

# **Aide Memoire**

## **Joint Donor Review Mission - BPEP II (10-19 May 2000)**

### Background

1. The Joint Donor Review Mission of BPEP II started on May 10 and was concluded with a debriefing in the MOES on May 19, 2000. The national reform programme, Basic and Primary Education Programme II, which is Nepal's single largest educational reform programme to date, started in 1998 and with basket-funding from July 1999. The donors providing support to BPEP II to a common 'basket' for integration into HMG's budget for education are Danida, EC, Finland, IDA and Norway. This arrangement is referred to as the Core Investment Programme (CIP). Danida, EC, Finland, Norway and UNICEF provide technical assistance in relation to CIP, referred to as the TA sub-basket. JICA and ADB are providing earmarked support to BPEP II under separate agreements. It has been agreed between HMG and the donors that all review missions will be undertaken jointly twice in a year to ensure coordination between all partners involved. The first mission of this kind took place from 20 to 30 May 1999, and the second took place from 17 to 29 November 1999.

### Purpose and organization of the mission

2. The general purpose of this review mission is linked to the process of annual planning and budgeting and to the release of funds from the donors. The mission was therefore scheduled to take place in the period immediately prior to the finalization of the national budget, in order to allow for amendments resulting from the discussions, to be taken into account.

3. The detailed purpose of the review is outlined to the terms of reference, agreed between the donors and HMG. The issues reviewed by the Mission can be grouped under three headings:

Planning and budgeting issues

Program implementation issues

Capacity building issues

4. The donor's representatives worked with HMG counterparts in three groups following the three topics in the terms of reference. The first half of the mission was used for fact finding where the donors representatives and representative from DOE together with their advisers and consultants, worked jointly in the three groups to clarify and get additional information on the issues raised in the terms of reference. The second half was used for policy discussions and further clarifications with the MOES, as well as internal discussion among donors.

### Executive Summary

5. The MOES, DOE and the districts have undertaken a tremendous task to prepare an annual work plan and budget proposal for the fiscal year 2000/2001. This is built on a

participatory planning approach with districts that has included a wide range of community representatives. The consolidation of 75 district plans and budget proposals into the BPEP II Annual Work Plan and Budget for fiscal year 2000/01 within the deadline that was brought forward by six weeks from the previous years budget deadlines, is a remarkable achievement, especially in the context of the restructuring of the MOES, the establishment of a completely new DOE organization, the creation of primary education sections at the DEOs and the decentralization of responsibility for the budgeting and planning process to the district development committees.

6. The program approach, including the basket funding, and the establishment of the Foreign Aid Coordination Section of the MOES, have significantly contributed to improved donor coordination in the education sector in Nepal.

**The main recommendations from the Mission are the following:**

7. MOES should discuss with NPC and MOF about revising the total allocation made to BPEP II for the FY 1999/2000, as it is likely that about 60% only is required to complete activities in this fiscal year.

8. Strengthening the technical and monitoring capacities in MOES and DOE should be adopted as an indicator for the forthcoming Joint Review Mission planned for November 2000.

9. For the FY 2000/01 the implementation of the programme will be monitored based on the process and performance indicators discussed during the Mission and included in this Aide Memoire.

10. An information strategy should be developed for MOES/DOE in order to disseminate information about the HMG's reform programme and raise awareness amongst stakeholders targeted by BPEP II.

11. DOE should give feedback to the districts on their DEP through a two-way dialogue, in order to keep up the enthusiasm developed through the participatory process. DOE needs to explain to the districts that activities should be implemented gradually and therefore the scope and sequence need to be adjusted accordingly.

12. Upon completion of the Institutional Analysis in August 2000 the Ministry should review it with the donor partners and agree on objectives, strategies and timing for a long-term capacity building scheme.

13. The current work in developing a coherent teacher education strategy, including both pre and in-service teacher training, when completed, should be shared with all donors for review and feedback.

14. Capacity building plans should make provision for increased participation of women in management roles at central, district and local levels.

15. Strategies should be reviewed, and if needed revised by the DOE to increase the number of female teachers and incentives for their deployment.

16. The current functions of BPEDU should be transferred to appropriate units of the DOE, while ensuring operational flexibility within DOE units.
17. Retention of key staff in MOES, DOE and DEOs will be monitored.
18. Mechanisms and TOR for DEO/DOEs to hire community service providers, NGOs and CBOs, need to be developed before July 1.
19. The combine plans and budgets of FY 2000/01 for Technical Assistance from the bilateral funds will be compiled and submitted to the Foreign Aid Coordination Unit of MOES by the Local Donor Group by July 1, 2000.

**The Mission approves the CIP-budget for BPEP II for FY 2000/01 subject to the following conditions being met:**

20. The proposed development budget for the FY 2000/01 needs to be reduced to a figure equivalent to 86% of the amount proposed, to make the scope of activities more realistic and to limit the number of districts carrying out pilot activities.
21. As only some of the districts identified for next fiscal year's physical construction programmes comply to the GER and girls NER criteria as a whole, such criteria should be applied at the VDC level when establishing eligibility of schools. The districts to be selected for the FY 2001/02 have to meet GER/NER criteria in order to qualify for reimbursement from the CIP basket.

## **Findings from the mission**

### **I Budget and planning**

#### **Budget and Work Plan for current fiscal year 1999/2000**

22. In March (by letter dated 22.03.2000) the development partners supporting the core investment program of the BPEP II agreed to reimburse eligible expenditures in this fiscal year's core investment budget of the Basic and Primary Education Program. Development expenditures up to the end of second trimester (March 15, 2000) were circulated during the mission. It was noted that out of a total budget of NRs 1.29 billion only NRs 152.5 million had so far been expended, representing less than 12% of planned expenditures. It is anticipated that substantially higher levels of expenditure will take place during the third trimester when the figures for districts are included, and HMG expects that about 60 percent of the budget allocated this year will be disbursed. These lower expenditures are due to several reasons: the process for implementing civil works components is in stages over two years; the mechanisms and procedures for soliciting community service providers (NGOs and CBOs) to deliver alternative education and literacy programs are still to be agreed and piloting programs developed. In additions, not all donors had completed the release of their funds to Nepal Rastra Bank.

