



EdData II

Data for Education Programming in Asia and the Middle East (DEP/AME)

Strengthening the Textbook Production Chain in Morocco: Study Conclusions and Recommendations

Appendix C: A Cost-Effective Textbook Strategy

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Strengthening the Textbook Production Chain in Morocco: Study Conclusions and Recommendations Appendix C: A Cost-Effective Textbook Strategy

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1 INTRODUCTION

Most public school systems depend on some level of contribution by parents—excluding the most needy families—towards the cost of their children’s basic education. While the government’s role in all cases is to provide buildings, furniture, and some stationary items—in addition to the largest operational costs, which are the salaries of school staff and education administrators—other inputs, including school lunches, often require parental support. The challenge for governments is to find an appropriate balance between the aspirations and contributions expected of each party.^{1,2,3}

Textbooks are the major variable in this equation. In some countries, they are seen as an essential element of the free provision of education, at least in the basic cycle. In other countries, government expects parents to contribute this cost.

1.1 International trends in free and fee-bearing textbook provision

In the majority of countries worldwide, textbooks for students in primary schools (or in all grades of basic education) are provided free of charge, even though in some cases the limited quantities of books may prevent students from gaining the full benefit of having textbooks in class. The number of countries that have committed to providing textbooks free of charge has seen a clear increase in the past 15–20 years. This has been driven by two developments: the strengthening economies of countries of the East and Southeast Asia, as well as the increased commitment by development partners—in line with agreements under the Millennium Development Goals—to help the poorest countries of the world provide universal primary education, including free textbooks.

In the Middle East, the situation has remained unchanged for generations, with countries such as Jordan, Egypt, and Palestine providing textbooks free of charge; whereas in countries that traditionally have heritage ties with the francophone world (such as Tunisia, Algeria, and Lebanon), all textbooks must be purchased by parents.

Morocco is therefore not only unique among the Arab countries in its adoption of a multiple-textbook policy, it has also—with the *Un Million de Cartables* initiative—taken a different path with regard to the purchase of textbooks.

In East and Southeast Asia, where many countries have seen average incomes increase considerably over the past 20 years, textbooks are provided free of charge to students in a number of countries. Malaysia in 2008 introduced a textbook loan scheme that

¹ The World Bank’s SABER database (Systems Approach for Better Education Results) contains several studies on school financing systems and their components, e.g.: <https://openknowledge.worldbank.org/bitstream/handle/10986/12560/687750ESW0P1190inance0Summary0Paper.pdf;sequence=1>

² For a good analysis of the place of textbooks and learning materials within government education budgets in the so-called “transition” economies of Armenia, Estonia, Georgia, Lithuania, Poland, and the Russian Federation, see Alonso, J.D. & Sánchez, A. eds. (2011). *Reforming education finance in transition countries*. Geneva: World Bank.

³ For an example of the regulatory framework of a typical high-income country, regarding parental contributions, see the following document from New Zealand: <http://www.education.govt.nz/ministry-of-education/publications/education-circulars/2013-circulars/circular-2013-06-payments-by-parents-of-students/>

provides textbooks free of charge to all students.⁴ China, having introduced free textbooks for rural communities in 2007–2008, will introduce free textbooks for all students in basic education (grades 1–9) by 2017.⁵ However, there is still a strong tradition of parental purchase in some countries of the region. In Singapore families buy textbooks from the market, although private sector organizations and nongovernmental organizations contribute free textbooks for low income families.⁶ In Hong Kong and Vietnam, the majority of parents buy their own textbooks.⁷

In almost all countries of western Europe (the UK, France, Netherlands, the Scandinavian countries, Malta, and Greece⁸) and in most of North America, textbooks are free of charge to all students in most basic education grades of government schools. However, there are variations, for example:

- In some states in Germany, parents pay for textbooks.⁹
- Some states of the US operate a textbook rental scheme.¹⁰
- In Ireland, parents buy their own children’s textbooks for all cycles.¹¹
- In Italy, textbooks are free of charge only in the primary cycle.¹²

⁴ Ministry of Education Malaysia. (2008). *The development of education: National report of Malaysia*. Report for the International Conference on Education, Geneva. Ministr of Education Malaysia. http://www.ibe.unesco.org/National_Reports/ICE_2008/malaysia_NR08.pdf

⁵ Zhao, X. (2015, November 21). All students to receive free textbooks. In *China Daily* online. Available at: http://www.chinadaily.com.cn/china/2015-11/21/content_22506575.htm

⁶ AsiaOne. (2011, December 11). Thousands of need students get free textbooks. In *AsiaOne* online. Available at: <http://news.asiaone.com/News/Latest+News/Edvantage/Story/A1Story20111211-315655.html>

⁷ Education Bureau, Government of Hong Kong Special Administration Region. (2016). *A parent’s guide to textbook matters*. Available at: <http://www.edb.gov.hk/en/curriculum-development/resource-support/textbook-info/parent-guide.html>

⁸ Psoras, D.M. (Lembessi, M. translator). (2006). *Primary education in Greece: A detailed report on the stages of primary education*. Available at: [tp://www.pedia.gr/edu/1/](http://www.pedia.gr/edu/1/)

⁹ “In Germany, the source of funding for schoolbooks varies from state to state. In some states, the authorities bear responsibility for all funding, while in others, the parents pay, and in still other states, the authorities and parents split the bill between them.” From Ronning, H., Slaattar, T., Torvund, O., Larsen, H., & Colbjornsen, T. (2012). *Books—At what price?* Report on policy instruments in the publishing industry in Europe. Norwegian Ministry of Culture and Ministry of Education and Research. Available at: <http://www.europeanbooksellers.eu/wp-content/uploads/2015/03/Books-at-which-Price.pdf>

¹⁰ These states interpret “free tuition” as expressed in the constitution, differently from the states that include textbooks as an essential element of free schooling. For an overview of the situation in Indiana, see: McInerny, C. (2014, September 24). *When it comes to free textbooks, Indiana is the exception*. StateImpact Indiana. Available at: <http://indianapublicmedia.org/stateimpact/2014/09/24/textbook-fees/>

¹¹ Pope, C. (2015, July 13). The high price of Ireland’s “free” education. In *The Irish Times* online. Available at: <http://www.irishtimes.com/news/consumer/the-high-price-of-ireland-s-free-education-1.2280416>

¹² See Just Landed. (2016). State schools in Italy. *Just Landed* travel guides online. Available at: <https://www.justlanded.com/english/Italy/Articles/Education/State-Schools-in-Italy> - “State education is free until the end of primary school, after which an enrolment tax (tasse d’iscrizione) of around €20 is payable at the beginning of each school year. However, pens, stationery and sports clothing must be provided by parents. Textbooks are free only until the end of primary school. Parents can expect to pay an average of around €200 per year for books for a child at lower secondary school and up to €400 for a child at upper secondary school, depending on the subjects studied.”

- In most regions of Spain, parents buy their own textbooks for all cycles,¹³ although in some regions rental schemes have been introduced.¹⁴ (A controversy over the legality of textbook fees has expanded to include UNICEF.¹⁵)
- In Portugal, parents buy their own children’s textbooks.
- In Poland, the country is moving towards free textbooks.¹⁶
- In other so-called “transition economies” of central and eastern Europe (such as Czech Republic¹⁷), parents buy the textbooks.

