

# **Support to School Education in Nepal**

**Semi-annual progress report no. 1  
July – December 2004**

**on  
Danish Direct Funding  
to  
Ministry of Education and Sports, Nepal**

**Submitted by  
Education Sector Advisory Team**

## Abbreviations

|          |  |
|----------|--|
| ADB      | Asian Development Bank   |
| ASIP     | Annual Strategic Implementation Plan                               |
| AWP&B    | Annual Work Plan & Budget  |
| BPEP     | Basic and Primary Education Programme                              |
| CDC      | Curriculum Development Centre                                      |
| CLA      | Central Level Agencies   |
| CPN-M    | Communist Party Nepal - Maoist                                     |
| DEO      | District Education Office  |
| DFID     | Department for International Development (UK)                      |
| DKK      | Danish Kroner  |
| DOE      | Department of Education  |
| EFA      | Education for All 2004-09  |
| EMIS     | Education Management Information System                            |
| ESAT     | Education Sector Advisory Team                                     |
| HIV/AIDS | Human Immune-deficiency Virus/ Acquired Immune Deficiency Syndrome |
| HMG      | His Majesty's Government   |
| ICBP     | Institutional Capacity Building Plan                               |
| IDP      | Internal Displaced Person  |
| IIEP     | International Institute of Educational Planning                    |
| INGO     | International Government Organisation                              |
|          | Ministry of Education & Sports                                     |
| , FACS   | Ministry of Education & Sports, Foreign Aid Coordination Section   |
| NCED     | National Centre for Educational Development                        |
| NFEC     | Non-Formal Education Centre  |
| NGO      | Non-Governmental Organization                                      |
| NPC      | National Planning Commission                                       |
| NIEPA    | National Institute of Educational Planning and Administration      |
| PRSP     | Poverty Reduction Strategy Paper                                   |
| SAARC    | South Asian Association for Regional Cooperation                   |
| SC       | Steering Committee   |
| SCN      | Save the Children Norway   |
| SESP     | Secondary Education Support Programme 2003-09                      |
| SLC      | School Leaving Certificate   |
| TA       | Technical Assistance   |
| TOR      | Terms of Reference   |
| TU       | Tribhuvan University   |
| UN       | United Nation  |
| UNESCO   | United Nations Educational Scientific & Cultural Organisation      |
| UNICEF   | United Nations Children's Fund                                     |
| VAT      | Value at Tax   |
| VCDP     | Village Community Development Plan                                 |

## Executive summary

The latter half of 2004 was characterised by the closure of Basic and Primary Education Programme II 1998-2004 (BPEP II) and the opening of Education for All 2004-09 (EFA).

BPEP II was succeeded by EFA, changing to a sector budget support modality and supported by 13 pooling and non-pooling donors.

In terms of Danish direct funding, activities during the period focused on closing of the BPEP II related activities. Due to the start-up of EFA, no activities, funded through direct funding were launched for EFA. The remaining direct funded activities all relate to Secondary Education Support Programme 2003-09 (SESP).

Funded activities were focused on three issues that are strategic keys for the educational policy and implementation discourse in Nepal. Support was provided for

- Development of a responsive curriculum and examination system through the articulation of a national curriculum framework and preparatory analytical activities to reform the examination system,
- Articulation of an institutional capacity building plan for National Centre for Educational Development (NCED), drafted by NCED staff and focusing on the entire teacher education and development system. The objective is to ensure more teachers are trained annually and better, so training and education will be applied in the class-room, and finally
- Social mobilisation and literacy mapping that – with a reform of the non-formal education policy and implementation modality – will result in a localised, need-based planning tool, aimed at making more people literate within few years.

The relative importance of these areas of activity is also due to the fact that they form basic features of how education contributes to fuelling of the armed conflict in Nepal.

Many more activities were carried out during the period. The total expenditure amounts to approximately DKK 9.2 million for the period of reporting.

Whenever feasible, activities are documented and can be found at [www.esat.org.np](http://www.esat.org.np)

## Introduction

Danish support to the school education sector in Nepal consists of contributions to pool/joint basket funding and direct funding.

Danish direct funding is a strategic supplement to the sector budget support (pooled and basket funding) to achieve the objectives of the sub-sector plans: EFA and Secondary Education Support Programme 2003-09 (SESP). EFA and SESP form the two components of Denmark's support to school education.

The EFA pool funding, utilising a sector budget support modality is undertaken in a joint arrangement with Norway, Finland, DFID and World Bank. Currently, HMG/N provides 75.5% of annual expenses and donors 24.5% on a pro rate basis<sup>1</sup>. The Danish contribution for EFA amounts to DKK 200 million of which 20% or DKK 40 million is allocated for direct funding.

SESP is co-funded in a basket modality with the Asian Development Bank (ADB) and HMG/N (His Majesty's Government of Nepal). Distribution of expenses is 40% for Denmark and ADB respectively and 20% for HMG/N. The Danish grant of DKK 265 million consists of 80% for the basket and 20% or DKK 57 million for direct funding.

In total, the Danish grant for the education sector in Nepal for the years 2003-09 amounts to DKK 465 million<sup>2</sup>.

This semi-annual progress report records status of activities undertaken through direct funding only. The report also documents the finalisation and closure of activities of BPEP II.

The report falls in two parts.

The first part consists of a narrative executive summary of development in the education sector and with regard to Danish direct funding. After presenting principles for Danish direct funding and the policy of the Steering Committee for capacity building and development, the semi-annual report pays attention to critical issues and key developments for the education sector that also form and contribute to the context and background for Danish activities in the sector. This particular part focuses – as a general rule - on information that is not reflected in status reports. Next follows a brief description and assessment of the impact of Danish direct funding for capacity building, supplemented by an overview of key financial information. The narrative part closes with a summary of issues concerning Danish direct funding that the Steering Committee is recommended to deal with.

The second part consists of tabled basic information on activities and progress related to individual components as well as the quarterly financial reporting.

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<sup>1</sup> Current shares of EFA pool (fiscal year 2004/05); Denmark: 18,7%, Finland: 9,3%, Norway: 15,4%, DFID: 23,3%, WB: 33,3%

<sup>2</sup> Excluding BPEP II final contributions

# **Part I**

## **Change through capacity building**

Danish direct funding is a strategic supplement to the overall institutional capacity building in the education sector. This means enabling institutions to provide outputs that are responsive to the educational needs of beneficiaries and thereby enhance socio-political accountability. Further, the capacity building focuses on enabling of institutional and systemic learning in order to enable change and implement reform activities in the education system in a sustainable manner.