23. The implications of the impact of over-estimating the annual budgets (common to other sectors, not only education) are that it commits national resources to unrealistic targets and does not allow MOF flexibility to shift resources to match implementation

needs across sectors throughout the year. To tie up unused funds in this way is an inefficient use of government resources. For education, there is a need to review more carefully the planned expenditures and match them to implementation schedules and processes e.g. piloting, community participation, procurement for civil works and community service providers. In the first few years of the reform, lower amount of funds may be required than anticipated in the basic and primary education projections. By mid term, when piloting has been completed, and when decentralized planning, budgeting and monitoring capacity has been further developed higher amounts of funds can be disbursed effectively.

24. MOES's regular and development budget proposal for FY 2000/01 for the Basic and Primary Education Program were reviewed, with special emphasis on the development budget. The review of the proposed annual work plan and budget was based on four basic questions:

**Are the activities in the proposed Annual Budget and Work Plan compatible with HMG's policies as set out in the agreed Basic and Primary Education Policy Framework?**

25. The major policy agreements have been met: teacher (females), district plans, proposals to pilot SPIP and SIP, criteria for site locations and community participation processes. The Mission wishes to highlight the point that the focus of in-service and recurrent training is supposed to be on classes 1 to 3. The Mission is concerned that key staff may not be retained as per the policy agreements. Retention of key staff is absolutely essential to continuity and institutional development in a long-term reform process.

**Are the scope and sequence of the activities in the proposed Annual Budget and Work Plan realistic on the basis of implementation experience?**

26. The budget allocations by component at the district level were reviewed on the basis of (i) whether or not the activity was to be piloted, (ii) whether or not it was a continuation of activities begun under BPEP I and which were eligible expenditures for BPEP II, and (iii) their match with schedule appropriate to implementation processes such as the two year school physical improvement cycle or the contracting of NGOs/CBOs as community service providers for alternative, focus and mothers literacy programs. The mission's findings on the basis of this approach were that the allocations for the following components/activities should be reduced:

- Allocation for civil works components (steel girders and trusses, roofing material, DOE and DEO construction) should be reduced. This reflects the two-year school physical improvement process, the construction cycle and the procurement process.
- Allocation for ECD programs should be limited to 20 districts; these should be closely monitored for quality and impact before there is an expansion in future years.
- Allocation for activities to be piloted need to be reduced as these will take place in a small number of districts and locations in FY 2000/01; these require close monitoring for quality and impact before there is an expansion in future years. This applies to piloting of continuous Assessment (5 districts); and piloting of alternative,

focus group and female literacy programs (8 districts). These last three pilots are community based, and are expected to be delivered by NGOs and CBOs who will need to be contracted. A general guideline has been prepared and is under consideration by HMG, but as yet neither a mechanism for this nor a plan for the pilot has been prepared or reviewed by the donors.

27. Overall these changes would bring the total development budget being proposed for FY 2000/2001 to around 1.1 billion, that is, about 86% of the proposed total basket budget. (Detail are provided in a Technical Note from the Budget and Planning Group).

**Do the activities in the proposed Annual Budget and Work Plan reflect national and district planning priorities?**

28. Three levels of district planning were expected:

- (i) District comprehensive planning for districts that were implementing CPE policies and that had participated in BPEP I; now wanting to focus on (a) increased participation of children not yet in the school system and (b) developing community management of its schools - beginning with pilots and gradually expanding;
- (ii) District development planning for districts that participated in BPEP I, but that may not have fully developed resource centers and school cluster activities, and that still have some under-served communities;
- (iii) District basic planning for districts that have not yet been covered under previous project and for which school physical improvement would be of greater need.

In reviewing the budgets and work plans, it is not clear that these criteria have been applied. However, in reviewing the scope of activities in the budget and work plan it is clear that at least 14 of the 'under-served' districts will be eligible for school physical improvements.

29. The Mission also discussed national institutions' work plans.

**Are the benchmarks and implementation monitoring indicators for the FY '01 program achievable?**

30. Based on the experience of the current fiscal year planning and budgeting exercise and past experience in implementation, the overall budget allocation should be reduced to a more realistic level. This would be at about 86% of the amount proposed. It is important that the final budget and work plan is adjusted to reflect the changes above because these are the financial and physical monitoring and reporting targets that will be monitored through the Project Monitoring and Reporting system.

31. On the basis of the proposed sub-sector budget, the HMG proportion for FY 2000/01 is indicated to be:

- Education is expected to receive an estimated 13.2% of the total HMG budget

- Basic and Primary Education is expected to be allocated 56.2% of the total education budget
- The development budget for basic and primary education is expected to be 32.8% of the total Basic and Primary Education Program
- HMG is expected to fund 76.5% of the total (recurrent and development) Basic and Primary Education Program budget

32. Implementation monitoring and reporting is carried out on a regular basis and provides financial and physical data based on the agreed work plan and budget for fiscal year 2000/01. In addition, DOE prepares a Project Monitoring Report on a trimesterly basis. DOE will be responsible for preparing biannual progress reports based on benchmarks and monitoring indicators that measure specific aspects of this year's annual plan and budget. Benchmarks and implementation monitoring indicators for the FY '01 were not included in the documents.

