REPUBLIC OF KENYA

MINISTRY OF EDUCATION

POLICY GUIDELINES FOR UTILISATION OF LEARNER CAPITATION GRANT AND OTHER SCHOOL FUNDS

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ACRONYMS AND ABBREVIATIONS

CEB	:	County Education Board
CEMASTEA	:	Centre for Mathematics, Science and Technology Education in Africa
CfBT	:	Education Trust (formerly Centre for British Teachers)
CPD	:	Continuous Professional Development
CSO	:	Curriculum Support Officer
DFID UK	:	Department for International Development
DQAS	:	Directorate of Quality Assurance and Standards
EGMA	:	Early Grade Mathematics Assessment
EGRA	:	Early Grade Reading Assessment
EYC	:	Elimu Yetu Coalition
GPS	:	Global Positioning System
ICT	:	Information and Communication Technology
INSET	:	In-service Education and Training
KCPE	:	Kenya Certificate of Primary Education
KEMI	:	Kenya Education Management Institute
KIB	:	Kenya Institute for the Blind
KICD	:	Kenya Institute of Curriculum Development
KISA	:	Kenya Independent Schools Association
KISE	:	Kenya Institute of Special Education
KNEC	:	Kenya National Examinations Council
LTTP2	:	Liberia Teacher Training Program
M&E	:	Monitoring and Evaluation
MLA	:	Monitoring Learning Assessment
MLEN	:	Multilingual Education Network
MoE	:	Ministry of Education
NESP	:	National Education Sector Plan
NGO	:	Non-governmental Organization
NQT	:	Newly Qualified Teacher
PDIT	:	Programme Development and Implementation Team
SAGA	:	Semi-Autonomous Government Agency
SCQASO	:	Sub-County Quality Assurance and Standards Officers

FOREWORD

Articles 43(1) (f), 53 (1) (b), and 55(a) of Chapter 4 of the Constitution obligates the government to provide free and compulsory basic education for all children of school going age in Kenya. The Kenya Vision 2030 blueprint also highlights the need to provide globally competitive education for the country's socio-economic and technological development as well as enhanced individual well-being. Sessional Paper No.1 of 2019 aims at reforming education and training in order to meet these obligations. In addition, the National Education Sector Strategic Plan (NESSP) 2018-2022, provides a framework for delivery of quality and inclusive education, as well as training and research for sustainable development.

In order to meet these obligations, the government has continued to invest heavily in the education sector with approximately 5.4% of Gross Domestic Product (GDP) now directed to education. Financing of education in Kenya is a joint effort among national government, county governments, development partners, private sector and households. Resources mobilised by the Government have to be utilised properly for the benefit of the learner. This therefore call for the need to ensure efficient and transparent utilisation of resources guided by proper planning.

The development of these Policy Guidelines which was informed by the evaluation of the School Improvement Programme (SIP) process, process provides a framework to guide the utilization of capitation grants and other school funds. It is expected that this policy will be applied by key players to enhance transparency and accountability in the utilization of education resources at school, Sub-County, County and National levels.

Prof. George A.O. Magoha, CBS
CABINET SECRETARY

PREFACE

The provision of quality education and training to all Kenyans is fundamental to the overall Government's strategy for sustainable development. The government is committed to ensuring access to equitable, inclusive and quality basic education to all its citizens as stipulated in the Constitution. The need to provide globally competitive education for the country's socio-economic and technological development as well as enhanced individual well-being is also highlighted in the Kenya Vision 2030 blue print, while the National Education Sector Strategic Plan (NESSP) 2018-2022, provides a framework for delivery of quality and inclusive education, as well as training and research for sustainable development.

Since the introduction of the Free Primary Education (FPE) in 2003 and the Free Day Secondary Education (FDSE) in 2008, the government has continued to invest heavily in education where approximately 5.4% of the Gross Domestic Product (GDP) is now directed to the sector. The policy shift in education and training, which has led to the introduction of competence-based curriculum at all levels, calls for provision of more resources to the education sector. This, therefore, highlights the need to come up with innovative measures to mobilise resources to support effective curriculum delivery and improve the learning environment.

Resources mobilised by the government have to be utilised properly for the benefit of the learner. There should be efficient and transparent utilisation of resources, guided by proper planning. To achieve this, the implementation process must be closely monitored through a well-defined framework.