All of the above countries, whatever system they follow, ensure that the lowest-income families are provided with free textbooks, although of course the process of determining which families benefit varies from country to country.

All the countries in Europe and North America where textbooks are free of charge, without exception, operate a system in which the textbooks are of high specifications and are re-used for as many years as possible within the duration of the curriculum. In countries where parents pay for the textbooks, there is inevitably a lively market for re-selling the books second-hand.

Among the countries where parents pay for the textbooks, there is a subgroup of countries that have successfully established textbook rental schemes in which parents pay an annual fee for the use of a set of required textbooks. These countries can be found in different regions of the world. (See Section 3.1 below.) The textbooks, in this case, are re-used for several years, and the annual fee is therefore set at a percentage of the total cost. Governments may also contribute to the overall cost of these rental schemes.

¹³ Money Saver Spain. (2016, June 21). School textbooks. *Money Saver Spain* online forum. Available at: <http://moneysaverspain.com/school-textbooks/>

¹⁴The Local. (2013, August 28). Textbooks should be like desks: always free. *The Local es* online forum. Available at: <http://www.thelocal.es/20130828/spanish-mum-fights-for-school-text-book-recycling>

¹⁵ ThinkSpain. (2014, September 10). UNICEF and ombudsman warn school textbook costs are “illegal.” *ThinkSpain: Your English Spanish Website*. Available at: <http://www.thinkspain.com/news-spain/24848/unicef-and-ombudsman-warn-school-textbook-costs-are-illegal>

¹⁶ “In September 2014 a pupil in grade 1 of primary school received a free textbook for Polish, maths, natural science, and social education. The school also received a target subsidy for the purchase of exercise material and a foreign language textbook. In the following years the schools will receive funds to cover costs of textbooks and exercise materials for older pupils.

In 2015 free textbooks will be made available to all pupils of grade one, two and four in the primary school, and grade one in the lower secondary school (*gimnazjum*). In 2016 free textbooks are planned to be offered to pupils of grades one, two, three, four and five in the primary school, and grades one and two in the *gimnazjum*. It is planned that in 2017 all pupils of primary and lower secondary schools will receive textbooks free of charge.” From European Commission, Eurydice. (2016, June 1). *Teaching and learning in primary education: Poland*. European Commission, Eurydice online network on European educational systems. Available at:

https://webgate.ec.europa.eu/fpfis/mwikis/eurydice/index.php/Poland:Teaching_and_Learning_in_Primary_Education

¹⁷ See Right to Education. (2008). PI. US 25/94. Judgment: The constitutional court of the Czech Republic in the name of the Czech Republic. Right to Education Project: Promoting mobilization and legal accountability. Online database. Available at: <http://r2e.gn.apc.org/node/683>, which describes a landmark court judgment that states that, constitutionally, textbooks in the Czech Republic should not be free of charge.

1.2 Morocco's *Un Million de Cartables* initiative

The brief overview presented above provides the context for consideration of the royal *Un Million de Cartables* initiative that, starting in school year 2008–2009, has expanded to provide free textbooks (as well as other essential school equipment, including a school-bag and exercise books) to students in all primary schools throughout the country as well as to students in middle schools in rural areas. The initiative aims at improving enrollments (by reducing dropouts) and reducing disparities between families of varying incomes. Before the introduction of this initiative, parents bore the costs of textbooks and workbooks themselves, like in all other countries of the francophone Arab world. Parents in the target cycles and regions have an expectation that textbooks are provided free of charge.

Now that the initiative has completed eight years of operation, it has become established—to some extent—as the default mode of textbook provision for the target education cycles, even though some publishers report that they are not sure from year to year whether it will continue.

The initiative has had several positive impacts.

- It has reduced the cost of schooling for a large number of families, including many of the poorest in the country, which may in turn have led to reducing the rate of drop-out.
- It has served to firmly establish the principle of a public-private partnership between governmental and nongovernmental organizations, and has succeeded in showing that it is able to mobilize a large amount of financial support each year.
- It has mobilized schools and provincial administrations to place orders for textbooks from local suppliers, thereby requiring new administrative skills.
- It has developed the capacity of the textbook suppliers (booksellers).
- It is hoped also that schools (and families) have learned the importance of re-using textbooks.¹⁸

On the other hand, the initiative also constitutes what is possibly the main challenge to an improved and sustainable long-term textbook policy. Since expanding its coverage (from focusing on students in low income areas in 2008–2009 to targeting all students in public primary schools as well as students in rural middle schools, the initiative has struggled to meet its financial obligations in a timely way. Huge payment delays are affecting credit arrangements in the book sector, and the delays are having the following serious effects:

- They put suppliers at great financial risk

¹⁸ The *fiche technique* of the initiative states that its impacts have been (translation from the French by the author):

- Making local MoE actors—school principals—responsible by means of their own management of the initiative (purchase and distribution of backpacks)
- Reactivating school management councils
- Contributing to local economic development by supporting local booksellers and libraries though market-led supply of schools with backpacks, books, and stationery items

- They put school principals themselves at risk, due to legal arrangements between the “*annajah*”¹⁹ and the booksellers.

The expansion of the initiative from year 1 (2008–2009) to year 2 (2009–2010), while simplifying to some extent the targeting of recipients,²⁰ also increased the overall cost of the program (and the need to find willing contributors) several-fold. The initiative now requires the central management to seek funds of over MAD350 million per year (including the cost of non-textbook items). The increased sum required may have contributed to the growing delays in obtaining the funds. The expected further increases in this required sum, when the textbooks for the upcoming new curriculum are published at higher prices than the current textbooks, will place even more strain on the *Un Million de Cartables* system.

It appears that delays in payments to suppliers have increased each year for the past two to three years, although the specific reasons for this development are unclear. The late payment situation has deteriorated to the point that in the 2015–2016 school year, suppliers have resorted to public protests and the threat of legal action in order to try to unblock the payment cycle. Some suppliers are clearly at commercial risk due to the lack of cash flow. In terms of the bookselling sector, there has been a considerable impact on established booksellers who have been an important part of Morocco’s successful book distribution network, with the appearance of a number of “briefcase booksellers.”

The long credit cycle is in many ways built into the annual cycle of the initiative, which is in fact a two-year cycle. Each year, the financial supporters of the initiative are asked to make contributions based on the value of actual invoices for materials delivered to the schools before the start of that school year. This practice is evidently due to a perceived need to:

- reflect accurately the expected enrolment figures for the following school year.²¹
- solicit contributions based on the total value of the actual invoices

Specifically, the schedule of the initiative is as follows in [Table 1](#).²²

Table 1. Financing schedule of *Un Million de Cartables* initiative

Financial Year 1	
January–March	Headquarters conducts preliminary assessment of potential financial support
June–July	Schools take stock of returned books and make new textbook orders

¹⁹ The *annajah* are school-based associations made up of parents and school administrators. Textbook purchase orders and contracts are between the *annajah* and the booksellers (see [Annex C-1](#)). School principals hold legal representation of the *annajah* and are therefore personally liable for unpaid invoices.

²⁰ The initiative started by covering only public primary school students in *Initiative Nationale du Développement Humain* zones, but in 2009–2010 was expanded to reach all public primary students and all middle school students attending public middle schools in rural areas of the country.

