

Education for All
Annual Review Meeting
12 – 14 June 2006

Aide Memoire

Preamble

1. An annual review meeting of Education for All (EFA) 2004-09 with development partners and the Ministry of Education and Sports and the line agencies and the stakeholders took place on 12 – 14 June 2006.
2. The purpose of the meeting was to review the draft Annual Strategic Implementation Plan and the Annual Work Plan and Budget 2006-07 (ASIP/AWPB), and for the development partners to provide their funding commitment for the next fiscal year. The documents to support this review are the 2006-07ASIP/AWPB, Financial Monitoring Report (FMR) for the second fiscal trimester, the Annual Audit Report of the EFA Programme as certified by the Office of the Auditor General of Nepal (OAG/N), and the Technical Review of School Education in Nepal 2006 (TRSE).
3. The meeting was addressed by the Honourable Minister for Education and Sports, and his speech is attached as Annex A. The Minister said that Nepal was entering a new phase of nation-building and reconstruction. He stressed the need for the education system to promote equity and improve the quality of public education and said that disparity reduction and system reform would be a major priority. He also informed the Review of the formation of a High Level Policy Committee. He confirmed the importance of education for Nepal, but asked development partners to understand the difficulties the country faced at this time and the need for continuing, with even an enhanced level of support.
4. This Aide Memoire records the proceedings of the meeting, drafted and agreed to by the partners. It relates to key issues in the 2006-07 ASIP/AWPB and the TRSE. The list of participants is at Annex B, the Terms of Reference at Annex C, and the agenda at Annex D. The key issues such as school performance, scholarships, teacher and financial management and textbook delivery were discussed during the review.

Report on Progress in 2005-06

5. Representatives of the Ministry of Education and Sports and the Department of Education (MoES and DoE) provided reports on progress made in the 2005-06 ASIP/AWPB. DoE presented information on progress in enrolment related EFA indicators. Performance data was provided on matters such as classroom construction, pupil enrolment, retention and achievement, scholarships and grants to schools. Discussions centred on achievements as well as challenges.

6. Particular mention was made of the changed context in Nepal, following the historic people's movement and the restoration of democracy. The pivotal role of civil society in this restoration has given it a confidence and a sense of expectations from the government which will have great implications for the education sector.

7. All participants welcomed the new developments in Nepal and the opportunity it provides for inclusive development. Partners confirmed their support for the Government of Nepal's efforts to develop an inclusive learner-centred education system delivering robust results in an accountable and transparent manner.

8. The ASIP/AWPB drew attention to the success of the enrolment campaign, to the ongoing development of a strong and robust database system, making decisions objective, to a developing student tracking system and efficient service delivery system, and to regular social audits in schools to ensure good governance.

9. The School Improvement Plan process and a strengthened monitoring and supervision system buttressed by social audit continue to help improvement.

10. Where MoES and DoE reporting in line with Joint Financing Arrangement (JFA) requirements has been less than optimal, the meeting accepted the suggested improvements on financial reporting, aiming to ensure timeliness and greater accuracy.

11. The attention of the review was drawn to growing collaboration with teacher unions, community-based organisations (CBOs), the Community School National Network, (CSNN) and NGOs and other stakeholders, and the need in the future to further widen and strengthen this. Further information is available from the 2005-06 ASIP/AWPB presentation.

12. The Review noted and welcomed the enhanced process of consultation and participation in the 2006-07 ASIP/AWPB, and encouraged the MoES and DoE to further strengthen the process, in accord with the heightened expectations of the people of a democratic Nepal. Highlights of the ASIP/AWPB should be shared with all stakeholders across Nepal.

13. The Technical Review of School Education 2006 (TRSE) reported continuing improvements in enrolment and retention, in particular in Grade One. There was some concern expressed about the very low retention and high repetition rate in some schools. A strategic focus on improving retention in Grade One in the coming year was agreed. In particular the retention of dalit and janjatis children needs to be disaggregated and cross-tabulated with gender.

14. In many respects the TRSE confirmed the figures supplied by the MoES through Flash Reports. In only a limited number of areas there is a discrepancy, for example in the percentage of under-age children in Grade One classes. While the TRSE noted progress in many schools surveyed, they also commented on the growing variation between schools. The TRSE suggested that teacher training did not correlate with learning outcomes, suggesting a systemic issue. It was noted that teacher attendance at school did not mean that lessons actually occurred.

