

---

# Financing Policies for Inclusive Education Systems

Project Conceptual Framework

---



**EUROPEAN AGENCY**  
for Special Needs and Inclusive Education

---



# **FINANCING POLICIES FOR INCLUSIVE EDUCATION SYSTEMS**

## **Project Conceptual Framework**



Co-funded by the  
Erasmus+ Programme  
of the European Union

This project has been funded with support from the European Commission.  
This communication reflects the views only of the author, and the Commission cannot be held  
responsible for any use which may be made of the information contained therein.

The European Agency for Special Needs and Inclusive Education (the Agency) is an independent and self-governing organisation. The Agency is co-funded by the ministries of education in its member countries and by the European Commission via an operating grant within the European Union (EU) Erasmus+ education programme (2014–2020).



Co-funded by the  
Erasmus+ Programme  
of the European Union

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

The views expressed by any individual in this document do not necessarily represent the official views of the Agency, its member countries or the Commission.

Editors: Edda Óskarsdóttir, Amanda Watkins and Serge Ebersold

Extracts from the document are permitted provided that a clear reference to the source is given. This report should be referenced as follows: European Agency for Special Needs and Inclusive Education, 2018. *Financing Policies for Inclusive Education Systems: Project Conceptual Framework*. (E. Óskarsdóttir, A. Watkins and S. Ebersold, eds.). Odense, Denmark

With a view to greater accessibility, this report is available in accessible electronic format on the Agency's website: [www.european-agency.org](http://www.european-agency.org)

ISBN: 978-87-7110-864-4 (Electronic)

© European Agency for Special Needs and Inclusive Education 2018

Secretariat  
Østre Stationsvej 33  
DK-5000 Odense C Denmark  
Tel: +45 64 41 00 20  
[secretariat@european-agency.org](mailto:secretariat@european-agency.org)

Brussels Office  
Rue Montoyer, 21  
BE-1000 Brussels Belgium  
Tel: +32 2 213 62 80  
[brussels.office@european-agency.org](mailto:brussels.office@european-agency.org)

[www.european-agency.org](http://www.european-agency.org)

# CONTENTS

---

<b>THE PURPOSE OF THE CONCEPTUAL FRAMEWORK</b>	<b>5</b>
<b>1. INTRODUCTION TO THE FPIES PROJECT</b>	<b>6</b>
1.1 Participants and target group	8
1.2 Aims and objectives	8
1.3 Project methodology	9
1.3.1 <i>Project evaluation</i>	10
<b>2. FRAMEWORK FOR ANALYSING THE FINANCING OF INCLUSIVE EDUCATION SYSTEMS</b>	<b>11</b>
2.1 Funding sources	12
2.2 Different resource allocation systems	14
2.2.1 <i>Parameters in resource allocation models</i>	14
2.2.2 <i>Levels of resourcing systems to meet the needs of diverse learners</i>	15
2.3 Governance of education	18
2.3.1 <i>Accountability (monitoring and evaluating finances)</i>	18
2.3.2 <i>Flexibility</i>	19
2.4 Summary	20
<b>3. MINISTERIAL REPRESENTATIVES' PRIORITIES FOR EXAMINING FINANCING POLICIES</b>	<b>21</b>
3.1 Key factors to be improved	21
3.2 Key questions to address	22
3.3 Factors policy-makers consider to constitute innovation in policy development	22
3.4 Summary	23
<b>4. PROJECT ANALYTICAL FRAMEWORK</b>	<b>24</b>
4.1 Country Reports	24
4.2 Country Study Visits (CSV)	25
4.3 Country Study Visit Reports	25
4.4 Summary	26
<b>REFERENCES</b>	<b>27</b>



## THE PURPOSE OF THE CONCEPTUAL FRAMEWORK

---

This Conceptual Framework outlines the theoretical basis for the Financing Policies for Inclusive Education Systems (FPIES) project. The Conceptual Framework aims to:

- synthesise the research knowledge base in relation to financing inclusive education, drawing on past work with European countries by the European Agency for Special Needs and Inclusive Education (the Agency), as well as wider European and international sources;
- identify European policy-makers' priorities for examining financing policies and mechanisms;
- identify factors that policy-makers consider to constitute innovation in policy development;
- provide an analytical framework for the agreed project methodology that will be trialled and evaluated in terms of its potential for examining policy issues, developments and challenges.

The goal of this document is to provide a framework of concepts that will guide the methodology. Information within each partner country will be analysed within the Conceptual Framework at the country level to identify national-level system factors relating to financing that act as barriers to or facilitators of inclusive education. Furthermore, the information will be analysed across the six partner countries, to identify rationale and models of financing that appear to support more inclusive systems of education.

# 1. INTRODUCTION TO THE FPIES PROJECT

---

All European countries are committed to working towards ensuring more inclusive education systems. Inclusion here is seen as a system that supports and welcomes diversity among all learners. The operational principles guiding the implementation of structures and procedures within inclusive education systems must be those of equity, effectiveness, efficiency and raising achievements for all stakeholders – learners, their parents and families, teachers, leaders and policy-makers.

*The ultimate vision for inclusive education systems is to ensure that all learners of any age are provided with meaningful, high-quality educational opportunities in their local community, alongside their friends and peers (European Agency, 2015a, p. 1).*

However, the development of systems for inclusive education that implement this vision is being worked towards in very different ways, depending on each country's past and current policy context and history.

The **policy** governing inclusive education systems must provide a clear vision for and conceptualisation of inclusive education as an approach for improving the educational opportunities of all learners. Policy must furthermore clearly outline that the effective implementation of inclusive education systems is the shared responsibility of all educators, leaders and decision-makers.

The **operational principles** guiding the implementation of structures and procedures within inclusive education systems must be those of equity, effectiveness, efficiency and raising achievements for all stakeholders – learners, their parents and families, educational professionals, community representatives and decision-makers – through high-quality, accessible educational opportunities (ibid.).

Policies for inclusive education aim to ensure the availability of flexible continua of provision and resources that support the learning of all stakeholders at both individual and organisational levels.

*Moving from a needs-based approach (where the problem is located within the learner) to one that prioritises the identification of institutional barriers at all levels does not ignore individual needs, but takes them into account by planning for a range of responses 'up front' ... that ultimately benefits all learners (European Agency, 2015b, p. 5).*

This move is based on an understanding of inclusive education as a systemic approach geared towards raising the achievements of all learners, as well as the overall system. This means that schools need to transform their organisation, teaching practices and classroom environments in order to respond to all learners flexibly and work towards preventative approaches (ibid.).