The development of these guidelines benefited from important lessons learnt from the implementation of the School Improvement Programme (SIP) component of the GPE funded Primary Education Development (PRIEDE) Project. The evaluation of SIP, which focused on strengthening management and accountability at the school level, revealed that grants disbursed to schools were efficiently and transparently utilised. Key lessons learnt from SIP can inform reforms in the management of capitation grants and other resources at school, national and other levels. These lessons include; development of school improvement plans in a consultative manner; a funding model where funds were availed to schools for project activities based on approved school improvement plans; adequately resourced monitoring, evaluation and auditing; inclusive participation and consultation among stakeholders; as well as comprehensive capacity building of key stakeholders, among others.

This document covers 5 goals relating to learner capitation grants and other school funds, and includes; to strengthen governance and management; to enhance access and disbursement; to ensure transparency and accountability in the utilisation of learner capitation grants; to strengthen the monitoring, evaluation and reporting systems; as well as to generate scientific data for evidence based policy formulation, decision making and planning.

All stakeholders are therefore called upon to ensure application of these policy guidelines to ensure value for money and ultimately improved learning outcomes in all our public schools.

Dr. BELIO R. KIPSANG, CBS.
PRINCIPAL SECRETARY

ACKNOWLEDGEMENTS

The development of these policy guidelines was done through a consultative process, which involved a wide array of stakeholders. The Ministry of Education appreciates the efforts, energy and time invested by all parties who participated in the formulation, development and finalisation of this policy.

Special thanks go to the Technical Team led by Ag. Director, Projects Coordination and Delivery, Mr. Elijah Mungai, and members drawn from MoE, TSC, KISE, KNEC and KIB. We thank the team for working tirelessly to draft the document and organise for its review before finalisation. We recognise the contributions from all the participants during the collection of data which informed the development of these guidelines. These included County and Sub-County level MoE and TSC officers, head teachers, BoM members and parents from sampled schools. We also recognise the team of consultants from Own and Associates, led by Prof. Akwatch Abagi, who greatly supported the development of these guidelines.

Sincere appreciation goes to the Global Partnership for Education (GPE) for the continued support to the education sector through the generous funding by way of the GPE grant for the Kenya PRIEDE Project, and the Additional Financing grant that has been provided to help sustain the benefits realised during implementation of the parent project. Gratitude also goes to the World Bank, the Supervising Agency of the Project, for working tirelessly towards the achievement of the milestones realised so far. Similarly, I thank the Education Development Partners Coordination Group (EDPCG), for playing a key role in ensuring that the Government of Kenya succeeded in getting the initial grant and the Additional Finance from the GPE, to fund key priorities contained in NESSP, 2018-2022. Special appreciation further goes to the Project Steering Committee (PSC) chaired by the Cabinet Secretary, Prof. George A.O. Magoha, for providing visionary leadership and playing an oversight role in the implementation of the Project. This has enabled the Project Coordination Unit (PCU) to effectively undertake its mandate.

We also thank Dr. Belio R. Kipsang, CBS, the Principal Secretary, State Department of Early Learning and Basic Education, for providing strategic leadership and support to the Technical Committee. Special gratitude also goes to the senior management team from the State Department of Early Learning and Basic Education in the Ministry of Education, who gave invaluable inputs that shaped the policy guidelines. We equally appreciate the Project Coordination Unit of the PRIEDE Project, which effectively coordinated various aspects to ensure the successful completion of this document.

We may not be able to mention everyone who contributed towards the development of this document but we appreciate every effort made. May you all accept our appreciation.

Elyas Abol, OGW
DIRECTOR GENERAL

EXECUTIVE SUMMARY

The overall objective of the policy guidelines is to ensure that learner capitation grant and other school funds are well managed, accounted for, as well as transparently and effectively utilised for the benefit of the learner. It presents the essential components required to enhance the efficiency and effectiveness in the utilisation of learner capitation grants and other school funds for the benefit of learners. The document is organised into the following sections; the introduction, which gives the context; methodology and rationale; the policy guidelines, objectives and core principles; policy goals, statements and relevant strategies; as well as institutional/coordination arrangements and monitoring and evaluation.

The introduction section describes the context within which the guidelines have been developed. It describes the provisions of the Constitution, the national economic blueprint (Kenya Vision 2030) and the international commitments that govern the right of children to basic education. The realisation of these rights involves investment in relevant programmes and projects. Towards this end, MoE has two major programmes, i.e., FPE and FDSE. These programmes are financed mainly through the learner capitation grants of KES 1,420 and 22,400 per learner for public primary schools and public secondary schools, respectively. There are also other funds which are directed to specific interventions on improving the learning environment for better learning outcomes.