²¹ Enrollments may fluctuate for various reasons. More study would be required to know the degree of fluctuation in each region.

²² This schedule is taken from the initiative’s own Arabic language calendar (provided in translation as [Annex C-1](#)).

August	Booksellers deliver textbooks and other equipment provided by the initiative
October	Schools/provinces send their invoices to headquarters of the initiative
October–December	Headquarters calls on supporters to pay actual contributions to back up their initial commitments
Financial Year 2	
January–December	Headquarters processes the contributions from the supporters, and remits the sums to the provinces. Provinces pay the suppliers

The official cycle therefore takes a full two years. The senior managers of the initiative, and possibly the financial contributors also, view the whole of the second financial year of the cycle as the period during which contributors may contribute. Following the end of the second financial year, the initiative begins a new cycle of fundraising.

In fact, in many cases, payments are often not even completed during the second financial year. Some invoices are paid only in the following (third) financial year. In a small number of cases, payments may be delayed into a fourth year.

It is apparent that linking contributors' payments to the payment of actual invoices is a major factor in the serious delays to suppliers' payments. A related factor is that contributors may pay their actual contribution at any time during the following year. The management of the initiative is able to apply only very limited pressure on the contributors, who are, after all, paying voluntarily.²³

The structuring of the initiative around the financial year, rather than the school year, is understandable, because the operation entails major financial commitments by its supporters and is monitored and audited at several levels in the same way as other government budgets.²⁴ This is in spite of the fact that the initiative is self-financing, based on the contributions from supporters, and its operations at regional and especially provincial levels are carried out as additional tasks by existing education administrators and therefore incur no extra cost. The initiative entails no financial cost to the Ministry of Education (MoE) at any level. However, the financing of the initiative, both in terms of establishing a reasonable but less time-dependent basis for contributions and with regard to terms of payment, can and must be made clearer and simpler if the initiative is to continue in the medium to long term.

The initiative—and the textbook-financing system in general—also must be able to deal with the challenge of prices that will rise significantly when new textbooks are approved for the new curriculum. The MoE therefore now needs to consider whether it will

²³ As M. Frirah, the director of the *Un Million de Cartables* initiative, put it in our conversation with him, “*Chaque fois que les fonds arrive, on paie.*” (“Each time the funds arrive, we pay.”)

²⁴ According to the *fiche technique* of the initiative, it is audited as follows:

- Operation audited by IGF
- Some delegations audited by IGAA
- Audit by external firms
- Some AREFs have created control commissions
- Monitoring of expenditures by school and at national level

- revert to the system that was in place before 2008, when most parents purchased their own textbooks;
- or attempt to maintain a system of free textbooks for specified cycles, based either on voluntary contributions by institutional supporters or on a new MoE budget line dedicated to textbook provision;
- or explore a system of textbook rental, perhaps within the framework of cost-sharing and targeted support for the poorest families.

1.3 Summary of critical dimensions of textbook cost and financing

The above discussion of international trends and Morocco's *Un Million de Cartables* initiative together illustrates the importance of three critical dimensions for optimizing the cost-effectiveness of a national textbook system. These are:

- Estimating realistic and reasonable costs of textbook provision overall
- Establishing adequate, timely, and sustainable financing to cover these costs
- Ensuring equitable access to textbooks by all students, regardless of their ability to pay

The remainder of this paper will discuss each dimension in further detail, as well as the interrelatedness of these dimensions, and will offer recommendations.

2 RECOMMENDATIONS FOR ESTIMATING REALISTIC AND REASONABLE COSTS OF TEXTBOOK PROVISION OVERALL

Whether or not Morocco is able to continue with a mixed system in which some students receive free textbooks while others buy their own textbooks, the MoE must be able to control and monitor the total cost of the system. Part of the process of controlling costs is to control the published prices.

Morocco is unusual in fixing prices for textbooks. This is an achievement that should be retained in any future system. The only other country that we know of where the government sets the price for commercially published approved textbooks is Italy.²⁵

It has been to the MoE's advantage that textbook prices have not risen at all since they were originally agreed upon as early as 2002. These prices, by international standards, are now very reasonable. Typical free market international textbook prices are in the range of US\$10–25.²⁶ The MoE will have to establish good prices once again for the new curriculum textbooks.

However, the overall cost of the system is not simply a reflection of the published price of the textbooks. Other significant factors include the following:

²⁵ The Italian law on the prices of primary school textbooks is available at: http://www.istruzione.it/allegati/2015/DM637_15_prezzi%20primaria.pdf

²⁶ This range is based on the authors' own experience. Prices vary greatly from lower primary to upper secondary, because of extents and print-runs.

- The life of the textbooks: the longer the book lasts, the lower its annual cost to the system. The textbook life in most government schools in Morocco appears to be shorter than would normally be expected.
- The number of textbooks that are required per grade
- The balance between the number of re-usable textbooks (which are not for writing in) and the number of consumable books (which are for writing in and are therefore used once only, i.e., workbooks.). There are a large number of workbooks in the current teaching and learning material profile, which add significantly to the overall cost.

Cost projection models can be useful decision tools, providing a means of estimating the relative effect of adjusting each of these variables. This kind of instrument would normally be one among many such instruments for calculating the costs of other parts of the system, such as salaries and budgets for the maintenance of buildings and equipment.

2.1 Recommendation C-1: Engage in dialogue with all actors in order to reach agreement on published prices

The MoE will use a mechanism to establish prices for the new textbooks, in the same way that it did for the current textbooks. Such a mechanism might be based on a factor of the expected manufacturing (printing) cost. For example, a typical factor might be that published price is approximately five times the manufacturing cost.²⁷ The ratio of manufacturing cost to published price for the current textbooks in Morocco is probably much less (possibly a multiple of two to three, rather than five), since the publishers have long ago covered the development costs.

While the MoE can—in principle—seek to impose a cost structure on suppliers, including the level of royalty to be paid to authors and the percentage of commission to be paid to the bookseller, it is generally advisable for the MoE in any country to focus on the final published price and allow the book sector to determine the most efficient way of developing and supplying the materials.

2.2 Recommendation C-2: Consider using a call for proposals to reduce published prices

As noted in the main report, the MoE may consider setting a maximum price (as well as a maximum number of pages, or extent) for the textbook for each grade, and invite publishers to submit at a price within this maximum. This would also provide a basis for a possible future freeing-up of prices. Any possible risk in terms of the final textbook selection (whether at provincial or school level) being over-influenced by price rather than content would be mitigated by the possibility that the MoE would allow the lower prices to rise in subsequent years so that all prices were equalized.

²⁷ This might seem a large factor to some observers, but it should be noted that this includes distribution costs of around 25 percent and royalties of around 10 percent, as well as the “origination” or “fixed” costs including illustrations. Tony Read says, “On a ‘rule of thumb’ basis the manufacturing cost (including raw materials) is usually considered to represent between 15 and 20 percent of the retail price of a textbook or the full cost of delivering direct to schools.” In Read, T. (2015). *Where have all the textbooks gone?* Geneva: World Bank, p. 7, available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/22123/9781464805721.pdf?sequence=1>

2.3 Recommendation C-3: Increase expected textbook life

The main section of this report includes recommendations regarding improving the printing specifications for covers and binding quality of the textbooks in order to increase their shelf life. The recommendations also propose an information campaign for raising awareness of the importance of caring for textbooks. Schools may also need advice on how to ensure equity each year between children who receive a new textbook and those who receive a used textbook. One possible way is to redistribute the textbooks randomly each term, which—by ensuring that the school collects the loaned textbooks at the end of each term—also allows the school to keep a closer eye on the condition of the books.

