

PREFACE

The Basic Education and Policy Support Activity (BEPS), a new five-year initiative sponsored by USAID's Center for Human Capacity Development, is designed to improve the quality, effectiveness, and access to formal and nonformal basic education. As an IQC contract type, BEPS operates through both core funds and Mission buy-ins to provide both short- and long-term assistance to Missions and Regional Bureaus.

BEPS focuses on several important program areas: basic education; educational policy analysis and reform; restorative and additive educational work in countries in crisis (presence and non-presence); and the alleviation of abusive child labor. Services to be provided include policy appraisals and assessments, training and institutional strengthening, and the design and implementation of pilot projects, feasibility studies, applied research studies, seminars/workshops, and evaluations. Under BEPS, USAID also will compile and disseminate results, lessons learned, and other generalizable information through electronic networks, training workshops, national conferences, quarterly and annual reports, publications, and other vehicles.

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I. INTRODUCTION

USAID/Dominican Republic is seeking to address the dual need for non-governmental resources and increased civil society involvement in improving basic education. To achieve this result, one activity will be a school sponsorship program based on other successful projects in the Dominican Republic. USAID/Dominican Republic wishes to launch a three-year project to replicate a model of school sponsorship pioneered by the Falconbridge mining company in other provinces where private sector interest supports educational improvement. This draft report offers an outline of the organizational structure a public/private partnership could take to achieve a sponsorship program, offering a picture of who the partners are, what their roles and responsibilities would be and what the likely costs to USAID would be.

Questions Guiding the Investigation

An initial assessment of the Falconbridge model was extremely positive and offers a vision of how a school sponsorship program can work. The current work builds on that and began by asking several questions, such as is the Falconbridge model replicable elsewhere in the Dominican Republic? If it were, what modifications to the model would have to be made? What should the structure of this modified program be? What is the role for USAID?

Field Work

During a three-week assessment conducted in September and October 2001, the team met with representatives of the domestic and international private sector. This included interviews with employees and owners of specific companies, many of which are engaged in programs with schools already, and with members of trade groups and other business associations. The purpose of these visits was to ascertain the level of potential private support for a school sponsorship and the criteria that any program would need to meet to ensure private sector participation. These conversations, along with those held with the Executive Director of the Falconbridge Foundation, USAID officials, the Ministry of Education, and the not for profit sector involved in education form the basis for the recommendations made in this document.

Structure of this Report

This document first presents the central themes that arose during the interviews. These are crucial for assessing the level of support that a sponsorship program is likely to attract as well as the impediments that it may run into. The second section outlines the assumptions about partnerships that guide the investigation, and implications of the findings outlined in Part I for the structure and function of a school sponsorship program. The third section offers specific recommendations about what components the program should offer. The final section discusses the costs that USAID is likely to incur.

II. REPLICABILITY OF THE FALCONBRIDGE SCHOOL SPONSORSHIP MODEL: ISSUES CONSIDERED

Lack of Trust in the Overall Environment

First, there is a great deal of distrust towards the government that manifests itself in a variety of ways. Business that are truly interested in working with schools and who do so currently worry that a sponsorship program run by the government would be a mere photo opportunity for other business to get their name somewhere without doing any of the real work. There is some basis for this belief in the former government's sponsorship program, which is universally seen as having been ruined and discredited by its politicization. Second, a lack of trust between some sponsored schools and the sponsoring companies is also evident (based partly on petty, school-based corruption), which leads to less overall investment for the schools. Third, the private sector expresses strong distrust for some of the NGO sector. They see some, although certainly not all, NGOs as corrupt and/or having a populist political agenda. Highly visible and established NGOs such as EDUCA are not included in this category, although EDUCA suffers from a lack of credibility that is related to its performance, not its integrity. This point is discussed in greater detail in the section below. Fourth, NGOs feel a lack of trust coming from both corporate and government sectors, which in turn reduces their trust towards those sectors and limits their effectiveness.