The PRIEDE project implemented a School Improvement Programme whose results provided good lessons for improvement of the efficiency, transparency and accountability in the utilisation of learner capitation grants and other school funds. The good practices learnt were; the development of a 3-year school improvement plan; availability and accessibility of financial resources to schools for project activities based on the school improvement plan, developed in a consultative manner; adequate allocation of funds for the monitoring, auditing and research processes; clear, continuous and effective participation and consultation of school stakeholders during the development of school improvement plan; training on SIP, school management and accountability in general; comprehensive school audit that goes beyond looking at financial statements and analyses subtle but key school operational learning environment structures; and predictable and timely allocation and disbursement of funds.

A situation analysis at MoE and school level was carried out against the lessons learnt from SIP. The overarching policy guiding the implementation of the education mandate is the Sessional Paper No. 1 of 2019 on *Reforming Education and Training for Sustainable Development in Kenya.* The policy framework is implemented through 5-year National Education Sector Strategic Plans, which define the programmes and projects in the education sector. The FPE and FDSE programmes are anchored on the

aforementioned framework. Funding of programmes and projects is as per the 5-year National Education Sector Strategic Plan (NESSP). Funds are allocated by the National Treasury from the MTEF budget proposals from MoE. The MoE budget is prepared with participation from MoE, SAGAs in the Ministry, TSC and national stakeholders. Allocation to schools is determined by the allocations received from the National Treasury. The budget implementation, under FPE and FDSE, is categorised into recurrent and development expenditure. The recurrent activities are mainly facilitated through the capitation grants while the development aspect is funded by other grants from the government and other sources. At the school level, the approval is done by the Board of Management (BoM). The school administration is charged with the responsibility of budget implementation, tracking and reporting while BoM undertakes oversight function. Monitoring and evaluation is done at both the national and school levels. The monitoring and evaluation is carried out on programmes and projects in sampled schools. In order to ensure prudent utilisation of the FPE and FDSE resources at the school level, audits are carried out by the Ministry. Nevertheless, the audits are not regular due to a lack of project-specific budget for audit, coupled with inadequate human resources. The policy guidelines are guided by the following principles; good governance, partnership and collaboration, transparency, and social responsibility.

The guidelines provide policy goals, statements and strategies on how to address issues affecting effective management and accountability on utilisation of learner capitation grants and other school funds. The first policy goal is to strengthen governance and management of learner capitation grants and other school funds in all public schools. To achieve this goal, MoE in collaboration with education sector stakeholders will ensure efficient and effective governance and management of learner capitation grants and other school funds. Strategies to ensure implementation of this policy statement will include: enhancing the stakeholder capacity at both school and national levels on governance and management of learner capitation grant; strengthening school governance and management structures as per the relevant legal and policy frameworks; establishing a comprehensive risk management framework to monitor and control risks in order to realize set objectives; strengthening the school management information system; enhancing monitoring and reporting of learner capitation grant and other school funds use; and strengthening school audit services to ensure that public schools are comprehensively audited annually.

The second goal is to enhance access and disbursement of learner capitation grants and other school funds to all public schools. To achieve this goal, MoE will ensure that all public schools access adequate learner capitation grant and other school funds in a timely and predictable manner. This will be realised through the following strategies; creating awareness on the availability of learner capitation grant and other funds and the role of various stakeholders at national, regional, county, sub-county and school level; ensuring

adequate financial resources for learner capitation grant; periodically reviewing capitation grants and other school funds; strengthening management of disbursement of learner capitation grant and other funds across all levels; strengthening tracking of the flow of funds from the source to the end user; and strengthening the data management system for all schools.

The third goal is to ensure transparency and accountability in the utilisation of learner capitation grant and other school funds. To actualize this goal, the Ministry of Education, in collaboration with relevant stakeholders, will ensure that capitation and other school funds are utilised transparently and in an accountable manner. The transparency and accountability will be achieved through the following strategies; developing clear guidelines on utilising and disclosing learner capitation grants and other funds and ensuring that schools adhere to them; sensitising and training school stakeholders on their role in developing and approval of school improvement plans, as well as enhancing accountability and promoting transparency in the use of public school funds; enhancing coordination of all stakeholders/donors who fund public school activities to minimise duplication and wastage of funds; establishing automated platforms at county, sub county and zonal levels for sharing knowledge, innovations and best practices on management and utilisation of capitation grants and other public school funds; and strengthening internal control systems.

