CHAPTER 4

Governance and finance

How should countries manage and finance inclusion?
KEY MESSAGES

Inclusive education requires horizontal collaboration to share information, set standards and sequence support services, but implementation is often thwarted

- Kenya established Educational Assessment and Resource Centres with multidisciplinary professional teams, but one-third of county-level centres had only one officer.
- Services need to be complementary. In Colombia, social programmes are tied to a poverty index score for each family, which they can consult to see the services they are eligible for.
- Standards need to be coherent. In Jordan, the ministries of education and social development set separate standards for licensing and accrediting special education centres.
- Governments need capacity to regulate NGOs. China aims to put in place an effective system to purchase services from them and pass relevant legislation by the end of 2020.

Inclusive education requires vertical collaboration among government levels for local authorities to fulfil their mandates

- In the Republic of Moldova, an inclusive education reform stumbled because savings from reducing the number of children in residential institutions were not transferred to the local government institutions and schools absorbing the students.
- In the United Kingdom, the number of children with special needs increased by 33% between 2015 and 2019, while the funding local councils received rose by only 7%.

Equity and inclusion will not be achieved without adequate funding reaching schools and students according to need

- Governments finance local authorities or schools. In Indonesia, poorer districts with lower capacity to raise revenue struggle and inter-municipal inequality in attainment has grown.
- Education programmes may target students and families through exemptions (e.g. from fees), cash transfers (e.g. scholarships) or in-kind transfers (e.g. school meals). A 2018 law in Finland aims to reduce fees to minimize the effects of socio-economic background.
- Social protection financing policies and programmes also target students and families, affecting equity and inclusion in education. Since the 1990s, conditional cash transfer programmes in Latin America have increased education attainment by 0.5 to 1.5 years.
- About 310 million schoolchildren in low- and middle-income countries receive a daily meal at school. A government-led school feeding programme in Ghana targeting priority districts increased test scores, especially among girls, poor children and those from northern regions.

Providing education for students with disabilities involves extra and often mounting costs

- Evidence from Europe and Northern America suggests it costs about 2 to 2.5 times more to educate students with disabilities.
- Many high-income countries are trying to remove incentives to increase the number of students with special needs, shifting funding to block grants to local authorities.
Delivering inclusive education requires multiple actors to work together

There are several routes to financing equity and inclusion in education

Conclusion

The main barrier to inclusion in education is the lack of public policy and financial support.

Anne Kole, public health policy advisor at EURORDIS and parent, France

Education governance encompasses a dense network of institutions, rules and norms that determine policy formulation, implementation and monitoring. As the 2009 EFA Global Monitoring Report proposed, a review of governance arrangements in education should capture not only formal administrative and management systems but also informal processes that distribute power in these systems and determine decision making at all levels. Other chapters of this report cover aspects of education governance that have an impact on inclusion, such as standard-setting processes through laws and policies (see Chapter 2), monitoring and evaluation mechanisms (see Chapter 3) and communities’ role in holding government to account (see Chapter 8).

This chapter focuses on mobilization of the organizational and financial actors required to make education systems inclusive. Weak collaboration, cooperation and coordination of stakeholders within the system (from early childhood to adult education), across sectors (e.g. reaching out to health and social protection), across government levels (from central to local) and between government and non-state institutions (e.g. civil society or the private sector) can impede implementation of ambitious laws and policies (Figure 4.1).

FIGURE 4.1:
Delivering inclusive education requires collaboration, cooperation and coordination
Conceptual mapping of partners needed for inclusive education

GEM StatLink: http://bit.ly/GEM2020_fig4_1
Note: NGO = non-government organization.
Source: GEM Report team.
The chapter addresses collaboration, cooperation and coordination from two viewpoints. First, considering the need to break down silos in policy formulation and implementation, which is the hallmark of the United Nations (UN) 2030 Agenda for Sustainable Development, it looks at how education ministries establish strong partnerships between education levels, between government levels, with other sectors and with non-government stakeholders. Second, it looks at the financing of services for equity and inclusion, including mechanisms to allocate education resource to regions, schools and students. It also looks at social protection programmes that target vulnerable groups and can affect education, concluding with a review of financing mechanisms for disability-inclusive education.

**DELIVERING INCLUSIVE EDUCATION REQUIRES MULTIPLE ACTORS TO WORK TOGETHER**

Ensuring equal education opportunities for those at risk of exclusion is not the sole responsibility of education policy designers. It requires mobilizing multiple actors and aligning the administrative systems supporting various facets of vulnerable populations’ lives. Responsibilities for delivering inclusive education need to be shared horizontally among government departments or government and non-government actors, as well as vertically across education or government levels, taking their respective advantages into account.

Integrating services has two main benefits. First, it allows for greater consideration of a child’s full set of needs, including health, well-being, participation, social justice and equality. Services that form part of holistic care are more accessible and more likely to be taken up. Greater awareness of services and how they are linked also increases uptake. By improving needs identification and promoting accessibility, integrated services can also positively affect outcomes for those with complex needs (CFBT Education Trust, 2010; Corter, 2019; OECD, 2015).

Second, integrated provision can improve the quality and cost-effectiveness of services, leading to cost savings. Integration can be achieved through case management whereby one service provider acts as a referral point for access to another. It can also be achieved by providing multiple services at single sites or by reducing transaction costs related to travel, safety, nutrition or mental and emotional health. Co-locating services can reduce duplication. Cooperative arrangements, in which various service professionals communicate and work together on behalf of individual users, can also improve service quality (OECD, 2015; Statham, 2011).

**Interministerial responsibility-sharing arrangements are common**

Government agencies generally share administrative responsibilities for delivery of inclusive education. A mapping of inclusive education implementation in 18 European countries, mostly regarding students with disabilities, showed substantial division of labour. Education ministries tend to be responsible for providing additional teachers, running mainstream and special schools and providing learning materials. In most countries, health ministries bear responsibility for screening, assessment and rehabilitation services, while social protection ministries tend to provide financial aid and advice (Figure 4.2). Regional and local authorities lead on physical accessibility or extracurricular support. Transport and public works ministries are also involved in promoting infrastructure accessibility (European Agency for Special Needs and Inclusive Education, 2016).

Structures bringing together government entities to coordinate service delivery are a common first step towards integration. In New Zealand, the Ministerial Committee on Disability Issues is the government focal point on implementation of the UN Convention on the Rights of Persons with Disabilities and the national disability strategy. It also outlined priorities for cross-government action in the Disability Action Plan 2014–2018, which aimed to transform the support system, ensure personal safety, promote access and increase employment and economic opportunities. Regular reports documented progress on these priorities. For instance, developing policy options for children under age 8 with disabilities was on track in 2018 (New Zealand Office for Disability Issues, 2015, 2018).
However, sharing responsibility does not always imply collaboration, cooperation and coordination. Deep-rooted norms, traditions and bureaucratic cultures hinder smooth transition from traditional siloed service delivery to innovative collaboration and cooperation between education and other sectors. Variable access to and quality of social services create additional, overlapping obstacles to effective integration. Inadequate training, ineffective communication with educators, lack of shared vision or overarching policy framework, and variation in standards across regions also inhibit efficient service provision (Lawrence and Thorne, 2016; Lord et al., 2008).

Serbia’s government established local coordination mechanisms among the education, health and social sectors to identify needs and provide support to all children (Serbia Prime Minister’s Office, 2019). However, coordinating state financing structures was challenging, and local coordinating body recommendations were not binding for service providers (NOOIS, 2018). Kyrgyzstan, the Lao People’s Democratic Republic, Tajikistan and Uzbekistan cited lack of coordination as a challenge hindering planning and implementation of inclusive education programmes for children with disabilities (Global Partnership for Education, 2018a).

In Sierra Leone, the 2011 National Disability Act established a national commission for people with disabilities, composed of representatives of several ministries and NGOs, with responsibility for issuing disability certificates to recognize rights and provide access to services (Sierra Leone Government, 2011). However, implementation has been very slow as a result of lack of staff and financing (Tigere and Moyo, 2019).

