



# Paraguay

## SCHOOL FINANCE

SABER Country Report  
2012

### Policy Goals

**1. Ensuring basic conditions for learning**

Policies do not exist to provide basic educational inputs; system-wide performance goals emphasize learning.

Emerging



**2. Monitoring learning conditions and outcomes**

National large-scale student assessments are administered, but only limited systems exist to monitor school conditions, enrollment, and teacher rosters.

Established



**3. Overseeing service delivery**

Policies are in place to verify that teachers are present in schools, but availability of physical resources and learning time is not tracked effectively.

Emerging



**4. Budgeting with adequate and transparent information**

Budgeting process is not informed by sufficient information, and budget reports lack crucial details.

Latent



**5. Providing more resources to students who need them**

There are policies to address the needs of special needs students, but not other disadvantaged students; school fees are minimal but waivers do not exist.

Emerging



**6. Managing resources efficiently**

Systems to verify the use of educational resources could be improved.

Latent



## Overview of SABER-School Finance

All education systems rely on financing to function, but the characteristics and actions of a successful school finance system are not always clear. Research has often failed to find a strong relationship between spending and learning outcomes in education, which leads some researchers and policy makers to question whether the amount of spending in education matters at all (Hanushek 1986). Among countries with similar levels of income, those that spend more on education do not necessarily score higher on international assessments such as the Program for International Student Assessment (PISA). Even within an education system, student achievement can vary substantially among localities that spend comparable amounts (Wagstaff & Wang 2011). The observation that learning outcomes are seemingly unrelated to spending levels supports the argument that how money is spent, not simply how much, matters in education finance.

Although the availability of financial resources does not guarantee quality education, it is impossible to achieve this goal without adequate resources (Reschovsky & Imazeki 2001), which often come from public sources. Education spending comprises a large share of government budgets—particularly in low-income countries, where 18 percent of public expenditures, on average, is devoted to education (EdStats 2011). Governments are responsible for using these public funds in a way that promotes the highest possible learning levels, especially given the pressure placed on budgets by the global financial crisis and continuing economic volatility. Understanding how to use resources for education wisely should thus be a top priority for education policy makers.

Systems Approach for Better Education Results (SABER)-School Finance informs this conversation with a focus on the policies that drive performance in a school finance system. SABER-School Finance collects, analyzes, synthesizes, and disseminates comprehensive information on school finance policies in primary and secondary education across a range of different education systems. Our goal is to enable policymakers to learn about how other countries address the same policy challenges related to school finance and thus

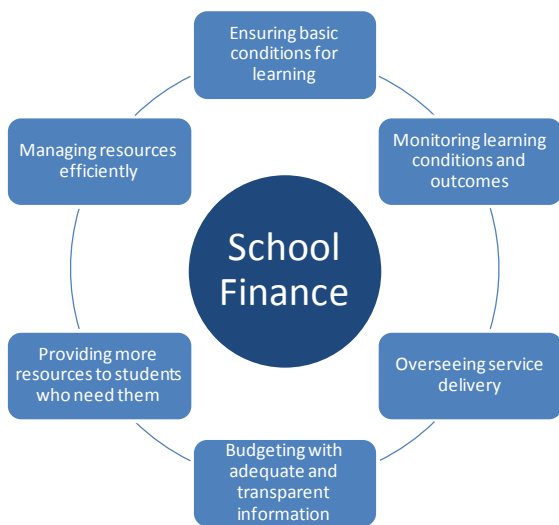
how to make well-informed policy choices that will lead to improved learning outcomes.

SABER-School Finance is a framework that guides the collection of standardized data to characterize and assess school finance systems around the world. The project primarily examines education finance policies, relying on key informants and official document review to map out the policy landscape. In doing so, it provides new data that illuminates a key education area under the direct control of education policymakers. Where possible, SABER-School Finance also incorporates measures of policy implementation at the central level, although other larger-scale surveys at the local and school level would be necessary to do a full analysis of implementation.