15. In financial areas, the TRSE noted low levels of compliance at school level with audit requirements, and high levels of unsatisfactory financial record-keeping. Also, there are problems with scholarships either being delayed or paid to fewer than the specified number of students they are intended for, or the amount students receive is different from stipulated.

16. The TRSE noted that many schools had too few teachers, as well as fewer female teachers than education regulations, and commented on the serious shortage of classrooms, combined with a large number of classrooms with leaking roofs or overcrowded. Water and sanitation were not reviewed and need to be on future occasions.

17. After two weeks of school only 21% of students had their textbooks. After eleven months 10% had still not received them. The Review welcomed the change in the process intended to improve this and looked forward to improvements next year.

18. The Review noted the progress of the Formative Research Project in meeting the operational research requirements of Nepal's EFA. The participation by system managers in the selection and dissemination of research to strengthen and develop capacity was welcomed. The broadened participation by other institutions and researchers on issues affecting the education system helps to develop national capacity and the Review welcomed progress in this initiative.

Next steps: recommendations for action

19. Where recommendations or matters needing to be addressed are included in this section they will require concrete action following the Review.

20. The Review was informed of the education policy sector-wide process, for which a high-level policy committee has been formed under the chairmanship of the Minister for Education and Sports. Development partners gave this process their enthusiastic support, in particular its focus on governance and management, quality and inclusion, and financing. The government ownership of the process, its farsighted nature and the way education was setting an example for others to follow were particularly welcome. In addition, partners requested a broad consultative process including for example teachers, women and children, indigenous groups/minorities; and that ECD and higher education be taken account of; and for linkages to be made with the Poverty Reduction Strategy Programme.

21. Government invited development partners to join in the school sector policy development process through engagement and capacity building. It was agreed that all further developments in the sector process will follow an agreed road-map and will be a process open to all current and potential partners. This matter will be taken further in Local Donor Meetings in the near future.

22. The ASIP/AWPB highlighted the strategies for the coming year: decentralization, inclusion, capacity building, conflict mitigation and post-conflict reconstruction. The government aims to increase school participation, reduce drop-out and repetition rates, to increase learning achievement and reduce illiteracy. Further elements of the ASIP/AWPB

include strengthened monitoring, post-conflict mitigation and reconstruction, capacity building and decentralization.

23. The ASIP/AWPB also envisages the expansion of early childhood development (ECD) provision, and a reduction in adult illiteracy. Improvements will also make education more relevant, and appropriate interventions will help to bring about greater gender parity in both students and teachers.

24. Concern was expressed in particular about the quality of education, in line with the comments made in the opening speech by the Minister of Education and Sports. Now that it is possible for children to attend school on a more regular basis, there is a clear need to address the quality and relevance of learning that they experience.

25. The Review agreed on the need to further harmonise and coordinate technical assistance (TA). Government will prepare a concrete proposal to be discussed at the Local Donor Meeting. Development partners indicated their willingness to support this process to the full.

26. Development partners also drew attention to the need for more effective inclusiveness in education, in schools and beyond the school. Mention was made of remote areas, of children whose mother tongue is not Nepali, and of children of internally displaced families (IDPs) and excluded groups and out-of-school children. Particular attention should be given to girls in these respects.

27. Development Partners pointed to the need for more explicit needs-based allocation of resources, on the basis of clear indicators and criteria. In addition, Development Partners requested that the proposed allocation for providing grants to schools with best performance in SLC exams be deleted from the budget for basic and primary education.

28. In the light of the new developments in Nepal, steps need to be taken to mitigate the impact of the ten-year conflict on children and their teachers. While few schools were physically destroyed during the insurgency, for many working in them there are significant post-conflict issues to address. There is clearly a case for peace education and other measures to promote social cohesion.

29. On the question of teacher deployment, concern was raised about the 12,000 excess teachers working in schools where pupil numbers do not justify their presence. This is in direct contrast to the many schools short of teaching staff, for which the figure in the TRSE is 37,000 teachers. Clearly redeploying teachers to the vacancies in schools would solve almost one-third of the problem while medium-term strategies are put in place. The DoE undertook to work with teacher unions on resolving this question.