**HORIZONTAL COLLABORATION IS A PRECONDITION FOR INCLUSIVE EDUCATION**

As education outcomes are strongly correlated with health, poverty and social exclusion, integrated service delivery that encourages collaboration across social services can efficiently address disadvantaged students’ challenges. Economic, social, cultural or physical vulnerability is not best addressed when sectors work in isolation. Horizontal integration connects services but also professions, policy groups and non-government actors across sectors to make education services more inclusive and holistic (Munday, 2007; OECD, 2015). This section discusses types of collaboration, highlighting the context-specific opportunities and advantages of horizontal integration.
Structures bringing together government entities to coordinate service delivery are a common first step towards integration.

challenges governments face when attempting to integrate services.¹

Sectors should share information related to needs identification

Identifying populations to be served is a crucial first step in developing integrated services to improve inclusive education. Early childhood identification, intervention and prevention strategies are far more cost-effective, in terms of tackling disability, disadvantage, vulnerability and social exclusion, than corrective measures later (European Commission, 2016; UNESCO, 2006). Some studies suggest that prevention-oriented strategies facilitate inter-agency cooperation and communication and a greater focus on the family than do correction-oriented strategies (CFBT Education Trust, 2010).

In Nordic countries, identification of risk and needs for specialized support starts before birth. In Finland, maternity and child health clinics reach virtually all expecting mothers, as a medical examination is necessary to receive a maternity grant. These clinics, located within municipal health centres, monitor the physical health of mothers and young children and offer a wide range of other services, including health education, child-rearing guidance and support, social services and mental health support. Strong emphasis is placed on early identification of children's physical health and mental or behavioural disorders, as well as family well-being. Additional tailored support is provided in coordination with social and health service providers (Finland National Institute for Health and Welfare, 2019).

Croatia harmonized procedures for assessing the needs of learners with autism spectrum disorders and established committees that included representatives of all education and support stakeholders (European Agency for Special Education Needs).

¹ This section is based on Patana (2020).
Identifying populations to be served is a crucial first step in developing integrated services to improve inclusive education (Needs and Inclusive Education, 2016). In the Republic of Korea, Dream Start centres identify vulnerable families based on administrative data records and subsequent letters and home visits (Republic of Korea Ministry of Health and Welfare, 2019).

Kenya established Educational Assessment and Resource Centres to increase the number of children assessed and expand education access and transition from primary to secondary and vocational schools for children with disabilities. Multidisciplinary teams of professionals were to involve the community in early identification, assessment, intervention and placement of children with special needs in integrated programmes. However, a national survey in 2016/17 found that one-third of county-level centres had only one officer, just 15% had speech therapists, and staff had not been trained to use the revised assessment tool. The 2018 Sector Policy for Learners and Trainees with Disabilities aims to address these weaknesses (Kenya Ministry of Education, 2018). Ultimately, lack of implementation means relatively few learners with disabilities are enrolled in mainstream schools and segregated education persists (Kiru, 2019).

In South Africa, the National Strategy on Screening, Identification, Assessment and Support was one of six elements in the 2001 Education White Paper, a broader commitment to improve inclusive education, integrate learners with special needs into the education system and better respond to the needs of children at risk of marginalization and learners in special education. The strategy, a result of collaboration among agencies, schools and stakeholders, paved the way for additional services through district- and institution-based support teams and special school centres. Education professionals, parents, schools and districts complete a Support Needs Assessment to identify barriers to learning and develop a support strategy to overcome them. Guidelines help parents and service providers navigate the process (South Africa Department of Basic Education, 2014). However, studies point to slow implementation and differences in practices and beliefs (Donohue and Bornman, 2014).

The Framework for the Assessment of Children in Need and their Families, initially developed in England and Wales (United Kingdom), was adapted in more than 15 countries, including Canada, New Zealand and the Russian Federation (Léveillé and Chamberland, 2010). The Common Assessment Framework, used as part of the Every Child Matters strategy in England (United Kingdom), took a standardized approach to assessing children and their families, identifying their needs and providing support in a coordinated manner. It sought to provide additional coordinated services to those below the threshold of intensive support (e.g. child protection) to encourage a client-centred approach (Holmes et al., 2012; OECD, 2015).

Some multidisciplinary social programmes that disburse cash benefits conditional on children’s use of a range of education and health services determine access to benefits on the basis of household income and means tests. In Colombia, Más Familias en Acción (More Families in Action) is a cash transfer programme conditional on school attendance and health service use. It serves 2.7 million poor families targeted through two complementary mechanisms. First, three registries are used to certify vulnerability: beneficiaries of the extreme poverty programme Red Unidos (United Network), victims of displacement and those enumerated in the Indigenous Census. Second, the National Planning Department’s multidimensional Beneficiary Identification System for Social Programmes index uses proxy characteristics to estimate living standards. The programme’s management information system uses information technology to improve operational efficiency and reduce families’ participation costs (Medellín and Sánchez Prada, 2015).

Countries lacking technical means to identify children and families most in need have simpler ways of targeting. For instance, Cambodia’s Second Education Sector Support Project used geographical targeting based on district gross enrolment ratios to expand disadvantaged children’s access to early childhood care and education (ECCE). A synergistic approach involving 14 ministries increased interventions’ impact (World Bank, 2018).

Standard setting is essential for sectors to communicate

When developing and implementing integrated service delivery, clear definition of standards and objectives is key to ensuring their effectiveness and quality. Well-defined, measurable standards outline actors’ responsibilities, the desired outcomes of integration and the dimensions
in which policies will be evaluated. Some studies note that lack of clearly defined standards and framework is a major impediment to integrating education and health services (Lawrence and Thorne, 2016).

Chile established an Agency for Quality Education to pool information across government sectors for monitoring and evaluating education outcomes (OECD, 2017a). The country had already reformed its ECCE curriculum, for instance creating an inter-institutional commission that brought together stakeholders and professionals from various sectors involved (Kaga et al., 2010) (Box 4.1).

Standards and guidelines are also necessary for development of collaborative practices, capacity and joint working. Rwanda’s Inclusive Futures project developed inspection standards to assess classroom inclusivity so as to increase enrolment of children with disabilities and improve their learning outcomes. For instance, inspectors determined whether learning materials were accessible to all students with special education needs. The Rwanda Education Board helped define, harmonize and monitor the standards using their inspectors, which helped develop capacity and promote sustainability (Murenzi and McGeown, 2015).

Since 1995, the Early Head Start and Head Start programmes in the United States, which provide comprehensive early education, health and social services to disadvantaged children and youth, have included performance standards mandating service providers to work towards improving coordination and communication among them and to record their efforts. The programmes have been effective in promoting cooperation and establishing partnerships among local providers, ensuring access to a variety of services to help families be self-sufficient, including families of children with disabilities (Vogel and Xue, 2018).

Problems arise where standards are not harmonized. In Jordan, the 1993 disability law transferred responsibility for the education of most students with special needs to the Ministry of Education from the Ministry of Social Development, which retained responsibility for diagnosis, care, training and rehabilitation of those with mild to severe learning difficulties (Abu-Hamour and Al-Hmouz, 2014). The Higher Council for Affairs of Persons with Disabilities was established to coordinate actors at the national level. However, lack of coordination persisted. The Ministry of Education had a special education directorate, while the Ministry of Social Development and the Higher Council set their respective separate standards for licensing and accrediting special education centres (Jordan Government, 2016). The 2017 disability law aimed to resolve these issues, and the 10-year strategy to implement the law’s inclusive education commitments envisaged developing inclusive school standards and curriculum development standards (Jordan Ministry of Education, 2020; Tabazah, 2017).

