

**Basic and Primary Education Programme (BPEPII)
and
Education for All 2004 - 2009 (EFA)**

**Combined Joint Review Mission
19th - 24th March 2004**

JOINT AIDE MEMOIRE

BACKGROUND

1 The Basic and Primary Education Programme (BPEPII) covers the period 16th July 1999 to 15th July 2004. Under BPEPII, Denmark, the European Commission, Finland, IDA and Norway contribute finances to a Core Investment Programme (or 'basket') for integration into HMG/N's budget for basic and primary education, while ADB, JICA and UNICEF provide earmarked support under separate agreements.

2 From 16th July 2004, support for basic and primary education will be based on the HMG/N Core Document for Education for All 2004 - 2009 (EFA). While ADB, JICA and UNICEF will continue their support under separate agreements, five development partners - Denmark, DFID, Finland, IDA and Norway - are intending to provide pooled support to EFA under a Joint Financing Arrangement. A first phase Appraisal Mission in December 2003 confirmed that the Core Document provides a satisfactory policy and strategy framework and met the formal appraisal requirements of Denmark, Finland and Norway. A second phase Appraisal Mission, which completed the formal requirements of the World Bank and DFID, took place from 10th to 17th March 2003. Denmark, Finland and Norway participated in this Mission to finalise outstanding issues.

3 The eleventh Joint Review Mission of BPEPII was combined with a joint review of preparations for future implementation of EFA. The combined BPEPII and EFA mission took place in Kathmandu between 19th and 24th March 2004 and covered issues relating to both BPEPII and EFA, as well as transitional arrangements. The mission was attended by representatives from both development partners intending to pool resources in the new programme and agencies providing support under separate agreements.

4 The combined BPEPII and EFA Joint Review Mission was immediately followed by the second Joint Review Mission for the Secondary Education Support Programme (SESP) from 25th to 27th March 2004.

5 In accordance with the objectives in the Terms of Reference relating to BPEPII, the following issues were discussed during the mission:

- a) Audit Report for FY 2002/03;
- b) Modality for Completion Reporting;
- c) Carry over commitments and the use of unspent funds;
- d) Preliminary findings of the BPEPII Evaluation;

- e) Progress report covering recent activities;
- f) A reflective assessment of BPEPII by MOES;

6 In accordance with the objectives in the Terms of Reference relating to EFA, the following issues were also discussed:

- a) Indicators and monitoring arrangements in the EFA programme;
- b) ASIP/AWPB for FY 2004/05, the first year of the EFA programme;
- c) Essential activities before EFA launch;
- d) Future harmonisation and coordination based on a Code of Conduct.

BPEPII EVALUATION

7 Preliminary findings from the BPEPII Evaluation were presented and discussed during the mission, including issues of access, quality, capacity, financial resources, NGO involvement, supervision and monitoring, pilot testing, national ownership, coordination mechanisms, basket and direct funding, monitoring, and the impact of insurgency. Implications for future programming were also discussed.

8 Feedback from all stakeholders was encouraged to contribute to the production of a draft report in mid-May. Steering Committee members will comment on the draft report in early June, and the final report will be produced by August 2004.

PROGRESS REPORT

9 A progress report on activities carried out under BPEPII was presented during the mission. This included changes in context over the life of the programme, the shifts prompted by the Mid Term Review, and progress in activities related to physical construction, access and retention, special needs education, learning achievement, and capacity building. The presentation also included key indicators as a baseline for EFA, and lessons learned from BPEPII implementation.

10 The mission welcomed the establishment of a Insurgency Impact Monitoring Cell in DOE, and requested MOES/DOE to accelerate the development of flexible and innovative strategies to ensure that schools can become Zones of Peace, and to provide regular updates to development partners

AUDIT REPORT

11 The audit for FY 2002/03 has been completed, and the programme account is currently being prepared by DOE. These documents will be sent to FCGO by the end of March 2004 for verification, and then forwarded to AGO for the preparation of the final management Report. **Action:** IDA has requested that the final Audit Report should be submitted by latest 10th April 2004 in time for IDA negotiations with HMG/N.

UNSPENT FUNDS

12 DOE estimates that on current progress expenditures in this Fiscal Year will total around 90% of the budget. The projected under spend is due to a number of factors including savings on procurements and the postponement of activities due to unplanned situations such as insurgency.

13 HMG/N is keen to make optimal use of the funds available from the basket, and would like to reallocate the funds that are unlikely to be spent under the current budget (approximately US\$2 million) to textbooks for 2004/05, Non Formal Education (NFE) primers for 2004/05, and possibly scholarships for Dalit children. **Action:** The status of the basket and financing options will be discussed at a meeting of basket donors on 29th March 2004. DOE will present proposals for the use of unspent funds to this meeting. The proposal for supporting textbooks will utilise existing experience and specifications and will address IDA guidelines on procurement, including an ex post justification of the price of textbooks from JEMC.

COMPLETION REPORTING

14 Development partners who have contributed through the BPEPII basket need to produce completion reports to mark the end of this phase of support. Different agencies have their own internal systems and requirements for completion reporting, although most will draw on the same information sources. MOES/DOE will produce a Government Implementation Completion Report for IDA's completion report process, and should provide a written response to the BPEPII Evaluation.