30. Initiation of block grants to unaided schools for covering the salary of teachers was one of the major achievements of EFA in the path to ensuring equity of access. Due to the lack of resources the Government has been limiting these block grants up to an equivalent of two teachers' salary. Similarly, the Government has not been able to provide adequate block grants for teachers to community-managed schools as per the norms specified by Education Regulations. In response to the Government request for providing additional

funding on the top of regular commitment to EFA for providing additional block grants for teachers and matching funds for classroom construction for unaided and community-managed schools, IDA has agreed to consider committing up to US\$4 million of additional funding for FY 07/08 from the possible Poverty Reduction Strategy Credit (PRSC). If PRSC does not materialize in FY 07 this commitment will be borne by IDA from its commitment for EFA.

31. In fulfilment of the Government commitment to open textbook supply to private sector contained in the core document (and an action plan agreed with IDA in this respect) the Government has decided to allow private sector to print and distribute Government prescribed textbooks for Grade Five in primary schools throughout the Eastern Development Region effective from academic year 2064/65 (2007/08). In order to allow private sector to make appropriate preparations this decision will be made public not later than July 15, 2006 and CRC copies of textbooks will be made available on cost basis to private parties. JEMC will be allowed to compete with the private sector.

32. Partners recommended action on increased provision of school physical facilities including classrooms and water and sanitation. They also stressed the need for better ECD centres, for teacher training, and for more female teachers.

33. In line with the expectation of the people for greater democracy and participation in the affairs of their community, partners mentioned the beneficial effects of transferring the management of schools to their communities and the enhancement of support schools receive from their communities as a result.

34. Partners welcomed the attention being given in Nepal to the Mid-Decade Assessment of EFA due next year. This process needs to be effectively combined and coordinated with the Mid-Term Review.

35. The Review was informed of a need for improved financial tracking: funding needs to be simplified for capacity building and to aid decentralisation. DoE also agreed to a public expenditure tracking survey.

36. On the basis of the foregoing reports on progress and the recommendations for follow-up action, the Review agreed to endorse the ASIP/AWPB. Any major change in the ASIP/AWPB will be agreed with partners at the Local Donor Meetings.

37. Contributions from the five pooling partners will be US\$40m maximum. The following amounts, subject to confirmation, show the shares –

	US\$m
Denmark	7.5
DFID	3.5
Finland	3.4
IDA ¹	20.7
Norway	4.8

¹ plus the \$US 4m for teachers explained in paragraph 30

38. As a result of the contribution from ADB and UNICEF, the subsequent changes to ASIP/AWPB will be further discussed and agreed in the Local Donor Meeting. ADB's total contribution for the remaining period of EFA will be US \$30m. Annex D records the outcomes of group discussions, with their recommendations for follow up. The issues raised there can be used by MoES, where they are not already provided for in this aide memoire.

39. The Review warmly welcomed the declared intention of the Asian Development Bank to become a member of the Joint Financing Arrangement (JFA) and the pool donor group.

40. The issue of the pro rata share was raised following ADB's notification. The current government level of funding will be continued. Any additional funding provided by development partners will not increase the government's liability and the existing pro rata share will not apply for the government in relation to the additional funding. The budgetary technicalities of this will need to be further discussed with the relevant authorities.

41. The mission noted that the Department has been severely lagging behind in providing Financial Monitoring Report (FMRs). While the financial part of the report has shown good improvement, the technical part including procurement requires substantial improvements. The mission reviewed with DOE Team, and agreed on work programme for the way forward. The Director General of DOE submitted his plan on how he is going to institutionalize the monitoring and reporting process so that the issues of (a) timeliness, (b) comprehensiveness, (c) accuracy, and (d) analysis, are addressed. The Department of Education will put in more sustained efforts in improving the overall financial management of the sector-wide programme.

42. The mission discussed with the Financial Comptroller General the programme and requested to provide on-line link to the DOE to enable them to have on-line read access on education expenditures (this was a part of agreed action when the sector-wide program was prepared in education and health sectors). The Financial Comptroller General supported the idea and assured that he would see the possibility of providing the link to both the sector-wide programs in education and health.