Some studies note that lack of clearly defined standards and framework is a major impediment to integrating education and health services

**BOX 4.1: Chile’s Crece Contigo early childhood programme set clear standards**

Chile Crece Contigo (Chile Grows with You) is a comprehensive early childhood programme covering prenatal to age 4. Through strong political will and consensus-based policy development, it provides coordinated services across all relevant sectors. Municipalities coordinate education, health and social teams. A coordinating body at the Ministry of Social Development and a 2009 law that institutionalized the programme and provided a permanent budget line facilitated national expansion. Resources were allocated to the health and education ministries through transfer agreements and to municipalities through direct transfer agreements. The agreements specified technical standards for institutions, providing a quality control mechanism.

The programme is part of the social protection system, which includes psychosocial support for extremely poor families. Successful expansion was also a result of incremental improvements to existing systems, which promoted collaboration among the health, social protection and education sectors and built on municipal social protection programmes. Local health and education teams’ skills and competences have increased. Progress is inter-sectoral and participatory, indicating continuous feedback to the local level (Milman et al., 2018).
Integration allows services to be sequenced

Case management and co-location are key in efforts to integrate services for vulnerable children and youth, although the sequencing of services depends on education and child and family welfare structures (OECD, 2015; Sloper, 2004). Where access to child and maternity clinics, ECCE and other specialized services is free and universal, basic education and health services often act as an entry point for referral to additional, more specialized, multidisciplinary services.

Most children can be reached through schools, which can play a central role in support, for instance through school-based health. A policy review of global nutrition in 160 countries showed that 89% had some type of school health and nutrition programme (WHO, 2018). South Africa’s Integrated School Health Policy, initiated in 2012, provides a package of basic health services at all schools. They include preventive measures for physical and emotional health, and treatment for visual impairment, mental health and HIV/AIDS (South Africa Department of Basic Education, 2015). In the United States, school-based health centres offer co-located, multidisciplinary support to primary and secondary school students through case management. They have reduced gaps in access to health services among disadvantaged groups, such as students with disabilities and racial minorities, for preventive care, treatment of chronic illness and health risk behaviour reduction (Arenson et al., 2019). In Nordic countries, health, mental health and social support are available to all learners in compulsory education (Nordic Welfare Centre, 2019).

‘One-stop shops’ are the ideal in service delivery to individuals and households with multiple and complex needs. Some are universal, such as Sweden’s family centres, which provide preventive, low-threshold support services to all. These multidisciplinary, co-located services seek to identify mental, physical and social challenges early and provide integrated services to address them. Case managers help ensure that families in need get access to specialized services (Kekkonen et al., 2012). Norway’s 0-to-24 Cooperation seeks to bring together four ministries to support all children and young people, recognizing that inclusive service provision is not a child-specific need (UNESCO, 2019a). Smoother coordination between education and health authorities is at the heart of a recent white paper on early intervention and inclusive communities, which focuses on grade 1 to 4 students at risk of falling behind in reading, writing and mathematics (Norway Government, 2019).

‘One-stop shops’ are the ideal in service delivery to individuals and households with multiple and complex needs

Other initiatives target families at risk of exclusion or disadvantage. The United Kingdom’s Sure Start provides education, health and social services, focusing on socially deprived areas. It offers co-located, nearby and home-based services to children under age 5 and their families, aiming to prevent intergenerational transmission of disadvantage and improve children’s cognitive and language development, education and other outcomes (Bate and Foster, 2017). Countries including Australia (Children’s Contact Services) and Hungary (Sure Start) have similar targeted initiatives (Patana, 2020).

Arrangements of this type also show great potential for reaching disadvantaged and disengaged youth. Brazil’s Public Employment Service established Estação Juventude (Youth Station) to address difficulties related to the large number of unintegrated programmes targeting youth (OECD, 2014). It combines information on education and employment opportunities with personalized, multidisciplinary services that address young people’s specific needs and facilitate their autonomy and social inclusion. The services are set up in partnership with state and municipal governments; the infrastructure depends on local needs and the social partners taking part (Brazil National Secretariat of Youth, 2017). Related initiatives have been established in countries including Finland (Ohjaamo), France (Missions Locales), New Zealand (Youth Service) and the United Kingdom (Connexions) (Patana, 2020).

In Colombia, several social programmes are linked. The links are facilitated partly by unified databases: Vulnerable families can consult their multidimensional poverty index score and check which programmes they are eligible for. Links are promoted by design. Beneficiaries of Más Familias en Acción, the health and education conditional cash transfer programme, have priority to join Jóvenes en Acción (Youth in Action), another conditional transfer programme providing academic training and life skills relevant to the labour market for poor and vulnerable youth. Many families benefiting from Más Familias en Acción are also registered in Red Unidos, the extreme poverty programme. Administrators guide families on access
Governments need to develop capacity to regulate NGOs. The Chinese government’s 2013 State Council Office’s Guidance on Purchasing Services from Society supported local authorities in purchasing public services, including education. The government aims to have an effective purchasing system in place and pass relevant legislation at the local level by 2020. However, an analysis of integrated family service centres in Guangzhou contracted to NGOs suggested that local-level officials needed more training to develop contracts and evaluation arrangements and manage relationships with the NGOs (Kwan Chan and Lei, 2017).

**Vertical collaboration is critical for inclusive education**

Vertical integration of governance and financing promotes cooperation and coordination among government or education levels to harmonize standards, share data, ensure full funding of commitments and improve monitoring and evaluation of student outcomes.

**Local governments need support to provide inclusive education**

A common criticism of centralized governance systems is that, through one-size-fits-all policies and limited autonomy at lower levels, they are less likely to promote local ownership. In principle, decentralization aligns needs with preferences and improves accountability. However, underfunding of mandates granted to local actors and failure to develop local capacity may worsen inequality.

For instance, China is constitutionally a unitary state, and provinces have limited autonomy in raising revenue. Yet it is the world’s most decentralized country in terms of subnational share of total expenditure (85%), which has resulted in unfunded mandates. Only 5% of education, which is a joint mandate, is centrally funded. While provinces step in to equalize allocations at the county level, a recent reform aims to increase central government’s role in reducing regional disparity and improve public service delivery (Wingender, 2018).

To strike the right balance between centralized and decentralized systems, governments ideally maintain a
Several countries have recently undergone decentralization, with local institutions assuming increased responsibility for inclusive education.

level of control, for instance developing and monitoring delivery standards and managing funding transfers, while striving to strengthen local institutional capacity (European Agency for Special Needs and Inclusive Education, 2017a). Overlaps or gaps in responsibilities can prevent local governments and schools from delivering inclusive education that meets standards. In Iceland, overlapping roles and responsibilities between the Ministry of Education and municipalities led to disagreement over funding and hampered formal collaboration among bodies and agencies. Local and school stakeholders argued that, while language around inclusive education had changed, practices had not. Only the municipality of the capital, Reykjavík, developed a formal inclusive education policy. Regional variation in implementation led to demand for guidance on minimum standards (European Agency for Special Needs and Inclusive Education, 2017b).

An analysis of inclusive education in Europe found that many implementation weaknesses were linked to governance mechanisms that did not ensure sufficient resources or allow for inter-institutional cooperation and coordinated provision. Local authorities lacked capacity to use resources efficiently, and schools lacked staff to assist learners (European Agency for Special Needs and Inclusive Education, 2016).

Several countries have recently undergone decentralization, with local institutions assuming increased responsibility for inclusive education. Colombia’s Ministry of National Education provides guidelines for inclusive education and works with national institutes for the blind and the deaf to create inclusive programmes. Regional education departments implement the policy. They carry out identification and enrolment campaigns for children with disabilities, in coordination with other government entities, then develop progressive implementation plans (Colombia Ministry of Education, 2017).

As part of its commitment to fulfil the right to inclusive education enshrined in the 1997 General Education Act, the Dominican Republic has established regional resource centres since 2004. These promote whole-school improvement processes to enable development of inclusive education through support, counselling, educator and administrator training, and guidance to families (Dominican Republic Ministry of Education, 2008; UNESCO, 2018).