Direct funding supports the overall efforts through a focus on changes in outputs, and reporting attempts to record of the actual achievements in capacity to deliver. The correlation between plans, budgets, expenditure and achievement is an important vector for the institutional learning.

This also goes for factors in the education that drive or/and constrain the structural and institutional development for change and reform. To provide adequate perspectives and better sense to corrective measures, attention will be given to contextual elements that influence the feasibility of change and reform.

An education system is characterised as being the public service that reaches out to most people. This is also the case in Nepal. Institutions, as parts of the education system, form an organisational network, meaning that all institutions are linked to and dependent on other institutions and in ways that vary with subject, the relational context, formal, informal etc. The formal relationships vary with changes in the administrative balances of authority and personalities.

A functional perspective – focusing on purely internal administrative rationality like organisation of work processes, divisions of labour, administrative technologies etc – will be insufficient to understand the dynamics in which capacity building takes place, hence leading to misinterpretations of success and failure.

Finally, the reporting on outputs of capacity building, funded through Danish direct funding focuses on traditional organisational elements such as leadership and commitment, complements (development of) strategies, policies and plans, administrative tools and mechanisms, institutional change and restructuring of division of work. However, due to the aforementioned concept of capacity building, reporting will also attempt to take into account socio-political issues of the environment, deemed necessary for a comprehensive and holistic understanding of education, including shifts in structures and balances.

## **Critical issues and key developments for the education sector**

The armed conflict between the CPN-M (Maoists) and the Government of Nepal continued to escalate during the period.

As has been reported earlier, schools are still functioning: teachers are manning positions and teaching learning takes place. However, from time to time teaching-learning is disrupted as schools are in the midst of the conflict.

The Maoists are reported to have abducting students and teachers for days to others parts of the districts for indoctrination. Some school age children are used as spies, lookouts, militia, porters etc.

Closure of schools in the name of reformation education system for shorter or longer periods by students' unions affiliated with the CPN-M has become a disturbing factor for the students.

The security forces have also violated the educational rights of children through encampment on school grounds or its adjacent.

In 2004, 69 children and 20 teachers are reported killed in conflict related incidents<sup>3</sup>

The public mandate for local governments has not been extended and no new elections held. Administratively appointed officers run education at district level. To monitor the schools activities District Education Offices' (DEO) staffs are appear to be more and more frightened of leaving district headquarters due to security concerns. As intra-district travels are difficult and sometimes dangerous, DEOs seem to be relatively detached from regular contact with schools in a number of districts. In many cases, Maoists do not allow Government officers to approach wards in their control. The media reports that CPN-M has bombed some of the DEO's office and abducted government officers together with staff of DEOs in some districts. .

Data collection and/or systematic monitoring and reporting on the impact of conflict on school education are not found. Government monitoring in the field is hampered by Bandhs, school closures and general uncertainty of what could happen when travelling. As a direct consequence of the conflict, internal displacement begins to emerge as a pertinent issue. Recorded numbers are still relatively small, but impact is seen in certain Terai district as overcrowding of schools. Upon the request of the Secretary of , ESAT together with a few select district education officers started drafting a concept for how could manage the impact of internally displacement school seeking children through re-allocations of budgets, coordinated efforts between all stakeholders, rapid response initiatives and systematic learning from one district to the other.

A peaceful conclusion to the conflict appears not to be realistic within the near future. Life, work and the administrative functionality are disrupted by political instability and demonstrations in the streets of Kathmandu, organised by the "four-party alliance against regression". On September 1<sup>st</sup>. 2004, following to the execution of 12 Nepali immigrant workers in Iraq, members of the public went on rampage, vandalised and burnt down buildings, offices and residences in a seemingly organised manner.

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<sup>3</sup> Insec Bulletin, 2004.

The launch of EFA, following the completion of BPEP II, is relatively slow, impacted as it is by the termination of temporary staff (originally recruited in BPEP I) in DOEDOE in Spring 2004. As examples could be mentioned, staffing in the Inclusive Education Section is reduced to two persons without prior experience in the field and in the Inspection and Supervision Division of the the only staffers with some experience and motivation is transferred before he has had a chance to present his draft plan for activities of the Division.

The requested an extra reimbursement of outstanding advances for textbooks and scholarships in BPEP II in order to be able to make a “fresh start” with regard to EFA.

The implementation of SESP is still slow and below par. The opts for an early SESP Mid-Term Review and announces intentions to have significant changes to the programme Core Document, in particular with regard to modalities of implementation. Perspective changes include school grant funding, salaries for teachers, addressing all 75 districts rather than the existing distinction between 10 programme intensive districts combined with the remaining 65 districts and shelving the formative research programme.

Due to these developments, relatively few new direct funded activities with regard to basic, primary education and secondary education are launched during the period of reporting.

## **Results for capacity change**

The Steering Committee (SC) for Danish direct funding has been formalised and has conducted its first meetings, deciding on principles for funding of activities and mechanisms for reporting. The Secretary of is chairing the Steering Committee and , Foreign Aid Coordination Section ( FACS) act as the secretariat.

In the late 2004, meeting there seemed to be some uncertainty in as to what extent central line agencies had been consulted on number and quality of activities. Representatives of the central line agencies confirmed in the meeting that they had been consulted in satisfactorily manner, and the /FACS had designed and organised a planning workshop for the planning of direct funding.

In spite of approval by the SC, direct funded activities are subject to additional approval procedure of , resulting in a parallel system, increasing transaction cost. At the time of approval for the plan, specific terms of references are not yet developed and technical assistance not yet been identified. This causes concern in the with regard to the overview of budgeting of activities and eventually spending.