According to Tony Read, the main requirements for achieving good usage and conservation of teaching and learning materials (TLM) in schools are as follows:²⁸

- Good school and classroom storage
- Simple but effective TLM management, record-keeping, and conservation systems in schools
- Training in TLM usage
- Training in TLM management
- Regular and informed inspection and supervision

Increasing textbook life will of course reduce the overall cost of the system. The current format of the *Un Million de Cartables* initiative anticipates replacing 30 percent of the stock each year. While this level of replacement does not in fact correspond to the reality in many schools, increased book life must be a priority. A well-manufactured textbook should last for 3–5 years, with good care. This is one of the variables to be entered into a costing instrument.

In order to also ensure that the content of the textbooks is valid for the expected period of book life, the MoE will need to keep to a minimum any corrections it requires publishers to make to the approved textbooks. When a textbook is corrected, the copies already in circulation become obsolete, or the teacher has to ensure that all students are aware of the passages in their textbooks that have been changed.

2.4 Recommendation C-4: Consider replacing some workbooks with textbooks

Recommendation 2.1.1 of the main report proposes replacing the current workbooks with textbooks. It also recommends cancelling the current Art workbook completely.

These measures will have a considerable impact on the overall cost of textbook provision, without any loss to the educational outcomes. In fact, textbooks can support a more student-centered approach than can workbooks alone, since textbooks can be used to offer more open-ended, rather than narrowly focused, opportunities for learning.

2.5 Recommendation C-5: Use a costing instrument or projection model to make realistic estimations based on adjusting variables

A basic costing instrument is illustrated in [Annex C-2](#).

Illustrative scenarios analyzed using the instrument, based on current textbook prices, show the following potential overall savings for the primary grades:

²⁸ Read, 2015, p. 11.

- Replacing all (single-use) workbooks with reusable textbooks and canceling the Art workbook would provide average cost savings of 36 percent per student.
- Replacing all (single-use) workbooks with reusable textbooks, removing the Art workbook, and improving the life of all textbooks by one year, from the current two-year life span to three years, would provide average cost savings of 52 percent.
- Doing all of the above for grades 2 through 6, and providing single-use textbooks (or workbooks) to grade 1 students (requiring annual replenishment of all grade 1 books, would still provide average cost savings of 37 percent relative to current costs.

A more comprehensive Excel-based textbook cost projection model, accompanied by a brief user's guide, has been developed as part of this study, and is available under separate cover (in French language only) upon request.²⁹ This model permits the estimation of unit- and system-level costs of textbook provision based on a broad range of user-defined options, including not only those discussed here, but also the proportions of students provided textbooks free and at reduced cost through subsidized prices or a rental scheme.

3 RECOMMENDATIONS FOR ESTABLISHING ADEQUATE, TIMELY, AND SUSTAINABLE FINANCING OF TEXTBOOK PROVISION COSTS

While the MoE has been successful in providing adequate and timely quantities of textbooks to all students through a combination of free textbooks and textbooks purchased by parents, this achievement will be at risk when the new curriculum is introduced. Individual textbooks, with slightly improved specifications (see Section 3.3 of the main report), are likely to cost significantly more than the current textbooks. Furthermore, there is an imperative to address the current delays in payments to suppliers, which is putting Morocco's well developed textbook distribution sector at risk in some parts of the country.

Even if cost savings are found by implementing the recommendations in Section 2 above, it will be difficult for the MoE to solicit the extra funds extra funds required from supporters under the *Un Million de Cartables* initiative. It is perhaps time for the MoE to look at other options for financing textbook supply.³⁰

One option of course would be for the MoE to provide funds from its own budget.³¹ This would place Morocco within a family of countries that include the emerging economies of East and Southeast Asia and those of northern Europe. If the MoE were to provide free

²⁹ "Modèle de projection des coûts des manuels scolaires" and "Guide d'orientation à l'utilisation du modèle de projection des coûts des manuels scolaires," RTI International, 2016.

³⁰ While the *Un Million de Cartables* initiative also supplies backpacks and stationery, this report is focusing on textbooks only. Non-textbook stationery items can easily, if needed, be combined with an alternative system of textbook supply.

³¹ There is currently no MoE budget line for textbooks (apart from under the line *mawaarid didaktiya*, or "didactic materials").

textbooks for all students in basic education, there would be no necessary reason to sustain the *Un Million de Cartables* initiative.

Alternatively, the MoE could add its own funds to a continued *Un Million de Cartables* system, as long as the payment schedules of the initiative were improved (see Section 1.2). Government may wish to continue to benefit from the willingness of donors to contribute to this significant royal education initiative as an example of public-private partnership.

A third option would be to revert to the system that was in place before the *Un Million de Cartables* initiative was introduced, when all parents (apart from families of very low incomes) bought their own textbooks. It might be difficult, of course, to persuade parents of the rationale for this, especially after almost a decade of free textbooks. Most families have by now enjoyed the benefits of this initiative. Therefore, there could be resistance from a large sector of the community.

A fourth option is to consider a cost-sharing scenario. As noted in Section 1.1 above, textbook rental schemes have been successfully established in several countries around the world where government has sought to alleviate the financial burden on parents. There are good reasons to consider introducing a textbook rental scheme in Morocco. [Annex C-3](#) of this appendix provides additional information and resources on textbook rental schemes.

The more promising options presented here are developed into recommendations below.

3.1 Recommendation C-6: Transform the *Un Million de Cartables* fund into a continuous funding mechanism

As we have seen, uncertain annual contribution levels, late arrival of contributions, and resulting late payments to publishers constitute a key challenge for the sustainability of the *Un Million de Cartables* program. To stabilize the fund and improve the timeliness of payments, discussions with contributors should be held to establish the principle of making contributions based on an annual *estimate* of needs, rather than on actual invoiced amounts. Any remaining funds contributed would be used for the following year, while any shortfall would be covered via a grant or loan from a high profile contributor or by the government. In this way, the *Un Million de Cartables* fund would become continuous. As soon as a given year's needs are known (through schools' and provinces' October invoices), distributions from the Fund could be made as needed back to the provinces (and schools), in a fully transparent way. Meanwhile, contributors could make their contributions to the general fund whenever they are able. As long as there is adequate initial seed funding and the fund is regularly replenished, the payment of invoices and the collection of funds would become two separate, administratively independent operations. In this way, schools could receive well-supported budgets, in good time, on which to base their textbook orders.