33. The mission has identified the following key benchmarks and monitoring indicators for the fiscal year 2000/01:

**Re. Institutional capacity**

- a) Retention of staff in key positions at national and district agencies
- b) Maintenance of numbers of teachers at 1998/99 ceiling
- c) Percent of new replacements teachers that are female
- d) Central and district level training includes an increased proportion of females
- e) Implementation of district plans is based on evidence of previous years implementation experience
- f) Number of schools that have prepared SIP
- g) Evidence that the SIPs are being piloted and monitored

**Re. Learning achievements**

- h) Evidence of focus on use of grade 3 national assessment finding to improve teaching and learning of reading and writing in grades 1 to 3
- i) Establishment of cluster model and carrying out of recurrent teacher training in additional 8 districts

## **Re. Equitable access**

- j) Evidence that community based programs (literacy, ECD, focus and alternative) being piloted are targeting under-served communities, involving NGOs, CBOs and are being monitored

## **RE. School physical environment**

- k) No new publicly funded schools re established;  
no primary schools upgraded to lower secondary schools without government approval
- l) Number of classrooms rehabilitated
- m) Targeting criteria apply - Ger less than 100, girls NER less than 60
- n) New classrooms on the basis of targeting criteria, community participation processes and school physical improvement plans (SPIP)

## **Monitoring, Evaluation and Reporting**

34. In order to monitor these new reform effectively data collection and monitoring systems have been established in the DOE and the MOES. The former will monitor implementations and will gather and collate data on activities provided at the district level. The MOES will monitor policy implementation. The main task of the MOES' Monitoring and Evaluation Section is to collect progress reports on the sector from different agencies and institutions, including the DOE. At present, they are not involved in analysis or interpretation of data to provide alternative strategies for the top political management of the sector.

35. The ongoing work plan of the Monitoring Cell for FY 2000/2001 at the DOE is very substantial and could be characterized as over ambitious given the resources available. With the present workload the resources simply do not exist for interpretative work, sampling exercises or the like. Presently, data collection and processing can take up to one year. There is a two-year lag in the statistics available to the DOE. The Mission was informed that the most statistics available to the DOE are for 1998.

36. Overall, this has to be an issue of some concern for funding the Programme as releases to BPEP II will be linked to progress measured against the indicators. Generally the current system may be described as one based upon financial and physical reporting with little or no provision for performance auditing. A major challenge for HMG will be to ensure that a coherent monitoring strategy is implemented as quickly as possible. There is still much work to be done in the development of effective monitoring tools to measure quality, and especially teachers' performance in the classroom. This requirement is identified by the mission as a key element to support implementation of BPEP II.

37. It has been noted that substantial budgetary provision has been made for FY 2000/2001 for strengthening capacity at the central level and for district planning. While it is acknowledged that longer term planning will be covered by an institutional analysis due August 2000, it is recommended that in the meantime the MOES prepare TORs for a

short-term upgrading programme for the monitoring and statistic units in the MOES, the DOE and at the regional and district levels. This exercise should be carried out in parallel with an analysis of the staff number and experience profiles required to meet these requirements. It will focus on immediate steps and include recruitment, on-the-job training, equipments and funding required to ensure effective monitoring systems are in place. It is suggested that substantial progress on strengthening monitoring capacity be adopted as an indicator for the forthcoming Joint Review Mission planned for November 2000.

38. There is a need to structure and priorities the different kinds of indicators, while retaining the ten key performance indicators. Norway, as the coordinating agency this year, will review the different types of performance indicators and propose a minimum list of performance indicators measuring outcome and progress towards the long-term objectives for discussion at the November Mission.

39. In order to measure any progress towards an objective there should be expressed a baseline and a specific target for each indicator. Baseline data for all except one of the 10 key performance indicator is at hand and the baseline for teacher classroom performance based on classroom research will be available within the next few months.

40. It is proposed that an independent third party carries out reviews of specific processes and qualitative aspects of the programme and identify implementation issues to be raised at joint review missions. MOES and the development partners jointly will agree on terms of reference and modalities for the independent study.

### **Format for the ASIP**

41. There has been uncertainty as to the exact purpose, role and content of the Annual Strategic Implementation Plan (ASIP) as an annual implementation of the BPEP II with its long-term strategy. Partly due to lack of a clear common understanding among the main stakeholders, DOE has refrained from producing an ASIP, which has been included in the Budget and Annual Work plan for FY 2000/01.

42. The purpose of the ASIP is to provide managers both at central and district level with an operational plan which will state the activities to be implemented and how monitoring is envisaged. The ASIP will furthermore provide a description of how the different budget lines are to be translated into implementation with particular focus on major new activities during the fiscal year and the main priority areas of the programme. In order to secure dissemination of the ASIP among all its users, it should be written in Nepali, with only an executive summary ( the strategic overview) being translated into English (chapter 1 to 3).

43. The strategic overview will be a key document in outlining the overall priorities and activities and describe how they interrelate in the overall programme. The format of the strategic overview could be as follows:

#### **I. Introduction**

- Setting out the purpose of the plan and the overall context.

- Description and justification of possible adjustments of PIP
- II. Present status and the achievements of the last fiscal year
  - Brief description of the status of the program
  - Presentation of the key monitoring indicator of the last year, and how and the extent to which the targets were met
- III. Strategic plan for the next fiscal year
  - Budgetary overview: what is now and why, justification of the budget allocation made
  - Key strategies chosen, their rationale and responsible agency
  - Key activities by district categories, and their timeframe
  - Key monitoring indicators and an overview of monitoring processes and procedures

### **District Education Planning (DEP)**

44. There have been considerable advances made in the promotion of decentralized planning. District Education Plans have been prepared by all 75 districts of Nepal, major first time exercise which have involved the organizations and committees at the district level, in line with HMG's recently passed Local Self-Governance Act, About 75% of the DOE's budget for the FY 2000/2001 will be disbursed in the districts, the remainder being disbursed at the central level. This represents a significant turnaround from previous years.