The fourth goal is to strengthen monitoring, evaluation and reporting system for effective management and utilisation of learner capitation grants and other school funds. To achieve the goal, MoE will ensure that utilisation of learner capitation grants and other school funds is monitored and evaluated through appropriate M&E tools through the following strategies; establishing a monitoring, evaluation and reporting system for learner capitation grants and other school funds; strengthening capacity of education officers and other education stakeholders to effectively monitor and evaluate utilisation of learner capitation grants and other school funds; enhancing the use of ICT in monitoring and evaluating the utilisation of learner capitation grants and other school funds; and developing a communication structure for providing feedback on the utilisation and management of learner capitation grants and other school funds.

The fifth goal is to generate scientific data for evidence-based policy formulation, decision making and planning. To achieve the goal, MoE will enhance research and innovation in management, utilisation and reporting on learner capitation grants and other school funds. This will be actualised through the following strategies; mobilising resources to support research and innovation on management, utilisation and reporting on learner capitation grants and other school funds; establishing linkages and collaborations

with relevant institutions/organisations and experts to share relevant knowledge and experiences; and enhancing publication and dissemination of research findings on learner capitation grant and other school funds.

The policy guidelines will be implemented within the existing governance and management structures of MoE. At the national level, a National Steering Committee will be constituted and chaired by the CS MoE. The membership of the Committee will comprise the Principal Secretary (MoE), Principal Secretary (National Treasury), MoE Directors, Chief Executive Officers of SAGAs and CEO, TSC. Other members will include national chairpersons of relevant associations, as well as the chairperson of the development partners group. A Technical Committee, chaired by PS in charge of Basic Education will provide technical advice to the National Steering Committee. Membership will be drawn from MoE Directorates, SAGAs and TSC. The National Steering Committee will; facilitate budgetary allocation; ensure implementation of the policy guidelines; conduct monitoring, evaluation and reporting; coordinate review of the policy guidelines in collaboration with other stakeholders; enhance institutional awareness, commitment and efficiency in implementation; and coordinate development partners providing resources to public schools. These functions will be cascaded to the schools through the RDE, CDE, and SCDE. At the school level, BoM will oversight the utilisation of learner capitation grants and other school funds. Specifically, it will; plan for and implement policy guidelines for the utilisation of learner capitation grants and other school funds; establish a school improvement planning committee and organise for training on their roles; organise for relevant training of school stakeholders; coordinate effective and efficient management and accountability on the utilisation of learner capitation grants and other school grants; and prepare relevant and necessary documentation and reports related to learner capitation grants and other school funds.

The implementation of the guidelines will be monitored and evaluated through annual joint sector reviews, where the status of implementation of these policy guidelines will be evaluated. The Ministry, with stakeholders, will routinely monitor the implementation of education programmes and projects, and generate and disseminate reports to relevant stakeholders. At school level, the head teacher is expected to report to BoM and the Parents Association on the progress on all activities undertaken in the school.

1.0 INTRODUCTION

1.1 Context

The Government of Kenya (GoK) is committed to ensuring access to equitable, inclusive and quality basic education to all its citizens as stipulated in the Kenya Constitution. Article 43 (f) and 53 (1) (b) of the Constitution provides for the right to education and the right to free and compulsory basic education, respectively. The Kenya Vision 2030 blueprint highlights the need to provide globally competitive education for the country's socio-economic and technological development as well as enhanced individual well-being. In addition, Kenya is also a signatory to international protocols and regional frameworks such as Sustainable Development Goals (SDGs) and the African Union Agenda 2063. SDG 4 obligates the government to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. In addition, the National Education Sector Strategic Plan (NESSP) 2018-2022, provides a framework for delivery of quality and inclusive education, as well as training and research for sustainable development.

To achieve these aspirations, the government continues to invest heavily in the education sector through various programmes. The major undertaking was the introduction of the Free Primary Education (FPE) programme in 2003, followed by Free Day Secondary Education (FDSE) programme in 2008. Furthermore, approximately 5.4% of Gross Domestic Product (GDP) is now directed to education. One of the key components of FPE and FDSE programmes is the learner capitation grant. The capitation grant provides recurrent funding to all public primary and secondary schools in Kenya. Currently, the grant is KES 1,420 per learner for primary schools and KES 22, 244 per learner for secondary schools. There is also a top-up of KES 2,300 and KES 35,000 for learners with special needs and disabilities in primary and secondary schools, respectively.