In Nepal, authority for education delivery was decentralized through the 1999 Local Self-Governance Act and strengthened with a new federal political structure (Nepal Ministry of Education, 2016). A midterm evaluation of the current school sector programme and an initial inclusion education workshop found that, while some central government posts were being shifted, provincial and local government capacity to support decentralized education service delivery was weak (Asian Development Bank, 2019; Hunt and Poudyal, 2019).

The Republic of Moldova Ministry of Education cooperates with the Institute of Education Sciences and the Republican Centre of Psycho-pedagogical Assistance to develop and manage inclusive education policy implementation. At the district level, the Education Directorate, inclusive education officers and the psycho-pedagogical assistance service implement the policy, identify needs and support professional development. At the local level, multidisciplinary intra-school commissions, individualized education plan teams, resource centres for inclusive education and assistance personnel have direct contact with parents and families to ensure child protection (Republic of Moldova Ministry of Education, 2017).

Many European countries frame cooperation with formal agreements. In Italy, national- and regional-level framework agreements regulate, integrate and coordinate the policies of entities involved in education, social and health interventions. In the Netherlands, there are agreements with school alliances and communities responsible for youth care, health and social services. In Portugal, municipalities and the Ministry of Education sign contracts governing implementation of national policies: Primary and secondary schools can enter into formal agreements with the ministry that increase their autonomy in curricular and pedagogical organization, human resource management, social support and
Decentralization can exacerbate inequality when it does not take fully into account local governments’ uneven capacity for mobilizing resources.

Local government inclusive education mandates need to be fully funded

Ensuring that resources match local- and school-level service delivery commitments requires central governments to monitor the situation and support entities that struggle to raise the necessary resources. Decentralization can exacerbate inequality when it does not take fully into account local governments’ uneven capacity for mobilizing resources, a concern that applies across social spending commitments.

In the Republic of Moldova, a reform sought to support inclusive education, moving children out of residential institutions, most of which were Ministry of Education boarding schools. An evaluation showed that the reform stumbled because savings from reducing the number of children in residential institutions were not transferred to the local government institutions and schools absorbing the students (Evans, 2013).

In the United Kingdom, central government funding for students with special education needs is provided to local councils’ education budgets. While the number of children and youth with an education, health and care plan rose by 33% between 2015 and 2019, from 240,000 to 320,000, funding to local councils increased by 7% (Weale, 2019).

In the US state of Wisconsin, the cost of special education eligible for state aid increased by 18% between 2008 and 2018, but state aid remained flat and fell as a share of total special education spending, from 29% to 25%. Federal aid also remained flat. Cash-strapped districts have therefore diverted resources from mainstream education, as they must cover the cost of, for instance, speech language pathology, physical therapy, classroom aids, modified curriculum, counselling, transport and school nursing (Wisconsin Taxpayer, 2019).

Transition between education levels requires coherence and coordination

Transition between education levels requires coordination to ensure that delivery continues smoothly. An analysis of early childhood to primary education transition policies in 30 high-income countries found growing attention to this issue in strategy and policy documents. Early childhood education responsibilities are increasingly integrated within education ministries to facilitate collaboration,
About three in four countries noted that they provided specialist support, such as psychologists or care workers, for children with special needs during transition including for inclusive education. Austria developed a national strategy on transition, recognizing that its decentralized context meant several early childhood centres were not coordinating well with primary schools. Japan uses a five-level scale to evaluate collaboration quality among municipal stakeholders, assigning the top score when reviews have been undertaken to improve transition. Schools use self-evaluation and develop plans for collaboration and exchange at the beginning of each school year (OECD, 2017b).

Regarding the added challenges children from disadvantaged backgrounds face, policies to fill transition gaps include language support and financial support for early childhood education participation. About three in four countries noted that they provided specialist support, such as psychologists or care workers, for children with special needs during transition. The Netherlands Ministry of Education developed agreements with the 37 largest municipalities to track, and provide extra funding for, their efforts on targeted programmes for disadvantaged children, including collaborating with parents during transition (OECD, 2017b).

The transition between secondary and post-secondary education and integration into society is often much harder (Morinha, 2017). An evaluation of inclusive education provision in Iceland showed that municipal goals were ambitious at the preschool and compulsory education levels but less so at the upper secondary level (European Agency for Special Needs and Inclusive Education, 2017b). An analysis of how young people with disabilities experienced transitioning to tertiary education in Austria, the Czech Republic, Ireland and Spain found a lack of financial support and service delivery measures (Biewer et al., 2015).

THERE ARE SEVERAL ROUTES TO FINANCING EQUITY AND INCLUSION IN EDUCATION

Achieving equity and inclusion requires adequate funding reaching schools and students according to need. Countries pursue policies of varying form and intensity to mitigate the education impact of vulnerabilities such as poverty, ethnicity, disability and remoteness. In general, three funding levers are important in analysing financing for equity and inclusion in education.

First, governments pursue an overall policy of financing local authorities or schools. Such policies range from those aimed at ensuring that every authority or school receives the same level of resources per student (equality) to those meant to take characteristics of areas or schools (or their student populations) into account (equity). Policies may vary by type of school or by type of financial, human resource or material input, with approaches for distribution of maintenance grants, for instance, differing from those for teacher appointments or equipment purchases. More rarely, allocations may be determined by outcomes or have a performance element. General policies focusing on equality may be complemented by specific programmes compensating for disadvantage.

Second, education financing policies and programmes may target students and their families rather than authorities and schools. These may be in the form of cash (e.g. scholarships) or exemptions from payment (e.g. of fees), or in kind (e.g. school meals).

Third are financing policies and programmes, also targeting students and families, that are not education-specific but may affect equity and inclusion in education. These tend to be social protection programmes, such as conditional cash transfers or child grants with an education component that aim to address poverty, for instance with a gender dimension. Targeting mechanisms tend to be well articulated and regularly evaluated.

For each funding lever, the key aspects to consider when examining the potential impact on equity are whether specific policies or programmes to reallocate resources to disadvantaged areas or populations exist (and, if so, using what targeting criteria); the absolute volume or relative depth of spending (e.g. average transfer size); and the coverage in terms of percentage of schools, students or families reached.

SOME COUNTRIES CONSIDER EQUITY IN THEIR FUNDING TO REGIONS OR SCHOOLS

Several countries devolve funds to the local level and may include a fiscal redistribution element to reduce disparity.
Poorer countries generally lack capacity for fund redistribution. As a first step, however, some have allocated funds transparently to districts or schools through capitation grants. Since 2003, Rwanda has provided schools with a simple capitation grant allocated to teaching and learning materials (50%), school maintenance (35%) and teacher training (15%), combined with a teacher salary top-up. The grant has provided basic funds to all schools and helped improve textbook availability, but its effect on teacher training is unknown, especially after that part of the grant was recentralized in 2012 (Milligan et al., 2017; Williams, 2017). No adjustment is made for schools needing more funding (Rwanda Ministry of Finance and Economic Planning, 2017). Parental contributions to schools in richer areas exacerbate inequality (Paxton and Mutesi, 2012). Better targeting of the grant to poorer schools is needed to achieve universal secondary education (Department for International Development, 2016), a policy concern in many sub-Saharan African countries (Box 4.2).

Mauritania has been considering introducing education priority zones to coordinate activities addressing school disadvantage in selected geographical areas. The 2014–17 education sector action plan allocated 1.3% of resources to development of such zones, covering 150 schools, with an emphasis on promoting revenue-raising activities such as horticulture and school-managed shops where students could procure lower-cost materials (Mauritania Government, 2015). However, as of 2019 there had been no implementation progress (Aïdara, 2019).

Many countries that attempt to redistribute funds struggle to make an impact on inequality. Education financing in Argentina, a federal country, is in three parts.

***Box 4.2***

**Sub-Saharan African countries struggle to finance recent commitments to provide free secondary education**

In recent years, many sub-Saharan African countries have committed to delivering free secondary education, pursuing a range of funding strategies with mixed outcomes. There is a notable lack of attention to the equity implications of education expansion, when most countries are yet to achieve universal primary completion.

