all the study regions, including parents, teachers, head teachers, and even pupils strongly affirmed that the grant has enabled poor and disabled children, who would have never been able to enter a classroom, access to some level of education, at least up to the P7 level without dropping out and without being sent away because of unpaid school fees. Many such children would probably never have been able to read and write, especially girls, who owing to poverty and cultural factors were sent to school only after the schooling needs of boys were fully met. The grant was further complimented by teachers as being extremely inclusive since children can sit for the PLE without paying any registration fees.

According to both teachers and parents, while UPE has contributed to greater equity now that all children can attend school, at the same time it has created a gap between the children of the rich and those of the poor. The children of the rich are now more likely to attend private schools, which are often better performing schools, while the children of the poor attend UPE schools where the motivation of teachers is low owing to poor salaries and lack of allowances. One parent at Community Public School commented on the gap: 'Children of the rich and the poor are in two different worlds, they only meet during PLE and they are expected to do the same papers'. Another scenario reported by teachers was that UPE schools become 'training grounds' for private schools. Pupils shift from UPE schools to private schools when they enter upper primary level so as to receive a higher quality education and achieve better performance during the PLE.

Another aspect of inequity, mainly reported by parents, was a lack of provision of relevant materials for children with special needs.

Finally, although everybody is welcome to join any UPE school of his/her choice, the choice is limited when children can't afford to attend boarding schools which are part of the UPE programme. The school fees required by these schools are too high for parents.

### 6.2 Implications for quality of education

Although largely successful in achieving its goals of increasing access, UPE has been less successful in addressing other issues such as improvement in the quality of education. The study noted that the quality of education under the UPE programme is negatively affected by a number of variables, including insufficient grants, delays in payment, automatic promotion, inadequate physical infrastructure, insufficient teaching and learning materials, and a lack of provision of lunch at school.

**Insufficient grants:** Both head teachers and teachers noted that the size of the grant is very small and insufficient to run the programme, keeping in mind the steadily increasing

number of children. This is particularly true when coupled with inflation. This makes management of schools problematic, especially at the beginning of the calendar year (1st school term) when the dynamics of a new year are very demanding. The respondents, therefore, suggested that these issues need to be addressed by the central government. The fact that school actors are not even well acquainted with the new criteria for allocation/calculation of the capitation grant, led the research team to suggest that local governments lead information campaigns to increase levels of awareness about the grant calculation formulae, both among the school actors and in the community.

**Delays in disbursement of grants:** The teachers further noted that the meagre grant, compounded by delayed releases, creates a scenario that is particularly difficult for schools to manage, particularly because they can no longer compel parents to contribute to the operational costs of the school. Observations on this situation by teachers were confirmed by the MEO of Lake Victoria: ‘The achievement level in schools is “low” because UPE schools do not have adequate resources for quality learning, which explains why private schools are so popular’. The research team observed that the grant depends heavily on resources generated from the debt relief under the HIPC initiative that was accorded to Uganda by the World Bank/IMF since 1998 as a reward for the good economic policies that the country had implemented. This being the source, funds may not be readily available at the time expected, hence the inevitable delays.

**Lack of oversight in the use of the grant:** Oversight functions for both internal and external monitoring are well articulated in the guidelines for the implementation of the grant. However, operationalization of the functions was found to be problematic especially in the northern region study district where the SMCs are very weak because of a lack of motivation, financial incentives and low levels of literacy. This makes it hard for SMCs to evaluate the head teachers who have diplomas or university degrees. Regarding the issue of external monitoring, the problem is largely attributed to budgetary constraints at the district level, a problem that cuts across the three study regions. Budgetary constraints prevent auditors from making regular routine visits to schools, thereby relying solely on the honesty of head teachers for appropriate spending of the grant.

**Inadequate physical infrastructure:** Both in terms of classrooms and teachers’ housing, infrastructure has a great impact on the quality of education: classes are too big because of the high enrolment. This has translated into a high pupil/teacher ratio and greatly compromises the provision of quality education. The lack of, or poor, staff quarters (in addition to low salaries) demotivates teachers and leads to less commitment and a lack of creativity. This was noted by both municipal and district education officials. Among other things, the respondents felt that the quality of education would be greatly enhanced if teachers were provided with decent housing facilities – this could be done through the provision of occasional school facilities grants to schools in need.

**Insufficient teaching and learning materials:** All 14 schools, whether urban or rural, had problems of insufficient text books, which indeed wear away the quality of education. As the DEO from Lake Kyoga District said: ‘Meagreness of UPE funds accounts for inadequate teaching and learning materials, a situation that causes frustration and kills creativity among teachers’.

**Lack of provision for lunch:** The parents regretted that the grant does not make provision for lunches at school, leaving the responsibility with parents. Hence, children whose parents do not have the capacity to contribute UGX 15,000 per term (\$6) (prescribed by UPE guidelines) towards break porridge and lunch do not eat anything at school. This was noted to be a serious matter, as even those pupils who do pay for and eat school lunches do not get enough. Empty stomachs have a negative impact on the quality of education. One of the pupils interviewed remarked: ‘One of the things I do not like about this school, is being given too little food at lunch time’. One parent further observed: ‘A situation

where a hungry child is being taught by a hungry teacher is not conducive to improved performance'. Before UPE, parents used to meet the cost of lunch for their children. However, following the declaration of fee-free education by government, parents got an impression that everything in the programme was free. This misconception created a big problem for the school administration and management whenever they asked parents to contribute towards school lunches. The best solution to remedy this misconception, suggested by the key actors, would be for the government to include a feeding programme within the grant.

### 6.3 Wrap-up assessment

The case studies that were examined in order to write this synthesis have provided important insights into how UPE is being implemented, from a financial perspective, as one of the efforts made in Uganda to achieve primary education for all, an EFA goal. Among other things, the case studies showed that the grants have helped schools obtain some of the basic resources which are indispensable to quality education. However, borrowing from the observations of Al-Samarrai (2003), the achievement of the MDGs and EFA targets require more than just increases in expenditure on primary education. The composition of resources and the institutions that govern the use of these resources (such as local governments, SMCs, and PTAs) plays a central role in translating resources into better schooling outcomes.

According to the study, people see the UPE grant as a policy for reducing school fees rather than a fee-free policy. The fact that schools feel obliged to ask for parental contributions and the fact that parents appreciate the need to continue contributing due to the low level of the grant (though with difficulty for some of them), casts doubt on the possibility of a genuinely free primary education. Indeed, the establishment of a legal amount of parents' fees (UGX 10,400 – \$4.2) shows that UPE, at least in urban areas, is not the same as fee-free primary education. The existence of these legal fees has also opened the door for schools to ask parents for more contributions, thus further reducing the universal character of UPE.



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## The paper

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

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

In Uganda, the research was implemented by researchers from Makerere University, the Ministry of Education and Sports, and the UNICEF Country Office, with support by IIEP.

As part of the Universal Primary Education policy (UPE) introduced in Uganda in 1996, a 'capitation grant' programme was introduced in all the schools of the country. It is meant to contribute towards improving teaching and learning materials, as well as extra-curricular activities, while also supporting school administration and management.

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

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