The government also introduced other innovative measures to mobilise resources to support effective curriculum delivery and improve the learning environment. Financing of the education sector is a joint effort among national government, county governments, development partners, private sector and households. This calls for strengthening coordination, linkages and collaboration among all players to mobilise the requisite financial resources.

Resources mobilised by the Government have to be utilised properly for the benefit of the learner. There should be efficient and transparent utilisation of resources guided by proper planning. To

achieve this, the implementation process must be closely monitored through a well defined framework.

MoE implemented the Primary Education Development (PRIEDE) project, whose School Improvement Programme (SIP) component was evaluated and good practices and lessons on resource utilisation were learnt. The project was funded by GoK together with the Global Partnership for Education (GPE), with technical support from the World Bank. The PRIEDE project's objectives were to enhance early grade Mathematics competencies and strengthen management systems at school and national levels. The SIP component focused on strengthening management and accountability at the school level.

The findings of the evaluation of SIP indicated that grants disbursed to schools were efficiently and transparently utilised. The lessons learnt can inform reforms in the management of capitation grants and other resources at school, national and other levels. Some of the lessons learnt were:

Development of school improvement plan: - The development of a 3 year school improvement plan was a good practice. It provided an opportunity for school stakeholders to critically examine the state of their school and articulate their dreams and ambitions. It was also an important strategy in building community/parents' leadership, mobilising additional resources for school development and creating an enabling environment for teaching and learning.

Funding model: - Availability and accessibility of financial resources to schools for project activities based on school improvement plan, developed in a consultative manner, is a good practice. The plans were based on school priority needs. Giving schools the opportunity and authority to develop school improvement plans, and spend grant resources according to these plans, increases school management and accountability, as well as fosters community buy-in.

Adequately resourced monitoring, evaluation, auditing and research: - The success of SIP was due to adequate allocation of funds for the monitoring, auditing and research processes. The funding of these processes formed part of the total programme budget.

Inclusive participation and consultation among stakeholders: - The success of SIP processes was as a result of clear, continuous and effective participation and consultation of school stakeholders during the development of school improvement plan. This process was effectively supervised and monitored by county and national education officials coordinated by the Project

Coordination Unit (PCU). The two strategies resulted in the development of implementable school improvement plans and effective accountability of the grants given to schools.

Training on SIP processes: - School stakeholders were trained on SIP, school management and accountability in general. They were also trained on the following areas: cash management, financial reporting, risk management, identification of needs and prioritization.

Comprehensive annual school audit: - A comprehensive school audit that went beyond looking at financial statements and analysed subtle but key school operational learning environment structures, namely: i) BoM minutes ii) involvement of teachers in financial expenditures through tendering committees iii) store management and keeping and, iv) compliance with SIP plans, is a good practice. The school audit was also done annually during the intervention period. This enshrines a holistic view on the need of school to focus on improving teaching and learning and performance of pupils across classes.

Predictable and timely allocation and disbursement: - Schools that implemented SIP were allocated KES. 500,000, which was timely disbursed in two instalments. The schools planned and implemented their activities as scheduled.

The policy guidelines also benefited from a review of research findings and experiences from other countries such as Vietnam and USA, which have implemented school capitation grants.

1.2 Situational Analysis

In order for the Government of Kenya to ensure access to equitable, inclusive and quality basic education, several policies have been put in place. The overarching policy guiding the implementation of the education mandate is the Sessional Paper No. 1 of 2019 on *Reforming Education and Training for Sustainable Development in Kenya.* The policy framework is implemented through 5-year National Education Sector Strategic Plans, which define the programmes and projects in the education sector. Key among such programmes is FPE and FDSE. The programmes and projects in the strategic plan are funded through a 3-year Medium Term Expenditure Framework (MTEF), which is financed through annual budgetary allocations. Once financed, the sector implements the programmes and projects to deliver on the objectives of the plan. To ensure efficiency, transparency and accountability, the implementation is monitored, evaluated and reports generated by the various relevant Ministry departments. The findings and the recommendations of the reports inform the various policy reforms.

The FPE and FDSE programmes are anchored on the aforementioned framework. The funding of schools is based on NESSP and annual work plans prepared at the Ministry headquarters. The annual work plan is informed by NESSP. These plans are prepared through a consultative process involving education stakeholders at the national level. Based on these national plans, schools develop their own plans and budgets.