Moving 'towards a rights-based approach requires a change in an educational culture where, rather than focusing on individual support' (often based on medical diagnosis), the



system supports schools ‘to increase their capability to respond to learners’ diverse needs without the need to categorise and label them’ (ibid.).

Inclusive systems need to provide a continuum of provisions in a variety of forms and placements, including dedicated resource bases. In these systems, specialist skills and expertise are important to ensure that learners and teachers are supported in accessing and creating equitable learning environments (European Agency, 2013).

Research evidence indicates that funding mechanisms are a critical factor in determining the school placement offered to learners from disadvantaged groups (OECD, 2012). The systems of funding for education play a crucial role in ensuring all learners – including those who are marginalised because of gender, religion, ability, sexual orientation, social status or ethnicity – have access to an inclusive education system at all levels of lifelong learning (UNESCO, 2009; 2017). Funding also plays a critical role in the provision of adequate support to reduce school drop-out rates and increase educational outcomes for all learners.

Policy-makers across Europe recognise that funding mechanisms are a critical lever in reducing disparities in education. They require more detailed information about the impact of funding mechanisms on inclusive education that can be used to guide their policy developments.

The FPIES project is a response to this identified policy need. The project builds upon information from a previous Agency project entitled [Financing of Inclusive Education – Mapping Country Systems for Inclusive Education](#). It was a one-year project running through 2015 that involved 18 Agency member countries: Croatia, Estonia, Finland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovenia, Sweden, Switzerland and United Kingdom (England, Scotland and Wales). The project focused upon collecting comparable, descriptive information on financing systems in these countries, as well as building on existing research evidence to establish a comprehensive research knowledge base (refer to [Section 2](#) for further information).

The premise of the FPIES project is that the current resource allocation frameworks in all countries are based upon education systems that aim to be increasingly inclusive. Countries have developed these resource allocation frameworks to enable stakeholders to implement the principles of inclusive education more effectively. Inclusive education systems are ‘a vital component within the wider aspiration of more socially inclusive societies that all countries align themselves with, both ethically and politically’ (European Agency, 2015a, p. 1).

The approach used within the FPIES project is to apply this Conceptual Framework to work with policy-makers to generate relevant and meaningful information and a framework for policy development.

## 1.1 Participants and target group

---

FPIES is a three-year project, running from the beginning of 2016 to the end of 2018, funded by the European Commission's Erasmus+ Key Action 3 'Forward-Looking Cooperation Projects' framework. The project is based on direct co-operation between eight Project Partners:

- Six Country Partners from the Ministries of Education in Italy, Lithuania, Netherlands, Norway, Portugal and Slovenia
- The Evaluation Partner: Universitat Ramon Llull, Barcelona, Spain
- The Co-ordinator Partner: European Agency for Special Needs and Inclusive Education.

In addition, the Ministerial Representatives of all other Agency member countries have identified their specific priorities for detailed examination and will provide feedback on final project outputs.

As the Evaluation Partner, Universitat Ramon Llull will conduct an on-going process evaluation to inform decision-making and implementation of specific project tasks.

The systems of financing used in partner countries at International Standard Classification of Education (ISCED) levels 1 and 2 will be presented and discussed in Country Study Visits. Countries can include other ISCED levels and/or sectors (i.e. private education) if relevant.

## 1.2 Aims and objectives

---

The overarching intention for the FPIES project is to contribute to improving the quality, efficiency and equity of education. The goal is to work with country policy-makers from the Agency's member countries to systematically examine different approaches to educational financing and then identify effective funding policy frameworks that work towards reducing disparities in education.

The FPIES project aims to balance the implementation of innovative activities with ensuring that the project outcomes are meaningful and relevant to policy-makers' work.

The FPIES project activities will aim to:

- build on existing work to develop, trial and evaluate a coherent methodology for examining financing policy issues, developments and challenges in European countries;
- conduct a **detailed analysis of financing policy issues for inclusive education**, leading to the development of concrete policy frameworks (including an open-source Policy Guidance Framework). This framework can be used for developing more inclusive funding approaches and financing policies to reduce disparities in education and work towards all learners' educational and social inclusion and well-being.

Through these activities, the FPIES project will develop materials and outputs that:

- identify what coherent financing mechanisms for inclusive education look like;
- identify the critical levers that impact upon the effectiveness of funding policy mechanisms to reduce disparities in education.

The main project output will be a validated open-source Policy Guidance Framework on financing approaches that aim to reduce disparities in education and work towards all learners' educational and social inclusion and well-being.

### 1.3 Project methodology

---

The methodology employed in the FPIES project aims to examine different educational funding approaches. Working with policy-makers and conducting a series of detailed case studies are the main methods of examination.

The FPIES project is organised around seven interconnected and mutually supporting Work Packages (WPs):

**WP1 Preparatory Activities:** Preparation of detailed framework for all project activities.

**WP2 Project Management:** Overall management of the project partnership, co-ordination of the various project activities, budget management and monitoring, supporting the implementation of all other WP activities and tasks.

**WP3 Country Study Visits:** Information gathering using a peer learning process with the six Country Partners. Country Study Visits will provide opportunities for detailed information gathering with a wide range of national stakeholders.

**WP4 Analysis Activities:** Building on findings from WP3 and information collected via project activities, the analysis activities will summarise the project findings and lead to the development of project reports and outputs.

**WP5 Project Advisory Group (PAG):** The PAG consists of one representative from each Country Partner, one representative from the Evaluation Partner, and staff from the Co-ordinator Partner. The PAG will be the main mechanism for project quality assurance and will guide developments in the project processes and outcomes.

**WP6 Project Evaluation:** An on-going, formative project evaluation will be a parallel activity to all other project activities and will draw upon and feed into all other activities. It will inform decision-making and the implementation of specific tasks and activities.

**WP7 Dissemination and Exploitation:** The focus of the dissemination and exploitation activities is to ensure that the project outcomes and deliverables are relevant for national- and European-level decision-makers and are effectively shared beyond the project network. The outputs need to be accessible in terms of open-source licence, easy to understand and apply, and suitable for people who use different means of accessing information. Furthermore, the dissemination includes both hosting and participating in meetings and events, as well as information sharing through online and printed materials.