To describe the essential functions of an education finance system, SABER-School Finance collects information in five data collection areas: (i) School Conditions and Resources (ii) Allocation Mechanisms; (iii) Revenue Sources; (iv) Education Spending; and (v) Fiscal Control and Capacity. These core areas follow resources for education throughout the complex funding cycle, although related activities do not always occur sequentially.

After identifying how a particular education finance system functions, SABER-School Finance determines the extent to which the system effectively provides resources so that all children can learn, using six policy goals widely shared across countries: (i) Ensuring basic conditions for learning; (ii) Monitoring learning conditions and outcomes; (iii) Overseeing service delivery; (iv) Budgeting with adequate and transparent information; (v) Providing more resources to students who need them; and (vi) Managing resources efficiently (see Figure 1). These policy goals reflect actionable ways that school finance systems can follow three well-known foundational concepts in school finance: adequacy, equity, and efficiency. Progress toward each of these goals is measured by policy levers, which are actions a government can take to improve its education finance system.

**Figure 1: Policy Goals in School Finance**



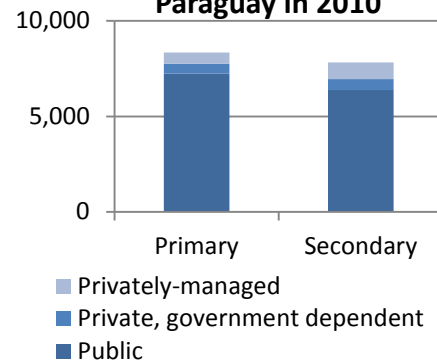
This country report uses this framework to characterize and assess the education finance system in Paraguay.

### School finance in Paraguay

Recently, Paraguay’s education system has made substantial improvements in access to schooling at all levels, average attainment levels, and improvements in internal efficiency (including repetition rates). However, important challenges remain, including the need to: (i) expand enrollment in secondary education and tertiary education; (ii) improve student learning outcomes at all levels; (iii) reduce inequalities in access (especially in secondary and tertiary education) between urban and rural areas, by gender, by language spoken at home, and by income quintiles; and (iv) improve internal efficiency through reducing repetition and drop-out rates at all levels.<sup>1</sup> This report on Paraguay’s school finance system analyzes the extent to which there are policies in place to use and manage available education resources effectively.

<sup>1</sup> This description of the education sector context was adapted from a 2011 concept note for a World Bank education project in Paraguay.

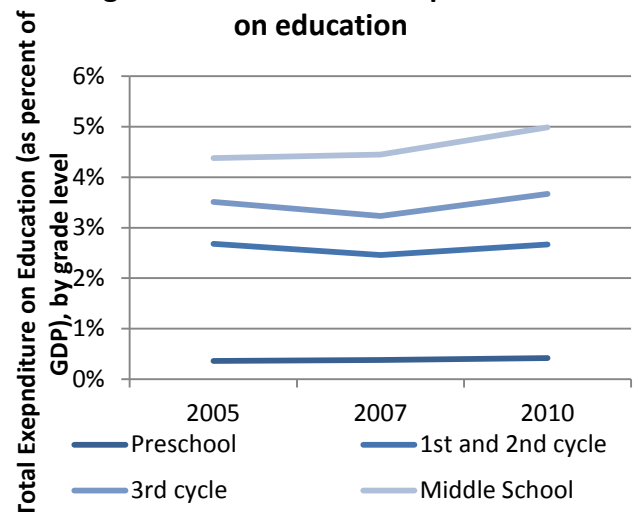
**Figure 2: Number of schools by provider in Paraguay in 2010**



Source: SABER-School Finance

In Paraguay, the public sector has a large role in education: most primary and secondary schools are publicly managed and funded (see Figure 2). Some of these public schools operate in shifts. A small share of schools are privately managed and funded, and another small share of schools are privately managed but receive public funding.