3.2 Recommendation C-7: Consider introducing a textbook rental scheme

According to UK academic publisher Frances Pinter, who edited a detailed published survey of textbook rental schemes,

Textbook rental schemes are simple in concept. An initial pool of money is made available to produce enough books to cover the needs of a defined number of pupils in any given number of subjects. These books are held by the schools and rented out to the parents of the children concerned. The books are returned at the

end of the year and rented out again the next year. This process continues for an average of four years by which time the rental charges levied should be more than the original cost of the book and enough to purchase a replacement book... In this way a 'revolving fund' is established. In theory no more funds need to be introduced from the outside and the project becomes 'self-sustaining.'³²

A system of textbook rental in Morocco would be a viable way to address the expected increase in textbook costs once the new curriculum is introduced as well as the risks to the book sector that are currently being caused by delayed payments under the *Un Million de Cartables* initiative. Such a scheme would not be unfamiliar to parents, who are already used to these aspects:

- A system of parental contributions dating back to the era before the *Un Million de Cartables* initiative
- A system of re-using textbooks, which is an essential element of a rental system³³

The rental scheme would be centrally managed, possibly building on the infrastructure already in place for the *Un Million de Cartables* initiative. A fee, to be paid by most families, would be fixed each year, which would be re-set whenever the textbook prices rise. Schools would establish a rental bank account, which would be linked to a central rental scheme account. Students would receive their books on payment of their textbook rental fees, at the start of the school year. Students and their families would be motivated to take more care of books that they have contribute to paying for, and textbook life would therefore probably increase.

A textbook rental scheme would enable the MoE to continue to benefit from the willingness of other government and nongovernment agencies to contribute to reducing school dropout rates and improving learning, but it will also re-introduce the principle of parental cost-sharing that existed before the *Un Million de Cartables* initiative was launched.

The funds for the revolving fund of the rental scheme would come partly from the rental fee paid by the family of each student, and partly by contributions from supporters who currently contribute to the *Un Million de Cartables*. The central fund would be held in an interest-bearing account.

The sequence of actions for implementing such a rental scheme might be as follows:

- Establish the appropriate rental fee for each grade using a costing instrument, and based on estimated prices of the new textbooks.
- Agree on a mechanism for determining the number of children from very low income families, and the funds that would be needed to pay their fees.
- Establish a central bank account for the revolving fund, with links to school bank accounts.

³² Pinter, F. (ed.). (2001). *Textbook rental schemes*. Open Society Institute, Center for Publishing Development. Available at: <https://view.officeapps.live.com/op/view.aspx?src=http%3A%2F%2Fwww.npage.org%2Fresources%2Frental.doc>

³³ For parents in the former Soviet Union the scheme felt familiar because the former system (pre-1989) was also based on textbooks that the student returned at the end of the year.

- Create a pool of funds to purchase the initial orders of textbooks. The funds might be obtained through contributions from supporters of the *Un Million de Cartables* initiative, or be paid from the MoE's own budget. An adequate starting fund is a vital feature of all successfully launched textbook revolving funds.
- Provide information about the scheme as well as training to all parties, including provincial administrators and school principals.
- Design a promotional strategy for all stakeholders, including the current contributors to the *Un Million de Cartables*, local education officers, schools, parents, and the educational book sector (see Recommendation C-8 below.)

The MoE will benefit from having specialist advice from countries with good experience on how to set up the banking arrangements. The MoE might also consider making a study tour to observe Armenia's highly successful textbook rental scheme.

Rental fees charged to parents would typically be set as a percentage of the textbook price. A 35 percent annual fee, for example, would enable the system to fully recuperate the cost of purchasing books that can be rented, if those books are produced to last and do actually last three years. By implementing some of the cost-saving measures discussed in Section 2 of this appendix, rental fees could thereby also be reduced to more reasonable levels for families. A costing instrument, such as the textbook cost projection model developed as part of this study and available upon request, can be used to examine what rental fee levels would look like under different costing scenarios.

3.3 Recommendation C-8: Develop and implement a solid strategy to communicate and promote textbook funding changes and cost-sharing schemes with contributors, parents, and the general public

MoE will need to design an appropriate publicity campaign to explain the rationale for implementing any of the recommendations proposed here.

- Explain the context for the changes, including the introduction of the new curriculum.
- Re-state the original rationale for the *Un Million de Cartables program*, targeting lower income students.
- Present stakeholders with the overall picture, including its impact on students in all cycles. (Middle and senior secondary students will benefit, too.)
- Set the changes in the context of international practices, and explain Morocco's trajectory within this context.

Parents will need to be persuaded of the benefits of a rental scheme. The short-term incentive will include improved textbooks, of course, but it will probably also need more immediately measurable benefits. Introducing a rental fee for students in schools that are *not* currently receiving free textbooks (i.e., urban colleges and all *lycées*) may compensate—in parents' minds—for losing free textbooks in primary schools and rural colleges. Parents will need to appreciate that the introduction of a rental fee for secondary school textbooks, which are always much more expensive than primary school textbooks, will reduce the costs of secondary education significantly.

The MoE could also ease the public into the program by starting with a lower annual fee, supported by the initial pool of funds contributed by financial supporters. The textbook

fee would, however, need to rise gradually to the appropriate level for adequate recuperation of costs within an agreed upon period of time.

4 ENSURING EQUITABLE ACCESS TO TEXTBOOKS WITHIN AN AFFORDABLE SYSTEM

The above discussions have shown that the overall cost to government can be reduced in several ways, by reducing the costs of the teaching and learning materials profile, as well as by extending book life, and possibly by a system of cost-sharing using a rental scheme model.

In any system in which parents are contributing to the costs of textbooks, government will wish to use mechanisms both to provide incentives for schooling as well as to alleviate the financial burden on the lowest-income families. Low-income families would continue to receive free textbooks, based on the current *tayssir* system or on an improved system of targeting actual needs. All children in Grade 1 and could continue to receive free textbooks, to provide a good foundation and motivation for schooling.

Therefore the funds currently being generated by *Un Million de Cartables*, if they continue to be collected at the current level, could be targeted at the following:

- Providing free textbooks for all pupils in grades 1 and 2
- Providing free textbooks for lowest-income families in grades 3–9, whether in rural or urban areas.

5 CONCLUSIONS

The MoE requires a solution to the challenge of the expected large increases in prices of all textbooks once new content is commissioned to reflect the curricular reform planned for 2018. It also requires a solution to the financial delays being caused by the current ordering and payment procedures of the *Un Million de Cartables* initiative. It is unlikely that the initiative, even with improved scheduling of payments, will be able to cover the increased costs because of the difficulty of persuading financial supporters to increase their contributions sufficiently. Because textbook prices have been held at the same level for 14 years, despite increases in costs in labor and raw materials, and because new textbooks will require substantial new investment by publishers, the prices of the new textbooks to support the planned new curriculum will probably rise significantly. Therefore the status quo is not an option.

Reducing the cost of the teaching and learning materials profile, improving textbook life, establishing a more predictable and reliable funding basis for textbooks, and implementing a cost-sharing system by means of a textbook rental scheme could enable the MoE to continue to maintain the desired student:book ratio on a sustainable basis, while providing support for low income families.

The countries that implemented textbook rental schemes in the 1990s–2000s did not have the benefit of being able to study the long experience of other countries. Morocco's MoE, by contrast, is in the fortunate position of being able to learn from their experiences in order to implement such a scheme successfully. It would at the same time be a pioneer in the Arab world.

ANNEX C-1: Schedule of *Un Million de Cartables*

Translated from Arabic. Translation from the author.

