

**Direct Funding
Steering Committee**

**Minutes
of the 16th
Steering Committee meeting**

June 8, 2009

11:00 – 13:00

Ministry of Education

The Extraordinary Steering Committee meeting was attended by:

Steering Committee Positions.	Designation at Office	Name	Attendance
Chairperson	Joint Secretary, MoE	Mr. Arjun Bahadur Bhandari	Present
Member	Joint Secretary, MoE	Mr. Janardan Nepal	Present
Member	Joint Secretary, MoE	Mr. Gyan Darshan Udas	Present
Member	Joint Secretary, MoE	Mr. Laxmi Prasad Khatri	Present
Member	Joint Secretary, MoE	Mr Ram Prawesh Yadav	Present
Member	Joint Secretary, MoE	Dr. Lava Deo Awasthi	Present
Member	DG, TRO	Mr. Keshar Bahadur Baniya	Present
Member	Director, DoE	Mr. Prakash Raj Pandey	Present
Member - Secretary	Under Secretary	Dr. Lekha Nath Poudel	Present
Member	Sr. Prog. Officer, EOD	Mr Shiva Bhusal	Present
Member	Director, NCED	Ms. Usha Dixit	Present
Member	Deputy Director, CDC	Mr. Hari Shankar Manandhar	Present
Member	Deputy Director, NFEC	Mr. Laxman Khanal	Present
Member	Deputy Controller, OCE	Mr. Gopal Prasad Bhattarai	Present
Regular Invitee	CTA, ESAT	Mr. Frank Jensen	Present
Invitee	Finance Section, ESAT	Ms. Ratnaa Maharjan	Present
Invitee	Finance Section, ESAT	Ms. Sajani Shrestha	Present
Invitee	Finance, TRO	Mr. Kripa Ram Rijal	Present
Invitee	ESAT	Mr. Thomas Nielsen	Present
Invitee	Section Officer, FACS	Mr. Narayan Krishna Shrestha	Present
Invitee	Section Officer, FACS	Mr. Mukunda Mani Khanal	Present
Invitee	Under Secretary	Mr. Padam Raj Bhatta	Present
Invitee	Under Secretary	Mr. Tulashi Prasad Thapaliya	Present
Invitee	Senior Div Engineer	Mr. Shambhu Upreti	Present
Invitee	Deputy Director	Mr. Kamal Pokhrel	Present
Invitee	Under Secretary	Mr. Deepak Sharma	Present
Invitee	Vice President, EJJ	Mr. Prakash Silwal	Present
Invitee	General Secretary, EJJ	Mr. Sudarshan Sigdel	Present
Invitee	Section Officer, DoE	Mr. Bhim Bahadur Saud	Present
Representative	Section Officer	Mr. Indra Bahadur Kunwar	Present
Invitee	Section Officer	Mr. Dattatray Dahal	Present
Invitee	SPO, ESAT	Mr. Jeet Thapa	Present

The meeting started: 11:00.

The meeting ended: 13:00

The meeting was convened according to the following agenda:

Proposed Meeting Agenda

- 1 Approval of Proposed Agenda
 - 2 Approval of Minutes of 15th Meeting held April 17, 2009
 - 3 Presentation of Work Completed by Education Journalists Group
 - 4 Status of Outstanding Advances
 - 5 Status of Financial Progress
 - 6 Requests for revision
 - 7 New proposals
 - 8 Information from members
 - a) Ministry of Education
 - b) Embassy of Denmark
 - 9 Next SC Meeting
 - 10 AoB
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Item 1: Approval of Agenda

It was agreed that the proposed meeting agenda would serve the purpose of the meeting.

Decision 1:

The Proposed Agenda was approved

Item 2: Approval of Minutes of the 15th SC Meeting, April 17, 2009

Decision 2:

The minutes of the 15th SC meeting were approved without comments.

Item 3: Presentation of Work Completed by the Education Journalists Group (EJG)

Background:

EJG presented the work carried out and articles completed, with their major findings and recommendation, under the cooperation agreement with the Ministry of Education.