Institutional and organizational concerns about the structure of a school sponsorship program.

Universal rejection of the idea that the Ministry of Education should run a school sponsorship program: In keeping with the point made above about the lack of trust towards the public sector, the notion that Ministry of Education would have anything to do with a school sponsorship project would doom the program from the outset. This reaction is based on several factors: there is a general view of the inefficiency and corruption of the public sector. For many of those interviewed, there is a very real fear that money donated to a school program linked to the Ministry would disappear. Apart from the corruption, there is also a tremendous suspicion of free-riders, that is, that many in the corporate sector would 'jump on the school sponsorship bandwagon' and take credit for little real work, both in terms of the free publicity that could accompany a program and the chance to make political connections. For many who are currently involved in working with schools, the idea of having such sponsors would be worse than no sponsorship program at all because it would devalue the work they are currently doing.

Lack of confidence in EDUCA's capacity to be the organization to manage the school sponsorship program: Because EDUCA is a foundation created by the business community to deal with educational issues, those closely associate with it view EDUCA as a potential institutional home for the school sponsorship program. Indeed, those in EDUCA management positions express the opinion that EDUCA is the only option for USAID's project. They defend it as the only organization with ties to the business sector that has a primary focus on education and for that reason should be considered as the leading candidate to run a school sponsorship program. However, many from the business sector are highly disappointed in EDUCA and see it

as an extremely ineffective organization – ‘all talk and not much action’. Some respondents went so far as to suggest that if EDUCA were the intermediate entity, many businesses would decline to participate for fear that their money would not be used wisely.

Long-term sustainability requires an endowment: The experience of many of the business sector respondents was that institutions that had in the past prospered over the long run were those that had been able to build endowments. From their perspective, it would be wise for the foundation that runs the sponsorship program to begin the work of creating and building an endowment at the outset, well before USAID financial support ends.

Importance of a prominent USAID Role: Many people suggested that USAID leadership of the school sponsorship program is essential for getting businesses to participate because only with USAID's visible support will they believe that the program is really apolitical, serious and run in a financially sound and transparent manner. Without USAID's visible presence, issues about the lack of trust are likely to be insurmountable.

Need to clarify the legal framework for charitable giving: The legal framework for corporate donations is extremely murky. Most corporations are confused about what they can deduct – there are issues about 5%, an additional 1.5% and a separate 5% for strictly educational contributions. Until this is resolved, many companies are reluctant to contribute. It is essential that the legal framework for corporate charitable giving be clarified and that the correct information be disseminated among the business community. It is essential that the *Dirección General de Impuestos Internos* be the organism that does the dissemination since they are the only ones with the credibility to be convincing to the business sector.

Widely differing views on the likelihood of business support for a school sponsorship program

National business community: Those who believe that domestic funds can be tapped feel that there is already significant participation with schools, although they see it as more likely to be one-time philanthropic donations rather than the kind of on-going support that a sponsorship program would entail. In addition, the optimists feel that over the past decade, businesses have become much more conscious of the need to have a better trained labor force and are ready to support education because they realize it is their only long run option. Rather than seeing this as the state's responsibility, one leader echoing a common sentiment among this group argued that education “is too important to be handled by the politicians”. One of the key factors that seems to make national firms favorably disposed to a sponsorship program is already having some familiarity or positive experience with schools. Respondents from firms such as E. León Jimenez that work closely with schools see the value of doing so.

Those with a negative view focus on what they see as a long-standing tendency for the national business sector to be disengaged and not socially conscious. They also suggested that business leaders have not made the connection between their own long-run interests and profitability on one hand, and a better trained work force on the other. The feeling among this group is that businesses want the cheapest labor possible, even if it is highly unskilled. In addition, they fear that the slowdown in the US economy after September 11th will have serious repercussions on the Dominican economy and make participation less likely. Within the national business