Uganda was the first to introduce a universal secondary education policy in 2007. For the first 10 years, it was financed through a public–private partnership. Up to one-third of students had access to over 800 publicly funded, privately managed schools in 2016. Some analyses have focused on the cost-effectiveness of this delivery mode (O’Donoghue et al., 2018), while others have highlighted its unaffordability (Malouf Bous and Farr, 2019). In 2018, the government decided to phase out such schools and instead support government school construction (Ahimbisibwe, 2018). However, the education share in the budget declined from 20% in 2004 to 12% in 2017, according to the UNESCO Institute for Statistics, and is projected to continue declining to 10.3% in 2019/20, casting doubt on the sustainability of the commitment (Mutegeki, 2019).

Kenya did away with secondary school tuition fees in 2008. The fees had accounted for about 40% of the total cost to households, which still paid for infrastructure, boarding and school uniforms. In 2016/17, the cost of the policy amounted to US$320 million, close to 2% of the budget or almost double the cost of the earlier free primary education policy. An evaluation found that the policy increased females’ education attainment by about 0.75 years, decreased their probability of marriage before 18 by around 25% and increased their likelihood of skilled work by 28% (Brudevold-Newman, 2017).

The United Republic of Tanzania abolished lower secondary education fees in 2015. There had been significant increases to the education budget, which doubled between 2011/12 and 2015/16 (UNICEF, 2017). A simulation exercise estimated that the policy might increase lower secondary enrolment by over 50% by 2025, costing at least US$840 million per year by 2024 and representing an increase in the budget share of lower secondary education, from 19% in 2018 to 35% in 2024, to fund the additional 75,000 teachers and 30,000 classrooms. The analysis recommended cost-saving measures, especially on construction, to keep the expansion fiscally sustainable (Asim et al., 2019).

In Ghana, basic education has been free since 1992. A free upper secondary school policy was introduced in 2017 to meet increasing demand. While education has been well funded, education as a share of total recurrent public expenditure (excluding debt service) was expected to decrease, from a peak of 32.3% in 2015 to 21.3% in 2019 and 19.9% in 2020 (Global Partnership for Education, 2018b), which may be at odds with the free secondary school policy.
First, there are automatic transfers from the federal government to provincial governments. Rules for some of them are set in the 2006 education financing law, which takes rural and out-of-school populations into account (Argentina Government, 2006). However, these transfers do not sufficiently account for provincial differences (Rivas and Dbookin, 2018). Second, the ministries of education and public administration make non-automatic transfers to provinces and municipalities in implementing their nationwide programmes. Their effect on inequality is hard to estimate. Third, provinces co-finance education from their revenue, which provides the bulk of total education spending (Bertoni et al., 2018). As this revenue varies a lot, it is a major source of inequality. There are calls for a more centralized model to address interprovincial inequality, as well as for a review of non-automatic transfers to increase their effect on inequality (Claus and Sanchez, 2019). A recent comparison with other Latin American countries gives an idea of the lost redistribution potential (González, 2019).

In Indonesia, different mechanisms are used for the two main types of education expenditure. First, teacher salaries and allowances are paid through the General Allocation Grant. This unconditional grant transfers resources to local governments to cover salary costs. It also attempts to compensate for the difference between local needs and revenue, but inequality has been increasing (Akita et al., 2019; UNDP, 2019).

Second, a capitation grant covers schools’ operational and, since 2009, quality-related costs. Some districts complement this with a school grant. However, districts vary significantly in revenue-raising capacity, and the poorest struggle (OECD and ADB, 2015). Some studies focusing on inputs found that decentralization resulted in lower budgets and teachers with fewer qualifications in poorer schools. Teachers also spent less time in classrooms in rural areas (Leer, 2016). Another study, focusing on outcomes, found that decentralization increased inter-municipal inequality in attainment (Muttaqin et al., 2016).

Provinces in Sri Lanka also receive funds through two main channels. First, they receive block grants for salaries and recurrent non-salary expenditure. Almost all schools receive education quality input funds according to a formula that takes student population, school size and grade coverage into account. Second, provinces receive grants for capital expenditure, notably the Province Specific Development Grant, whose allocation is determined by four factors to equalize intra-provincial disparity: per capita income (40%), infrastructure (30%), health (15%) and education (15%), the latter in the form of an index based on enrolment and pass rates for five examinations (Sri Lanka Finance Commission, 2014). However, considerable disparity exists among districts in both resource allocation and examination results; in the latter case, within-district disparity was even higher than inter-district disparity. In addition to late, partial or non-receipt of funds, smaller schools with fewer resources have limited ability to raise funds, exacerbating disparity (Ranasinghe et al., 2016).

In assessing the inclusivity of budget practices, the value of targeting groups instead of targeting factors more broadly associated with underlying disadvantage is debatable. For instance, while students with immigrant backgrounds are a common policy concern in many high-income countries, migrant status is rarely explicitly included as a factor in financing schools. Belgium, England (United Kingdom), Israel and the Netherlands have either reduced or removed the focus on migrant status in favour of related factors, such as socio-economic status and parental education level (UNESCO, 2019b).

School feeding programmes can promote equity and inclusion

About 310 million schoolchildren in low- and middle-income countries receive a daily meal at school, with Brazil, China and India having some of the largest programmes (WFP, 2019a). Such programmes are a key part of poverty reduction strategies, using schools as venues to address malnutrition. They can also promote equity and inclusion by increasing poor students’ attendance and learning outcomes, as improved nutrition and health can affect attention and cognitive functions (Bundy et al., 2018).

Successful programmes provide meals of high nutritional quality and target children who might not otherwise get a meal at home. One concern has been inadequate emphasis on raising family awareness about nutrition and snack quality (Kristjansson et al., 2016). A systematic analysis of 15 school feeding programmes found

Many countries that attempt to redistribute funds struggle to make an impact on inequality
A systematic analysis of 15 school feeding programmes found that overall they increased attendance, particularly in contexts of food insecurity and low attendance rates. Evidence on learning outcomes has been less consistent (Snilstveit et al., 2015).

A randomized control trial evaluated a large-scale, government-led school feeding programme in Ghana, introduced after poverty and food insecurity rankings were developed to target priority districts. It found that the programme increased test scores, especially among girls, poor children and those from northern regions. The effect was the result of increased school participation and reduced time doing household chores. The study also countered earlier findings and criticisms that the programme did not target areas most in need (Aurino et al., 2018).

Many governments struggle to develop equitable and inclusive school feeding programmes. The civil war in Yemen left 53% of the population severely food insecure; about 2 million children under age 5 required treatment for acute malnutrition (Humanitarian Information Unit, 2018). The country relaunched school feeding in 2018 with the support of the World Food Programme, distributing high-energy biscuits and date bars to all primary schools across 13 governorates, reaching almost 400,000 students. More than half the snacks were locally produced and procured to shorten commodity lead times and support the local economy. A review of the context as part of World Bank’s Systems Approach for Better Education Results identified an urgent need for a national school feeding policy that would lead to budget commitments, effective and efficient logistics and procurement focused on local sourcing and community participation, and a monitoring and evaluation system. An inter-sectoral steering committee was set up in 2019 to coordinate actions towards a national school feeding programme (WFP, 2019b).

The social aspect of school meals should not be ignored. Meaningful inclusion through sharing of school meals can be difficult to achieve in some contexts, as with the discrimination observed in the implementation of India’s midday meal programme (Box 4.3).

**EDUCATION PROGRAMMES TARGETING STUDENTS COMPENSATE FOR DISADVANTAGE**

Education policies may target not only regions and schools but also individual learners and their families to ease financial and other constraints.