During the period, direct funding facilitated a wide range of activities, some of which are thematically referred below:

*Children's right to education* was supported by Denmark through a joint venture with UNICEF, World Education and DOEDOE, launching an enrolment campaign termed “Welcome to School”. Danish direct funding meant that the campaign reached additional 12,000 schools. Hence 70% of all registered schools or 19,000 schools were supplied with 2 copies of the

enrolment material. Construction for toilets for girls in 159 schools was supported in one district as a supplement to an on-going DOEDOE program of the ASIP. Assistance was provided for the drafting of a Rapid Response Initiative for internally displaced persons (IDPs), requested by the Secretary of and involving DEOs from 6 districts with conflict induced internal displacements. The Initiative represents the first attempt by a Government institution to articulate a response to an emerging crisis as a direct outcome of the armed conflict. UNICEF and the Office of Coordination of Humanitarian Assistance as well as INGOs and NGOs working in the conflict and displacement area were consulted extensively while drafting the proposal. Information on IDPs was found to be scattered, fragmented and not reported. The same goes for a number of initiatives. Considerable efforts are made to bring stakeholders onto the same platform.

These activities all feed into the EFA framework and the Government responsibilities vis-à-vis the commitment as a signatory to the UN guidelines for IDPs.

*Adults' right to education* were promoted through the continuation of literacy mapping and social mobilisation pilot. The mapping used publicly available household data from the Central Bureau of Statistic and is a preparatory activity for the development of a village based planning tool. A review of the non-formal education policy was also supported, partly as part of a global UNESCO effort to gain insight into the correlation between non-formal education policies and practices. In particular, the review focuses on clarifying the role of Non-Formal Education Centre (NFEC). Apart from contribution to the general capacity building of the non-formal education sector, activities are also to be seen as supportive of the very ambitious goals of Poverty Reduction Strategy Paper (PRSP) for literacy and non-formal education. The strategy targets to increase the number of literate Nepalese by the end of 2007 to 63% (from 48%).

*Support to participation, governance and accountability* were continued through the assistance to development and further refinement of district education planning tools and school improvement planning. This development, one of the key achievements of the BPEP II, is supported through an institutional linkage with National Institute of Education, Planning and Administration (NIEPA), India. The linkage was partly disrupted by the disturbances in Nepal, postponing and compressing activities, but it was managed to carry out most of the planned activities, by re-allocating these to Kathmandu and making activities residential. The development of planning tools for district and school levels is a direct supportive input to the key strategy of to decentralise education management and administration. Apart from training a number of officers from the 5 pilot districts, planning materials and tools are developed. A District Education Plan appraisal manual was developed by participants and subsequently tested in pilot districts.

*Further support to governance and transparency* was provided through the development of an internet-based database for the education sector judiciary. All historical and existing regulations were collected, compiled, translated into English and uploaded into the database in both English and Nepali versions. Hard copies of all legal regulations were produced and distributed to 75 District Education Offices, development partners and stakeholders. The database and the hard copies of the judiciary –are updated regularly. Support, i.e. a legal library, was also provided to the Legal Section of . Further, assistance was provided with regard to the development of the 3<sup>rd</sup> Education Regulation. Exposure to education regulation

systems in Asia-Pacific meant that the initial plan to present the draft regulations very quickly was substituted by a work procedure that thoroughly and comprehensively looks into all aspects of the regulation. Hence, the finalisation and approval of the regulation was delayed while attempts were made to qualify and conduct additional consultations with regard to the final output of the process. A side effect of the exposure was that the strength of social dialogue for education policymaking and implementation of activities, say through involvement of a teacher union, became more acceptable. .

*Transparency and accountability* was supported through assistance for monitoring and reporting. Since 2001, Danish direct funding has been utilised to support the development of an Education Management Information System (EMIS), facilitated through an institutional linkage with International Institute of Educational Planning (IIEP) of UNESCO, Paris. The pilot was launched in Syangja and Jhapa. However, the political unrest has disturbed the pilot and activities have only been carried out with some difficulties. The finalisation of the pilot is delayed due to this situation. As part of the EFA 04-09, a new monitoring system has been introduced, titled Flash Survey I and II. The intention was to establish a reporting system that through *flashes* of educational achievements twice a year can trigger release of funds as well as be used for articulating funding commitments to the budget for the coming year. DOE, partly due to confusion on the distinction between the Education Statistics, the EMIS and the Flash, launched a full-fledged collection of data from all 27,000 schools. Financial support from UNESCO did not suffice and Danish direct funding were utilised, in collaboration with UNESCO and DOE, to facilitate all aspects of the first Flash II report. This report was disseminated to development partners at the consultations in December 2004.

*The quality education* is emerging time and again in public discussions and in discussions between partners as the most pertinent issue. Following the approval by the Teacher Education Council in July 2004 of the “Teacher Education Policy”, the development of an Institutional Capacity Building Plan (ICBP) for NCED was initiated. The outline of the plan addresses the totality of the teacher education, training and development for both primary and secondary teachers. The main concept was that NCED staff, supported by ESAT officers, should plan and undertake the development of the plan by themselves. Assistance was provided for the initial planning and organisation of the work, including for the necessary consultations with stakeholders. Contact was also established with CONSIDA, a consultancy company, recruited by Asian Development Bank (ADB) to implement the Teacher Education Project (TEP) at NCED. The TEP deals with primary teacher training only. Through the contact, CONSIDA staff was appraised of on-going activities, supplied with a comprehensive collection of teacher education documentation from earlier projects, activities and the judiciary as well as invited to coordinate future activities.

Support was given to the drafting of a national curriculum framework that took its point of departure in various analyses of the socio-economic interests and cultural of beneficiaries like women, Dalits, indigenous people, disabled etc. The principles behind the analyses were that they should be carried out by the groups of beneficiaries without external assistance. This was partly successful, keeping in mind that some of the contributors may have underestimated the complexity of participating in the programme. However, the curriculum framework was drafted on the basis of among others of these participatory studies and consultations with stakeholders began. The national curriculum framework is expected to be

presented to the Curriculum Development Centre and the for approval some time Spring 2005. Preparatory activities for assistance for the institutional capacity building of Curriculum Development Centre suffered a setback when Korean Institute of Curriculum and Evaluation announced that it, despite an already signed memorandum of understanding, would not be in a position to link up with CDC. The SLC research programme, consisting of 14 different study subjects, became operational and carried out initial research activities after adverse weather conditions and conflict delayed primary data collection plans. Data collection took place inside Nepal as well as in selected SAARC countries. Several stakeholder consultation meetings were conducted. A Steering Committee, chaired by a former Secretary and deputised by the Joint Secretary of the Planning Division was formed. The Steering Committee functions as the formal reference point for the Study Team.

The development of the curriculum framework and the reform of the examination system are both integral parts of the SESP as one on the 4 main development categories. They are represented as a separate objective of the programme as well as described in the programme log frame.