**Figure 3. Trends in total expenditure on education**



Source: Ministry of Finance, National General Budget

Since 2005, primary and secondary education expenditure has increased slightly as a share of GDP (see Figure 3). Primary enrollment has decreased significantly during the same period, while secondary enrollment has increased slightly. The total national and subnational education budgets are determined by legislative process as well as transfers earmarked for

education. The Deputy Minister of the Ministry of Finance is responsible for planning and monitoring the education budget, and the Ministry of Education and Culture controls teacher payroll.

The next sections present detailed assessments of Paraguay's school finance system in each of the six policy goals according to the underlying policy levers, followed by a summary of the findings and policy options.

## Paraguay's School Finance System Results

### Goal 1: Ensuring basic conditions for learning

#### Emerging ●●○○

School finance systems should create an environment that supports and encourages learning. To do so, systems must provide adequate resources to ensure that all students have the opportunity to receive a high quality basic education and set performance goals to drive the effective use of resources. Although standards of student achievement, as well as the costs to reach those standards, may vary across countries and student groups, there is a minimum amount of resources required to produce learning outcomes. At a minimum, policies should provide basic infrastructure, teachers, and instructional materials. SABER-School Finance uses two levers to assess progress in this goal: (1) Are there policies to provide basic inputs? and (2) Are there established learning goals?

**(1) In Paraguay, policies do not exist that guarantee the provision of necessary educational inputs.** This review of government policies on the provision of basic school inputs assesses the level of commitment to improving the learning environment in schools. In Paraguay, while there is a legal and normative framework for basic educational inputs, there are no policies to fully implement what the law prescribes. Policies to provide some learning materials exist, including textbooks at the primary level and libraries at the secondary level, but there are no policies to supply basic infrastructure such as electricity, bathrooms, and drinking water. Moreover, Paraguay lacks a clear implementation strategy for ensuring that educational resources reach all schools (see Box 1 for inputs that are

available in schools). Using policies to stipulate which educational resources should be provided is in line with the practice in successful education systems such as Ontario, Canada, where the school funding policy explicitly provides resources such as textbooks, computers, classrooms, and other inputs of qualified teachers, librarians, and other personnel.

As stated previously, in addition to physical infrastructure and learning materials, policies should provide students with effective teachers. No single observable can predict teacher effectiveness, but a combination of multiple measures, including requirement to become a teacher, can help identify good teachers (Rockoff et al. 2009; Goldhaber & Brewer 1997). Furthermore, the type of requirements for becoming a public school teacher helps explain the quality of the teaching force and the existence of teacher shortages or an excess supply of teachers. In Paraguay, education qualifications to become a primary or secondary school teacher require a degree at the ISCED 5B level (a tertiary program that is practically oriented toward teacher training), whereas high-performing systems require higher qualifications of an ISCED 5A degree (a Bachelor's degree). Paraguay's teacher requirements could be upgraded to help improve teacher quality.<sup>2</sup>

**(2) Paraguay's proficiency targets promote achievement for students in primary and secondary grades.** System-wide performance goals allow policymakers, administrators, and teachers to align their actions toward meeting common objectives so that all students learn. In Paraguay, performance goals are specific, and as in some high-performing systems, they cover not only enrollment and graduation rates but also improvements in the share of students above a threshold level of learning performance. Paraguay hopes to increase the number of students performing above the threshold level by 10 percent between 2013 and 2018.

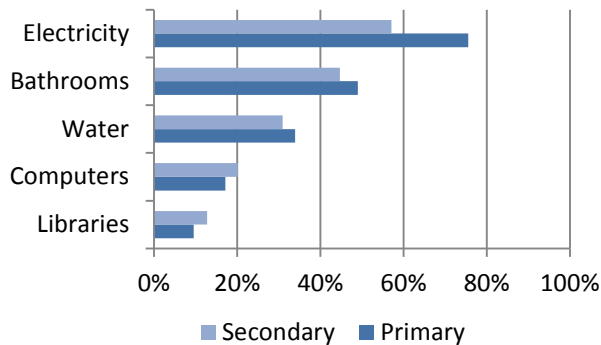
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<sup>2</sup> For more information on Paraguay's teacher policies, please see Saber Teachers County Report 2012 (forthcoming).