The royal *Un Million de Cartables* initiative takes place according to the schedule of the school year and the requirements of the schools, as follows:

Table C-1a: At the central level

(Timetable depends on the timetables of supporters/funders)

	Action	from	to	Expected outcome
1	MoE issues basic guidelines	Start of Jan	End March	Memos
2	Set the budget for the year	Start of Jan	End March	Budget
3	Convene the participants and supporters involved in implementing and financing the initiative	Start of Jan	End Dec	Partnership agreement
4	Establish, keep up with and follow up all aspects of the process	Start of March	End Oct	Reports
5	Fix the budget	Start of Oct	End Oct	Actual cost of initiative
6	Transfer part of the budget to the AMAS ³⁴	Mid Oct	End of Oct	Confirmation of transfer
7	Set the performance criteria	Start of Nov	Mid Nov	Statement for all AREFs
8	Transfer remainder of budget to AMAS	Mid Nov	End Nov	Confirmation of transfer
9	Finalise accounts for end of cycle	Start of Dec	End Dec	Accounts finalized
10	National end of year report	Start of Jan	End March	National report

Table C-1b: At the regional level (Royal Academy for Education and Training [AREF])

(Timetable depends on the timetables of contributors/funders)

	Action	from	to	expected outcome
1	Estimate the number of beneficiaries by grade	Start of January	End of March	Table of beneficiaries
2	Estimate the annual budget	Start of January	End of March	Annual budget for each AREF
3	Frame, keep up with and follow up all scheduled operations	Start of March	End of October	Reports
4	Convene participants and partners in implementing and financing the initiative	Start of January	End of Dec	Partnership agreements

³⁴ Association Marocaine d'Appui à la Scolarisation

	Action	from	to	expected outcome
5	Fix the budget	Start of October	Mid-October	Actual cost of initiative for each AREF
6	Partial transfer of credits to the AMAS representatives	Mid October	End of October	Credits transferred
7	Set the performance criteria	Start of November	Mid November	Performance criteria set
8	Transfer of final credits to regional AMAS representatives	Mid November	End of November	Final credits transferred
9	Accounts finalized for end of cycle	Start of December	End of December	Accounts finalized at each AREF
10	Report completed by each AREF	Start of January	End of March	Regional reports completed

Table C-1c: At the delegation (provincial) level
(Timetable depends on the timetables of supporters/funders)

	Action	from	to	expected outcome
1	Estimate the number of beneficiaries by grade	Start of January	End of March	Table of beneficiaries
2	Estimate the annual budget	Start of January	End of March	Annual budget for each AREF
3	Frame, keep up with and follow up all scheduled operations	Start of March	End of October	Reports
4	Convene participants and partners in implementing and financing the initiative	Start of January	End of Dec	Partnership agreements
5	Record the number of re-usable returned textbooks by grade	Start of July	Mid-July	Stock take of textbooks
6	Finalise contracts with supporters	Before September		Contracts with supporters
7	Fix the budget	Mid September	End of September	Budget set for each AREF
8	Transfer of part of credits to school <i>annajah</i> associations and Payment of booksellers	Mid October	End of October	Partial credits transferred for each delegation (province)
9	Fix the budget and accounts	Start of November	End of November	Budget fixed for each delegation (province)
10	Transfer of final credits to school <i>annajah</i> associations and payment of book sellers	Mid November	End of November	Credits transferred
11	Fix the final budget and accounts	Start of December	End of December	Final budget and accounts for each delegation (province)
12	Write provincial report	Start of January	End of March	Provincial report

Table C-1d: At the communal level

	Action	from	to	expected outcome
1	Return of re-usable textbooks and calculate textbooks required	Start of July	Mid July	Stock take of re-usable textbooks
2	Calculate enrolments and numbers of textbooks and exercise books needed from suppliers	Mid July	Start September	Book orders to suppliers
3	Delivery of textbooks and exercise books by suppliers	Start of September		Textbooks, exercise books, equipment
4	Distribute materials to students	First day of school		Materials distributed
5	Fix budget according to receipted costs	Mid October	Mid October	Budget fixed
6	Determine the situation of payments, supported by the paperwork justifying the expenses.	Mid October	Mid November	Final costs
7	Convene participants and supporters	Start of November	End December	Agreements between the head of each Association NAJAH (ie the director) and the bookseller, and the between the Association NAJAH (the director) and the delegation

ANNEX C-2: Illustrative Scenarios of Cost Savings

The table of illustrative cost savings scenarios shows the annual cost of a set of textbooks and workbooks by grade at primary level and provides simulations of possible savings to be achieved by the application of certain cost reduction strategies.

In this table, the estimated annual total cost per pupil is calculated on the basis of information provided by subject area and grade level, an estimate of the selling price of each book, and the annual replacement rate needed to replenish the stock of books (workbooks being disposable, replaced 100% every year). The “current situation” shows the estimated current cost per primary school student of the *Un Million de Cartables* program (exclusive of non-book elements provided). Three illustrative option profiles A, B, and C present variations on the “package” of textbooks and workbooks provided to each student and the potential savings of each option relative to the current situation.

ILLUSTRATION OF POSSIBLE SAVINGS IN THE COST OF A SET OF SCHOOLBOOKS PER PRIMARY SCHOOL STUDENT

Primary grade level	Arabic	Amazigh	French		Religious Education		Social studies	Mathematics		Sciences		Art	Annual textbook replacement rate needed	Total annual cost of one set of textbooks, taking replacement rate into account	Total cost of one set of workbooks (single use)	Overall annual cost per student	Illustrative cost relative to the current situation		Possible savings	
	Textbook	Textbook	Workbook	Textbook	Workbook	Textbook	Textbook	Workbook	Textbook	Workbook	Textbook	Workbook					By grade level	On average	By grade level	On average
CURRENT SITUATION - Textbooks and notebooks as provided through <i>Un million de cartables</i>, with estimated "true" replacement rate needed (45%)																				
Grade 1	15.15	22.00						10.60		7.45		8.70	45%	16.72	26.75	43.47				
Grade 2	17.80	9.50	9.60		11.00			13.45		9.60		10.40	45%	12.29	54.05	66.34				
Grade 3	23.05	16.90		19.95		9.60		14.00		11.05		10.15	45%	31.28	35.20	66.48				
Grade 4	23.50	18.50		21.00		11.00	11.75	12.60		10.55		10.40	45%	38.59	33.55	72.14				
Grade 5	24.70	18.30		21.50		9.60	16.80	15.10		11.05		15.15	45%	40.91	41.30	82.21				
Grade 6	25.20	16.00		21.80		11.50	18.50		14.30		10.60	16.00	45%	53.06	16.00	69.06				
ILLUSTRATIVE PROFILE A - Workbooks replaced by multi-use textbooks; Art workbooks eliminated																				
Grade 1	15.15	22.00						14.00		11.05			45%	27.99	0.00	27.99	64%	64%	36%	36%
Grade 2	17.80	9.50		9.60		9.60		14.00		11.05			45%	32.20	0.00	32.20	49%		51%	
Grade 3	23.05	16.90		19.95		9.60		14.00		11.05			45%	42.55	0.00	42.55	64%		36%	
Grade 4	23.50	18.50		21.00		11.00	11.75	12.60		10.55			45%	49.01	0.00	49.01	68%		32%	
Grade 5	24.70	18.30		21.50		9.60	16.80	15.10		11.05			45%	52.67	0.00	52.67	64%		36%	
Grade 6	25.20	16.00		21.80		11.50	18.50		14.30		10.60		45%	53.06	0.00	53.06	77%		23%	
ILLUSTRATIVE PROFILE B - Workbooks replaced by multi-use textbooks; Art workbooks eliminated; AND binding quality improved to increase book life (replacement rate reduced to 33% per year)																				
Grade 1	15.15	22.00						14.00		11.05			33%	20.71	0.00	20.71	48%	48%	52%	52%
Grade 2	17.80	9.50		9.60		9.60		14.00		11.05			33%	23.83	0.00	23.83	36%		64%	
Grade 3	23.05	16.90		19.95		9.60		14.00		11.05			33%	31.49	0.00	31.49	47%		53%	
Grade 4	23.50	18.50		21.00		11.00	11.75	12.60		10.55			33%	36.26	0.00	36.26	50%		50%	
Grade 5	24.70	18.30		21.50		9.60	16.80	15.10		11.05			33%	38.98	0.00	38.98	47%		53%	
Grade 6	25.20	16.00		21.80		11.50	18.50		14.30		10.60		33%	39.26	0.00	39.26	57%		43%	
ILLUSTRATIVE PROFILE C - Same as Profile B but with Grade 1 textbooks distributed for single use (replacement rate increased to 100% annually)																				
Grade 1	15.15	22.00						14.00		11.05			100%	62.20	0.00	62.20	143%	63%	-43%	37%
Grade 2	17.80	9.50		9.60		9.60		14.00		11.05			33%	23.83	0.00	23.83	36%		64%	
Grade 3	23.05	16.90		19.95		9.60		14.00		11.05			33%	31.49	0.00	31.49	47%		53%	
Grade 4	23.50	18.50		21.00		11.00	11.75	12.60		10.55			33%	36.26	0.00	36.26	50%		50%	
Grade 5	24.70	18.30		21.50		9.60	16.80	15.10		11.05			33%	38.98	0.00	38.98	47%		53%	
Grade 6	25.20	16.00		21.80		11.50	18.50		14.30		10.60		33%	39.26	0.00	39.26	57%		43%	