45. It is apparent that there has been a commitment from the districts to the recent planning exercise. It has also given rise to expectations. This is a crucial moment for the DOE to grasp the opportunity to enter into an on-going dialogue with the districts. The longer term objective is to achieve an appropriate balance between the overall responsibility for management and monitoring of basic and primary education by the central institutions, and the delegation of responsibility for planning and implementation in the districts. Therefore rather than run the risk of alienating the districts from the decentralized planning process it is recommended that the DOE as a first step allocates staff and resources to provide feedback to the DEOs on their plans.

46. As district education planning and school improvement planning is now well under way as a nation wide learning exercise, it is imperative that this process will not be allowed to lose momentum. It is essential that a bottom up process is developed whereby DEPs are to be based on School Improvement plans, and where by stakeholder participation is to be gradually expanded at local as well as district level. To secure sufficient quality in this process, some limitations of scope seem necessary.

47. The districts should receive their budget ceiling by the end of November 2000 to allow sufficient time to prepare their programme and budget proposals for the FY 2001/02.

48. School Improvement Plans (SIP) are to be piloted in a limited number of schools. They will need to be carefully monitored by districts and DOE. School physical Improvement Plans (SPIP) will be prepared in districts and clusters eligible for funding of physical facilities.

## **II Programme Implementation Issues**

49. A comprehensive Financial Management Manual for BPEP II has been developed in Nepali in collaboration with the World Bank, the Ministry of Finance, the National Planning Commission and the Office of the Auditor General. This manual has been distributed to all 75 districts. The World Bank is currently translating it into English for circulation to all the donors. The procurement plan for Civil Works and Goods has been approved by IDA. Further work is required to cover the other procurement requirements of the programme.

### **NGOs as partners in programme implementation**

50. The Government's Policy Framework for BPEP II identifies the need for meaningful participation of NGOs in piloting and implementing strategies for several new initiatives such as the Early Childhood Development (ECD), Alternative Schooling, Focus Groups' and Women's Education programmes, which are planned to commence during the FY 2000/2001. The mission commends the considerable progress to date by HMG in defining a role for NGOs and their involvement in partnership with the MOES in BPEP II. A workshop has been conducted with participation of some 40 NGOs and a number of reports and recommendations have been made covering specific operational guidelines for involvements as well as monitoring, supervision and reporting requirements and a standard contract document for use between the DOE and NGOs/INGOs. This set of recommendations is being considered by the MOES. In supporting these developments it is recalled that the policy framework covering involvement of the NGO community has been a major incentive for the donors to support BPEP II.

### **Information strategy of BPEP II**

51. Aspects of quality and access are core objectives for BPEP II. Much still remains to be done to develop appropriate strategies for teacher training, for reduction in class size and for increased attendance of boys and girls in school. Absence of female teachers in schools affects the level of girls' enrolment. There is a shortage of female teachers nation-wide. Districts vary in the level of female teachers appointed to the regular budget.

52. Information relating to the opportunities for improvements at school level has not yet penetrated to all end users, at this early stage of the programme. There is a continuing need to raise awareness amongst stakeholders regarding the reforms and initiatives taking place under BPEP II and the accountability of service providers. An information strategy should be developed for MOES/DOE in order to disseminate information about

the HMG's reform media/communications firm might be contracted for this specialist task.

### **III Capacity building and technical assistance**

53. BPEP II is Nepal's single largest educational reform programme to date. It is obvious that changes of this scope cannot be successfully implemented in a short period of time. They must necessarily take place on the basis of systematic long-term planning and carefully monitored step-by step development.

54. Major reforms and institutional changes have begun to be implemented throughout the country over the past eight month: (i) decentralized planning and budgeting was introduced under the local Government Act; and though this process all line ministries at the district level began to prepare district budgets of which education was part; (ii) MOES was restructured with new units being established and new procedures needed for functioning of the reorganized MOE/DOE relationship; (iii) the newly created DOE, the newly established primary education sections at the DEO and the integration of project units also required and continues to require experimentation and development of institutional arrangements that will be appropriate for a streamlined central MOE/DOE and a decentralized district and local management. Lessons from these experiences have fed into increased awareness of realistic budgeting and planning requirements. It is important that the key people who have been through these learning processes are retained in their positions to provide continuity and to allow institutions to develop.

55. The first steps leading to the establishment of the DOE have been completed, the building up of an institution to manage the complex processes of a technical ministry has yet to be completed. The current allocation of personnel between Departments and Sections is acknowledged to be unbalanced. Further, allocation of resources both in terms of computer hardware and software backup, as well as travel budgets, will need to be reviewed.

56. For central level institution staff, two levels of capacity building will be required to enable them to effectively perform their assigned functions: (i) training in principles and methods of educational planning in general, and (ii) training in their respective specific focus areas (girls' education, teacher education, inclusive education, etc)

57. This process has recently been initiated thorough an Institutional Analysis planned to be completed by August 2000. As soon as the Institutional Analysis has been received and duly reviewed by HMG and donors, it is proposed that the Ministry and the donor partners should agree on objectives, strategies and timing for a long term capacity building scheme.

58. As might be expected at this early stage of BPEP II implementation, taking into account the many structural changes, there still appears to be lack of clarity with in and between the various departments, sections, offices and institutions of the educational structure on their roles, responsibilities and lines of communication.

59. The mission recommends that the current work to develop a coherent teacher education strategy, including both pre and in-service teacher training , should be

completed as soon as possible and shared with all donors. This involves, among other things, coordination between recurrent RC based training and training for certification provided in the NCED/PTTC structure.

60. Special needs education, defined with in the overall concept of inclusive education relating to all disadvantaged groups of children with special learning needs, will need to be further developed. The mission is concerned about the unit for special needs education being physically located outside of the DOE building, since close collaboration with the other sections is vital, in line with the cross-cutting nature of inclusive education.

### **Gender Aspect**

61. The most important gender issue on BPEP II is the education of girls, Strategies to achieve this should also include a better gender balance among teachers and managers in the education system. When the institutional analysis is completed, there should be a strategy to ensure greater participation by women in the management structures at central and district level.