The funding to MoE is based on the priorities presented to the National Treasury and the total available national resources for the specific financial year. Once the resources are made available to the Ministry for the financial year, this is followed by rationalisation of the annual work plan and budget. The funds are released to the Ministry on a quarterly basis. Nevertheless, not all the funds allocated in the budget are actually received in the Ministry. At times, there are delays in the releasing of funds from the National Treasury. Allocation to programmes and projects is based on the rationalised budget, including FPE and FDSE. Funding of schools is then based on the allocated resources. The schools then review their plans and budgets based on the funds received.

In the Ministry of Education, plans and budgets have to be approved by the accounting officer before implementation. At the school level, the approval is done by the Board of Management (BoM). The school administration is charged with the responsibility of budget implementation, tracking and reporting while BoM undertakes oversight function. The budget implementation, under FPE and FDSE, is categorised into recurrent and development expenditure. The recurrent activities are mainly facilitated through the capitation grants while the development aspect is funded by other grants from the government and other sources. Implementation is usually affected by various factors such as; disharmony between the national government budget cycle and the school calendar year; inadequate capacity at school management level; delay in the disbursement of grants to the school; and governance issues. Moreover, schools with low enrolment suffer because they are unable to meet their recurrent costs.

The Ministry normally carries out monitoring, evaluation and reporting on programmes and projects. This is guided by the monitoring and evaluation framework based on the programmes and projects in NESSP. This helps in assessing the progress towards achievement of the set objectives, expected outcomes and outputs, and eventual achievement of the same. While the programmes and projects are in progress, monitoring recommendations are used to develop mitigation measures to keep implementation on track. For FPE and FDSE, monitoring and

evaluation is conducted at least twice each financial year depending on availability of funds. Monitoring and evaluation is done at both the national and school levels. The monitoring and evaluation is carried out on programmes and projects in sampled schools.

In order to ensure prudent utilisation of the FPE and FDSE resources at the school level, audits are carried out by the Ministry. Nevertheless, the audits are not regular due to a lack of project-specific budget for audit coupled with inadequate human resources.

1.3 Rationale

Apart from learner capitation grant, public primary and secondary schools have also been receiving funds from households, the national government, county governments, philanthropic organizations, individuals, National Government Constituency Development Fund (NG-CDF), faith based organizations, civil societies, development partners and through corporate social responsibilities. However, there has not been a clearly spelt out framework for resource mobilization, coordinating, regulating and disclosing the funds which has led to duplication and wastage.

These policy guidelines aim at improving the efficient and transparent use of primary and secondary school capitation funding. This will be achieved by enhancing both the disbursement process and the tracking of funds from the source to the point of use. In addition, the policy guidelines will ensure proper management and governance structures are put in place at national and school levels, thus promoting transparency and accountability.

1.4 Methodology

In developing these policy guidelines, MoE worked in collaboration with experts and adopted a consultative and participatory approach. The MoE Technical Working Group and Primary Education Development (PRIEDE) Project Coordination office guided the process through the following consultative activities:
- Conducted needs assessment of school financing model with emphasis on learner capitation;
- Coordinated expert reviews by the technical working group through consultative workshop;
- Evaluated the SIP process under PRIEDE project;
- Reviewed relevant literature;

- Coordinated and supervised data collection and analysis;
- Held drafting workshops;
- Shared the draft and briefed MoE senior management whose feedback was used to improve the draft; and
- Held stakeholders´ validation workshops.

1.5 Objectives, Guiding Principles and Organisation of the Policy Guidelines

1.5.1 Objectives of the Policy Guidelines

The overall objective of the policy guidelines is to ensure that learner capitation grant and other school funds are well managed, accounted for as well as transparently and effectively utilised for the benefit of the learner. Specifically, the guidelines aim to:

- Enhance efficiency of learner capitation grant and other school funds disbursement to public school to ensure timeliness and predictability;
- Transform the management, accountability and reporting on learner capitation grant and other school funds at school, sub-county, county and national levels;
- Strengthen the capacity of school stakeholders, county and national MoE officials to effectively manage and coordinate learner capitation grant and other school funds utilisation;
- Improve on school stakeholders' engagement and participation in ensuring better utilisation of learner capitation grant and other school funds; and
- Enhance monitoring and evaluation of project implementation progress so as to ensure effective management, coordination and utilisation of learner capitation grant.