### **1.3.1 Project evaluation**

The project evaluation will examine specific aspects of innovation in the FPIES project. The Project Evaluation Partner will conduct the evaluation, working independently from, but in close collaboration with, all other Project Partners.

The overall project methodology trialled within the FPIES project will be evaluated in terms of its effectiveness for examining policy issues, developments and challenges in European countries and the potential of the methodology and outcomes for informing policy issues and developments in countries.

## 2. FRAMEWORK FOR ANALYSING THE FINANCING OF INCLUSIVE EDUCATION SYSTEMS

---

The output of the one-year Financing of Inclusive Education – Mapping Country Systems for Inclusive Education project (hereafter referred to as the Financing project) presents a mapping of funding mechanisms in education systems to support all learners' needs and, in particular, those learners requiring additional support due to their special needs. The information in this section is based on the main messages and outcomes from the [Financing project](#).

The messages from the Financing project highlight the effectiveness of the multi-level and multi-stakeholder systems for inclusive education that countries have developed to enable stakeholders to implement the principles of inclusive education. Such systems involve cross-ministerial and cross-sectoral funding mechanisms and include non-educational aspects that affect learners' access to high-quality inclusive education. These non-educational aspects include accessibility of buildings and transport, specialist support and means for reducing the functional consequences of different disabilities, as well as financial means and support for families (European Agency, 2016).

Systems for inclusive education in their current form are, therefore, far more complex than the general education system. This means that various additional components must be considered when examining and analysing the effectiveness and cost-effectiveness of educational resource allocation mechanisms.

As such, increased spending may depend on the way countries:

- Combine throughput and input funding (explained in [Section 2.2.1](#)) to develop inclusive education systems aiming at all learners' needs. Increased spending may be evident in countries that prioritise input-based funding over throughput-based funding; spending may be lower in countries that foster throughput-based funding and reserve input funding for the most severe needs.
- Develop financing mechanisms supporting capacity-building at territorial, school and personal level through support and training. The synergies created by the support provided by special schools/resource centres and by a specific framework created to specifically support inclusive education will be important.
- Develop enabling systems for inclusive education to promote more flexible, upfront approaches to learning aimed at preventing difficulties instead of a compensatory approach to accessibility. A compensatory approach to accessibility aims to address the difficulties learners (and, to a lesser extent, teachers) may have in school by providing extra support or extra resources. A more universal approach aims to make the curricula more accessible to all learners.
- Develop funding mechanisms that support the embedding of means and resources in an integrated framework, allowing for inter-institutional co-operation and co-ordinated provision.

- Develop governance mechanisms that make it possible to combine flexibility requirements with the need to monitor the implementation of policies and their cost-effectiveness.
- Develop data and accountability systems that make it possible to precisely identify the effectiveness and cost-effectiveness of spending.

Systems for inclusive education reflect mechanisms developed at national level to achieve inclusiveness as a policy goal and to embed inclusive practice in all stakeholders' work. They are the result of national-level cultures, traditions and debates relating to social cohesion, to education generally and to inclusive education specifically. [Diagrams](#) of the funding mechanisms underpinning countries' systems for inclusive education, developed within the Financing project (European Agency, 2016), make it possible to identify each country's individual characteristics and, within the FPIES project, to analyse their strengths, challenges and areas for improvement.

This existing knowledge base will be further developed to guide information gathering during Country Study Visits in the FPIES project.

## 2.1 Funding sources

---

Depending on the different political and administrative systems, schools can be funded through federal, state or local resources (Frattura and Capper, 2007).

Figure 1 presents the 'Framework of resource allocation mechanisms of systems for inclusive education' described in country reports from the Financing project (European Agency, 2016). It shows that the systems build upon cross-ministerial resource allocation mechanisms and that ministries of health and welfare, for instance, are often responsible for compensating for the functional consequences of a disability that may have an impact on education (in orange). Moreover, spending may complement the general education framework and be dedicated to the implementation of inclusive education (in green). Resource allocation may aim at enabling local authorities and schools to meet this policy goal or at developing training provision to increase individuals' ability to act inclusively. Resourcing of inclusive education also includes non-educational issues, such as accessibility or access to ancillary services, that have an impact on education. For many countries, their journey towards inclusive education requires resourcing of special provision (in purple) that completes the mainstream education system (in blue), as well as resources for the capacity-building of stakeholders (in green).



**Figure 1. Framework of resource allocation mechanisms of systems for inclusive education**  
(adapted from European Agency, 2016)

The ability to develop systems for inclusive education capable of providing all learners, including those identified as having special educational needs (SEN), with ‘meaningful, high-quality educational opportunities in their local community, alongside their friends and peers’ (European Agency, 2015a, p. 1) depends on how the different factors involved in implementing inclusiveness are interconnected (European Agency, 2011).

These systems may be framed differently and have different forms of provision and support depending on countries’ national cultures, on the understanding of schools’ missions and roles, on the approach to disability and, often, on the transformation of special schools into resource centres. According to the Financing project, only some countries indicated that they allocate financial resources to a specific framework supporting local authorities in implementing the goal of inclusive education. Moreover,

only some countries reported that they fund a specific framework to support schools to act inclusively, with this task being delegated to special schools that were transformed into resource centres (European Agency, 2016).

Furthermore, information from the Financing project shows that, in some countries, the main responsibility for resourcing the educational and pedagogical aspects of inclusive education resides in the ministry of education. The ministry of education is then responsible for running mainstream schools, special schools and boarding schools and providing schools with specific learning materials, while regional or local authorities have responsibility for physical accessibility, extra-curricular activities and transport for learners with SEN. In other countries, local authorities are mainly responsible for funding and implementing inclusive education. These have then the freedom to mobilise the funds according to the identified local needs (ibid.).

Resource allocation mechanisms are key to convincing stakeholders to regard diversity as an opportunity instead of a burden and to promote inclusive practices in schools (Mitchell, 2009).

## 2.2 Different resource allocation systems

---

According to research (European Agency, 2016; Fletcher-Campbell et al., 2003; Meijer, 1999), funding is a key factor in understanding the organisation of educational provision for learners – including those identified as having SEN – in inclusive settings, as there is a strong link between the funding available and the way in which learners are educated.

Resource allocation systems, or funding systems, affect schools' flexibility in making provision inclusive. They may necessitate formal identification procedures, create bureaucracy, raise questions of accountability and (budget) control, affect the position of parents and promote the need for decentralisation of decision-making processes.