62. Significant progress has been made on other aspects of gender issues. The Programme Execution Board (PEB) currently includes a representative from the Ministry of Women, Children and Social Welfare, as suggested in the November Aide Memoire.

### **Institutional Issues**

63. BPEDU is still located in Keshar Mahal. The functions being carried out by BPEDU are duplicating functions already within the MOES/DOE structure, e.g. monitoring and evaluation, physical facility support, research and development, procurement management. Staff in the BPEDU carrying out these functions should be assigned to the appropriate units of DOE and the functions integrated into one line management. At the same time operational flexibility must be ensured for all DOE units.

64. Technical support to the MOES/DOE is being provided in different forms. These need to be clarified. For example, the TSAG is an advisory group, which needs to meet no more than a few times per year at the request of the DG/DOE for consultation and to provide advice on technical quality issues relating to program implementation. It should report to the DG/DOE. It should not be making decisions, nor should it be carrying out administrative tasks. The agenda should be prepared by the DG on the basis of need. It should be the DG's decision how the advice is used in consultation with his staff, and he should designate the appropriate unit to carry out the actions decided upon. The proposed actions need to be reflected in the annual work plan and budget.

65. Technical support for district planning and implementation has been provided on a rolling basis by a team of consultants under the direction of the Joint Secretary Planning Division, MOES. This Technical Support Group should be under a two-year contract, for continuity, with clear terms of reference developed by the MOES and management lines clearly delineated for accountability and time on task arrangements.

66. Individual consultant hired for specific purposes should be cleared by the DG (or MOES as appropriate) for activities identified in the annual work plan and budget. Terms

of reference should include the time period, the output/outcome expected, the time on task and counterparts (or workshops etc) and designate who the consultant is consigned to work with and who is the line manager.

67. Members of the TSAG, or their firms, should not be eligible to bid for consultant contracts reviewed by the TSAG. This would represent a conflict of interest.

### **Foreign Aid Coordination**

68. The Foreign Aid Coordination Section of the Planning Division of MOES constitutes the entry point for donors to the sub-sector, as well as the entry point for donors to the secondary and higher level of education. It is the assumption of the Mission that the key role of the Foreign Aid Coordination Section is to receive and scrutinize all donor proposals and other inputs, and to disseminate them to the relevant departments and sections of the MOES structure. This would imply that donor proposals for support to BPEP II would first be examined in the Foreign Aid Coordination Section and then transferred to DOE for Coordination on the practical level of the various donor inputs.

### **Annexes**

- Acronyms and abbreviations
- Comments on the Aide Memoire by Mr Khadka, Director General DOE
- ToR
- Time table for the review
- List of donor participants
- List of participants from DOE
- List of documents reviewed

## Acronyms and abbreviations

ADB	Asian Development Bank
ASIP	Annual Strategic Implementation Plan
BPEDU	Basic and Primary Education Development Unit
BPEP II	Basic and Primary Education Program, Second
CBO	Community Based Organization
CIP	Core Investment Program
Danida	Danish International Development Agency
DEO	District Education Officer
DEP	District Education Plan
DG	Director General
DOE	Department of Education
EC	European Commission
ECD	Early Childhood Development
FY	Fiscal Year
GER	Gross Enrolment Rate
HMG	His Majesty's Government
IDA	International Development Association
INGO	International Non-government Organization
JICA	Japanese International Cooperation Agency
MOES	Ministry of Education Development
MOF	Ministry of Finance
NCED	National Center for Educational Development
NER	Net Enrolment Ratio
NGO	Non-government Organization
NPC	National Planning Commission
PEB	Program Execution Board
PIP	Program Implementation Center
PTTC	Primary Teacher Training Center
RC	Resource Center
SIP	School Improvement Program
SPIP	School Physical Improvement Program
TOR	Terms of Reference
TSAG	Technical Support Advisory Group
VDC	Village Development Committee

## **Joint Review Mission: BPEP II (May 8-19, 2000)**

### **Comments on the aide memoire by Mr. Chandra Bahadur Khadkah, Director General, DOE**

#### **Overall Impression**

First of all, I would like to thank all for producing a comprehensive and strategic aide memoire. It reflects the overall concerns of the BPEP II program and outlines critical suggestions for the improvement of implementation capacity. Moreover the aide memoire has cautioned us to go gradually and systematically.

I feel that the Mission completed successfully in a very friendly and cordial manner. I am sure the donors will agree with me. I am glad to inform you that we have been successful in working together in the spirit of true development partners.

#### **Budget and Planning**

##### **Budget and work plan for current fiscal year 1999/2000**

On behalf of the DOE and HMGN I would like to thank you for understanding our difficulties regarding the implementation of the program in 1999-2000.

##### **Annual work plan and budget for 2000/01**

DOE would like to implement piloting activities under BPEP II in a systematic manner. It has recently initiated regular discussion within various groups regarding various piloting activities. I expect contribution from the local donor representatives in this exercise.

Although community based ECD program is in a piloting stage, we implemented the program in 41 districts based on our BPEP I experience in 1999/2000 and it will be difficult to close down existing ECD centers. I request the donor partners to understand our difficulties.

#### **Monitoring evaluation and reporting**

We are aware that our monitoring mechanisms need further strengthening. The monitoring section at the MOES and planning and monitoring sections at the DOE should have clear-cut roles and responsibilities. Simple and workable strategies are needed for collecting, processing, analyzing and disseminating information to the concerned agencies.

The working team under DOE would like to work and share with local donor group in this regard.

#### **Role of the mission**

I assure you that the DOE will do its level best to activate the local donor group established in February 2000 with clear-cut roles and responsibilities.

## **Format for the ASIP**

I would like to mention that our colleagues and mission members have been able to agree on the format of the strategic overview of the ASIP and clarify the purpose, the target group and scope of ASIP.