**Box 1. Inputs and education spending**

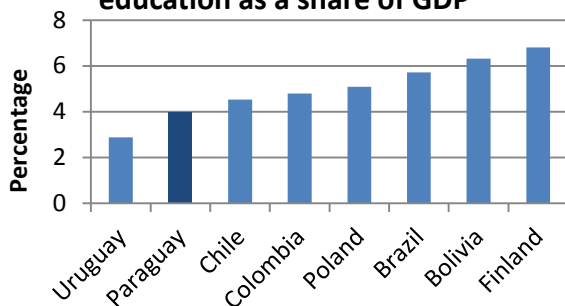
Although policies exist to provide necessary inputs, those inputs are not available in all schools (see Figure 3). Paraguay’s public expenditure on education as a share of national wealth is similar to expenditure in some comparator countries (see Figure 4).

**Figure 4: Share of schools with basic educational inputs, 2008**



Source: SABER-School Finance (2012). Shares interpreted from data collected by the World Bank.

**Figure 5: Public expenditure on education as a share of GDP**



Source: World Bank EdStats (accessed 2012).

**Goal 2: Monitoring learning conditions and outcomes**

**Established ●●●○**

Accurate information on learning conditions and outcomes is necessary for informed decision-making about spending. Data are particularly useful to encourage objective decision-making in challenging political economy environments. As more data become consistently available, policymakers are more likely to use them (Crouch 1997). Knowing which inputs are available will inform school finance policymakers about how funds are being used at the school level, and access

to assessment results will show whether funds are being used effectively. SABER-School Finance uses two levers to assess progress in this goal: (1) Are there systems in place to monitor learning conditions? and (2) Are there systems in place to assess learning outcomes?

**(1) In Paraguay, limited systems exist to monitor school conditions and collect administrative data.**

Policymakers can use data on instructional materials and administrative data to redirect resources to the neediest schools or to take action in schools that are not providing the specified inputs. In Paraguay, there are systems to monitor availability of most basic educational inputs, but the country only produces a school census at least every five years, which means that information on schools that informs school finance policy may be outdated. Best practices recommended a census at least every two years. In addition, student enrollment and teacher roster data are reported only annually. Changes in enrollment and teacher rosters should affect spending levels throughout the school year, and best practices from other systems suggest central reporting of these data every couple of months. High-performing systems also gather centrally information on student attendance three or four times throughout the year to get a sense of how much time students spend in school, and therefore how much influence resources can have on learning levels. In Paraguay, student attendance is reported at the central level only once a year.

**(2) Paraguay’s national large-scale student assessments have the potential to inform school finance policies, although the sustainability and methodology could be improved.**

Leading systems measure the quality of education in part by tracking learning outcomes, rather than simply measuring the availability of school inputs or quantity of schooling (Independent Evaluation Group 2006). In Paraguay, students in both primary and secondary schools participated in the most recent assessment of student learning in 2010, which covered subjects of language, literature, mathematics and science. Available information on student performance at both primary and secondary levels provides more comprehensive information to planning units, both in Paraguay and elsewhere. In addition, results are available for the national level, subnational departments, and for student groups such as geographic location and gender.



Results on performance for subgroups of the student population provide the planning unit with the ability to target interventions where they are needed the most. However, there has been only one national assessment of student learning in the last five years; by contrast, high-performing systems often assess student learning at least twice every five years. Large-scale student assessments in Paraguay often receive funding from external sources, such as the World Bank or the Inter-American Development Bank, so national capacity to administer assessments and the long-term sustainability of those assessments may be an issue.