Each method of funding inclusive education is intended to have certain positive outcomes. For instance, funding based on lump-sum models is flexible and avoids bureaucratic procedures, while a learner-bound budget empowers parents, stimulates accountability and promotes equal access to appropriate education. Systems for allocating resources are always a compromise between all of these aspects. Different countries favour certain funding models in keeping with their existing structures: in some countries the municipality has a dominant role in education, while in others there is a more centralised educational policy (Meijer, 1999; Meijer, Soriano and Watkins, 2003).

### 2.2.1 Parameters in resource allocation models

Every existing or newly developed resource allocation model can be described with a set of parameters. Here, two main parameters are described: the destination locus (who gets the funds) and the conditions (indicators) for funding.

#### 1. *Destination locus*

This parameter is quite important in discussions about inclusion. In principle, funds can be allocated in many different ways. They can be allocated to learners and/or parents.



Schools, whether special schools or mainstream schools, can also receive funding. Another possibility is to allocate funds to groups of schools or other regional institutions like school advisory centres. Finally, funds can be delegated to municipalities or regions or a combination of these possibilities (to municipalities in the first step and then to schools in the second step, for instance).

## *2. Funding conditions*

Two main categories of conditions are usually distinguished: input and throughput.

1. Input funding is when the funding is based, for example, on the identified need of each of the destination levels, such as the number of learners with special needs in a school, municipality or region. Inputs may also be defined in terms of referral rates, low achievement scores, the number of disadvantaged learners and so on. The key point is that funding is based on the (expressed or measured) needs.
2. The second model, throughput funding, is based on the functions or tasks that have to be undertaken or developed. It is not based on needs, but rather on the services provided by a school, municipality or region. Finances are allocated on the condition that particular services will be developed or maintained. Schools, municipalities or regions are treated equally: funds are based on total enrolment or on other population indicators. Of course, certain output conditions can be included in this model, but funding itself is not based on outputs (or inputs). Governance and accountability can play an important role here, as with the other funding models.

It is clear that these two models of funding conditions have different incentives. A needs-based input system entails a bonus for having or formulating needs, whereas a throughput-based system is based on services provided. The two models may also have their own negative side effects and may lead to unexpected or expected strategic behaviour. On one hand, input funding on the basis of low achievements reinforces identification of low achievement: more funds can then be expected. On the other hand, throughput funding may lead to inactivity and inertia due to the fact that, whether anything is done or not, funds will be available (Meijer, 1999; Meijer, Soriano and Watkins, 2003).

Most countries use these models in some combination: funding from central government to municipalities is service-based, funding from municipalities to schools is needs-based, etc. Other combinations are also possible and visible in practice.

### **2.2.2 Levels of resourcing systems to meet the needs of diverse learners**

Findings from the Financing project highlight that funding mechanisms intended to develop more inclusive education systems involve a three-level resourcing system, as Figure 2 explains (European Agency, 2016). While the figure depicts the size of each level as somewhat equal, in reality, the number of learners at each level depends on the funding mechanisms in each country.

The first level of resourcing (represented at the base of the figure) encompasses spending on the education of all learners, i.e. learners who do not need support or for whom

schools are able to act inclusively without any extra support. It involves the general population of learners in school.

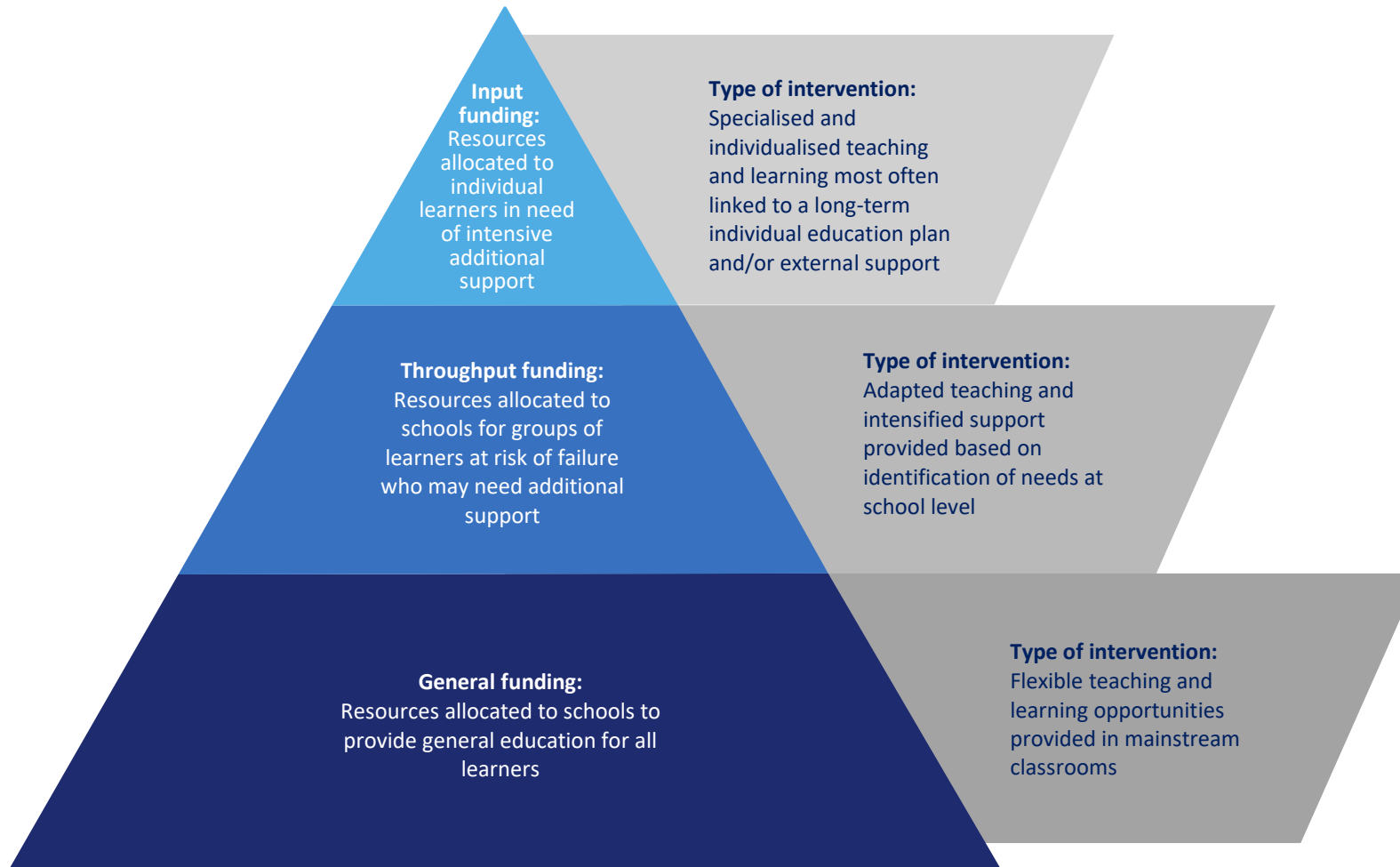
The second level of resourcing (the middle level) represents extra funding aimed at enabling schools to provide additional support to learners at risk of failure. Information from the Financing project shows that many countries allocate extra resources to schools to prevent school failure and drop-out by supporting learners in need who have not been specifically labelled as needing an official decision (*ibid.*). Extra funding may aim to reduce attainment gaps between different groups of learners and be dedicated to specific programmes meant for learners from disadvantaged backgrounds and/or learners from migrant backgrounds. Resource allocation at this level does not connect eligibility for support with an official decision or labelling process; rather, needs identification and the support provided to learners are the schools' responsibility. Such an approach can be understood as a throughput approach (Meijer, 1999).