EJG shared that a total of 42 reports had been prepared and formed the background information for the articles produced and published in Aajako Shiksha Weekly that is printed in 10,000 copies and available in all 75 districts.

A copy of the Power-Point presentation made by the EJG is attached to these Minutes.

Discussion:

A number of SC members inquired about the method used for data collection as well as the background for and evidence behind some of the findings and recommendations presented. The EJG replied that an 'investigative journalism' approach had been applied and that the details would be in the 42 reports prepared that could be made available on request.

Item 4: Status of Outstanding Advances

The Secretariat presented the status of outstanding advances to the SC.

The presentation included:

- The critical outstanding advances from the previous financial year 2007/08, and
- The amount of outstanding advance from the current fiscal year that is older than 3 months by implementing agency and activity area.

The information to the SC members is presented in the tables below.

Table 1: Outstanding Advances from the Financial Year 2007/08

Output #	Line Agency	Description Detail	Balance
1.4.2.4	NFEC	VEP: Sindupalchowk	136,000
1.2.6.7	DOE	Child Tracking	672,867
Total Outstanding Advance			808,867

Table 2: Outstanding Advances older than 3 months from the Financial Year 2008/09

Output #	Line Agency	Description Detail	Balance
1.4.1	NFEC	Open Learning	50,949
1.4.2	NFEC	VEP – 2 nd Instalment	2,082,153
2.4.7	NFEC	CLC Siraha	300,000
	NFEC	Total	2,433,102
1.3.2	DOE	Multi-grade Teaching	105,600
1.2.4	DOE	Software Development and Installation	647,788
1.2.7	DOE	PTA/SMC Social Audit	11,770,908
	DOE	Total	12,524,296
2.2.2.3	CDC	Distribution of Specification Grid	73,361
2.4.23	CDC	CDC's Visual Dissemination	107,040
	CDC	Total	180,401
Total Outstanding Advance (> 3 months old)			15,137,401

The SC noted that there had been no development since the last SC meeting held in April.

The outstanding amount from the fiscal year 2007/08 remains unchanged at NRS 808,867; whereas the amount outstanding for more than 3 months within the current fiscal year had increased to just above NRS 15 million.

The SC re-iterated the importance of settling the outstanding advances at the earliest and the representative from the EOD pointed out that it is worrying that the agreements made during earlier meetings were not adhered to by the concerned agencies.

DOE informed the SC members that the NRS 672,867 outstanding from the fiscal year 2007/08 had been spent but since the activities had been carried out at district level, the DOE faced problems collecting the documentation. However, accounts would be submitted to the Secretariat shortly.

NFEC shared that the activities had been carried out, but that the transfer of the concerned person in the district had delayed the settlement of the advance. NFEC shared that the person had been contacted and that the advance will be settled soon.

Decision 3:

It was agreed that:

NFEC and DOE will within one week prepare and submit to the Secretariat a report explaining the status of the outstanding advance from the financial year 2007/08, including an explanation of where the funds are, what they are intended used for, and when they can be fully used and accounted for or returned to ESAT.

In addition, DOE will also submit a similar explanation for the outstanding advances older than 3 months for the current fiscal year.

Item 5: Status of Financial Progress

Background

During its earlier meetings the SC has noted that both financial and physical progress continue to fall short of expectations.

Following the SC meeting in December 2008, the Secretariat has been requested to prepare a brief presentation on the status of financial and physical progress in order to keep the SC members up-to-

date and to facilitate the SC's work of taking appropriate actions to ensure the optimal utilisation of the DF facility.

Presentation

The Secretariat presented the status of financial progress till end of May 2009. The presentation, made in PowerPoint is attached to these minutes.

The SC agreed that financial progress remains low and far below what should be expected at this point in time.

A summary of the financial rate of implementation by agency and programme is shown in Table 3 below.