*Outstanding issues* comprise a number of activities and report submissions, funded through Danish direct funding that are not approved and/or have not been adopted by .

A selection of these is:

The Human Resource Development plan was requested in 1999 and finalised in 2002. It still awaits approval. The supplement, prepared for the SESP as part of the Interim Project, funded through Danish direct funding, is also awaiting approval. The content of the plans has not explicitly been reflected in the ASIP and AWP&B. The same goes for the Institutional Analysis, finalised in 2001 and the Situational Analysis of Faculty of Education of 2002. These were part of the same complex of proposed capacity building activities under BPEP II.

Formative research for secondary education was prepared for the SESP as part of the Interim Project in 2003, funded through Danish direct funding. The research, to be facilitated through an institutional linkage programme, has not yet been initiated.

The joint HIV/AIDS assessment, supported by European Commission, UNICEF and Denmark, was carried out in 2003. The recommendations from the assessment have not yet been reflected in the ASIP and AWP&B.

The Gender Audit, jointly supported by European Commission, UNICEF and Denmark, was carried out in 2001-2002. The recommendations from the audit have not yet explicitly been reflected in the ASIP and AWP&B.

In 2003, DOE requested assistance to improve capacity for “Physical Planning and Monitoring” through an institutional linkage. Comprehensive preparatory activities were undertaken in Nepal and abroad. A report was submitted in 2004, recommending purpose, scope and modalities of the institutional linkage. University of Lund, Sweden has accepted to head a global coalition. /DOE has yet to decide to request the formal establishment of the linkage and hence the capacity building.

In 2003, requested the development of a comprehensive “IT Master Plan”, outlining implementation and funding of an administrative IT support systems for *all* agencies of the Ministry. The plan includes development of specialised software for, administration of the School Leaving Certificate (SLC) examination administration, networking and software for Curriculum Development Centre and alike. Denmark committed to fund the gap between estimated cost and regular Government funding, obtained through the ASIP. However, the is still to approve the plan, its recommendations, reflect these in the AWP&B and request funding of the gap.

In 2003, requested, as part of an ADB inception mission that direct funding should be utilised to fund a review of “Teacher Management Systems” and “Teacher Support Systems”. Carried out by local consultants, reporting to a Steering Committee, chaired by the , reports were submitted inside the deadlines in 2004. However, the is still to approve the recommendations and reflect these in the AWP&B.

As part of the formal requirements for the implementation of the EFA 04-09, preparation of a Village Community Development Plan (VCDP) was supported in collaboration with the World Bank. The VCDP has been posted on the web-page, but it is not clear to what extent recommendations will be reflected in the AWP&B.

## **Brief presentation of key financial data**

The SESP budget for the six months between July 1 and December 31, 2004 was DKK 3.38 million. The total disbursements during this period amounted to DKK 3.66 million<sup>4</sup> which included expenditures of DKK 2.83 million already booked under the various direct funding activities, advances of DKK 0.74 million towards activities yet to be finalized and exchange differences.

The total disbursement of DKK 3.66 million deducted from the total receipts<sup>5</sup> of DKK 3.76 million left us with a closing balance of DKK 104,000 on 31<sup>st</sup> December 2004.

The total expenditure during this period is 84% of the corresponding budget. The disbursement for this reporting period is 6.4% of the total SESP direct funding grant and the total utilization of the SESP grant is only 7.8% till 31<sup>st</sup> December 2004. Therefore, out of the total SESP grant of DKK 57 million 92.2% is still unspent.

The BPEP budget for the six months between July 1 and December 31, 2004 was DKK 4.95 million. The total disbursements during this period amounted to DKK 5.54 million which included expenditures of DKK 5.27 million, advances of DKK 0.24 million towards activities not yet finalized, and exchange differences.

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<sup>4</sup> ESAT follows a cash system of accounting. Hence, for reporting purposes the activity expenditures reflected in the financial statements (Annex 11 C) do not include advances, dues and differences due to changes in exchange rates.

<sup>5</sup> Total receipts = bank balance brought forward from the previous period, transfers from the Danish Embassy, interest on bank balance, refunds from advance settlements

The total disbursement of DKK 5.54 million deducted from the total receipts of DKK 6.18 million left us with a closing balance of DKK 643,640 on 31<sup>st</sup> December 2004.

The total expenditure during this period exceeded the budget by 6.34%. While the disbursement for this period is 5.28% of the total BPEP II direct funding grant (1998 – 2003) of DKK 105 million, the cumulative disbursement from June 1998 till December 2004 is approximately 97.61%. Therefore, out of the total BPEP II budget of DKK 105 million 2.39% is still unspent.

This financial reporting corroborates with the Audit Report for this period submitted to the Embassy on July 5, 2004 as well as the six monthly reports on FORB2 for each month from July to December 2004.

There were no expenses under EFA during the reporting period.

Details of expenditure under direct funding activities is attached here as the quarterly financial report Annex 11 C.

## **Issues and proposed solutions**

The double approval system for activities presented to the Steering Committee seem to be increasing transaction cost and not allowing an adequate amount of flexibility. A threshold of Nrs. 2 million (DKK 165,000) would provide some flexibility in the administration of direct funding.

Reducing wastage and increasing efficiency of direct funded activities is still an issue without any or immediate apparent solution. Many activities are being prepared and planned for. Yet, when recommendations are submitted, approval is not given or recommendations are swallowed by time. As support for capacity building is an integral part of Danish assistance, it is recommended that the SC debate the issue, finding some viable forms of increasing the efficiency of decision-making on activities that are supported through direct funding.

Proposed solutions for issues concerning specific activities are recorded in the tables below.