1.5.2 Guiding Principles

The policy guidelines are guided by the following principles:

- **Good governance:** Recognizing good and effective leadership, guidelines support open and proper use of learner capitation grant and other school funds. The guidelines also promote inclusive and active stakeholder participation as a means of accountability of empowering school communities and learners.
- **Partnership and collaboration:** Nurturing networks and relationships at county, sub-county and school level that strengthens proper and effective use of school grants for the benefit of the learner.
- **Transparency:** Being open and engaged with stakeholders in the management and use of school capitation grants and other school funds.

- **Social responsibility:** Promoting an environment where individuals are accountable for fulfilling their civic duty. It is a situation where individuals know and do what is expected of them for the benefit of the school community, the learner and the whole society.

1.6 Target Audience

The primary target for the implementation, monitoring and evaluation of these policy guidelines include the following:

- Policy and decision makers at national and county level as well as those in the public, private and NGOs sectors;
- Technocrats in the relevant national and county government agencies;
- School stakeholders including head teachers, teachers, BoM, parents association, learners and staff;
- Development partners;
- Relevant unions and associations;
- Other experts and practitioners, including academia.

2.0 POLICY GUIDELINES FOR LEARNER CAPITATION GRANT AND OTHER SCHOOL FUNDS

This section provides policy goals, statements and strategies on how to address issues affecting effective management and accountability on utilisation of learner capitation grant and other school funds.

2.1 Goal I: To Strengthen Governance and Management of Learner Capitation Grant and Other School Funds in all Public Schools

2.2.1 Policy Statement

The Ministry of Education, in collaboration with education sector stakeholders, will ensure efficient and effective governance and management of learner capitation grant and other school funds.

2.2.2 Strategies

- Enhance the stakeholder capacity at both school and national levels on governance and management of learner capitation grant.
- Strengthen school governance and management structures as per the relevant legal and policy frameworks.
- Establish a comprehensive risk management framework to monitor and control risks in order to realize set objectives.
- Strengthen the school management information system.
- Enhance monitoring and reporting of learner capitation grant and other school funds use.
- Strengthen school audit services to ensure that public schools are comprehensively audited annually.

2.2 Goal II: To Enhance Access and Disbursement of Learner Capitation Grant and Other School Funds to all Public Schools

2.2.1 Policy Statement

The Ministry of Education will ensure that all public schools access adequate learner capitation grant and other school funds in a timely and predictable manner.

2.2.2 Strategies

- Create awareness on the availability of learner capitation grant and other funds and the role of various stakeholders at national, regional, county, sub-county and school level.
- Ensure adequate financial resources for learner capitation grant.
- Periodically review capitation grants and other school funds.
- Strengthen management of disbursement of learner capitation grant and other funds across all levels.
- Strengthen tracking of the flow of funds from the source to the end user.
- Enhance a data management system for all schools.

2.3 Goal III: To Ensure Transparency and Accountability in the Utilisation of Learner Capitation Grant and Other School Funds

2.3.1 Policy Statement

The Ministry of Education, in collaboration with stakeholders, will ensure that capitation and other school grants are utilised transparently and in an accountable manner.

2.3.2 Strategies

- Develop clear guidelines on utilizing and disclosing learner capitation grant and other funds and ensure that schools adhere to them.
- Sensitize and train school stakeholders on their role in developing and approval of school improvement plans, enhancing accountability and promoting transparency in the use of public school funds.
- Enhance coordination of all stakeholders/donors who fund public school activities to minimize duplication and wastage of funds.
- Establish automated platforms at county, sub-county and zonal levels for sharing knowledge, innovations and best practices on management and utilisation of capitation grants and other public school funds.
- Strengthen internal control systems.

2.4 Goal IV: To Strengthen Monitoring, Evaluation and Reporting System for Effective Management and Utilisation of Learner Capitation Grant and Other School Funds

2.4.1 Policy Statement

The Ministry of Education will ensure that utilisation of learner capitation grant and other school funds is monitored and evaluated through appropriate M&E tools

2.4.2 Strategies

- Establish a monitoring, evaluation and reporting system for learner capitation grant and other school funds.
- Strengthen capacity of education officers and other education stakeholders to effectively monitor and evaluate utilisation of learner capitation grant and other school funds.
- Enhance the use of ICT in monitoring and evaluating the utilisation learner capitation grant and other school funds.
- Develop a communication structure for providing feedback on the utilisation and management of learner capitation grant and other school funds.