The third level of resourcing (top level) is for learners who need intensive support. Schools may find it difficult to adequately address these learners' needs through intensified support in classrooms as mentioned above. They may require additional means and/or external support. For these learners, resource allocation requires them to receive an official decision that outlines their entitlement to support and resources (European Agency, 2016). This level of resourcing is often connected with learner-based funding criteria linking resource allocation with extra funding that tops up a basic amount. Some countries have, for example, predefined additional coefficients that are allocated to schools for learners with an official decision of SEN.

Analysis of country reports in the Financing project indicates that increased spending on the education of learners with SEN in need of support is directly linked to an increase in the number of learners in need of support. This trend suggests that some schools view and use input funding mechanisms as a financial opportunity to overcome their difficulties in meeting the needs of learners without an official decision, i.e. learners for whom support is defined by a throughput approach to funding (*ibid.*).

The trend shows that the implementation of inclusive education is directly affected by how funds are distributed, to whom they are addressed and the extent to which they enable stakeholders to act inclusively. Financial constraints, highlighted in many country reports, may lead schools to directly link the support learners may need with an official decision. This strategic behaviour was identified by Meijer (1999) and was still evident in 2015 (European Agency, 2016).

This highlights the importance of governance mechanisms combining decentralised and flexible education with the principles stated in policies and with social justice requirements (*ibid.*).



**Figure 2. Resource allocation mechanisms for supporting learners in need** (adapted from European Agency, 2016)

## 2.3 Governance of education

---

The effectiveness of funding mechanisms is dependent on governance approaches that balance responsiveness to local diversity with the ability to ensure national objectives.

Governance relates to the interactions among the different players (OECD, 2015). According to existing research (Busemeyer and Vossiek, 2015; Graham, Amos and Plumptre, 2003), quality of governance goes beyond the formal structures and institutions in place within a system. As stated by an OECD report on *Governing Education in a Complex World*, effective governance can be identified by:

- Focuses on processes, not structures
- Flexibility and adaptability to change and unexpected events
- Working through building capacity, stakeholder involvement and open dialogue
- Requiring whole-of-system approach (aligning roles, balancing tensions)
- Harnessing evidence and research to inform policy and reform (Burns and Köster, 2016).

Appropriate governance allows for effective collaboration between the different sectors involved in learners' education and is designed to promote effective services for learners. Weaknesses in this area may, for example, hinder synergies among stakeholders involved in the education process and be detrimental to the quality of the support provided, as well as the continuity and coherence of educational pathways (UNICEF, 2012). In the Financing project, many countries attributed existing weaknesses to a lack of co-operation between stakeholders involved in the inclusive education of learners with SEN (European Agency, 2016).

### 2.3.1 Accountability (monitoring and evaluating finances)

Governance mechanisms include monitoring and accountability issues (Hooge, Burns and Wilkoszewski, 2012). Accountability relates to understanding what schools are achieving with their additional resources, while taking into account the relationship between expenditure, educational processes and learning outcomes. There is a need to monitor how institutions and municipalities use resources and how that impacts on learner achievement (Frattura and Capper, 2007).

Monitoring provides transparent and accountable processes for allocating funds to ensure that resources effectively reach the learners for whom they are intended and are effective. Furthermore, these processes facilitate external control of resource levels and performance standards, thus making the analysis of effectiveness possible (European Agency, 2016).

According to the Financing project findings, the implementation of high-quality, cost-effective inclusive education seems to be hampered by existing governance mechanisms. Despite efforts made, these mechanisms may not always succeed in embedding means and resources in an integrated framework allowing for inter-institutional co-operation and co-ordinated provision. Policy-makers lack data from monitoring existing policies. They are

therefore unable to identify academic and social outcomes of inclusive education or to recognise strengths and weaknesses and are, consequently, unable to improve the quality of its implementation (ibid.).

The lack of reporting mechanisms, or their weak state, affects countries' ability to link funding with effectiveness. It may hinder countries in having cost-effective measures that are relevant for national, regional and school-level governance, monitoring and oversight. A lack of reporting mechanisms also deprives schools of the necessary information to identify progress made towards inclusive practice and to see inclusive education as an opportunity for acting as high-quality, cost-effective learning organisations (ibid.).

### **2.3.2 Flexibility**

Meeting learners' needs and implementing inclusive education is strongly correlated to a community-based approach encouraging innovative forms of teaching that provide flexible learning and support opportunities (European Agency, 2009). Flexible and sustainable funding mechanisms are a key lever for inclusive education when they provide local authorities and schools with the necessary means to act inclusively and when they empower teachers to meet a diversity of educational needs (Ebersold and Meijer, 2016).

This flexibility requires a degree of decentralisation within inclusive education systems, allowing school leaders and teachers to access a comprehensive system of support. More decentralised systems, with adequate governance, appear to create greater opportunities for developing innovative forms of inclusive education, for promoting community-based approaches encouraging family involvement, for providing flexible learning and support opportunities, and for strengthening school governance (Bottoms and Presson, 2000; Network of Experts in Social Sciences of Education and Training, 2012; Stubbs, 2008).