### Goal 3: Overseeing service delivery

#### Emerging ●●○○

In addition to creating and monitoring education policies, an efficient school finance system should confirm that financial resources are converted into learning opportunities at the provider level. The provision of high-quality education requires adequate service delivery in addition to physical inputs. There is no guarantee that reported public expenditure on education even reaches schools (Reinikka & Svensson 2004), let alone that resources are used well to provide schooling, so it is imperative that school finance systems have mechanisms to measure the quality of service delivery at the school level. SABER-School Finance examines these mechanisms using two levers: (1) What mechanisms are in place to verify the availability of physical resources at schools? and (2) What mechanisms are in place to verify the availability of human resources in schools?

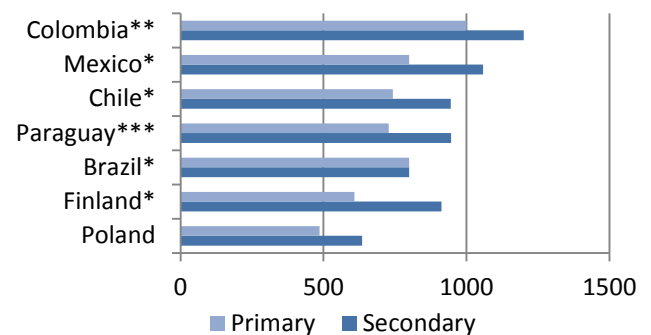
**(1) In Paraguay, the availability of physical resources and learning time at the school level is not tracked effectively.** School finance systems should make sure that resources are used as efficiently as possible in schools. To ensure that children spend the required time in school, best practices suggest central monitoring of the actual number of school days (that is, days on which instruction takes place in practice – see Box 2 for the official length of Paraguay’s school year) and the share of schools that have the required textbooks at the start of the school year. In addition, it is important to distribute those textbooks on time, since delays in distribution of textbooks hinder learning. Systems in developing and developed countries make efforts to improve distribution. For example, in

Washington, DC, reforms to textbook provision procedures increased the share of public schools with textbooks at the start of the school year from less than half to almost all of schools (Labbé 2007). Paraguay does not have mechanisms to verify availability of textbooks or the number of days students spend in school, although the system does monitor school construction and related expenditure.

**Box 2. Intended learning time**

The official length of Paraguay’s school year is similar to that of comparator countries, although the system does not monitor whether schools are actually open on these official school days (see Figure 6).

**Figure 6: Number of intended hours in the school year**



Sources: \*OECD (2011a); \*\*SABER-Teachers (2011); \*\*\*SABER-School Finance (2012)

**(2) Paraguay has policies in place to verify that teachers are present in schools.** Instruction, and therefore teacher attendance, is the most crucial factor in the use of education resources; student learning will not occur if teachers are not present. To reduce teacher absenteeism, the least that a system can do is monitor attendance and establish consequences for absenteeism. If enforced, the threat of serious penalties such as dismissal may deter teachers from missing school without cause. If assigned teachers are absent, substitute teachers will allow students to continue to learn. In Paraguay, teacher attendance is monitored by a school director, which is in line with policies in high-performing systems. In addition, there are policies that allow for the dismissal of teachers due to unexcused absences, although in practice teacher dismissal is very rare in Paraguay. Paraguay does have

policies to provide substitute teachers for both a short time and long term.

## Goal 4: Budgeting with adequate and transparent information

### Latent ●○○○

Although the Ministry of Finance often sets the overall allocation of resources for the education budget, sound budget preparation requires participation from many actors in the school finance system, including central and subnational education authorities. Throughout the process, information is essential to develop a budget that reflects sector priorities and to communicate that budget to education stakeholders. SABER-School Finance uses two levers to assess progress in this policy goal: (1) Is information used to inform the budget process? and (2) Is the budget comprehensive and transparent?

