Thursday, January 13, 2005

8:00-8:45 BREAKFAST

Registration

8:45-9:00 INTRODUCTION AND WELCOME

Jamil Salmi (The World Bank)
Don Winkler (RTI International)

9:00-10:45 INTERGOVERNMENTAL TRANSFERS FOR EDUCATION

Under decentralization, locally provided education is largely financed through intergovernmental transfers. Such transfers tend to take one of two models. The first model is block grants to local governments, which may then decide on their spending priorities for education. The second model is conditional grants to local governments which require that the grant proceeds be used for specific education purposes. While the former is preferred by most public finance economists, the latter is preferred by most educators who distrust local preferences. This session will examine experiences using both types of grant mechanisms.

Chair: Emmanuel Jimenez (The World Bank)

Presenters: Sorin Ionita (Romanian Academic Society) on “Effects of Decentralization on Pre-University Education Financing in Romania”

Thomas Downes (Tufts University) on “How Best to Hand out Money: A U.S. Perspective on the Design and Structure of Intergovernmental Aid Formulas.”

Mun Tsang (Columbia University) on “Decentralization and Intergovernmental Grants for Compulsory Education in China”
Discussant: Robin Horn (The World Bank)

10:45-11:00 COFFEE BREAK

11:00-1:00 IMPLEMENTING FISCAL DECENTRALIZATION IN EDUCATION

Most decentralization policies start off by devolving service delivery responsibilities and later consider how to provide the financing. Ad hoc financing procedures may be followed for several years before permanent mechanisms are adopted. This session will examine the process of fiscal decentralization and how donors can facilitate that process. The session will also discuss what kind of capacity building education ministry staff need in order to engage with finance ministry staff on issues of finance.

Chair: Joan Nelson (Woodrow Wilson Center)

Presenters: Jim McCullough (RTI International) on “Restructuring Intergovernmental Transfers and Educational Finance in Bulgaria”

Luis Crouch (The World Bank) on “Fiscal Decentralization in South African Education: Main Features, Donor Support, and Capacity-Building”

Alejandro Morduchowicz (Ministry of Education, Argentina) on “Education Finance Reform in Argentina”

Discussants: Helen Ladd (Duke University)
Ariel Fiszbein (The World Bank)

1:00-2:15 LUNCH

KEYNOTE SPEECH ON EDUCATION FINANCE IN DECENTRALIZED SYSTEMS

Introduction: Dana Weist (The World Bank)

Speaker: Richard Bird (University of Toronto)

2:15-4:00 ENSURING EQUITY IN DECENTRALIZED EDUCATION SYSTEMS

Fiscal decentralization often results in increased inequality in fiscal capacity of sub-national governments, which can translate to increased inequality in spending for education. Governments have numerous financing tools at their disposal to compensate for such inequalities. This session examines the experience with some of these tools: minimum standards, minimum expenditures, and transfers targeted on jurisdictions
with low fiscal capacity. It also examines experience with grants targeted on the poor and children with special needs.

Chair: Maureen Lewis (Center for Global Development)

Presenters: Stephen Dunn (RTI International) on “The Impacts of Proposed Minimum Service Standards on a Sample of Districts in Indonesia”

Emiliana Vegas (The World Bank) on “Education Finance Equalization, Spending, Teacher Quality and Student Outcomes: The Case of Brazil’s FUNDEF”

Margaret Goertz (University of Pennsylvania) on “Funding an Adequate Education in Urban Schools: Lessons from New Jersey”

Discussant: Thomas Downes (Tufts University)

4:00-4:15 COFFEE BREAK

4:15-6:00 SCHOOL GRANTS

School grants are becomingly increasingly common as a vehicle for transferring resources to school governing councils, as a means for ensuring minimum spending on non-personnel outlays, as incentives for school behaviors, as a means of targeting schools serving the poor, and as an instrument for supporting community schools. They have been widely supported by donor agencies, although there is little evaluation as to their effectiveness. This session will examine specific experiences with school grants and identify the research questions that need answering. Special attention will be given to how introducing government financing of community schools may affect the level of community finance.

Chair: Alec Gershberg (The World Bank)

Presenters: Jishnu Das (The World Bank) on "When can School Funding Improve Test Scores? Evidence from Zambia"

Emanuela di Gropello (The World Bank) on "Experience with school grants in Central America"

Discussant: Joshua Muskin (World Learning)

6:00 COCKTAILS/GROUP PHOTO
Friday, January 14, 2005

8:00-9:00 BREAKFAST

9:00-10:45 ACCOUNTABILITY

One of the promises of decentralization is increased accountability by service providers to clients concerning the use of resources. However, when decentralization takes place in societies with serious problems with corruption, it may be necessary to devise new mechanisms and procedures to ensure accountability and to reduce corruption. This session reviews some of the mechanisms and procedures that can help ensure accountability and reduce leakage and corruption of educational resources.

Chair: Shanta Devarajan (The World Bank)

Presenters: Jakob Svensson (Stockholm University) on “Fighting Corruption to Improve Schooling: Evidence from a Newspaper Campaign in Uganda”

Deon Filmer (The World Bank) on “Public Expenditure and Service Delivery in Papua New Guinea”

Stephen Baines (United Kingdom) on “Controlling Corruption: Lessons from the School Improvement Grants Program in Indonesia”

Discussant: Vic Paqueo (The World Bank)

10:45-11:00 COFFEE BREAK
11:00-1:00  COUNTRY PRACTICES

Education finance in a decentralized system requires a package of financing instruments to ensure adequate funding with equity while providing positive incentives for efficiency and results. Among middle income developing countries, Chile is often cited as a model for its combination of formula based funding to municipalities combined with school grants, including grants that provide explicit incentives for performance. Among developed countries, the UK is often cited as a model that provides transparent, predictable financing of locally managed education while struggling with issues of municipal (Local Education Authority) versus school control. In this session, scholars from each of these two countries provide their assessment of education finance and the challenges ahead.

Chair:   Luis Crouch (The World Bank)

Presenters: Pablo Gonzalez (University of Chile) on "Finance and Incentives in Primary and Secondary Education in Chile"


Discussants:  Margaret Goertz (University of Pennsylvania)
J. Keith Hinchliffe (The World Bank)

1:00-2:30  WORKING LUNCH:

ISSUES IN EDUCATION FINANCE RESEARCH

Rapid education decentralization has raised the visibility of education finance issues, although there is little systematic research and evaluation on such issues. This session explores what are the priority issues in education finance in decentralizing systems, including data requirements.

Chair:  Elizabeth King (The World Bank)

Roundtable: Deon Filmer (The World Bank)
Luis Crouch (The World Bank)
Pablo Gonzalez (University of Chile)
Suhas Parandekar (The World Bank)

3:00  CLOSING