Several countries offer fee exemptions to increase access to education for girls, the poor and other vulnerable groups. In Benin, girls are exempt from secondary and tertiary tuition fees (Benin Ministry of Pre-Primary and Primary Education, 2018). Finland launched a EUR 5 million pilot in 2018 giving discretionary transfers to municipalities that provide free ECCE to 5-year-olds. A 2018 law aims to reduce fees to minimize the effects of caste discrimination mars the midday meal programme in India

India’s midday meal programme was launched in 1995 to combat poverty and malnutrition and to promote primary school access and other education objectives. It went nationwide in 2001, after the Supreme Court ruled the midday meal a legal entitlement for all primary school children. The world’s largest national school feeding programme, it serves more than 100 million children. Several studies have documented resulting increases in enrolment, attendance, retention and learning (Drèze and Khera, 2017). Effectiveness depends on the nutritional components and whether schools actually receive the intended grains or funds (Accountability Initiative, 2013).

One programme objective, using school meals for socialization to combat discrimination, has had challenges. A parliamentary committee condemned the practice of untouchability in the midday meal programme, observed in 144 districts (India Committee on the Welfare of Scheduled Castes and Scheduled Tribes, 2013). Several reports, qualitative studies and media articles have documented caste-based discrimination in midday meals. Lower-caste children (Dalit) were made to sit separately from their upper-caste peers (National Campaign on Dalit Human Rights, 2017), and scheduled-caste children received less food (Sabharwal et al., 2014). In addition, schools and parents have resisted employing cooks from scheduled castes. A study based on 709 households in the seven poorest states in eastern and central India found that the percentage of scheduled-caste cooks and helpers was very low due to the practice of untouchability, despite a 2004 Supreme Court directive to give preference to them (Reddy, 2018; Sabharwal et al., 2014; Samal and Dehury, 2017).
Several countries offer fee exemptions to increase access to education for girls, the poor and other vulnerable groups

of socio-economic background on learning outcomes (Eurydice, 2018). The programme is being evaluated to assess whether it increases participation rates and how municipalities organize their costs (Finnish Education Evaluation Centre, 2019). Viet Nam granted preschool tuition fee exemptions to poor and remote households in 2018 (Viet Nam Ministry of Planning and Investment, 2018).

Scholarships are another common measure. Their equity and inclusion effects strongly depend on the targeting mechanism. Several programmes have increased inclusion of girls. A large-scale female secondary school stipend programme introduced in Bangladesh in 1994 increased attainment by 14% to 25%, delayed marriage, reduced number of offspring and improved decision-making autonomy (Hahn et al., 2018). Primary school poverty- and merit-targeted scholarships targeting grade 4 students in rural Cambodia led to higher attainment (Barrera-Osorio et al., 2018). An evaluation of secondary school scholarships in Ghana found that beneficiaries attained more years of secondary school, had higher reading and mathematics test scores, adopted more preventive health behaviour and earned more, largely because women’s tertiary enrolment rates doubled (Duflo et al., 2017).

In Indonesia, Bantuan Siswa Miskin, a cash transfer for poor students, expanded its coverage and improved its targeting in 2013 (World Bank, 2017a). Although households were not obliged to change spending patterns, poor families’ education expenditure increased (Anindita and Sahadewo, 2019).

The equity and inclusion impact of financing policies to promote access to tertiary education is contested. An analysis of 71 countries found that 32% had defined participation targets for any specific group. By contrast, 60 countries had scholarships, bursaries or grant programmes; 45 had student loan programmes; and 40 had tuition fee reduction policies (Salmi, 2018). The Plurinational State of Bolivia offered solidarity scholarships to students from poor, indigenous and Afro-descendant backgrounds to attend private university (Bolivia Ministry of Education, 2018).

In Georgia, while most scholarships were merit-based, between 6% and 10% were needs-based with a merit component, to support students from schools in conflict-affected or remote areas or serving linguistic minorities (World Bank, 2014). Ireland gave tertiary education institutions access to a Fund for Students with Disabilities to help provide services and support (Salmi, 2018).

**Disparity in distribution of resources needs to be addressed**

Governments need to ensure equity not only in education financing flows but also in distribution of inputs. Teachers, for instance, are often unequally distributed. Across 32 Organisation for Economic Co-operation and Development countries, socio-economically disadvantaged schools and classrooms are more likely to have less qualified teachers (Qin and Bowen, 2019). Teachers in poorer areas of Mexico were less qualified and had less education than teachers in richer areas (Luschei and Chudgar, 2016). In Zambia, on average, rural schools have four vacancies while urban schools are overstaffed by four teachers (Figueiredo Walter, 2018).

In low- and middle-income countries, resources and services to support learners with disabilities tend to be scarce and mechanisms to ensure their equal distribution underdeveloped. CBM, an international NGO, works with local NGOs to help governments fill gaps. In Cambodia, early intervention centres for children with hearing impairment offer appropriately fitted quality hearing aids and ear moulds with expert aftercare support. Speech and language therapists develop receptive skills lip-reading and expressive skills. In North East India, special schools were transformed into resource centres, which, in addition to hosting specialists, have become hubs that share knowledge, develop teacher capacity, carry out early interventions, distribute assistive devices, early learning kits and audio books, and produce inclusive teaching and learning materials. In Papua New Guinea, the Network of Callan Services includes 19 resource centres, which offer screening and prepare children with disabilities for placement in mainstream education.
Equitable distribution of textbooks and learning materials is necessary for inclusive access to learning opportunities.

An inclusive education institute trains resource centre staff and mainstream teachers (CBM, 2018).

Equitable distribution of textbooks and learning materials is necessary for inclusive access to learning opportunities. In Timor-Leste, textbook distribution is unequal across regions due to weak transport links (Smart and Jagannathan, 2018). In India, several schools in eight New Delhi districts experienced months of textbook delivery delays (Prakash, 2017). Less than 10% of existing published materials were accessible for visually impaired people (World Blind Union, 2016). Bangladesh’s curriculum and textbook board reached 963 of an estimated 40,000 visually impaired children under 15 with Braille textbooks in 2016 (Sarker, 2019).

Some studies caution that textbook distribution policies, while necessary for inclusive learning, are not sufficient. Free textbook distribution in two Kenyan districts had no impact on dropout except among grade 8 students, whose transition to secondary education rate improved, and no impact on learning except among the top fifth of students. A potential explanation was that the textbooks were too difficult to be of much use to weaker students (Glewwe et al., 2009) (see Chapter 5). A randomized control trial evaluation of a free primary school textbook programme in Sierra Leone showed that attendance did not increase, as teachers restricted access to textbooks out of uncertainty they would continue receiving them in the future (Sabarwal et al., 2014).

Social protection programmes are a key example of how cross-sector collaboration can contribute to inclusion in education. In particular, cash transfers conditional on school attendance and use of health services, which were rolled out in Latin America in the 1990s, have been extensively evaluated and found to have consistently positive effects on enrolment, dropout and completion (Snillstveit et al., 2015). Evidence of their long-term effects shows they have increased education attainment by between 0.5 and 1.5 grades (Molina Millán et al., 2019).

Public expenditure on these programmes varies by country, from 0.01% of gross domestic product (GDP) in Belize to 0.61% in Argentina. Population coverage also varies, from 1.2% in El Salvador to 51% in the Plurinational State of Bolivia. While all programmes target by poverty, some also target by location or disability (Table 4.2).

A review of 35 studies found that making transfers conditional on school attendance had a greater effect on attendance than targeting unconditional transfers to poor people, but the difference was not statistically significant. Positive effects were greater when conditionality was monitored (Baird et al., 2014). In Ecuador, Bono de Desarrollo Humano (Human Development Grant) targeted households that had children under age 16 and were classified as vulnerable according to the Social Registry’s socio-economic index. Ultimately, the programme’s conditionality on school attendance was not enforced; however, an evaluation of effects over 10 years found a significant increase in secondary school completion: up to two percentage points (Araujo et al., 2017).