ANNEX C-3: Additional Resources on Textbook Rental Schemes

Textbook rental schemes –in which parents contribute a rental fee– operate successfully in several countries where governments have sought to reduce costs through a cost-sharing mechanism, especially in the former Soviet Union, including Armenia, Georgia, Moldova,³⁵ Mongolia,³⁶ Tajikistan,³⁷ and Uzbekistan.

After more than a decade, most of the rental schemes that were established in the former Soviet Union countries are still in operation, and in some cases the funds have developed surpluses that have been re-invested in the school system. Armenia is a particularly successful example.³⁸

In Africa, too, textbook rental schemes have worked for long periods in Lesotho³⁹ and in secondary schools in Malawi. Many schools in Ireland also operate a government-supported textbook rental scheme, following guidelines issued by the Irish MoE.⁴⁰ Further information on the rationale and operation of textbook rental schemes, including brief descriptions of the Armenia and Uzbekistan schemes, is provided in the remainder of this annex.

³⁵ For Moldova, see World Bank. (2005). Implementation completion report on a loan and credit in the amount of US\$16.8 million to the Republic of Moldova for a general education project. World Bank. Available at:

http://www.erisee.org/downloads/library_moldova/General%20Education%20Project_Report_31309MD_Implementation_Completion_Report.pdf, p 5. This reports of Moldova that “[o]ne of the project’s major success stories is the Textbook Rental Fund which is highly valued by its beneficiaries.”

³⁶ For Mongolia, see Asian Development Bank (ADB). (2015). *Mongolia: Education Sector Reform Project*. ADB Validation Report. ADB Independent Evaluation Department. Available at: <http://www.adb.org/sites/default/files/evaluation-document/177170/files/pvr-429.pdf> (2015)

³⁷ For Tajikistan see UNICEF. (2013). Tajikistan: Basic Education. UNICEF Country Overviews. Available at: http://www.unicef.org/tajikistan/overview_27465.html. UNICEF reported in 2013 that “There are no reported significant gaps in textbook availability in the major languages and subjects, the result of prior donor support and financing generated by the textbooks rental scheme.”

³⁸ However, some textbook rental schemes have not been so successful. For example, mismanagement of funds led to the collapse of the scheme in Kyrgyzstan. See DeYoung, A., Reeves, M., & Valyayeva, G. (2006). *Surviving the transition: Case studies of schools and schooling in the Kyrgyz Republic since independence*. Information Age Publishing, online. p 101.

³⁹ In Lesotho, “the TRS/TRF ran successfully, providing textbooks for all students in all subjects at all levels, until 2005 when it was replaced by free primary textbook distribution funded by a World Bank project.” See Read, 2015, p 164.

⁴⁰ See Ireland Department of Education and Skills (DOES). (2012). *Guidelines for developing textbook rental schemes in schools*. Ireland DOES. Available at: <https://www.education.ie/en/Schools-Colleges/Information/Textbook-Rental-Schemes-in-Schools/Guidelines-for-Developing-Textbook-Rental-Schemes-in-Schools.pdf>

C-3.1 Introducing a Textbook Rental Scheme – Excerpt from DFID 2011 report

Textbook Rental Schemes*

Textbook rental schemes (TRS) operate when schools loan textbooks to students at the beginning of the school year for a fee and collect the books back at the end of the year for re use in subsequent years. A highly successful textbook rental scheme and revolving fund operated in Lesotho for primary school textbooks from the early 1980s through to 2005, when it was closed as a result of government policy decisions to shift to free primary textbooks.

Textbook rental fees are usually preferred to parental purchasing systems by a majority of parents and students because (a) the initial investment is much reduced; (b) there is greater equity in textbook access because parent purchase systems tend to result in textbooks for the rich and no textbooks for the poor, whereas textbook rental/loan schemes provide access to all students; and (c) the problems of poor textbook availability in rural and remote areas may be obviated if schools are responsible for procurement rather than parents.

A textbook revolving fund (TRF) is a funding mechanism in which the annual expenditure on book purchases from a dedicated fund is balanced by the annual income into the fund from rental fees or from government contributions or from a mixture of both. TRFs are generally restricted to expenditure on specified items of teaching and learning materials.

TRFs may be:

- National
- Regional/District based
- School based.

TRFs may be:

- Self financing via parental contributions, or,
- Government supported via:
 - % subventions
 - matching funds
 - support for the poorest.

Well-established and tested techniques exist to operate and manage even multiple, school-based TRF bank accounts. TRFs require good financial management in the annual review of rental fees, the maintenance of high levels of collection and the balancing of income against expenditure. Even in school-based TRFs there should be central decision taking on fee levels and supervision and checking of collection rates. In recent years there have been suggestions that textbook rental schemes and revolving funds are difficult to manage and operate. Certainly they require experienced and careful design and need plenty of training and supervision in the establishment period and regular financial monitoring thereafter. Common problems include unwillingness on the part of governments to approve annual rental fee increases to maintain purchasing power at an acceptable level, and a general decline in collection rates after the initial novelty has worn off. But Lesotho managed to maintain its primary textbook rental scheme and revolving fund for well over 20 years.