## Part II

### Education in Nepal – Danish Direct Funding

|   |                                      |
|---|--------------------------------------|
| <b>Programme name:</b>                              | Support to School Education in Nepal |
| <b>Semi-annual Progress &amp; Financial Report:</b> | No. 1                                |
| <b>Reporting Period:</b>                            | July – December 2004                 |

|  |   |
|--|---|
| <b>National partner(s):</b> Ministry of Education and Sports   | <b>Contact details:</b>   |
| <b>Programme manager:</b> Director General<br>Chuman Singh Basnyat   | Department of Education,  |
| <b>Components:</b>   |   |
| <b>Education for All 2004-09</b>   | Department of Education,<br>Director General<br>Chuman Singh Basnyat  |
| <b>Secondary Education Support Programme 2003-09</b>   | Department of Education,<br>Director General<br>Chuman Singh Basnyat  |
| <b>Basic and Primary Education Programme II 1998-2004</b>  | Department of Education,<br>Director General<br>Chuman Singh Basnyat  |
| <b>Starting Dates:</b><br>EFA 2004-09      15 July 2004<br>SESP 2003-09      14. March 2003<br>BPEP II 1998-2004 29. May 1998              | <b>Last report:</b><br>Education Sector Advisory Team, Bi-annual Report, Kathmandu: (January – July 2004 – No. 21). |
| <b>Expected completion dates:</b><br>EFA 2004-09      15. July 2009<br>SESP 2003-09      14. March 2009<br>BPEP II 1998-2004 15. July 2004 |   |

## Status of implementation of Danish direct funding activities

| Component                | Status                           | Reason for delays  | Proposed actions |
|--------------------------|----------------------------------|--|------------------|
| <b>EFA 2004-09</b>       | No activities have been launched |  |                  |
| <b>SESP 2003-09</b>      | Activities are being implemented | In general, only very few delays due to imperfect planning and implementation modalities | See below        |
| <b>BPEP II 1998-2004</b> | Activities are being implemented | In general, only very few delays due to imperfect planning and implementation modalities | See below        |

## Any major deviations and issues related to the implementation of Danish direct funding activities for components

| Components               | Issues  | Recommendations to Steering Committee  |
|--------------------------|---|--|
| <b>EFA 2004-09</b>       | Despite plans and earlier preparations, activities have not been initiated this far                                 | The SC is recommended to debate why needed and pre-planned activities are not being approved or receiving final approval               |
| <b>SESP 2003-09</b>      | No issues   |  |
| <b>BPEP II 1998-2004</b> |   |  |
| Output 1:                | The final activity of the NIEPA institutional linkage on district planning has not yet been planned                 | It is recommended that the final seminar should either be planned or cancelled and NIEPA informed accordingly                          |
|                          | The final activity of the IIEP institutional linkage for EMIS and school mapping has not yet been planned           | DOEDOE is recommended that final activities (description of lessons learnt) should be carried out without further delay.               |
| Output 2:                | Delays, beyond what can be academically argued, are experienced with regard to finalisation of academic programmes. | Issue have been raised with Kathmandu University and . However, more could be done from the parties to ensure finalisation of studies. |
| Output 3:                | The report reviewing scholarships and the report on inclusion of  | With regard to the scholarship DOEDOE will continue work   |

|           |  |  |
|-----------|--|--|
|           | indigenous people were, despite innumerable efforts among other from DOE, very poor and could not directly feed into policy articulation | and present the revised criteria at a later stage.                                 |
| Output 4: | The 3 <sup>rd</sup> Education Regulation will be delayed due, among others to newly received information.                                | The Regulation will benefit with regard to quality – no corrective recommendations |

## Outstanding issues and follow-up

| Issue   | Solution/follow up, incl. timing   | Responsible agency | Status |
|---|--|--------------------|--------|
| Initiation of activities seem to be hampered by Steering Committee procedures | A reasonable threshold could enable financing of activities without prior decision by the Steering Committee | and Danish Embassy |        |
|   |  |                    |        |

## **Annex A.**

### **About Danish direct funding**

Direct funded activities are targeted at institutional capacity building and development, mainly in form of logistic and/or technical assistance through institutional linkage arrangements and short-term specialist consultancies for specific purposes. Activities eligible for direct funding can originate from all stakeholders in the education sector.

During the negotiations for development assistance to the education sector between Nepal and Denmark, the provision of direct funding has been agreed as a mechanism for quick and flexible access to funds with a view to facilitating institutional capacity development. The intention is to enable the /DOE and its constituents to carry out innovative and developmental activities, obtaining national, regional and global assistance, linkage and networking services, undertaking surveys, studies and other activities of a similar nature.

Danish direct funding amounts to DKK 40 million for EFA and DKK 53 million for SESP Danish direct funding is utilized according to the principles of sector-wide approach in education. Technical assistance (TA)/direct funding is synchronized with pooled as well as non-pooled programmes to fulfil unforeseeable technical gaps, and will be related to the Annual Strategic Implementation Plan (ASIP) and the Annual Working Plan and Budget (AWPB).

TA and direct funding for programme support through both long and short-term provisions for the implementation of education development activities will be coordinated with all development partners under the leadership of the to link directly to national programmes and activities in the education sector. The use of TA and direct funding in education will be guided by His Majesty's Government of Nepal (HMG/N's) Foreign Aid Policy 2002 and the Code of Conduct for Partnership in Education 2004.

Planning for direct funding assistance is a joint and collaborative process with participation of Education Sector Advisory Team (ESAT) and all relevant stakeholders. The Steering Committee, chaired by the Secretary of approves the activities for Danish direct funding.

Activities carried out through direct funding are monitored by the implementing agencies in collaboration with stakeholders. The focus of monitoring is on results (progress, outputs, outcome and impact), the process leading to the results, and assumptions underlying plans and activities.

ESAT focus on institutional capacity building in general and rolls this out through:

- facilitation of identification of needs and coordination of inputs of external expertise for institutional capacity building (primarily within the framework of institutional linkages),
- assistance in designing coherent multidisciplinary approaches to human resource development activities in sectoral institutions at all levels,

- promotion and facilitation of promotion of local knowledge through research and other forms of knowledge production,
- contribution to effective coordination of technical programs and initiatives between HMG/N and other donors within the educational sector as such.

The advisors and programme officers of ESAT advise with a view to develop a conducive environment for design and implementation of HMG/N education reforms.

The rationale for provision of the advisers is that they relate to the school education sector in its totality (and not specifically to Danish support). The advisors and programme officers are strategically located within the counterpart institutions, which made advisors' expertise and skills accessible to the system, in close collaboration, sharing of knowledge, and learning between the advisors and officers in the . The job descriptions for advisors are developed in close collaboration between the , the counterpart institution and ESAT.

To make the best possible use of human resources and expedite requests for funding without delay, an annual activity plans and budgets for the use of direct funding is approved by the Steering Committee.

ESAT together with the , DOE and Central Line Agencies (CLA) staff identify needs and activities that will facilitate implementation of the ASIP and secure planned targets. Based on the identified needs and jointly with the DOE, CLAs and ESAT compiles the plan of action and sends it for concurrence to the SC.