## **District Education Planning**

In principle the mission's suggestion regarding the district planning is acceptable to DOE. We think we have to review the whole exercise and incorporate these suggestion in our district planning guidelines.

## **Program Implementation issues**

### **Financial/Procurement management**

DOE has realized the importance of a comprehensive procurement plan to guide component coordinators and procurement and management staff. We are in the process of hiring a procurement consultant to develop such a plan.

### **NGO partnership in education**

DOE is committed to involve community service providers to implement different component activities as envisaged in the PIP. The implementation manual has also specified criteria and procedure regarding their selection, supervision and monitoring. However, operational procedures still have to be finalized.

### **Information strategy**

We have done a lot of exercise in the past to disseminate objectives and strategies outlines in the policy framework. However I agree with the suggestion that there is a continuous need to raise awareness among the stakeholders regarding the BPEP II reform initiatives. DOE will initiate procedures immediately to develop an information strategy campaign.

## **Capacity building and technical assistance**

### **Major reforms and institutional changes**

DOE is gradually establishing its roles and clarifying relation and reporting mechanisms with other institutions within MOE.

I am confident that the under going institutional analysis study will provide strategies and proper guidelines to develop our capacity at all levels emphasizing the capacity building of districts as envisaged by the district education planning exercise. I will be willing to work with the local donors to agree on objectives, strategies and timing for a long term capacity building skills.

## **Gender issues**

I fully agree with the donors that there should be better gender balance among teacher and managers. HMGN is entertaining the idea of hiring all female teachers in the vacant teacher posts.

## **Foreign aid coordination**

I am sure that the foreign aid coordination section will continue to work as an entry point for donors and DOE will be responsible for coordination of donors and TA activities on the practical level.

## **Institutional issues and good governance**

The suggestion of the mission for unified line of management and operational flexibility is highly appreciated and I would like to assure you that DOE will develop a mechanism to ensure operational flexibility to all units and sections under DOE in accordance with the existing rules and regulations of HMGN.

I am sure that the District planning support cell under planning division of MOES will continue to provide support to the DOE in matters related to district planning.

## **Terms of Reference**

### **Third Joint Review of BPEP II (8-19 May 2000)**

#### **Background:**

On 16 July 1999, the national reform programme, Basic and Primary Education Programme entered into its second five-year phase (BPEP II), July 1999-July 2004. Among the donors the following contribute to 'basket funding' for integration into HMG's budget for education: Dania, EC, Finland, IDA and Norad. This arrangement is referred to as the Core Investment Programme (CIP). Danida, EC, Finland, Norad and UNICEF provide technical assistance in relation to CIP, referred to as the TA sub-basket. JICA and ADB is providing earmarked support under separate agreements.

It has been agreed between HMG and the donors that all review missions will be undertaken jointly twice in year to ensure coordination between all partners involved, one in March for planning and budgeting, one in November for monitoring and follow up. (So far it has proved necessary to postpone March mission to May) The first mission of this kind took place from 20 to 30 May 1999, and the second took place from 17-29 November 1999.

During the second mission (November 1999) it was agreed on a small mission - later referred to as a planning workshop - focused on the strategic planning and budgeting cycles. The Planning Workshop took place in Kathmandu 15-21 February 2000.

#### **February Workshop**

##### **Extracts from the Note on Proceedings**

1. All 75 districts has prepared their District Education Plan (DEPS), and the Workshop was provided with English translations of six of the plans. The Workshop examined the process of review of the DEPs by the Ministry of Education, and the sample of six translated plans.  
It was agreed that:
  - Based on the ongoing review, each district should be provided with comments on the consistency of its plan with the Policy Framework.
  - Guidelines for a revision of the District Plans, covering mainly policies, priorities, progress indicators and budget figures, should be prepared within the end of April 2000. They should be submitted to the districts, together with indicative budget ceiling for use in revision of the respective parts of the plans.
2. The workshop discussed how next year's budget could be broken down into components in a way that take the DEPs properly into account.  
It was agreed that the final break-down of the district ceiling into components should be worked out by the MOE/DOE in close cooperation with the relevant District Education Officer, and be based on approach 2 above, and the process

described above. The consultations could be organized as workshops for DEOs on a regional basis.

3. The joint donor mission had of reasons stated in the Aide Memoir for the November Mission, not formally approved the work plan (ASIP) and the budget for BPEP II for the current fiscal year. The Workshop studied a sample of DEPs and received further information on budget details, including the rationale for allocations, and the component specific instructions that had been given to the districts.

The Workshop recognized that given the circumstances of this fiscal year being the first year of the program, there is a reasonable basis to recommend the donors to approve the ASIP and the budget for FY 1999/2000.

4. The Workshop was informed that in 7 districts JCIA-fund construction works are about to start on the basis of surveys. It was not established that this is in accordance with Policy Framework requirements regarding School Physical Improvement Plans.

The Workshop found that the question of eligibility for CIP funding in relation to JICA funded construction works had to be looked further into by the donors, that would produce a note for discussion with the government.

5. The November Mission had noted that the ASIP prepared by the Government provided fragmented information under different components and lacked a strategic overview of the program as well as detailed activity plans. It was advised to establish a model for the ASIP comprising both these element. It was stressed that the ASIP should be an overview document and a useful management tool for MOE/DOE managers to monitor program implementation.

6. The Workshop suggested that the Government takes significant steps to improve the format of the ASIP in preparing the document for the next fiscal year, and proposed a Working Group to:

- develop an appropriate format for an ASIP including a strategic overview of the program and activity plans with monitor-able indicators
- review the status of school improvement planning
- establish appropriate linkages between the various types of plans and synchronize the relevant planning cycles.

Follow up

7. The February Workshop has been followed up by the Ministry and by the Local Donors' Group, including the following:

- Re 3) above: The Work Plan and budget for the fiscal year 1999/2000 has been approved by letter 22 March 2000 from The Norwegian Embassy on behalf of CIP donors.
- Re 4) above: CIP funding in relation to JICA funded construction works has been taken up by letter of 29 February 2000 from the Norwegian Embassy on behalf of the donors. The Ministry has undertaken actions to enforce the requirements of the Policy Framework and School (Physical) Improvement Plans as the basis for the physical improvements.