* UK Department for International Development (DFID). (2011). *Learning and teaching materials: Policy and practice for provision. DFID Guidance Note: A DFID practice paper*. London: DFID. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67621/lrng-tch-mats-pol-prac-prov.pdf

C-3.2: The Textbook Rental Scheme in Armenia

From Pasi Sahlberg's 2009 work, *The role of international organisations in fighting education corruption*.⁴¹

“Education Financing and Management Reform Project was launched in 1997 in Armenia. It had a component to design a new textbook procurement scheme that would solve an inability of the government to provide textbooks for all students. The main goals of that component were to improve and upgrade core textbooks and teachers' guides, enhance the quality of textbook production and reduce the purchase costs to parents, to provide core textbooks for every subject at every grade level to every student, and to establish a sustainable demand-driven system of financing school textbooks based on affordable parental contributions. The project accomplished full cost recovery of all textbooks within four years in order to purchase replacement copies as textbooks reach the end of their target life. This was done by establishing a national textbook rental scheme and creating a Textbook Revolving Fund Foundation (TRFF) to hold the rental fees collected by schools from parents in separate bank accounts under the direct control and supervision of each school. After the project was completed each individual school was able to use the funds which had accumulated in its account (including bank interest on deposits) to order new books through the TRFF, which would be consolidated for central procurement and delivery in order to take advantage of the cost benefits of bulk procurement. The selection of textbooks is done centrally by the Ministry of Education and Science with TRFF. Textbook pre-orders by schools is centralised. In other words, schools make a decision on how many copies of textbooks and teacher manual are needed based on the number of students and the funds that school has on its bank account. These orders are gathered by TRFF that then proceeds to competitive selection of textbooks. No cases of corruption or misuse of TRFF funds have been reported during the 11 years of existence of this system.”

⁴¹Sahlberg, P. (2009). *The role of international organisations in fighting education corruption*. Sense Publishers. Available at: <http://pasisahlberg.com/wp-content/uploads/2013/01/Role-of-int-organisation-in-anti-corruption-2009.pdf>

C-3.3: The Textbook Rental Scheme in Uzbekistan

After the end of the Soviet Union, textbooks in Uzbekistan were no longer free. For several years, parents struggled to pay the costs. In 2000, with the support from the Asian Development Bank, the government decided to implement a textbook rental scheme.

The government decided to pilot-test the scheme among 250,000 students in about 500 schools, including in poor areas. ADB provided the funding to print the pilot set of textbooks. The textbooks were supplied to schools, which collected rental fees and deposited them in interest-earning special accounts in local banks. The annual fees covered the cost of replacing the books after four years and were administered by school textbook committees.

The rental scheme proved so successful the government approved its gradual nationwide introduction in September 2002. The cost is typically 500 Uzbek sum (about US\$0.30) a year for each book. The government is providing free textbooks to all students in first grade and an estimated 15% of students in grades two through nine who cannot afford the fee.

The ADB's country assistance program evaluation (CAPE) for Uzbekistan reported of the TRS:

The CAPE assessed this project as highly effective and sustainable because it introduced a transparent and innovative textbook rental scheme (TRS), and arranged that the proceeds of textbook rentals be deposited in bank accounts controlled by the schools. Project reports had noted that these accounts were audited annually and the balances disclosed to the parents.

... heralded by the government and donors as the most successful intervention in support of education in Uzbekistan.' And 'The TRS ... was found to have a solid basis for sustainable provision of affordable textbooks to students in basic education, as reflected in the high collection of rental fees. While about 15% of students are unable to pay the rental fees, they are financed by the government from its budget, amounting to approximately 0.3% of its expenditure in the education sector, with no significant budgetary impact ... The project's achievements are rated as most likely sustainable.'⁴²

⁴²Asian Development Bank (ADB). (2010). Uzbekistan: Education. ADB Evaluation Study. ADB Independent Evaluation Department, pp 13, 27, 28. Available at: <http://www.oecd.org/countries/uzbekistan/47178666.pdf>,

C-3.4: Frequently Asked Questions about Textbook Rental Schemes

Adapted from Textbook Rental Schemes, edited by Frances Pinter, published by Open Society Institute, 2001.

1. The textbooks rental schemes (TRs) have all been financed by donor funding. Would such a scheme work with funds generated within the country?

Finally the question was raised whether it was conceivable that a state might wish to finance a textbook rental scheme through its own revenues and not through a loan from an outside agency. While it was generally thought this would be unlikely, no real obstacle could be identified. It was a question of whether the non-financial benefits (greater participation, higher regard for books, releasing funds for other good causes) would be considered worth the effort and allocation of funds required to implement such a scheme. ⁴³ (Frances Pinter)

2. Where are the funds held?

Funds in TRFs can be held centrally (in an NGO, in the case of Armenia) or at local education authority level, or in a school bank account.

3. Donors

'As well as the main "interest-earning account" there is also a "donation account" for the fund although unfortunately, up to now there have not been any donations. Still, it is now a priority to seek out donors who can give money to the fund to subsidise those who cannot pay the rental fees and also to administer the fund, because currently the fund does not have any money to cover administration costs and it is administered completely by the PMU and by the "Marz" employees from the regional education departments. With a work load that increases each year along with an increased number of titles, this issue urgently needs to be addressed.'
(Karine Harutyunan, MoE, Armenia)

4. Phasing in

'It was decided that the rental scheme would be applied at all 10 grades of basic education (8 of which are compulsory). 115 titles would be printed to cover the core compulsory curriculum. It was decided that while all 115 titles would be included in the rental scheme, they would be introduced gradually over 4 years with approximately 30-35 new titles printed each year' (Karine Harutyunan, MoE, Armenia)

5. Setting the fee

Keep it simple. Establish one fee for the full set of books for a given grade level and year, rather than a separate fee per book. This also has the advantage of not

⁴³ Pinter, F. (ed.). (2001). *Textbook rental schemes*. Open Society Institute, Center for Publishing Development. Available at: <https://view.officeapps.live.com/op/view.aspx?src=http%3A%2F%2Fwww.npage.org%2Fresources%2Frental.doc>

encouraging parents to prioritize 'core' subject textbooks over textbooks for other subjects.

6. Book life

It is expected that book life will increase if students have contributed to the cost. This will need to be tested during the first year of operation.

7. Penalties for non-return

An effective rental fee system depends on all eligible families paying their fees at the start of the school year. In answer to a question about what happens if families do not pay, Karine Harutyunan, the head of the scheme in Armenia, replies: 'Penalties are applied if a child does not return a book to the school by the end of the school year and there are two options to remedy the situation. Parents can either purchase the [replacement] textbooks [in the market] and give them to the school library, or they can pay the replacement cost which is actually the commercial price of these textbooks. So this penalty is actually higher than the original cost of the textbook to the project.' (Karine Harutyunan, MoE, Armenia)

8. Guidelines and promotion

'It [the document with the guidelines] is widely distributed and has really helped everyone to understand the details of the scheme. It has special sections for parents, teachers, principals and Marz [local authority] Officials. An intense information campaign has always been carried out where not only has the booklet been circulated and given to all the schools, but there have also been regular announcements on T.V and in local newspapers. A short film was transmitted on national T.V as well as local T.V stations in the regions to explain the aims and details of this fund.' (Karine Harutyunan, MoE, Armenia)

9. Risks

Some parents will object to paying the same for a used book that another parent is paying for a brand new book. This can be overcome by random selection of students to receive books.

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