43. The date for next Review Mission, the Consultative Meeting, was agreed as the first week of December 2006, to be coordinated with the Secondary Education Support Project (SESP).

44. The date and the processes for the Mid-Term Review in 2007 will be agreed with the Local Donor Group, along with the necessary processes for the Mid-Decade Assessment for EFA.

Annex A

Speech of Honourable Minister for Education and Sports, Professor Dr Mangal Siddhi Manandhar

Mr. Chairperson, Excellencies, distinguished mission members, ladies and gentlemen

It is indeed a great pleasure for me to be with you today on this occasion. I feel privileged to be part of the EFA Review meeting. We have entered a new phase of nation building and reconstruction. The Government of Nepal is now engaged in the process for conflict resolution and consolidating peace process in the country. We are making all efforts to end the insurgency situation in the country. On behalf of the Government of Nepal and on my own behalf, I would like to extend my sincere gratitude to the donor community for the support provided to us during the popular movement. I am grateful to you for your moral support and cooperation in the movement.

We are also truly grateful to you for expanding our education services across the country. Your support for the implementation of the Education for All, in particular, has been instrumental in ensuring children's equitable access to Quality Education. Your deliberations during the EFA and Secondary Education Reviews will pave the way for consolidating our efforts and improving implementation processes. We will make necessary arrangements for improving our monitoring mechanisms across the continuum.

The major challenge for us is how we can ensure quality of education, and bridge the gaps between the haves and have-nots. We will make more efforts on how inclusiveness and quality education for every child can be guaranteed without compromise. We cannot afford to widen the gaps between the privileged and under-privileged. I would like to draw the attention of the distinguished mission members to considering how we can raise the quality of public schools.

In order to give a push to the reform process for the One to Twelve School Structure and promote harmonization in the education sector, the Government has formed a High Level Policy Committee to formulate, coordinate, follow-up and review education policy in its entirety. We would like to emphasize the policy-led approach to education, for which this committee will play a key role.

I am also keen to improve our delivery system at all levels of education. Recognizing the centrality of teachers, we have to pay adequate attention to the provision of teachers and to enhancing their professional competence. I firmly believe that the decentralization and functional autonomy to schools are key to our reform process. Building partnerships for textbook development, teacher training and monitoring are high on our agenda.

The Government is fully committed to increasing resources for education as much as possible. But, at the moment we are experiencing an acute pressure on the Government treasury to meet other resource requirements. I therefore should be grateful if development partners can provide Nepal with as much support as possible at this time.

The Ministry of Education and Sports would like to set an example on harmonization in our resourcing and capacity building. Your support in Transforming Education Sector as a model will be a valuable contribution to the overall development process in Nepal.

Our officials will be working closely with you. I will be in constant touch with them to update myself. We are open to discuss any issue during this review process.

I wish all success of this mission and am looking forward to receiving news of the outcomes. I also wish a pleasant stay in Nepal to all Mission Members.

I thank you once again for your support and cooperation. Thank you all.

Annex B

Participants

Annex C

Agenda

The recommendations below were provided by working groups:

1. Form a task force to develop monitoring report on inclusion for reporting in December mission
2. Expedite the approval of Project Document for piloting Bilingual Transition Education and extend Bilingual Transition Education at primary level of education with wider coverage
3. Special scheme to be materialized to build technical and management capacity at school and district level.

Other unresolved items

4. For overcoming the performance problems evident at various levels of functions and institutions, MOES, DOE, CDCs and other CLAs will be supported to prepare institutional capacity building plan in order for leading systematic and sustainable development process.
5. ASIP will include program heading with the provision of estimated budget for the implementation of identified activities of NCED-ICBP.
6. The mission also reminded earlier recommendation that during the preparation of the FY2006/07 budget, the pooled funds should be reflected in the Red Book along with the GON source with a footnote indicating the percent of the overall GON education is to be financed from the pooled fund. Budget to be reflected should appear under "Reimbursable Grant or Credit" as applicable.
7. Audit report of FY2004/05 has been received. The mission reminded the DOE to send the response to the World Bank's management letter dated May 10, 2006 with a program to address the qualifications raised by the Auditors.