Table 3: Summary of Financial Progress by Programme and Implementing Agency

Implementing Agency	Financial Progress	
	EFA	SESP
DOE	44%	10%
CDC	76%	31%
NFEC	47%	35%
MOE	0%	67%
NCED	-	26%
OCE	-	0%
Average	41%	46%

The Secretariat shared a rough estimate of the amount of funds that can be transferred to the Government's Red Book given the current rate of implementation. The Secretariat shared that the current amount of un-programmed funds ready for transfer amounts to NRS 20.7 million.

In addition the Secretariat estimated that the maximum budget implementation rate that can be achieved under the current conditions will be 75%, leaving a sum of NRS 56.2 million unspent. Hence, the total estimated funds for possible transfer to the Government's Red Book amounts to NRS 76.9 million.

Discussion

It was pointed out that low financial progress remains a serious cause for concern. It was also noted that all implementing agencies had been given ample chance to adjust their Direct Funding plans and budgets over that past months and that there therefore was no excuse for low implementation rates by end of this financial year.

Decision 4:

It was agreed that after being given the opportunity to adjust their plans and budgets all implementing agencies should now prioritise the implementation of the Direct Funding activities and ensure that all outputs are delivered in accordance with the approved plans.

Item 6: Requests for revision

The Secretariat had received two requests for revisions summarised in Table 5 below.

Table: 5: Summary of requests for revisions and net budgetary effect

Activity Area	Line Agency	Revision Details	Budget Effect
1.5.1	MOE	Revitalisation of the earlier approved activity aimed at preparing a Code of Conduct for Gender Policy Implementation	300,000
2.4.5	MOE	Addition of 1 new output allowing participation in the international workshop on information literacy	35,000
Total budget effect of approving revision requests			335,000

The SC discussed both the above requests and pointed out the need for the concerned agency to ensure that the activities are carried out soon and the outputs delivered in time.

Decision 5:

The Steering Committee approved both of the above requests for revision.

Item 7: New Proposals

The Secretariat has received 1 new proposal, that if approved will increase the total programmed budget with NRs 3.2 million. A brief overview of the received proposals and their budget requirements is provided in Table 6 below.

Table: 6: Summary of New Proposals

#	Proposing Agency	Activity	Budget (NRS)
1	DOE	Prototype Construction and Technical Testing of Climate Responsive School Building Models, using alternative cost effective building materials	3,200,000
Total budget effect of approving revision requests			3,200,000

The SC discussed the proposal and agreed in principle to its approval, but would like to receive a detailed plan of implementation and break down of cost by output before any funds are released. DOE was requested to share a more detailed description of the concept as well as a detailed and costed plan of implementation with the Secretariat before releases are made.

Decision 6:

The Steering Committee agreed to approve the proposal in principle, based on the understanding that a detailed description of the concept together with a detailed and costed plan of implementation would be submitted to the Secretariat before release of funds.

Item 8: Information from Members

The representative from the Embassy of Denmark shared key observations from a recent field visit to Hetauda where the OLPC initiative in Makwanpur district was observed.

Item 9: Next Steering Committee Meeting

The SC discussed the date for the next SC meeting in view of the SC's need to keep track of the current over-programming and closely monitor how the approved activities progress over the coming months.

It was agreed that the next SC meeting will be held on the 17th of August 2009.

The focus of this SC meeting would be on:

- 1) Reviewing the status of outstanding advances;
- 2) Reviewing the year-end status of physical and financial progress of approved activity areas;

- 3) Presentation and discussion of the Audit Report emphasizing its findings and recommendations; and
- 4) Agreeing on transfer of unspent funds to the Government Red Book.

Decision:

It was agreed that the next SC meeting will be held on the 17th of August 2009.

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Mr. Arjun Bahadur Bhandari
Joint Secretary
Chairman, Direct Funding Steering Committee

Date: 20 June 2009

Dr. Lekha Nath Poudel
Under Secretary, FACS MoE

Frank Jensen
CTA, ESAT

The Secretariat, Direct Funding Steering Committee