Flexibility depends, therefore, on existing allocation criteria and processes underpinning funding mechanisms. In some countries, for example, central/top-level ministries transfer resources directly to schools, while in others top-level ministries share the responsibility for transferring funds with regional or local authorities (European Commission/EACEA/Eurydice, 2014).

Flexibility of inclusive education is also underpinned by the funding criteria used to allocate resources and support the systems' ability to be responsive to learners' and schools' needs. Findings from the Financing project indicate that many countries support flexibility by providing schools with a level of autonomy aimed at empowering them to act inclusively. For example, in the Netherlands, school alliances have access to a wide variety of support services and individuals can apply for additional support, such as a sign language interpreter, assistive technology or transport. Learners in Norway are entitled to a wide range of support, including small groups, adapted tuition, and support from assistant teachers, from a dedicated unit, and from support services. Teachers and staff can avail of teaching aids and resources from dedicated services. In Italy, schools have flexibility in adapting teaching time as well as curricula. Reforms undertaken in Portugal – and in many countries – in recent years aim to reduce the central administration's influence and to more strongly involve local and school authorities in decision-making. The reforms also seek to give schools greater autonomy in curriculum management and instruction time and more flexibility in planning teacher training (European Agency, 2016).

## 2.4 Summary

---

The way resource allocation mechanisms are embedded in regulations and laws determines discrepancies between policies and actual practice (Parrish, 2001; 2014). The effectiveness of funding mechanisms is interrelated with governance approaches and how means, processes and resources all come together for a country's policy-making.

Decentralised inclusive education systems have given local authorities, school boards and schools a greater degree of freedom to respond to diverse and local demands, thereby supporting flexibility (Burns and Köster, 2016). However, they face effectiveness, equity and accountability issues when badly co-ordinated provision leads to a fragmented inclusive education system. The trend towards decentralised, flexible education systems heightens the need for capacity-building and support at local and school levels. It further raises the importance of governance mechanisms combining decentralised and flexible education with the principles stated in policies and with social justice requirements (European Agency, 2016).

## 3. MINISTERIAL REPRESENTATIVES' PRIORITIES FOR EXAMINING FINANCING POLICIES

---

In March 2016, Ministerial Representatives from the Agency's then 29 member countries met at a scoping meeting in Brussels to identify their specific priorities for detailed examination in FPIES. Through plenary discussions and detailed group work, the Ministerial Representatives identified:

- key factors to be improved in inclusive education;
- key questions to investigate in FPIES;
- factors policy-makers consider to constitute innovation in policy development.

The results from the discussions and detailed group work were subsequently analysed and grouped into themes within each of the three key categories stated above.

### 3.1 Key factors to be improved

---

The key factors that Ministerial Representatives from the Agency member countries state are important to improve in relation to the financing of inclusive education relate to management, accountability and governance:

**Management** addresses the importance of policy mechanisms to allow schools to act flexibly and responsively in order to take into account all learners' needs, including those with low and/or high levels of incidence. Furthermore, it connects to improving collaboration and co-operation among stakeholders at all levels.

**Accountability** addresses improving the cost-effectiveness of support – internal or external to schools – in meeting expectations and standards, while re-organising current levels of financing, not only increasing them. Each system requires separate accountability, different maintainers, different financing models and multiple funding systems. Information on actual expenditure and on the impact of expenditure must be available, as well as information for monitoring decision-making regarding resource allocation.

**Governance** addresses the interactions among the different stakeholders and its ability to allow for effective collaboration between the different sectors involved in learners' education. Co-ordination of policies, systems and services needs to be based on a general central framework that acts as a backbone for the financing system. A common view on financing inclusive education systems, not financing special needs education or inclusion separately, is needed. Communication between different service providers and inter-ministerial communication need to improve and there is a call for vertical vs. horizontal integration allowing for the development of synergies among stakeholders.

## 3.2 Key questions to address

---

The key questions that the Ministerial Representatives want the FPIES project to address relate to models, process, and accountability and impact.

**Models** of financing systems for inclusive education:

- What is a prevailing financing model (individual or system-based) and how is it balanced in order to enable schools to act inclusively?
- A map of financing streams (different sectors, different levels, different targets and intersections); life-cycle approach (prevention, intervention, compensation); lifelong learning; are there forward-looking planning competences for a good quality life?
- Can schools address expectations towards inclusive education without labelling learners? If so, how?

**Process:**

- How is financing connected to regulations?
- What is currently being financed in systems for inclusive education?
- What should be financed in order to promote high-quality inclusive education systems?

**Accountability and impact:**

- What should be evaluated when examining the impact of financing?
- What is the value for money assessment that needs to be made when considering financing of inclusive education systems?
- What factors lead to the biggest change in financing models?

In addition to identifying key factors and key questions to address, the Ministerial Representatives considered the types of outputs that would best support their future policy development work. The next section explains this.

## 3.3 Factors policy-makers consider to constitute innovation in policy development

---

The factors Ministerial Representatives consider to constitute innovation in policy-making are connected to evaluation, comparison and implementation, and vocabulary and definitions:

**Evaluation** means identifying factors of guidance and monitoring procedures to empower countries to improve practices and policies. Furthermore, it involves identifying which factors could strengthen the policies of inclusive education in light of existing funding policies, by giving examples and evidence of good practices. Information is needed about



standards that make it possible to evaluate financing mechanisms, including organisational levels.

**Comparison and implementation** calls for comparative information (national and international) on the impact of expenditure and guidance on how to collect this information. The outputs should provide strategies for promoting attitude change among system stakeholders and increase policy-makers' capacity to define and implement adequate policy measures, linking results and outputs back to the [Country Policy Review and Analysis](#) (CPRA) work.

**Vocabulary and definitions:** The outputs should include recognised vocabulary for financing, with clear definitions, to be used as evidence for developing policy and features of high-quality inclusive education systems.

### 3.4 Summary

---

The specific priorities for detailed examination identified by the Agency member countries' Ministerial Representatives, as well as their expectations for the FPIES project, will provide the basis for the project analytical framework and the focus of the Country Study Visits and Country Reports.

## 4. PROJECT ANALYTICAL FRAMEWORK

---

The financing of inclusive education is a complex framework of methods and mechanisms. It is recognised that these mechanisms and methods impact upon the implementation of inclusive education by hindering or fostering some strategic behaviours.