The ESAT activity plan and budget is revisited thrice a year in order to keep it abreast to the changed needs.

ESAT has developed working procedures, guidelines and norms in consultation with to specify procedural and operational details.

The question of TA coordination has been taken up several times, but not yet resolved. has announced that it is working on a plan, which will be consulted with donors. So far, coordination has mainly been done by pooling donors trying to keep each other informed about TA (exchange of TOR, information in meeting etc.).

Direct funding is reflected in the HMGH/N's Red Book system, and monitored through Government's regular review framework. Regular reporting of direct funded activities is the responsibility of counterpart institutions(s).

Direct funding is audited semi-annually and annually by an auditor appointed by the Danish Embassy.

## Achievements to objectives of components

| Components   | Annual output indicators  | Targets  | Results  | Budget<br>– 000 DKK | Expenditure<br>– 000 DKK |
|--|---|--|--|---------------------|--------------------------|
| <b>SESP 2003-09</b>  |   |  |  |                     |                          |
| Output 1:<br>Institutional capacity building and development | Identify needs, prepare and coordinate inputs of external expertise | Improve quality and responsiveness of teacher training       | A national curriculum for secondary education teacher training developed 6 major subjects(English, math, science, social studies, Nepali and health) | 314                 | 246                      |
|  |   |  | Identification of competences for Head Masters, development of pilot training materials and training of 25 Head Masters from Doti and Humla.         | 331                 | 284                      |
|  |   | Development of institutional capacity building plan for NCED | Training of 25 NCED officers in educational planning at NIEPA, India   | 496                 | 426                      |

|  |  |  |  |       |       |
|--|--|--|--|-------|-------|
|  |  | Assistance to CDC to develop a national curriculum framework                             | 5 participatory analyses of requirements for a responsive curriculum for women, child rights, Dalits, indigenous people, disabled initiated and consultative workshops conducted | 430   | 343   |
|  |  | To develop 3 <sup>rd</sup> Education Regulation in preparation of implementation of PRSP | Data collection, compilation, verification and entry   | 50    | 36    |
| Output 2:<br>Individual capacity building and development          | Assist design of multidisciplinary approaches to human resource development activities | To strengthen individual technical capacity  | Participation of and address by 4 DoE officers to UNESCO international seminar on Inclusive Education in Thailand  | 41    | 27    |
| Output 3:<br>Creation of knowledge assets for educational planning | Facilitate research and other forms of knowledge production                            | To compile and present information on the status of secondary education                  | A “Snapshot” of secondary education is being prepared by a group of educationists and presented for various stakeholders   | 8     | -21   |
|  |  | To prepare documentation for reform of examination system                                | Data collection for SLC research programme initiated and consultations with high level stakeholders  | 1.322 | 1.197 |

|  |   |   |   |    |    |
|--|---|---|---|----|----|
| Output 4:<br>Collaboration with other stakeholders to implement activities | Contribute to coordination and implementation of programs and initiatives | To prepare implementation of PID strategy | Conducted rapid assessment survey in 4 PIDs | 50 | 48 |
|  |   | To maintain a functional publishing cell  | Funding of operational cost                 | 50 | 38 |

### Achievements to objectives of components July – December 2004

| Components   | Annual output indicators  | Targets   | Results  | Budget – 000 DKK | Expenditure – 000 DKK |
|--|---|---|--|------------------|-----------------------|
| <b>BPEP II<br/>1998-2004</b>                                 |   |   |  |                  |                       |
| Output 1:<br>Institutional capacity building and development | Identify needs, prepare and coordinate inputs of external expertise | To strengthen capacity to plan at district level            | Preparation of manual for district appraisal of education planning and training of officers from 5 districts through linkage with NIEPA                      | 413              | 515                   |
|  |   | To strengthen capacity to collect and process data for EMIS | Continuation of linkage with IIEP on training and improvements of procedures for school mapping in Syangja and Jhapa districts                               | 226              | 298                   |
|  |   | To improve management system for teachers                   | Report submitted to MoES recommending measures to improve management of teachers as a follow-up to ADB mission on education of primary teachers in August 03 | 124              | 130                   |

|   |   |  |   |     |     |
|---|---|--|---|-----|-----|
|   |   | To improve support systems for teachers  | Report submitted to MoES recommending measures to improve support systems for teachers (the resource Centre system) as a follow-up to ADB mission on education of primary teachers in August 03   | 81  | 81  |
|   |   | To develop a policy framework for non-formal education   | Draft policy and strategy for implementation presented for stakeholder consultation and 5 year indicative plan, based on analysis of population census developed  | 29  | 32  |
|   |   | To adjust teaching-learning materials for Women education programme to new and reduced course period | Revised version of “functional literacy curriculum” for illiterate women and CRCs for 3 primers (textbooks) and 1 training manual were developed in collaboration with NFEC. The CRCs will mean that materials will be made available for 100.000 women annually. | 124 | 152 |
|   |   | To strengthen judicial capacity of MoES and make education regulations accessible to all             | Development of internet accessible legal database – <a href="http://www.education-law.gov.np">www.education-law.gov.np</a> - 1.100 copies of Education acts and regulations distributed to District Education Offices and Resource Centres                        | 132 | 136 |
|   |   | To prepare change to electronic handling of work processes throughout MoES                           | A comprehensive and detailed IT-master plan prepared and submitted to MoES in support of SESP and EFA allocations   | 48  | 48  |
| Output 2:<br>Individual capacity building and development | Assist design of multidisciplinary approaches to human resource | To strengthen general academic and research capacity   | Stipends for 4 students enrolled in MA/M.Phil/Ph.D programmes at Kathmandu University   | 31  | 31  |

|  |   |   |  |       |       |
|--|---|---|--|-------|-------|
|  | development activities  | To review criteria for and improve efficiency of scholarships   | Consultant report submitted to the SESP joint mission in December 04   | 29    | 29    |
|  |   | To improve understanding of mechanism for social inclusion of indigenous people                                     | A report, considering all Danish programme assistance in Nepal drafted and submitted to the Danish Embassy   | 83    | 89    |
| Output 4:<br>Collaboration with other stakeholders to implement activities | Contribute to coordination and implementation of technical programs and initiatives | To support enrolment campaign with materials in collaboration with World Education, UNICEF and DoE                  | Enrolment campaign materials for produced for 12.000 schools   | 1.000 | 1.000 |
|  |   | To improve access for girls with DEO in Rautahat  | Construction of 159 toilets for girls  | 735   | 735   |
|  |   | To make educational materials for flexible schooling classes available, targeting children from marginalised groups | Develop, produce and printed 15 sets of textbooks for three levels and training manuals for 3 classes the flexible schooling programme, benefiting approximately 20.000 students per year. | 29    | 32    |