INDICATORS AND MONITORING

15 A system of indicators and monitoring arrangements has been developed based on the 18 EFA indicators and building on an analysis of experience from BPEPII. The system includes simplified 'flash' reports and has been incorporated in the draft Joint Financing Arrangement for development partners intending to pool finances. The data generated by this system will be verified by Technical Reviews twice each year in March and November. The updated system was presented and discussed at a workshop on 18th March 2004 to which all partners were invited.

16 It was agreed that the system will be implemented in its current form. The data collected will be supplemented by more qualitative information from other sources, particularly National Living Standards Surveys, Technical Reviews, learning achievement tests, and research studies. A Nepal EFA Monitoring Team is being formed by MOES/DOE to examine the general composition of indicators and monitoring systems in their totality, with a particular focus to capture factors that enhance quality in school education. The Team will analyse the systems currently being employed and develop indicators and monitoring mechanisms that include qualitative aspects and that are applicable at school, district, regional and national levels. The Team will contribute to the first Technical Review in November 2004.

ASIP / AWPB

17 The Annual Strategic Implementation Plan (ASIP) together with the Annual Work Plan and Budget (AWPB) is a key instrument for planning and monitoring. The ASIP/AWPB for FY 2004/05 has three main purposes: a plan for activities during the first year of EFA; a record of accomplishments under BPEPII that can contribute to the process of completion reporting; and an overview of the transition from BPEPII to EFA. The ASIP/AWPB articulates MOES plans for approval by the National Planning Commission (NPC) with reference to National plans. Once approved, the budget specifications are sent to the Ministry of Finance (MOF) for inclusion in the national education budget.

18 The ASIP/AWPB represents an expenditure of US\$151 million on EFA in Fiscal Year 2004/05. This will be financed as follows: HMG/N will contribute US\$98 million; partners intending to pool resources will contribute US\$29 million subject to bilateral agreements¹ and agreement with the Ministry of Finance (MOF); and partners providing support under separate agreements will contribute US\$24 million.

19 Development partners endorsed the ASIP/AWPB as an indicative planning basis for flexible implementation for the first year of EFA, with the following reminders and suggestions:

- a) Before the launch of EFA, the budget presented in the ASIP/AWPB should be restructured to reflect the HMG/N chart of accounts, avoiding a component driven approach. The restructured budget should be circulated as a separate annex to pooling partners after submission to MOF, and presented to the Technical Review in November 2004 for consideration during the consultation in December 2004.
- b) The new organisational chart of DOE should be circulated as a separate annex to all development partners before the launch of EFA.
- c) MOES/DOE should circulate a document specifying the outcomes expected at local and central levels during the first year of EFA implementation.
- d) The school block grants criteria provided in the ASIP provide a basis for the development of minimum quality standards in all schools. A basic block grants system incorporating present criteria should be introduced for the first year of EFA. Over the coming months the conceptual framework for the block grants system should be further developed to address the need for the system to respond to diversity in the country and to recognise different base lines in schools, and also to provide norms and standards for schools themselves.
- e) Recognising that the budget in the ASIP/AWPB is indicative and flexible, MOES/DOE should consider giving more attention to the following areas: capacity building and two-way communication strategies at all levels; pilots and developmental activities; transitional language strategies; Non Formal Education; and non-salary recurrent budgets to schools.

¹ Provisional levels of commitment are as follows: Denmark US\$5 million; DFID US\$7 million; Finland US\$2.6 million; IDA US\$9.4 million; and Norway US\$5 million.

20 Recognising that MOES/DOE are in a period of transition from BPEPII concepts and structures to an EFA approach, the mission agreed the following suggestions and recommendations for future ASIP/AWPB:

- a) In recognition that detailed planning is the concern of MOES/DOE, overall strategic budgets should be presented in the ASIP, and future AWPB need not be presented in great detail. Instead, budget lines should be combined under major headings to indicate strategic directions, and should be based on a rolling budget modality.
- b) Future budgets should reflect the pooling mechanism, and should not make a distinction between resources from pooling development partners and those from government. It would, however, be helpful for future ASIP/AWPB to include a section specifying support by non pooled development partners to EFA strategic objectives, together with a brief explanation on the contribution of this support to EFA implementation.
- c) Future ASIP/AWPB should provide an indication of how MOES/DOE will mobilise their resources to support the realisation of EFA objectives.

DONOR HARMONISATION

21 As many more potential partners have stepped forward to support EFA on the basis of the vision and strategies set out in the Core Document, MOES/DOE tabled a Code of Conduct, building on unwritten coordination practices in the past, to ensure greater harmonisation of external development partners. It was agreed that the Code of Conduct will be taken as the basis for coordinating relationships between HMG/N and development partners, and between development partners themselves. The Code of Conduct is attached as an Annex, and will be subject to annual review, if necessary, during Joint Review Missions in April each year.

NEXT STEPS

22 MOES will call a local donor meeting after the end of each trimester to share information on implementation progress of EFA. The next EFA Joint Review Mission will take place in April 2005 (and annually in April in following years).

DOCUMENTATION

23 The ASIP/AWPB for FY 2004/05 should be read in conjunction with this Joint Aide Memoire.

24 The Code of Conduct is attached as an Annex.