The analytical framework presented in [Section 2](#), along with the country policy-makers' main priorities in [Section 3](#), highlight the focus of the Country Reports and of the discussions in the Country Study Visits, as well as being a consideration of any product of the FPIES project.

### 4.1 Country Reports

---

The six Country Reports (CRs) are FPIES deliverables. The CRs aim to provide detailed background/stimulus material for each of the Country Study Visits. The reports follow an agreed structure, with the Financing project providing a framework of information as a starting point for the reports. The CRs will be drafted by Country Analysts for each country and agreed by the country Project Advisory Group member as well as Agency staff.

Each CR should describe the respective country's financing policy and identify governance mechanisms for funding. Furthermore, the reports should identify how policy is being implemented in practice and highlight issues for examination.

Descriptive questions to be addressed in the CRs focus on the 'what' of the system:

- How are the countries' financing systems for inclusive education co-ordinated and integrated?
- What are the tracking mechanisms for funding? Is there a way to know where funds come from and where they go?
- How does the system for financing inclusive education enable stakeholders at territorial, local and school level to act inclusively?
- How are the capacity-building mechanisms related to professional development funded? By who and for what? How does the funding for capacity-building foster effective and equitable educational institutions?
- What are the mechanisms for monitoring spending? How are schools made accountable for spending?
- What are the quality control mechanisms that inform financing decisions and monitoring of effectiveness?
- How do funding mechanisms enable specialist/separate provision to act as a resource for mainstream schools?

The CRs will be used as a stimulus material for each of the Country Study Visits.

## 4.2 Country Study Visits (CSV)

---

The CSVs (WP3) focus on information gathering using a peer learning type process with the six Country Partners. The CSVs provide opportunities for detailed information gathering with a wide range of national stakeholders.

The CSV methodology builds on a 'peer learning' approach, which has been shown to be effective in supporting policy-makers to objectively review their country policy and practice (OECD, 2011). The approach involves a series of meetings with the same aims and basic formats, where policy-makers with a shared professional focus and knowledge base from visitor countries and a host country identify what coherent financing mechanisms for inclusive education look like, as well as what the critical levers are that impact upon the effectiveness of funding policy mechanisms to reduce disparities in education. The information generated from the country-level policy exchanges can be used to inform country-level work.

The working methods of the FPIES project – based upon a policy-maker peer learning approach – have been selected to facilitate self-review and experience exchange that will support longer-term policy development and implementation among the Country Partners. The intention is to share expertise through dialogue with peers.

The CSVs will follow a structured framework of discussions built around both general issues and specific issues raised in each of the six Country Reports.

Questions for discussion in the CSVs focus on the 'why' – identifying reasons and explaining:

- How does the financing system for inclusive education enable stakeholders at territorial, local and school level to act inclusively? Explain why.
- How does the financing system for inclusive education support stakeholders at territorial, local and school level to avoid labelling learners with additional needs? What is the idea behind it? Does it work in practice?
- How are funding and governance mechanisms promoting co-ordinated, efficient and cost-effective systems for inclusive education?

The CSVs are based on the win-win principle: both the hosts and the visitors learn something about financing systems from each CSV.

## 4.3 Country Study Visit Reports

---

The Country Study Visit Reports (WP4) build on the Country Reports and the CSV discussions. They follow an agreed template based on the Project Conceptual Framework and clearly identify the focus of each of the CSVs by giving a summary of discussions, as well as a comprehensive overview of each country's financing system.

The CSV Reports focus on analysing the key issues in each system of financing inclusion, the role of financing mechanisms and the topics in question – identifying critical issues that facilitate or challenge inclusive education.

The questions below form an agenda of discussion points that need to be considered when examining the countries' financing policies in line with the project's Conceptual Framework.

Questions in the CSV Reports are analytical and focus on 'what does this mean':

- How do funding and governance mechanisms promote decision-making processes that prevent exclusionary strategic behaviours?
- How do funding and governance mechanisms support integrated services and cross-sectoral and cross-territorial services?
- How do monitoring and accountability mechanisms allow for appropriate flexibility at territorial, local and school level?

## 4.4 Summary

---

Building on information from the Financing project, this analytical framework for the FPIES project highlights the focus of the Country Reports and of the discussions in the Country Study Visits as well as the Country Study Visit Reports. Based on identification of key concepts relating to financing of inclusive education systems, a framework of main issues for the analysis activities in the FPIES project work is produced.

The findings collected and analysed from across countries will lead to information frameworks that present 'state-of-the-art' guidance to policy-makers for inclusive education – most notably the FPIES Policy Guidance Framework. The framework and content for the Policy Guidance Framework will be developed with and then validated by the Ministerial Representatives of all Agency member countries. The framework for the Country Reports and Policy Guidance Framework has the potential to be developed and applied to other policy topics and issues, outside the FPIES project focus.