**(1) The budgeting process in Paraguay could be improved by the use of more information.** Education budgets are created in a political environment to deliver education priorities, preferences, and goals, which creates the opportunity for the subjective distribution of resources (Gildenhuys 1997). A clear and rule-based funding method allows educational stakeholders to hold the education system accountable as it transfers resources between levels of government and finally to schools (Alonso & Sanchez 2011). In Paraguay, student enrollment is taken into account when budgets are developed, which is also a practice in high-performing systems. However, it is unclear whether the Ministry of Education uses rule-based criteria such as a funding formula or student performance to allocate capital or current budgets, which may result in a more consistent and strategic allocation of resources throughout the departments. In addition, Paraguay does not prepare forecasts of education expenditure, making it difficult to have a multi-year perspective on education spending. Education expenditure has long-term consequences as a cumulative investment in students over at least their primary and secondary schooling (see Box 4 for an example of medium term expenditure frameworks in Korea). Certain commitments may require recurring spending each year, whereas other spending such as school construction may preclude spending in future years. Therefore, education expenditure must be

considered on a multi-year basis to allow for sustainability and predictability of funding (Andrews & Campos 2003).

**(2) Paraguay's budgetary reporting could be strengthened.** Clear reporting on the budget will allow for better monitoring of expenditure and increased accountability. In Paraguay, the planned annual budget is publicly available, but contrary to best practice, reports are not available for the year-end or in-year execution of the budget. Reports include some information on the current year's budget and expected revenue, but prior outturn, and explanation of how new policy initiatives affect the budget should also appear. The reported budget presents spending by government authority and current and capital purposes, but practice from leading systems suggests that spending should also be tracked by level of education and policy objectives.

#### Box 3. Success of the medium-term expenditure framework in Korea

Since public finance reforms that began in the mid-2000s, Korea has experienced success using a medium-term expenditure framework. The national fiscal management plan (NFMP) covers five years and is revised annually for all sectors, including education. To prepare the NFMP proposal, the cabinet first determines the total expenditure in the budget and provides expenditure ceilings to each sector. Lastly, each sector prepares a budget proposal that reflects policy priorities and budget ceilings. The NFMP has helped to create consensus building across sectors and maintain fiscal sustainability.

Source: Adapted from Jin, Yang-Hyun (2011). *Korea's Experience with Medium-Term Expenditure Frameworks*. Available online: [www.blog-pfm.imf.org](http://www.blog-pfm.imf.org)

## Goal 5: Providing more resources to students who need them

### Emerging ●●○○

Promoting equity in financing of education is essential for several reasons. Access and the opportunity for success in education should not depend on a student's background. In many countries, however, socio-economic background, as well as other non-school factors, is the most important determinant of completion and learning by students (Glick & Sahn 2009; Filmer 2008; Patrinos & Psacharopoulos 1992).

Additional resources in schools may compensate for disadvantaged backgrounds (Baker & Green 2008; Rivkin, et al. 2005). Efforts on the demand side to reduce fees may increase the opportunity for the poorest and girls to attend school (Kattan 2006). SABER-School Finance considers two policy levers that education systems can use to distribute funds according to students' needs: (1) Are more public resources available to students from disadvantaged backgrounds? and (2) Do payments for schooling represent a small share of income for low income families?

**(1) Paraguay has policies to address the needs of special needs students, but not other disadvantaged students.** Often, to compensate for disadvantages, school finance systems provide additional resources so that schools can offer targeted services and indirect educational costs to students from disadvantaged backgrounds. Paraguay does have some policies to provide necessary funding to educate students with cognitive, mobility, visual, hearing, and socio-emotional special needs. In keeping with best practices in other systems, students with special needs receive their education in both special and mainstream schools as feasible. However, other needs are not met on a national scale. By policy, Paraguay provides additional resources to a limited number of schools and households with eligible students from socio-economically disadvantaged and rural backgrounds: Escuela Viva allocates additional funding to schools, and Programa Becas sponsors individual scholarships. School finance systems that promote equity have similar policies in place, but they reach all eligible students. In addition, household survey data is not used to identify disadvantaged students in Paraguay; instead, they are identified based only on their geographic location. The use of household characteristics could improve targeting under a specific implementation plan for allocating more resources to the neediest students (see Box 5 for an example from the Netherlands).