2.5 Goal V: To Generate Scientific Data for Evidence Based Policy Formulation, Decision Making and Planning

2.5.1 Policy Statement

The Ministry of Education will enhance research and innovation in management, utilisation and reporting on learner capitation grant and other school funds.

2.5.2 Strategies

- Mobilise resources to support research and innovation on management, utilisation and reporting on learner capitation grant and other school funds.
- Establish linkages and collaborations with relevant institutions/organizations and experts to share relevant knowledge and experiences.
- Enhance publication and dissemination of research findings on learner capitation grant and other school funds.

3.0 GOVERNANCE AND COORDINATION FRAMEWORK

The policy guidelines for the utilisation of learner capitation grant and other school funds will be implemented within the existing governance and management structures of MoE. Clear coordination mechanisms will be established through a consultative process to ensure smooth implementation of the policy guidelines. The structure will be as follows:

National level

a) National Steering Committee chaired by the CS MoE. Membership to comprise the Principal Secretary (MoE), Principal Secretary (National Treasury), MoE Directors, Chief Executive Officers of SAGAs and CEO, TSC. Other members will include national chairpersons of relevant associations, as well as the chairperson of the development partners group.

b) Technical Committee chaired by PS in charge of Basic Education. Membership drawn from MoE Directorates, SAGAs and TSC.

The MoE at national level will:
- Facilitate budgetary allocation;
- Ensure implementation of the policy guidelines;
- Conduct monitoring, evaluation and reporting;
- Coordinate review of the policy guidelines in collaboration with other stakeholders;
- Enhance institutional awareness, commitment and efficiency in implementation; and
- Coordinate development partners providing resources to public schools.

County Level

County Coordination Committee chaired by the County Director of Education (CDE). Membership will comprise Director TSC, County Executive Committee member in-charge of education, County School Auditor, County Quality Assurance and Standards Officer (CQASO), Chairperson, County Education Board, representatives of relevant NGOs and the private sector. Other members will include county chairpersons of relevant associations.

The county coordination committee will:
- Establish county level coordination committee structure and mechanism;

- Coordinate/support training of stakeholders at zonal and school levels on the management and accountability on the utilisation of learner capitation grant and other school funds;
- Coordinate, monitor and evaluate the implementation of the policy guidelines at the county level;
- Ensure that relevant documents and reports are prepared, approved and submitted to MoE headquarters on time; and
- Coordinate development partners providing resources to public schools at the county level.

Sub-county Level

The Sub-county Coordination Committee to be chaired by the sub-county Director of Education. Membership to comprise TSC Sub-county Director, Schools Auditor, Sub-County Quality Assurance and Standards Officer (SCQASO), as well as representatives of relevant NGOs and the private sector. Other members will include sub-county chairpersons of relevant associations.

Sub-county Coordination Committee will:
- Coordinate/support training of sub-county and school stakeholders on management and accountability on the utilisation of learner capitation grant and other school funds;
- Ensure that relevant documents and reports are prepared, approved and submitted to county directors of education in time;
- Coordinate, monitor and evaluate the implementation of the policy guidelines at the sub-county level; and
- Coordinate development partners who provide resources to public schools at the sub-county level.

School Level

The BoM to oversight the utilisation of learner capitation grants and other school funds. Specifically, it will:
- Plan for and implement policy guidelines for the utilisation of learner capitation grant and other school funds;
- Establish a school improvement planning committee and organise for training on their roles and expectation;
- Organise for training of school stakeholders improvement planning committees;
- Coordinate effective and efficient management and accountability of learner capitation and other school grants;

- Prepare relevant and necessary documentation and reports related to learner capitation grant and other school funds; and
- Share relevant reports with school BoM and later submit necessary school and learner data, as well as reports to the SCDE in time.

4.0 MONITORING AND EVALUATION

Based on international good practices, the government will be hosting annual joint sector reviews, where the status of implementation of these policy guidelines will be evaluated. Furthermore, the Ministry, in collaboration with development partners and other stakeholders, will routinely monitor the implementation of education programmes and projects, including FPE and FDSE, then generate and disseminate reports to relevant stakeholders. At school level, the head teacher is expected to report to BoM and the Parents Association on the progress on all activities undertaken in the school. The reports shall be provided during BoM meetings and annual general meetings. The BoM will then be expected to provide feedback and advice on the reports.

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