## **Purpose of the Mission**

### **1. Planning and budgeting issues**

- ⇒ Review and endorse the work plan and budget for 2000/01
- ⇒ Review processes for central, district and local planning and budgeting and identify possible needs for piloting
- ⇒ Clarify and agree on roles in monitoring the program implementation, including the roles of: Joint Review Mission, MOE/DOE, Local Donor Group, independent third parties evaluation, separate studies and the formative research project

### **2. Program implementation issues**

- ⇒ Review spending in 1999/00
- ⇒ Assess the fulfillment of covenants
- ⇒ Review implementation instruments
- ⇒ Clarification of policies (e.g. in relation to JICA funded construction works)

### **3. Capacity building issued**

- ⇒ Review the institutional development of MOE, DOE and the DEOs
- ⇒ Clarify the role of Technical Assistance as an integral part of BPEP II, and work out a plan for coordination and possible co-financing of technical assistance within the program.

### **4. Preparations for further review**

In relation to the main purposes listed above, review other relevant issues (see bellow) and draw up a plan for clarification or review of possible remaining issues at a later stage.

## **Scope**

Below a list of items is presented in relation to Purpose 1 to 3. To the extent tat those items will not be fully covered as part of the purpose in question, they should be considered under Purpose 4.

### **1. Planning and budgeting issues**

- ⇒ Review and endorse FY 2000/01 plans as outlined in the new ASIP 2000/01

- ⇒ Review and endorse FY 2000/01 budgets at central and district level as specified components wise on the basis of District Education Plans and in cooperation between MOE and the districts.
- ⇒ Clarify the interpretation and implementation of the Policy Framework and donor conditionalities
- ⇒ Clarify the role of Joint Donor Missions and the resulting Aide Memoirs, and discuss donor coordination/discipline (limit the number of participants? the issues of continuity, information sharing, functions and role of the coordinating agency)
- ⇒ Review Guidelines for the rolling of district plans within realistic budget ceiling, with focus on inclusion of SIP/SPIP, reflection of the Policy Framework, and relations to the Local Government Act
- ⇒ Review a new format for ASIP as a management tool
- ⇒ Review processes for central, district and local planning and identify possible needs for piloting. Agree on roles in monitoring the program implementation, including the roles of: Joint review missions, MOE/DOE, local donor group, independent third parties evaluation, separate studies and the formative research project. Agree on monitoring of program
- ⇒ Assess planning and budget cycle with the timing and deadlines of different Central and District level planning processes in order to consider if joint review missions should be rescheduled
- ⇒ Review of performance and monitoring indicators and of baseline data. Assessment of the needs for monitoring of implementation in the field (distribution and utilization of textbooks etc.)

## **2. Program implementation issues**

- ⇒ Review of spending up to second trimester
- ⇒ Review of fulfillment of covenants; common procedures for sanctions
- ⇒ Review of routines for procurement and financial management
- ⇒ Presentation of FMIS, procedures for procurement etc, assessment of institutional capacity
- ⇒ Discussion on needs for a common funds release system towards the basket
- ⇒ Information about audits at the district level
- ⇒ Information on changes in district treasury system
- ⇒ Discuss communication strategy of HMG on BPEP II (how and to who is the policy framework and principles communicated, documents available in Nepali etc.) in order to strengthen transparency and accountability

### 3. Capacity building issues

- ⇒ Review the institutional development of MOE, DOE and the DEOs (including the merger of BPEDU into MOE/DOE)
- ⇒ Agree on a plan for coordination and possible co-financing of technical assistance, its relations to the overall programme, and to other possible development programs in the sub-sector
- ⇒ Review of plan for HRD/capacity building (including school mapping and other ILP matters)
- ⇒ Clarify relations between BPEP II and other programs/projects in the sub-sector; particularly in the area of teacher training
- ⇒ Collect and compare TOR for expatriate experts
- ⇒ Discuss the needs for a coordinated teachers' education policy including pre and in-service training regularization of temporary teachers, substitution arrangement for teachers being trained
- ⇒ Clarify concepts and strategies in relation to "special focus groups", marginalized groups, "special needs education"
- ⇒ Review recruitment and training of staff at central and district level
- ⇒ Situation of personnel on mandatory study leave
- ⇒ Clarify roles and responsibility among different entities at the central level
- ⇒ Clarify gender issues

### **Implementation of the Mission**

The Ministry of Education, Nepal will provide the necessary working documents, which for the major part will be instruments prepared for the implementation and monitoring of the program.

The mission members and representatives from Ministry of Education and its Department of Education will work together in plenary sessions and in thematic groups.

Representative from other Ministries and Government Agencies will be invited to relevant plenary or group sessions.

A grouping according to the purposes 1 to 3 above is recommended:

Group 1: Planning and budgeting issues

Group 2: Program implementation issues

Group 3: Capacity building issues

Each Group should identify what clarifications and endorsements within its field will be crucial at this stage for HMG's implementation of the Program, and give highest priority to those. Each of the groups should take up other relevant issues as indicated under Purpose 4.

The donors will prepare an Aide Memoire on the proceedings of the joint mission, the main issues involved, agreements and recommendations, and the next step in the implementation process.

### **Timing and Programme of the Mission**

For donor participants the mission will start Monday 8 May and end on Friday 19 May 2000. The working session involving Government representatives will start Wednesday 10 May and end on Tuesday 16 May. A debriefing with Government representatives is suggested on Friday 19 May.

### **Composition of donor team**

The CIP donor team is composed of representatives of DANIDA, EC, Finland, IDA and NORAD, UNICEF, JICA and ADB will designate their respective representatives individually. Embassy and other local donor representatives will participate as required.