## REFERENCES

---

- Bottoms, G. and Presson, A., 2000. *Using Lessons Learned: Improving the Academic Achievement of Vocational Students*. Atlanta, Georgia: Southern Regional Education Board
- Burns, T. and Köster, F., 2016. *Governing Education in a Complex World*. Educational Research and Innovation. Paris: OECD Publishing
- Busemeyer, M. and Vossiek, J., 2015. 'Reforming Education Governance Through Local Capacity-Building: A Case Study of the "Learning Locally" Programme in Germany' *OECD Education Working Papers*, No. 113. Paris: OECD Publishing.  
[dx.doi.org/10.1787/5js6bhl2mxjg-en](https://dx.doi.org/10.1787/5js6bhl2mxjg-en) (Last accessed December 2018)
- Ebersold, S. and Meijer, C., 2016. 'Financing Inclusive Education: Policy Challenges, Issues and Trends', in A. Watkins and C. Meijer (eds.), *Implementing Inclusive Education: Issues in Bridging the Policy-Practice Gap (International Perspectives on Inclusive Education, Volume 8)*. Bingley: Emerald Group Publishing Limited
- European Agency for Development in Special Needs Education, 2009. *Key Principles for Promoting Quality in Inclusive Education – Recommendations for Policy Makers*. (A. Watkins, ed.). Odense, Denmark. [www.european-agency.org/resources/publications/key-principles-promoting-quality-inclusive-education-recommendations-policy](http://www.european-agency.org/resources/publications/key-principles-promoting-quality-inclusive-education-recommendations-policy) (Last accessed December 2018)
- European Agency for Development in Special Needs Education, 2011. *Mapping the Implementation of Policy for Inclusive Education: An exploration of challenges and opportunities for developing indicators*. (S. Ebersold and A. Watkins). Odense, Denmark. [www.european-agency.org/resources/publications/mapping-implementation-policy-inclusive-education-exploration-challenges-and](http://www.european-agency.org/resources/publications/mapping-implementation-policy-inclusive-education-exploration-challenges-and) (Last accessed December 2018)
- European Agency for Development in Special Needs Education, 2013. *Organisation of Provision to Support Inclusive Education – Literature Review*. (S. D'Alessio and V. Donnelly, eds.). Odense, Denmark. [www.european-agency.org/resources/publications/organisation-provision-support-inclusive-education-literature-review](http://www.european-agency.org/resources/publications/organisation-provision-support-inclusive-education-literature-review) (Last accessed December 2018)
- European Agency for Special Needs and Inclusive Education, 2015a. *Agency Position on Inclusive Education Systems*. Odense, Denmark. [www.european-agency.org/resources/publications/agency-position-inclusive-education-systems-flyer](http://www.european-agency.org/resources/publications/agency-position-inclusive-education-systems-flyer) (Last accessed December 2018)
- European Agency for Special Needs and Inclusive Education, 2015b. *Annex to the Agency Position on Inclusive Education Systems*. Odense, Denmark. [www.european-agency.org/sites/default/files/about-us/Annex to the Agency Position on Inclusive Education Systems.pdf](http://www.european-agency.org/sites/default/files/about-us/Annex%20to%20the%20Agency%20Position%20on%20Inclusive%20Education%20Systems.pdf) (Last accessed December 2018)
- European Agency for Special Needs and Inclusive Education, 2016. *Financing of Inclusive Education: Mapping Country Systems for Inclusive Education*. (S. Ebersold, ed.). Odense, Denmark. [www.european-agency.org/resources/publications/financing-inclusive-education-mapping-country-systems-inclusive-education](http://www.european-agency.org/resources/publications/financing-inclusive-education-mapping-country-systems-inclusive-education) (Last accessed December 2018)

- European Commission/EACEA/Eurydice, 2014. *Financing Schools in Europe: Mechanisms, Methods and Criteria in Public Funding*. Eurydice report. Luxembourg: Publications Office of the European Union. [eacea.ec.europa.eu/national-policies/eurydice/content/financing-schools-europe-mechanisms-methods-and-criteria-public-funding\\_en](http://eacea.ec.europa.eu/national-policies/eurydice/content/financing-schools-europe-mechanisms-methods-and-criteria-public-funding_en) (Last accessed December 2018)
- Fletcher-Campbell, F., Pijl, S. J., Meijer, C., Dyson, A. and Parrish, T., 2003. 'Distribution of funds for special needs education' *International Journal of Educational Management*, 17 (5), 220–233
- Frattura, E. M. and Capper, C. A., 2007. *Leading for Social Justice: Transforming Schools for All Learners*. Thousand Oaks, California: SAGE Publications
- Graham, J., Amos, B. and Plumpre, T., 2003. *Principles for Good Governance in the 21<sup>st</sup> Century*. Ottawa: Institute on Governance
- Hooge, E., Burns, T. and Wilkoszewski, H., 2012. 'Looking Beyond the Numbers: Stakeholders and Multiple School Accountability' *OECD Education Working Papers*, No. 85. Paris: OECD Publishing. [doi.org/10.1787/5k91dl7ct6q6-en](https://doi.org/10.1787/5k91dl7ct6q6-en) (Last accessed December 2018)
- Meijer, C. J. W. (ed.), 1999. *Financing of Special Needs Education: A Seventeen-Country Study of the Relationship between Financing of Special Needs Education and Inclusion*. Middelfart, Denmark: European Agency for Development in Special Needs Education. [www.european-agency.org/resources/publications/financing-special-needs-education](http://www.european-agency.org/resources/publications/financing-special-needs-education) (Last accessed December 2018)
- Meijer, C. J. W., Soriano, V. and Watkins, A. (eds.), 2003. *Special Needs Education in Europe: Thematic Publication*. Odense, Denmark: European Agency for Development in Special Needs Education. [www.european-agency.org/resources/publications/special-needs-education-europe](http://www.european-agency.org/resources/publications/special-needs-education-europe) (Last accessed December 2018)
- Mitchell, D., 2009. 'Inclusive Education' *Commonwealth Education Partnerships*, 2009/10, 55–57
- Network of Experts in Social Sciences of Education and Training, 2012. *Mind the Gap: Education inequality across EU regions*. Brussels: European Commission
- OECD, 2011. *Implementing the Tax Transparency Standards: A Handbook for Assessors and Jurisdictions*, Second Edition. Paris: OECD Publishing
- OECD, 2012. *Equity and Quality in Education: Supporting Disadvantaged Students and Schools*. Paris: OECD Publishing
- OECD, 2015. *Education Policy Outlook 2015: Making Reforms Happen*. Paris: OECD Publishing
- Parrish, T. B., 2001. 'Who's Paying the Rising Cost of Special Education?' *Journal of Special Education Leadership*, 14 (1), 4–12
- Parrish, T. B., 2014. 'How Should We Pay for Special Education?', in B. Bateman, J. W. Lloyd and M. Tankersley (eds.), *Enduring Issues in Special Education: Personal Perspectives*. New York: Routledge

Stubbs, S., 2008. *Inclusive Education: Where there are few resources*. Oslo: The Atlas Alliance

UNESCO, 2009. *Policy Guidelines on Inclusion in Education*. Paris: UNESCO

UNESCO, 2017. *A guide for insuring equity and inclusion in education*. Paris: UNESCO

UNICEF, 2012. *The Right of Children with Disabilities to Education: A Rights-Based Approach to Inclusive Education*. Geneva: UNICEF Regional Office for Central and Eastern Europe and the Commonwealth of Independent States (CEECS)





Secretariat:

Østre Stationsvej 33  
DK-5000  
Odense C  
Denmark  
Tel: +45 64 41 00 20  
[secretariat@european-agency.org](mailto:secretariat@european-agency.org)

Brussels Office:

Rue Montoyer 21  
BE-1000  
Brussels  
Belgium  
Tel: +32 2 213 62 80  
[brussels.office@european-agency.org](mailto:brussels.office@european-agency.org)

[www.european-agency.org](http://www.european-agency.org)