|  |   |   |     |       |
|--|---|---|-----|-------|
|  | Development of 3 <sup>rd</sup> Education regulation in preparation of implementation of PRSP  | Due to exposure to legislation and practices in Asia-Pacific and assistance from a legal assistance the drafting process became more comprehensive than originally anticipated  | 388 | 413   |
|  | Preparation of data collection on EFA implementation  | Preparation and orientation of district officers with regard to Flash II data collection in collaboration with UNESCO to comply with Joint Financing Arrangement  | 10  | 12    |
|  | Preparation of EFA implementation   | A consultancy report to improve financial management and reporting, taking into account EFA and ASIP requirements, submitted to DoE   | 37  | 41    |
|  | Operational requirements of DoE and MoES to facilitate meetings and management  | Furniture and audiovisual equipment for executive offices and meeting rooms supplied and MoES Documentation Hall rehabilitated  | 950 | 1.103 |
|  | Change modality for planning and implementation of literacy programmes from quota to need-based, combined with social mobilisation processes. | Pilot research was undertaken in district of Rasuwa, Rupendehi and Doti to develop implementation and test modality for need-based planning of literacy programmes. Training of 25 master trainers in “Social mobilisation using Participatory Rural Assessment methodologies” was conducted to facilitate future village literacy education planning | 74  | 79    |

ANNEX 11C Quarterly financial report to the Representation (Programme name)

Programme period: July- Dec 2004  
 National implementing agency: ESAT  
 Financial Year: 2004  
 Status as at: 31-Dec-04

Representation File no.:

| S.N.        | Components/Outputs   | Original budget in DKK thousand | Total disbursements per end of report in NPR (July-September 04) [b] | Total budget this quarter (July-September 04) [c] | Balance on current year's budget [c - b = d] | Total disbursements per end of report (October-December 04) [e] | Total budget this quarter (October-December 04) [f] | Balance on current year's budget [f - e] = [g] | Total balance on current year's budget [d + g] = [h] | Total Expenses for July to Dec 2004 DKK [e + b] = [i] | Total budget for the period [c+f] = [j] |
|-------------|--|---------------------------------|--|---|--|---|---|--|--|---|---|
| <b>SESP</b> |  |                                 |  |   |  |   |   |  |  |   |   |
| 100104      | Preparation of implementation of PID strategy                        |                                 | 48.12  | 49.59   | 1.46   | 0.00  | 0.00  | 0.00   | 1.46   | 48.12   | 49.59                                   |
| 100105      | Procurement of GIS software  |                                 | 9.90   | 16.53   | 6.63   | 0.00  | 0.00  | 0.00   | 6.63   | 9.90  | 16.53                                   |
| 100106      | Equipment to Humla   |                                 | 13.62  | 20.66   | 7.04   | 0.00  | 0.00  | 0.00   | 7.04   | 13.62   | 20.66                                   |
| 200400      | Lay basis for reform of examination system                           |                                 | 447.80   | 495.87  | 48.07  | 748.95  | 826.45  | 77.50  | 125.57   | 1196.74   | 1322.31                                 |
| 200300      | Assistance to CDC to develop a national curriculum framework         |                                 | 173.37   | 206.61  | 33.25  | 169.29  | 223.14  | 53.85  | 87.10  | 342.65  | 429.75                                  |
| 200500      | Maintaining a functional publishing cell                             |                                 | 34.67  | 41.32   | 6.65   | 2.86  | 8.26  | 5.40   | 12.05  | 37.54   | 49.59                                   |
| 300500      | Development of institutional capacity building plan for NCED         |                                 | 0.00   | 0.00  | 0.00   | 425.71  | 495.87  | 70.16  | 70.16  | 425.71  | 495.87                                  |
| 300300      | Improve quality and responsiveness of teacher training               |                                 | 18.30  | 24.79   | 6.49   | 228.10  | 289.26  | 61.16  | 67.65  | 246.40  | 314.05                                  |
| 300400      | Demand Driven Teacher Training                                       |                                 | 0.00   | 0.00  | 0.00   | 283.72  | 330.58  | 46.86  | 46.86  | 283.72  | 330.58                                  |
| 400401      | Development of 3rd education regulation                              |                                 | 0.00   | 0.00  | 0.00   | 35.70   | 49.59   | 13.88  | 13.88  | 35.70   | 49.59                                   |
| 400601      | Compile and present information on the status of secondary education |                                 | -23.58   | 0.00  | -23.58                                       | 2.89  | 8.26  | 5.37   | -18.21   | -20.69  | 8.26                                    |
| 400700      | Strengthen technical capacity  |                                 | 0.00   | 0.00  | 0.00   | 26.80   | 41.32   | 14.52  | 14.52  | 26.80   | 41.32                                   |
| 500001      | ESAT Admin/Operation   |                                 | 0.00   | 0.00  | 0.00   | 189.24  | 247.93  | 58.69  | 58.69  | 189.24  | 247.93                                  |
|             | <b>Total</b>   |                                 | <b>722.19</b>  | <b>855.37</b>                                     | <b>86.02</b>                                 | <b>2113.27</b>  | <b>2520.66</b>                                      | <b>407.39</b>                                  | <b>493.41</b>  | <b>2835.46</b>  | <b>3376.03</b>                          |