#### Box 4. Identifying disadvantaged students in the Netherlands

The Netherlands was recently identified by its PISA scores as a country where disadvantaged students are more likely to succeed than elsewhere (OECD 2011b), as almost one-half of disadvantaged students there are high achievers in PISA assessments. To close the performance gap between disadvantaged students and their more advantaged peers, the Netherlands provides disadvantaged students with funding to support additional learning opportunities. Students are identified as disadvantaged on an individual basis based on their parents' educational levels and immigrant status. Although it may require more effort to identify students individually, individual identification ensures that funding goes to students in need. The funding mechanism is successfully implemented: primary schools with the highest proportion of disadvantaged students have on average about 58 percent more teachers and more support staff.

Source: Adapted from Ladd, H.F. and Fiske, E.B. (2009). "The Dutch Experience with Weighted Student Funding: Some Lessons for the U.S." Durham, North Carolina: Duke Sanford School of Public Policy.

**(2) Officially required payments for schooling are minimal, but fee waivers are not available to disadvantaged families.** In Paraguay, official school fees may be charged for Parent Teacher Associations in primary and secondary schools. Other high-performing systems may have minimal school fees as well, but these systems tend to provide waivers for all students who cannot afford to pay.

## Goal 6: Managing resources efficiently

### Latent ●○○○

Experience in developing and developed countries has shown that providing resources is not enough to ensure good learning outcomes. Tracking inputs and outputs well is another important step, but it is not sufficient either. Well-developed school finance systems also include governance arrangements that can hold all parties accountable for using resources effectively for their intended purposes. Such mechanisms include ways of paying and monitoring teachers and education staff, for example (Fiszbein et al. 2011). SABER-School Finance uses two policy levers to assess the efficiency of the expenditure process: (1) Are there systems in place to verify the use of educational resources? and (2) Are education expenditures audited?



**(1) Procedures to fund salaries and school construction could be improved.** Teachers' salaries account for the majority of education expenditures in many systems. Therefore, school finance systems should maintain a personnel database, or list of all education staff who should be paid every pay period (see Box 6 for an example from Montenegro). The personnel database in Paraguay is only updated once or twice a year, compared to best practices of refreshing this information at least every other month. Similarly, employment status in the personnel database is only checked against the payroll database once or twice a year, which is not sufficient to make necessary modifications to salary distributions. In addition, the legal and regulatory framework for school construction contracts does not promote transparency and competitiveness. The framework does not make open competition the default method of procurement. However, in line with best practices, opportunities to bid for contracts are publicly announced and there is a defined process to submit and address complaints.

**(2) In Paraguay, external audits cover expenditure and revenue, but there are no consequences for failed audits.** In school finance systems, many actors are involved: funding flows across levels of government, through ministries of education and finance, and finally to school administrators, who are ultimately responsible for effectively utilizing these resources. Measures to hold actors accountable are necessary to ensure efficient use of public resources throughout the system. Internal audits can also provide regular feedback to education authorities on management of funds.

#### Box 5. Validating teacher payroll and personnel data in Montenegro

In Montenegro, teacher payroll and personnel databases are reconciled on a monthly basis before payments of teacher salaries are made. Education sector employees, including teachers, are paid indirectly through schools, which are required to verify teacher rosters when they submit a monthly payroll request to the Ministry of Education. The Ministry of Education adjusts its request for payment from the Ministry of Finance accordingly. After the Ministry of Finance transfers funds to the schools' bank accounts, the schools distribute the salaries electronically to individual teachers' accounts. Thus, there is a clear trail of teacher salary payments, and employment status is confirmed on a monthly basis.

Source: Adapted from PEFA. (2009). "Montenegro: Public Expenditure and Financial Accountability Assessment, Public Financial Management Performance Report." Washington, DC: The World Bank.