The Mission will be led by NORAD.

## BPEP II Joint Review Mission May 2000

Time Table

	9-10	10-12	2-4	4-5
Wednesday 10	Donor meeting World Bank	Opening Keshar Mahal	Joint Plenary and group	
Thursday 11		Joint group Session  Sano Thimi	Joint group Session  Sano Thimi	Donor meeting S. Thimi
Friday 12		Joint group Session  Sano Thimi	Joint group Session  Sano Thimi	Donor meeting World B.
Saturday 13		Drafting / Field visit	Drafting / Donor budget group Field visit	
Sunday 14		Drafting / Field visit	Donor meeting  World Bank	
Monday 15	Delegation heads to see: 10:30 : Joint Secretary Pl. MOES 11:30 : Secretary MOES		Donor meeting  World Bank	
Tuesday 16	Donor m. DEP - guidel BPEP	11:30 Delegation heads to see Minister MOES	Information on TA project ADB MOES, Secretary's off.	
Wednesday 17			Information on proc. procedures, FMIS SanoThimi	
Thursday 18				
Friday 19		11:00 Debriefing  Keshar Mahal		

## **List of participants**

### **Nepal BPEP II**

#### **Joint Dinor Mission 08-19 may 2000-05-05**

#### **List of participants from Donor Agencies**

##### Denmark:

Mr. Knud Mortensen, Danish Foreign Ministry, Copenhagen  
Ms. Nathalia Fiednberg, Royal Danish Embassy, Kathmandu

##### European Commission:

Mr. Peter Christensen, EU Delegation, New Delhi  
Mr. Liam Owens, Consultant  
Ms. Gita Poyek, Consultant  
Mr. Horst Beyer, Consultant  
Ms. Sumon Tuladhar, Consultant

##### Finland:

Mr. Arto Vaahtokari, Consultant  
Ms. Babita kayastha, Consultant  
Mr. John Evans, Long Term Team Adviser BPEP II

##### World bank:

MS Audrey Aarons, The World bank  
Mr. Rajendra Joshi, The World Bank  
Mr. Bigyan Pradhan, The World bank  
Mr. Surendra Joshi, The World bank  
Mr. Sudarsan Tiwari, Consultant

##### Norway:

Mr. Lief Sauvik, Royal N. Embassy, Kathmandu (some session)  
Mr. Hakon Bjornes, Royal N. Embassy, Kathmandu  
Ms. Marit vedeld, Oslo  
Ms Ranga Fidjestol, Norad, Oslo  
Mr. H\Knut Klepsvik, NORAD, Oslo (from 12 May)

##### Asian Development Bank:

Mr. Krishana Pandey, ADB office, Kathmandu  
Ms. Sukdeep Brar, ADB, Manila (from 15 to 21 May)  
Dr. Gajendra Shrestha, Consultant (some session)

##### Japan:

Mr. Hiroyasu Tonokawa, JICA Nepal office, Kathmandu  
Mr. Keshab B. Shrestha, JICA Nepal office, Kathmandu

UNICEF:

Mr. Cliff Meryers, UNICEF office, Kathmandu

Mr. Abhiyan Rana, UNICEF office, Kathmandu

Long Team Adviser (DANIDA)

Mr. Erik Winther-Schmidt, Chief adviser BPEP II

Mr. Ivan Arnbjerg, Long Term Adviser BPEP II

Ms. Vibeke Jensen, Long Term Adviser, BPEP II

List of participants from  
Ministry of Education/ Department of Education

Group' A'

Capacity Building Issues

1.Mr.Chandra Bahadur Khadka	-	D.G. DOE
2.Mr. Ram Sarober Dubey	-	Director, DOE
3.Dr. Narayan Kunwar	-	BPEDU Co-ordinator
4.Ms. Usha Dixit	-	Under Secretary MOES
5.Mr. Ram Swarup Sinha	-	Deputy Director
6.Mr. Purna Bhakta Tandukar	-	Deputy Director
7.Mr. Nil Bahadur KC	-	Deputy Director
8.Mr. Ram Pyari Shrestha	-	Deputy Director
9.Mr.Jay Prasad Baral	-	Deputy Director
10.Mr. Mohan Gopal Nyachhyon	-	Section Officer

Group'B'

Planning and Budgeting Issues

1.Mr. Dharanidhar Kathiwada	-	Director, DOE
2.Mr. Sunder Prasad Shrestha	-	Joint Secretary,MOES
3. Dr.Shiva Raj Lohani	-	Consulotant
4.Mr. Tekendra Bahadur Karki	-	Deputy Director
5. Mr. Ram Balak Singh	-	Deputy Director
6.Mr. Shakti Prasad Shrestha	-	Finance Controler
7.Mr. Bishnu Devkota	-	Deputy Director
8.Mr. Dil Prasad Shrestha	-	Consultant
9.Mr. Shailendra Sigdal	-	Section Office
10. Ms padma Dhakal	-	SectionOfficer
11.Mr. Krishna Dhungana	-	Section Officer

## Group'c'

### **Programme Implementation Issues**

1.Mr. Laba Prasad Tripathee	-	Director DOE
2.Ms. Usha Pokhrel	-	Consultant
3.Ms Divya kala shrestha	-	Under Secretary,MOES
4.Mr. Gopal Adhikari	-	Deputy Director
5.Ms. Lalita Devi Shrestha	-	Deputy Director
6.Mr. Dilli Rimal	-	Deputy Director
7. Ms Nira Shakya	-	Deputy Director
8.Mr.Shambhu Upreti	-	Enhineer
9.Mr. Prahlad Aryal	-	Section Officer
10.Mr.Hari Lamsal	-	Section Officer
11.Mr.Dilip Joshi	-	Section Officer

Representatives from CDC/NCED/DEC/NFEC and TSAG members are welcome/ expected to participate in any group.