Conditional and unconditional programmes targeting the poor and having an effect on inclusion exist in many other parts of the world. Some have a long history, while others were inspired by lessons and developments in Latin America. In Indonesia, Program Keluarga Harapan (Family Hope Programme) began providing quarterly cash transfers to very poor households in 2008. Initially equivalent to 15% to 20% of income, their real value fell to 7% within six years. Eligible households have certain demographic characteristics, such as children under age 15 or children aged 16 to 18 who have not completed nine years of education. Conditions for payments include an 85% school attendance rate. A six-year follow-up evaluation showed enrolment rates among 13- to 15-year-olds rose by up to nine percentage points, equivalent to halving the share of those out of school. Increases of between four and seven percentage points were observed in the secondary school completion rate among 18- to 21-year-olds, with the effect concentrated among young men (Cahyadi et al., 2018). The government aimed to scaled up the programme from 3.5 million to 10 million households by the end of 2018, equivalent to 14% of the population (World Bank, 2017c).

Turkey has run a conditional cash transfer programme since 2003. An initial evaluation found large positive
Conditional cash transfers in Latin America since the 1990s have increased education attainment by between 0.5 and 1.5 grades.

TABLE 4.2: Conditional cash transfer programme coverage in Latin American countries

<table>
<thead>
<tr>
<th>Country: Programme</th>
<th>Targeting criteria</th>
<th>Percentage of GDP (year)</th>
<th>Average transfer, US$ per month</th>
<th>Beneficiaries: Share of population Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Salvador: Programa Comunidades Solidarias</td>
<td>Location, poverty</td>
<td>0.18% (2016)</td>
<td>15–20</td>
<td>1.2% 0.38m households</td>
</tr>
<tr>
<td>Costa Rica: Avancemos</td>
<td>Location, poverty, academic performance</td>
<td>0.18% (2017)</td>
<td>53–70</td>
<td>3.7% 0.18m students</td>
</tr>
<tr>
<td>Chile: Subsistema de Seguridades y Oportunidades</td>
<td>Poverty</td>
<td>0.03% (N/A)</td>
<td>9</td>
<td>4.4%</td>
</tr>
<tr>
<td>Guatemala: Mi Bono Seguro</td>
<td>Location, poverty, pregnant/breastfeeding</td>
<td>0.05% (2017)</td>
<td>65–168</td>
<td>5.9% 0.98m people/0.15m households</td>
</tr>
<tr>
<td>Ecuador: Bono de Desarrollo Humano</td>
<td>Location, poverty</td>
<td>0.24% (2017)</td>
<td>50–150</td>
<td>6.3% 1.9m people/0.41m households</td>
</tr>
<tr>
<td>Panama: Red de Oportunidades</td>
<td>Location, poverty</td>
<td>0.06% (2017)</td>
<td>25</td>
<td>8.2% 0.33m people/0.05m households</td>
</tr>
<tr>
<td>Argentina: Asignación Universal por Hijo</td>
<td>Poverty, disability</td>
<td>0.61% (2016)</td>
<td>75–98</td>
<td>9.0% 3.9m people/2.2m households</td>
</tr>
<tr>
<td>Uruguay: Asignaciones Familiares – Plan de Equidad</td>
<td>Poverty, disability</td>
<td>0.34% (2015)</td>
<td>44–305</td>
<td>11.0% 0.38m people/0.14m households</td>
</tr>
<tr>
<td>Paraguay: Tekoporâ</td>
<td>Poverty, disability</td>
<td>0.16% (2016)</td>
<td>4–104</td>
<td>11.6% 0.78m people/0.14m households</td>
</tr>
<tr>
<td>Belize: Building Opportunities for Our Social Transformation</td>
<td>Poverty</td>
<td>0.01% (2012)</td>
<td>22–247</td>
<td>16.9% 0.48m people/0.08m households</td>
</tr>
<tr>
<td>Honduras: Bono Vida Mejor</td>
<td>Location, poverty</td>
<td>0.25% (2017)</td>
<td>12–14</td>
<td>17.5% 1.6m people/0.27m households</td>
</tr>
<tr>
<td>Dominican Republic: Progresando con Solidaridad</td>
<td>Poverty</td>
<td>0.37% (2017)</td>
<td>8–92</td>
<td>33.3% 3.5m people/0.97m households</td>
</tr>
<tr>
<td>Bolivia, P. S.: Bono Juancito Pinto</td>
<td>Poverty, disability, public schools</td>
<td>0.18% (2017)</td>
<td>29</td>
<td>51% 2.2m students/1.16m households</td>
</tr>
</tbody>
</table>

Source: United Nations Economic Commission for Latin America and the Caribbean.

Effects on the secondary school enrolment rate among 14- to 17-year-olds, especially in rural areas, where the probability of being enrolled increased by 17% and, for boys, as much as 23% (Ahmed et al., 2007). The government later scaled up the programme and extended it in May 2017 to reach Syrian and other refugee children. It is implemented through a partnership of the Ministry of Family, Work and Social Services, Ministry of National Education, Turkish Red Crescent, European Commission and UNICEF. By June 2019, more than 500,000 students regularly attending school were receiving a transfer of between US$6 and US$10 per month; 83% of the families also benefited from Emergency Social Safety Net grants of US$20 per family member per month (Turkey Government and European Commission, 2019).
Providing education for students with disabilities involves additional costs

Beyond general financing to promote equity and inclusion, financing disability-inclusive education requires additional focus by governments. The challenge for policymakers is that spending throughout the education system, even if it mainstreams students from vulnerable groups, may fail learners with disabilities, especially since fulfilling their need for specific support is costlier. A twin-track approach to financing is needed both to address exclusion from general programmes and to introduce specific targeted programmes (IDD and Light for the World, 2016).

Three main issues confront policymakers. First, they need to interpret national legislation by defining standards for services to be delivered and costs they will cover. Second, they need to be able to meet increased costs when special needs identification rates rise, and design ways to prioritize, finance and deliver targeted services for a wide range of needs. Third, they need to define results in a way that maintains pressure on local authorities and schools to avoid further earmarking services for children with diagnosed special needs and further segregating settings at the expense of other groups or general financing needs (Center for Inclusive Policy, 2019).

Costing education delivery for people with disabilities is related to the overall challenge of costing their living expenses. People with disabilities and their families need to pay for additional health services and the higher cost of routine activities that require assistive devices, adaptations, additional services and caregivers. These sizeable costs vary by severity of disability and household composition: Those living alone or in small households rely more on private caregivers and transport (Mitra et al., 2017). In the United Kingdom, the extra cost for people with disabilities is about US$750 per month, on average, or almost half their income (John et al., 2019).

Households with people with disabilities also earn less because of limited employment opportunities, including as a result of lower education attainment, and because other household members have to be caregivers. In Cambodia, the probability of a household being poor almost doubled, from 18% to 34%, if it had a member with a disability (Palmer et al., 2016). In Nepal, some 40% of people with visual, hearing and physical impairments cited financial challenges as a major barrier to pursuing their education (Lamichhane, 2015). As a result, disability is associated with higher poverty.

Well-resourced systems pursue a variety of disability-inclusive education funding mechanisms

Even in richer countries, good information on school financing is usually lacking, especially on how resources are allocated to special and inclusive settings or, in the latter case, how spending is distributed between general and specific uses. A project mapping how 16 European countries finance inclusive education found that 5 had information available (European Agency for Special Needs and Inclusive Education, 2016). Thus, few countries can analyse cost-effectiveness or estimate the financial impact of policy changes. The problem is more acute in poorer countries.

Patchy historical information from Europe and Northern America suggested that students with disabilities cost about 2 to 2.5 times more to educate than other students (Chambers et al., 2004; OECD, 2000). Costs varied widely by impairment and type of expenditure. In the US city of New York, the cost of educating students with special needs was 3 times higher, hiring paraprofessionals was 12 times higher and transport was 20 times higher (Figure 4.3). Educating students with special needs accounted for 31% of total education expenditure in 2017 (New York City Department of Education, 2018).