Cash Flow Statement

| Particulars                             | Amount         |
|---|----------------|
| Balance brought forward from last year: | 453.87         |
| Cash received reporting year to date:   | 3306.54        |
| <b>Sub-total</b>                        | <b>3760.41</b> |
| Programme expenses year to date         | 3656.40        |
|   | 0.00           |
| <b>Closing balance</b>                  | <b>104.01</b>  |

| <b>BPEP</b> |   |  |                |                |                |                |                |               |                |                |                |
|-------------|---|--|----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|
| 11/52       | Strengthening of capacity to plan at district level   |  | 515.75         | 413.22         | -102.53        | 0.00           | 0.00           | 0.00          | -102.53        | 515.75         | 413.22         |
| 11/54       | Develop a policy framework for non-formal education   |  | 31.98          | 28.93          | -3.06          | 0.00           | 0.00           | 0.00          | -3.06          | 31.98          | 28.93          |
| 11/51       | Teacher Management System   |  | 129.99         | 123.97         | -6.03          | 0.00           | 0.00           | 0.00          | -6.03          | 129.99         | 123.97         |
| 11/34       | Making available educational materials for flexible schooling classes, targeting children from marginalised groups                            |  | 31.05          | 28.93          | -2.12          | 0.00           | 0.00           | 0.00          | -2.12          | 31.05          | 28.93          |
| 11/35       | Maintaining a functional publishing cell  |  | 2.84           | 2.48           | -0.36          | 0.00           | 0.00           | 0.00          | -0.36          | 2.84           | 2.48           |
| 12/51       | Adjust teaching-learning materials for Women education programme to new and reduced course period   |  | 151.63         | 123.97         | -27.66         | 0.00           | 0.00           | 0.00          | -27.66         | 151.63         | 123.97         |
| 13/64       | Symposium training-Strategic Choices for Higher Education   |  | 1.90           | 3.31           | 1.41           | 0.00           | 0.00           | 0.00          | 1.41           | 1.90           | 3.31           |
| 12/44       | Vocational education for children with disability-Jeevan Kalyan   |  | 4.21           | 4.13           | -0.08          | 0.00           | 0.00           | 0.00          | -0.08          | 4.21           | 4.13           |
| 12/44       | Computer & skill development income generating programme  |  | 2.91           | 2.89           | -0.02          | 0.00           | 0.00           | 0.00          | -0.02          | 2.91           | 2.89           |
| 12/55       | Review criteria for and improve efficiency of scholarships  |  | 29.00          | 28.93          | -0.07          | 0.00           | 0.00           | 0.00          | -0.07          | 29.00          | 28.93          |
| 12/44       | Lessons learned and best practices-Movies   |  | 1.02           | 0.99           | -0.03          | 0.00           | 0.00           | 0.00          | -0.03          | 1.02           | 0.99           |
| 12/44       | Building partnership with NGOs-BASE   |  | 0.00           | 0.00           | 0.00           | -103.33        | 0.00           | 103.33        | 103.33         | -103.33        | 0.00           |
| 13/51       | Improve support systems for teachers  |  | 81.01          | 80.99          | -0.02          | 0.00           | 0.00           | 0.00          | -0.02          | 81.01          | 80.99          |
| 11/35       | Improvement of teaching learning-IA Humla, Doti, Kanchanpur   |  | 3.27           | 3.22           | -0.05          | 0.00           | 0.00           | 0.00          | -0.05          | 3.27           | 3.22           |
| 11/44       | Procurement of books for National Association for School Library  |  | 4.58           | 4.55           | -0.04          | 0.00           | 0.00           | 0.00          | -0.04          | 4.58           | 4.55           |
| 13/61       | Strengthen general academic and research capacity   |  | 30.75          | 30.58          | -0.17          | 0.00           | 0.00           | 0.00          | -0.17          | 30.75          | 30.58          |
| 11/41       | Strengthen capacity to collect and process data for EMIS  |  | 277.70         | 206.61         | -71.09         | 31.81          | 28.93          | -2.88         | -73.97         | 309.50         | 235.54         |
| 13/51       | Prepare change to electronic handling of work processes throughout MoES   |  | 48.34          | 47.93          | -0.41          | 0.00           | 0.00           | 0.00          | -0.41          | 48.34          | 47.93          |
| 13/41       | Preparation of EFA implementation   |  | 40.80          | 37.19          | -3.61          | 0.00           | 0.00           | 0.00          | -3.61          | 40.80          | 37.19          |
| 13/51       | Improve understanding of mechanism for social inclusion of indigenous people  |  | 89.43          | 82.64          | -6.78          | 0.00           | 0.00           | 0.00          | -6.78          | 89.43          | 82.64          |
| 13/51       | Operational requirements of DoE and MoES to facilitate meetings and management  |  | 240.87         | 206.61         | -34.26         | 861.75         | 743.80         | -117.95       | -152.21        | 1102.62        | 950.41         |
| 13/51       | Strengthen judicial capacity of MoES and make education regulations accessible  |  | 116.53         | 115.70         | -0.83          | 18.98          | 16.53          | -2.45         | -3.28          | 135.51         | 132.23         |
| 11/41,11/51 | Change modality for planning and implementation of literacy programmes from quota to need-based, combined with social mobilisation processes. |  | 78.70          | 74.38          | -4.32          | 0.00           | 0.00           | 0.00          | -4.32          | 78.70          | 74.38          |
| 13/64       | Development of 3rd education regulation   |  | 232.27         | 214.88         | -17.40         | 181.01         | 173.55         | -7.46         | -24.85         | 413.28         | 388.43         |
| 13/13       | Access for girls with DEO in Rautahat   |  | 0.00           | 0.00           | 0.00           | 735.87         | 735.54         | -0.33         | -0.33          | 735.87         | 735.54         |
| 13/33       | Enrolment support materials with World Education, UNICEF and DoE  |  | 0.00           | 0.00           | 0.00           | 1000.00        | 1000.00        | 0.00          | 0.00           | 1000.00        | 1000.00        |
| 30/00       | ESAT Admin/Operation  |  | 358.36         | 347.11         | -11.26         | 37.56          | 33.06          | -4.50         | -15.76         | 395.92         | 380.17         |
|             | <b>Total</b>  |  | <b>2504.92</b> | <b>2214.13</b> | <b>-290.78</b> | <b>2763.64</b> | <b>2731.40</b> | <b>-32.24</b> | <b>-323.02</b> | <b>5268.56</b> | <b>4945.54</b> |

**Cash Flow Statement**

|      | Particulars                             | Amount         |
|------|---|----------------|
|      | Balance brought forward from last year: | 2421.61        |
| Add  | Cash received reporting year to date:   | 3765.38        |
|      | <b>Sub-total</b>                        | <b>6186.99</b> |
| Less | Programme expenses year to date         | 5543.35        |
|      | <b>Closing balance</b>                  | <b>643.64</b>  |

\_\_\_\_\_ [signature] \_\_\_\_\_

Program Manager