### Summary and Policy Options for Paraguay

Overall, Paraguay's school finance system is better developed in terms of policies aimed at ensuring adequacy and promoting equity (policy goals of Ensuring basic conditions for learning; Monitoring learning conditions and outcomes; and Providing more resources to students who need them), but less well developed in policy areas aimed at efficient performance (policy goals of Overseeing service delivery; Budgeting with adequate and transparent information; and Managing resources efficiently). Box 7 presents main findings for Paraguay and comparisons to other systems that have been assessed by SABER-School Finance.

### Budgeting with adequate and transparent information

- Paraguay could move toward rule-based allocation of education funds. Although enrollment and teacher demographics are taken into account during budget preparation, explicit rules (such as a per capita funding formula) would enable a more objective budgeting process and consistent allocation of resources throughout the education system, especially outside the center. Paraguay could also include more information in education budget documents, for example by breaking spending down by policy objective and level of

education, reporting on the prior year’s budget outturn, and laying out the budget implications of new policy initiatives. Lastly, to increase the sustainability of its programs, the Government could develop and report forecasts of education expenditure.

### Managing resources more efficiently

- Paraguay could update the personnel and payroll databases more frequently to ensure that salaries are distributed correctly. In addition, the procurement framework could be strengthened to require open competition for school construction contracts. This would increase transparency and perhaps decrease the cost of construction. External audits could be improved by ensuring that there are consequences for failed audits to discourage inappropriate management of funds.

### Overseeing service delivery

- To better verify the availability of resources at schools, the system could create systems to track how many days of instruction actually occur and how many schools receive the required textbooks on time.

### Providing more resources to students who need them

- Paraguay could expand coverage of policies to provide funding to disadvantaged students to all eligible students nationally.

Box 6: Main Findings and International Comparisons						
School Finance Policy Goals	Paraguay	Jamaica	Serbia	Punjab, Pakistan	Nepal	Bangladesh
1. Ensuring basic conditions for learning	Emerging 	Emerging 	Advanced 	Latent 	Established 	Emerging 
2. Monitoring learning conditions and outcomes	Established 	Established 	Emerging 	Established 	Emerging 	Established 
3. Overseeing service delivery	Emerging 	Established 	Established 	Emerging 	Established 	Emerging 
4. Budgeting with adequate and transparent information	Latent 	Emerging 	Established 	Established 	Established 	Emerging 
5. Providing more resources to students who need them	Emerging 	Established 	Established 	Established 	Established 	Established 
6. Managing resources efficiently	Latent 	Established 	Emerging 	-	-	-

Note: Data for Punjab, Nepal, and Bangladesh were collected under a pilot exercise.

\*This rating is preliminary and will be confirmed with additional data.

## Acknowledgements

This report presents findings on the strengths and weaknesses of the education finance system in Paraguay. To collect the necessary information, Rodolfo Elias (Consultant) interviewed respondents with deep knowledge of education finance in Paraguay and completed the SABER-School Finance data collection instrument in August 2012. The data were interpreted by Chelsea Coffin (Extended Term Consultant, HDNED) under the supervision of Halsey Rogers (Lead Economist, HDNED). Rafael De Hoyos Navarro (Senior Economist, LCSHE) and Jessica Rodriguez (Extended Term Consultant, LCSHE) guided the work and contributed to the report.

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**The Systems Approach for Better Education Results (SABER)** initiative produces comparative data and knowledge on education policies and institutions, with the aim of helping countries systematically strengthen their education systems. SABER evaluates the quality of education policies against evidence-based global standards, using new diagnostic tools and detailed policy data. The SABER country reports give all parties with a stake in educational results—from administrators, teachers, and parents to policymakers and business people—an accessible, objective snapshot showing how well the policies of their country's education system are oriented toward ensuring that all children and youth learn.

This report focuses specifically on policies in the area of school finance.

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