Even within one country, such as Australia or the United States, it is difficult to compare expenditure on special education across school districts (Cormann et al., 2019; Sharma et al., 2015). It is much more difficult to compare costs among countries, as they vary in various respects. They may vary in terms of the extent to which provision is through mainstream or costlier special schools. Cost structures may vary, depending on

“A twin-track approach to financing is needed both to address exclusion from general programmes and to introduce specific targeted programmes.”
The cost of delivering education for learners with disabilities has been rising in high-income countries, in some cases because more students are being identified as needing support living far from school (91%) and those with a diagnosed disability (9%), the latter account for almost half its budget because the number of children requiring escorts and individual services has risen (Ireland Department of Public Expenditure and Reform, 2017).

There are competing explanations for the growing number of children identified as having special education needs in some countries. It may be prompted by local authorities and schools applying standards loosely to ease teachers’ work or by parents exerting pressure as they seek opportunities to support their children. Others contend that local authorities and schools apply standards strictly, but the prevalence of some disabilities is increasing. For instance, researchers cannot definitively attribute the increasing reported prevalence of autism spectrum disorders to changes in the clinical definition (encompassing more people), better diagnosis efforts (identifying more people) or simply more people with the disorders (CDC, 2019).

In the United States, the Individuals with Disabilities Education Act says the federal government must provide each state with 40% of the per-student expenditure multiplied by the number of special education students (Griffith, 2015). In fact, it provides only 18% (National Council on Disability, 2018), and the states make up the shortfall. Some analyses have attributed part of the growth in expenditure to districts responding to funding mechanisms that encourage increasing the number of students with disabilities (Cullen, 2003).

Additional support for students with disabilities is provided at the state level by various funding mechanisms and combinations thereof. In total, 27 states apply either a single weight to the general funding formula for mainstream schools or multiple weights (e.g. by type of impairment or instructional arrangement required). Eight states distribute resources, such as support personnel or specialists, instead of money, based on the number of students requiring special education services. Five states reimburse districts for all or part of their spending. One in four states provides additional funding.
Governments need to foster synergies and encourage networks to share resources, facilities and capacity development opportunities for very high-cost students (Dachelet, 2019). For instance, Florida combines multiple weights and additional funding for high-cost students. It ranks students in five support levels and awards districts 3.7 and 5.6 times more for each student at support levels 4 and 5, respectively (Florida Department of Education, 2019).

Countries have tinkered with their funding mechanisms with mixed results. Schools in the Netherlands used to receive funding based on the number of students identified as having special needs. As this encouraged schools to declare more such students, the relevant budget was shifted in the mid-1990s to regional institutions, which allocated some funds to mainstream schools with the expectation that collaboration with special schools would grow. However, the reform was applied inconsistently across regions, and the number of students in special education kept rising. As a result, the funding model changed back in 2003. The 2014 inclusive education policy shifted back again, calling for regional partnerships to improve resource sharing and school collaboration. However, this shift has also encountered difficulties, as regions with higher school participation rates had lower budgets (Gubbels et al., 2018).

Several European countries have changed their inclusive education funding mechanisms in response to growing numbers of students diagnosed with special needs and to potential perverse incentives in funding mechanisms. Finland reformed its funding system in 2009, when the share of full-time students in special education reached 8.5% (a 3 percentage point increase in 10 years) but also out of concern over delivery differences among municipalities. It shifted from a weighted (by number of students in special education) to an unweighted capitation grant, except for students with severe disabilities in extended compulsory education. The aim was to strengthen support in mainstream education, offered at three levels: general and occasional, for all students; intensified and systematic, for those needing regular support based on a pedagogical assessment and a learning plan; and special, based on a pedagogical statement and an individualized education plan. A parallel project, Kelpo, helped develop municipal and school capacity to implement the reform. Although the reform broadly met its aims, incentives for segregated provision still exist, while part-time special education and early intervention in mainstream education remain underfunded (Pulkkinen, 2019).

Similar reforms are taking place in the United States. In California, the funding mechanism avoided creating incentives to increase the number of students with special needs, but the number rose nevertheless, and overall funding levels did not keep pace. A statewide special education task force recommended a funding increase and a stronger focus on integrating special education into mainstream primary and secondary education. It also proposed abolishing the parallel system of special education governance and distributing released funds to districts instead (Hill et al., 2016).

In Vermont, rising costs led to a 2018 reform to accelerate integration of children with special needs into mainstream classrooms, where they would receive targeted instructional time. The changes are being rolled out without increased funding; the funding mechanism is moving away from reimbursements to block grants, increasing flexibility in how money is spent. The reform discourages using paraeducators in favour of highly skilled professionals to support all learners (Morando Rhim, 2018).

A review of financing practices across Europe concludes that there is no ideal way to fund inclusive education, since countries vary, ‘depending on their history, their understanding of inclusive education, and levels of decentralisation’. However, it argues that governments need to foster synergies and encourage networks to share resources, facilities and capacity development opportunities, for instance through block grants under service agreements with local authorities or school clusters. Such autonomy and flexibility would need to be accompanied by quality assurance mechanisms to monitor whether local authorities and schools achieve inclusion-specific results (Ebersold et al., 2019, p. 245).

Poorer systems are also building disability-inclusive education funding mechanisms

Poorer countries are exploring, but often struggling with, how to finance the shift from special to inclusive education. Ghana set aside funds for inclusive education policy implementation, with various cost-sharing agreements among sectors. For instance, the Ministry of
Transport was to set aside 5% of the road sector fund for inclusive education, especially for children with disabilities (Ghana Ministry of Education, 2013). Progress has been limited, but the education and health ministries have coordinated to promote annual health screenings and referrals for early detection and support (IIIEP, 2018).

In Nepal, the budget discussion for the 2016–23 school sector development plan addressed the shift from special schools to a more inclusive approach. Reform strategies included modules in pre-service teacher education and capacity building of national- and district-level staff. However, the expenditure framework noted that inclusive education was one of several ‘other item’ costs, which amounted to 3.4% of the total school sector cost categories. A separate budget line on ‘inclusive education’ was only explicitly noted for the secondary school development programme, amounting to just 0.02% of secondary school activities (Nepal Ministry of Education, 2016).

In some countries, there are efforts to cost inclusive education. Malawi developed a costing model for inclusive education in its strategy document, which estimated the cost at US$29 million over five years. However, this estimate does not take into account the need to recruit additional teachers to support inclusion (ActionAid et al., 2020). Namibia’s sector policy on inclusive education costed its outcomes, which, in addition to the main resource allocation policy, included establishment of regional inclusive education units, transformation of some schools into inclusive schools and transformation of special classes and schools to resources. These initiatives amounted to almost half the policy implementation costs (Namibia Ministry of Education, 2013) (Figure 4.4).

Some countries have increased their budgets to improve education access for students with disabilities but maintain a target-group-based approach. Armenian Ministry of Finance transfers to regional education departments were based on just over US$200 per student per year, but the allocation was four to five times higher for students with special education needs (Center for Educational Research and Consulting, 2013). Mauritius's 2018/19 budget set aside funds to establish a Special Education Needs Authority. In addition, the annual per capita grant for teaching aids, utilities, furniture and equipment for special needs students was quadrupled. A taxi fare grant was being expanded from tertiary to primary and secondary school students (Mauritius Government Information Service, 2019). The United Republic of Tanzania doubled the size of its primary school capitation grant (US$4.3 per student) for enrolled students with disability (ActionAid et al., 2020).

CONCLUSION

Education ministries need to collaborate with other ministries, local governments and non-government partners, and to link education levels, to promote inclusion. Disjointed services and communication protocols, inadequate coordination efforts, insufficient capacity and financing lead to poor implementation and weak accountability. The potential of integrated service delivery initiatives, for instance in early needs identification or transition between education levels, is yet to be realized in many countries.

Countries also need to transform funding mechanisms to promote inclusion. The way they finance regions, schools and students should have a much stronger emphasis on equity, with better use of data and a larger share of resources reallocated to compensate for disadvantage. Even as marginalized groups are mainstreamed, a twin-track approach targeting them is needed, since the cost of serving their support needs is much higher, especially for students with disabilities. Education planners need to recognize synergies with social cash transfer programmes, which often have a strong impact on education attendance and attainment.